

Shell Midstream Partners, L.P.
Form 424B3
January 29, 2016
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**Filed pursuant to Rule 424(b)(3)
Registration No. 333-204906**

PROSPECTUS

7,692,308 Common Units

Representing Limited Partner Interests

This prospectus covers the offer and resale of common units by the selling unitholders identified on page 5 of this prospectus. We will not receive any proceeds from these resales.

The selling unitholders may offer and sell the common units from time to time. The selling unitholders may offer the common units at prevailing market prices, at prices related to such prevailing market prices, at negotiated prices or at fixed prices.

Our common units are listed on the New York Stock Exchange, or NYSE, under the symbol SHLX. On January 27, 2016, the last reported sale price of the common units on the NYSE was \$35.15.

Investing in our common units involves a high degree of risk. Before buying any common units, you should carefully read the discussion of material risks of investing in our common units in Risk Factors beginning on page 2.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Prospectus dated January 28, 2016

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We have not authorized anyone to provide any information or to make any representations other than those contained in this prospectus or incorporated by reference in this prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. You should not assume that the information in this prospectus is accurate as of any date other than the date on the cover page of this prospectus or that any information we have incorporated by reference is accurate as of any date other than the date of the documents incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since those dates. We are not, and the selling unitholders are not, making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted.

This prospectus contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. Please read **Risk Factors** and **Forward-Looking Statements**.

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ABOUT THIS PROSPECTUS

Unless the context otherwise requires, references in this prospectus to Shell Midstream Partners, the Partnership, us, our, we, or similar expressions for time periods from November 3, 2014, the closing date of our Initial Public Offering (IPO), refer to Shell Midstream Partners, L.P. and its subsidiaries. References to the Partnership or other expressions defined above for time periods prior to our IPO refer to our predecessor for accounting purposes. The predecessor's financial results included in our financial statements contain the financial results of the following entities for the time periods indicated below.

For the accounting periods through June 30, 2014, the predecessor's financial results are those of the crude oil pipeline system from Houston, Texas to Houma, Louisiana (Ho-Ho) wholly owned by Shell Pipeline Company LP (SPLC). On July 1, 2014, SPLC formed a wholly owned subsidiary, Zydeco Pipeline Company LLC (Zydeco), to receive the fixed assets and certain agreements of Ho-Ho and other related fixed assets of SPLC. For the accounting periods between July 1, 2014 and November 2, 2014, the predecessor's financial results are those of Zydeco.

References to Shell refer collectively to Royal Dutch Shell plc and its controlled affiliates, other than us, our subsidiaries and our general partner.

SHELL MIDSTREAM PARTNERS, L.P.

Shell Midstream Partners, L.P. (NYSE: SHLX) is a fee-based, growth-oriented master limited partnership formed by Shell to own, operate, develop and acquire pipelines and other midstream assets. Our assets consist of interests in entities that own crude oil and refined products pipelines and a crude storage terminal. Our pipelines serve as key infrastructure to transport and store growing onshore and offshore crude oil production to Gulf Coast refining markets and to deliver refined products from those markets to major demand centers. We generate substantially all of our revenue under long-term agreements by charging fees for the transportation of crude oil and refined petroleum products through our pipelines. We do not engage in the marketing and trading of any commodities. Our operations comprise one reportable segment containing our portfolio of pipelines and other midstream assets.

We own interests in four crude oil pipeline systems, two refined products systems and a crude storage terminal. The crude oil pipeline systems, which are held by Zydeco, Mars Oil Pipeline Company (Mars), Pecten Midstream LLC (Pecten) and Poseidon Oil Pipeline Company, L.L.C. (Poseidon), are strategically located along the Texas and Louisiana Gulf Coast and in the Gulf of Mexico. These systems link major onshore and offshore production areas with key refining markets. The refined products pipeline systems, which are held by Bengal Pipeline Company LLC (Bengal) and Colonial Pipeline Company (Colonial), connect Gulf Coast and southeastern U.S. refineries to major demand centers from Alabama to New York. The crude storage terminal, which is held by Pecten, is located southwest of Chicago with two million barrels of storage capacity that feeds regional refineries, while also offering strategic trading opportunities.

Our general partner, Shell Midstream Partners GP LLC, is a Delaware limited liability company and has ultimate responsibility for conducting our business and managing our operations.

Our principal executive offices are located at One Shell Plaza, 910 Louisiana Street, Houston, Texas 77002, and our telephone number is (713) 241-6161.

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RISK FACTORS

An investment in our securities involves a high degree of risk. You should carefully consider the risks described in our filings with the SEC referred to under the heading "Where You Can Find More Information," as well as the risks included and incorporated by reference in this prospectus, including the risk factors incorporated by reference herein from Part I, Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2014, the Updates to Risk Factors included in Exhibit 99.2 of our Current Report on Form 8-K filed on July 2, 2015, and Part II, Item 1A. Risk Factors of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2015, as well as the other documents we file with the SEC after the date of this prospectus and that are incorporated by reference herein. If any of these risks were to occur, our business, financial condition or results of operations could be adversely affected. In that case, the trading price of our securities could decline and you could lose all or part of your investment.

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FORWARD-LOOKING STATEMENTS

Some of the information in this prospectus, any prospectus supplement and the documents we incorporate by reference may contain forward-looking statements. You can identify our forward-looking statements by the words anticipate, estimate, believe, budget, continue, could, intend, may, plan, potential, predict, se objective, projection, forecast, goal, guidance, outlook, effort, target and similar expressions.

We based the forward-looking statements on our current expectations, estimates and projections about us and the industries in which we operate in general. We caution you these statements are not guarantees of future performance as they involve assumptions that, while made in good faith, may prove to be incorrect, and involve risks and uncertainties we cannot predict. In addition, we based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. Accordingly, our actual outcomes and results may differ materially from what we have expressed or forecast in the forward-looking statements. Any differences could result from a variety of factors, including the following:

The continued ability of Shell and our non-affiliate customers to satisfy their obligations under our commercial and other agreements.

The volume of crude oil and refined petroleum products we transport or store.

The tariff rates with respect to volumes that we transport through our regulated assets, which rates are subject to review and possible adjustment by federal and state regulators.

Changes in revenue we realize under the loss allowance provisions of our fees and tariffs resulting from changes in underlying commodity prices.

Fluctuations in the prices for crude oil and refined petroleum products.

The level of onshore and offshore (including deepwater) production and demand for crude by U.S. refiners.

Changes in global economic conditions and the effects of a global economic downturn on the business of Shell and the business of its suppliers, customers, business partners and credit lenders.

Liabilities associated with the risks and operational hazards inherent in transporting and storing crude oil and refined petroleum products.

Curtailed operations or expansion projects due to severe weather disruption; riots, strikes, lockouts or other industrial disturbances; or failure of information technology systems due to various causes, including

unauthorized access or attack.

Costs or liabilities associated with federal, state and local laws and regulations relating to environmental protection and safety, including spills, releases and pipeline integrity.

Costs associated with compliance with evolving environmental laws and regulations on climate change.

Costs associated with compliance with safety regulations, including pipeline integrity management program testing and related repairs.

Changes in the cost or availability of third-party vessels, pipelines, rail cars and other means of delivering and transporting crude oil and refined petroleum products.

Direct or indirect effects on our business resulting from actual or threatened terrorist incidents or acts of war.

The factors generally described in **Risk Factors** in this prospectus and any prospectus supplement, in Part I, Item 1A. **Risk Factors** of our Annual Report on Form 10-K for the year ended December 31, 2014, the **Updates to Risk Factors** included in Exhibit 99.2 of our Current Report on Form 8-K filed on July 2, 2015 and Part II, Item 1A. **Risk Factors** of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2015.

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USE OF PROCEEDS

All of the common units covered by this prospectus are being sold by the selling unitholders. See [Selling Unitholders](#). We will not receive any proceeds from these sales of our common units.

SELLING UNITHOLDERS

This prospectus covers the offering for resale of up to an aggregate of 7,692,308 common units that may be offered and sold from time to time by the selling unitholders identified below under this prospectus, subject to any appropriate adjustment as a result of any unit subdivision, split, combination or other reclassification of our common units. The selling unitholders identified below may currently hold or acquire at any time common units in addition to those registered hereby. The selling unitholders acquired the common units pursuant to a purchase and sale agreement with us dated May 12, 2015. On May 18, 2015, we entered into an agreement containing registration rights with the selling unitholders pursuant to which we were obligated to prepare and file a registration statement to permit the resale of certain common units held by the selling unitholders from time to time as permitted by Rule 415 promulgated under the Securities Act of 1933, as amended, or the Securities Act. We are registering the common units described in this prospectus pursuant to this agreement. In addition, the selling unitholders identified below may sell, transfer or otherwise dispose of some or all of their common units in private placement transactions exempt from or not subject to the registration requirements of the Securities Act. Accordingly, we cannot give an estimate as to the amount of common units that will be held by the selling unitholders upon completion or termination of this offering.

Information concerning the selling unitholders may change from time to time, including by addition of additional selling unitholders, and, if necessary, we will amend or supplement this prospectus accordingly. To our knowledge, none of the selling unitholders has, or has had within the past three years, any position, office or other material relationship with us or any of our predecessors or affiliates, other than its ownership of common units.

We have prepared the table, the paragraph immediately following this paragraph, and the related notes based on information supplied to us by the selling unitholders on or prior to January 5, 2016. We have not sought to verify such information. Additionally, some or all of the selling unitholders may have sold or transferred some or all of the common units listed below in exempt or non-exempt transactions since the date on which the information was provided to us. Other information about the selling unitholders may change over time.

Certain selling unitholders are affiliates of broker-dealers (but are not themselves broker-dealers). Each of these broker-dealer affiliates purchased the securities identified in the table as beneficially owned by it in the ordinary course of business and, at the time of that purchase, had no agreements or understandings, directly or indirectly, with any person to distribute those securities. These broker-dealer affiliates did not receive the securities to be sold in the offering as underwriting compensation.

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The selling unitholders, or their partners, pledgees, donees, transferees or other successors that receive the units and their corresponding registration in accordance with the registration rights agreement to which the selling unitholder is party (each also a selling unitholder for purposes of this prospectus), may sell up to all of the common units stock shown in the table below under the heading Offered Hereby pursuant to this prospectus in one or more transactions from time to time as described below under Plan of Distribution. However, the selling unitholders are not obligated to sell any of the common units offered by this prospectus.

| Selling Unitholder | Number of Common Units | | | As a Percent of Total Outstanding After the Offering |
|--|--|-------------------|--|---|
| | Beneficially Owned Prior to the Offering | Offered Hereby | Beneficially Owned After the Offering** | |
| Baron Asset Fund ⁽¹⁾ | 919,492 | 134,746 | 784,746 | * |
| Baron Fifth Avenue Growth Fund ⁽¹⁾ | 72,288 | 13,082 | 59,206 | * |
| Baron Energy and Resources Fund ⁽¹⁾ | 47,297 | 6,018 | 41,279 | * |
| Cohen & Steers Global Infrastructure Fund, Inc. ⁽²⁾ | 19,600 | 19,600 | | |
| Cohen & Steers Infrastructure Fund, Inc. ⁽²⁾ | 398,406 | 175,100 | 223,306 | * |
| Cohen & Steers MLP Income And Energy Opportunity Fund, Inc. ⁽²⁾ | 54,000 | 54,000 | | |
| Cohen & Steers MLP & Energy Opportunity Fund, Inc. ⁽²⁾ | 7,710 | 7,710 | | |
| Cushing Fund LP ⁽³⁾ | 77,200 | 16,100 | 61,100 | * |
| Swank MLP Convergence Fund, LP ⁽³⁾ | 56,500 | 12,200 | 44,300 | * |
| Cushing MLP Opportunity Fund, LP ⁽³⁾ | 277,600 | 60,600 | 217,000 | * |
| Cushing MLP Market Neutral Fund, LP ⁽³⁾ | 28,405 | 7,105 | 21,300 | * |
| The Cushing MLP Total Return Fund ⁽³⁾ | 32,200 | 32,200 | | |
| Eagle Income Appreciation Partners, LP ⁽⁴⁾ | 374,755 | 242,125 | 132,630 | * |
| Eagle Income Appreciation II, LP ⁽⁴⁾ | 536,869 | 347,619 | 189,250 | * |
| Goldman Sachs MLP Energy Infrastructure Fund ⁽⁵⁾ | 2,498,271 | 615,385 | 1,882,886 | 2.23% |
| Prudential Utility Fund d/b/a Prudential Jennison Utility Fund, a series of Prudential Sector Funds, Inc. ⁽¹⁾ | 892,907 | 553,983 | 338,924 | * |
| Prudential Jennison MLP Fund, a series of Prudential Investment Portfolios 18 ⁽¹⁾ | 109,035 | 8,783 | 100,252 | * |
| Kayne Anderson MLP Investment Company ⁽⁶⁾ | 400,000 | 400,000 | | |
| Kayne Anderson Energy Total Return Fund, Inc. ⁽⁶⁾ | 113,305 | 113,305 | | |
| Kayne Anderson Midstream/Energy Fund, Inc. ⁽⁶⁾ | 7,405 | 7,405 | | |
| Kayne Anderson Energy Development Company ⁽⁶⁾ | 150,505 | 128,205 | 22,300 | * |
| Nationwide Mutual Insurance Company ⁽⁶⁾ | 185,185 | 185,185 | | |
| Massachusetts Mutual Life Insurance Company ⁽⁶⁾ | 92,593 | 92,593 | | |
| Kayne Anderson MLP Fund, L.P. ⁽⁷⁾ | 781,367 | 166,667 | 614,700 | * |
| Energy Infrastructure Fund, L.P. ⁽⁷⁾ | 76,681 | 31,481 | 45,200 | * |
| Kayne Anderson Midstream Institutional Fund, L.P. ⁽⁷⁾ | 501,285 | 35,185 | 466,100 | * |
| Kayne Anderson Real Assets Fund, L.P. ⁽⁷⁾ | 24,307 | 7,407 | 16,900 | * |
| | 8,952 | 1,852 | 7,100 | * |

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Kayne Institutional Energy Growth and Income Fund,
L.P.⁽⁷⁾

| | | | | |
|--|---------|--------|--------|---|
| Kayne Anderson Capital Income Partners (QP), L.P. ⁽⁷⁾ | 101,556 | 55,556 | 46,000 | * |
| Kayne Anderson Income Partners, L.P. ⁽⁷⁾ | 7,904 | 3,704 | 4,200 | * |
| FirstEnergy Corp Master Pension Plan ⁽⁸⁾ | 126,596 | 46,296 | 80,300 | * |
| FirstEnergy Corp (FENGenco) BV1 Q ⁽⁸⁾ | 23,963 | 12,963 | 11,000 | * |
| FirstEnergy Corp (FENGenco) DB Q ⁽⁸⁾ | 17,659 | 9,259 | 8,400 | * |
| FirstEnergy Corp (FENGenco) PY Q ⁽⁸⁾ | 28,515 | 14,815 | 13,700 | * |
| FirstEnergy Corp Toledo Edison Company ⁽⁸⁾ | 14,457 | 7,407 | 7,050 | * |
| Commonwealth of Pennsylvania State Employees Retirement System ⁽⁸⁾ | 76,933 | 33,333 | 43,600 | * |

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| Selling Unitholder | Number of Common Units | | | As a Percent of Total Outstanding After the Offering |
|---|--|-------------------|--|---|
| | Beneficially Owned Prior to the Offering | Offered Hereby | Beneficially Owned After the Offering** | |
| Texas Mutual Insurance Company ⁽¹⁴⁾ | 10,492 | 3,704 | 6,788 | * |
| Kaiser Foundation Hospitals ⁽⁸⁾ | 65,633 | 33,333 | 32,300 | * |
| MTP Energy Master Fund LTD ⁽⁹⁾ | 256,410 | 256,410 | | |
| The Northwestern Mutual Life Insurance Company ⁽¹⁰⁾ | 256,410 | 128,205 | 128,205 | * |
| Salient MLP Fund, L.P. ⁽¹¹⁾ | 449,961 | 87,780 | 362,181 | * |
| Salient MLP & Energy Infrastructure Fund II ⁽¹¹⁾ | 453,465 | 95,865 | 357,600 | * |
| Commonwealth of Pennsylvania Public School Employees Retirement System ⁽¹²⁾ | 863,899 | 163,240 | 700,659 | * |
| Ohio Police and Fire Pension Fund ⁽¹³⁾ | 266,060 | 37,730 | 228,330 | * |
| Tortoise Energy Infrastructure Corporation ⁽¹⁴⁾ | 1,597,369 | 226,272 | 1,371,097 | 1.63% |
| Tortoise MLP Fund, Inc. ⁽¹⁴⁾ | 840,435 | 114,978 | 725,457 | * |
| Tortoise Power and Energy Infrastructure Fund, Inc. ⁽¹⁴⁾ | 31,927 | 13,903 | 18,024 | * |
| Tortoise Energy Independence Fund, Inc. ⁽¹⁴⁾ | 51,895 | 21,139 | 30,756 | * |
| Tortoise MLP & Pipeline Fund ⁽¹⁴⁾ | 540,925 | 241,342 | 299,583 | * |
| Tortoise Pipeline & Energy Fund, Inc. ⁽¹⁴⁾ | 55,452 | 23,022 | 32,430 | * |
| Tortoise VIP MLP & Pipeline Portfolio ⁽¹⁴⁾ | 806 | 370 | 436 | * |
| ZP Energy Fund, L.P. ⁽¹⁵⁾ | 344,400 | 344,400 | | |

* Represents less than 1%.

** Assumes each selling unitholder sells all of the common units shown under Offered Hereby.

- (1) The selling unitholder is a registered investment company under the Investment Company Act of 1940.
- (2) Cohen & Steers Capital Management, Inc., a wholly owned subsidiary of Cohen & Steers, Inc., is the selling unitholder's investment manager and has sole voting and investment power over the common units held by the selling unitholder. Robert Becker and Ben Morton serve as portfolio managers of the selling unitholder.
- (3) Cushing Asset Management, LP serves as the investment adviser and, as applicable, the general partner to the selling unitholder. Swank Capital, LLC serves as the general partner of Cushing Asset Management, LP, which holds voting and dispositive power with respect to the common units held by the selling unitholder. Jerry V. Swank is the principal and control person of Swank Capital, LLC. As principal of Swank Capital, LLC, Mr. Swank may direct the vote and disposition of the common units held by the selling unitholder.
- (4) Eagle Global Advisors, LLC serves as the investment manager of the selling unitholder.
- (5) Goldman Sachs Asset Management L.P. serves as the investment adviser to the selling unitholder.
- (6) KA Fund Advisors, LLC serves as the investment manager of the selling unitholder. Richard Kayne is the controlling owner of KA Fund Advisors, LLC.
- (7) Kayne Anderson Capital Advisors, L.P. serves as the general partner and investment manager of the selling unitholder. Richard Kayne is the controlling owner of Kayne Anderson Capital Advisors, L.P.
- (8) Kayne Anderson Capital Advisors, L.P. serves as the investment manager of the selling unitholder. Richard Kayne is the controlling owner of Kayne Anderson Capital Advisors, L.P.
- (9) Magnetar Financial LLC is the sole member of MTP Energy Management LLC, the investment manager of the selling unitholder. Alec Litowitz has voting power over Supernova Management LLC, the general partner of Magnetar Capital Partners LP, the sole member of Magnetar Financial LLC.

- (10) Mutual Investment Management Company, LLC serves as the investment manager of the selling unitholder. Christopher Swain, John Kendall, Michael Johnson, Mary Linehan, Steven Lyons, Ramona Rigers-Windsor, Steve Swanson, Brian Yeazel have voting power over the selling unitholder.
- (11) Salient Capital Advisors, LLC serves as the investment adviser of the selling unitholder and holds voting and dispositive power with respect to the common units held by the selling unitholder. Gregory A. Reid, Managing Director, and Lee Partridge, Chief Investment Officer, have control over the selling unitholder as officers of Salient Capital Advisors, LLC.

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- (12) Salient Capital Advisors, LLC serves as the investment adviser of the selling unitholder and holds voting and dispositive power with respect to the common units held by the selling unitholder. James Grossman, Jr., the Authorized Person for Commonwealth of Pennsylvania Public School Employees Retirement System, holds voting and investment power over the common units held by Commonwealth of Pennsylvania Public School Employees Retirement System.
- (13) Salient Capital Advisors, LLC serves as the investment adviser of the selling unitholder and holds voting and dispositive power with respect to the common units held by the selling unitholder. Theodore H. Hall, the Chief Investment Officer of Ohio Police and Fire Pension Fund, holds voting and investment power over the common units held by Ohio Police and Fire Pension Fund.
- (14) Tortoise Capital Advisors, L.L.C. serves as the investment adviser to the selling unitholder and holds voting and dispositive power with respect to the common units held by the selling unitholder.
- (15) Zimmer Partners, LP serves as the investment manager to the selling unitholder. Stuart J. Zimmer, managing member of Zimmer Partners GP, LLC, the general partner of Zimmer Partners, LP, has control over the selling unitholder.

Private Placement

In May 2015, we sold an aggregate 7,692,308 common units to the selling unitholders at a price of \$39.00 per unit in a private placement. In connection with this private placement, we entered into a registration rights agreement with the selling unitholders, which provides registration rights with respect to the common units purchased in the private placement. We were generally required to file this registration statement to register the resale of such common units under the Securities Act, within 30 days of the closing of the private placement. We are subject to certain covenants under the terms of the registration rights agreement, including the requirement that this registration statement be kept effective for resale of common units until such common units have been sold or disposed of by the selling unitholders, subject to certain blackout periods when sales may not be made by these investors. In certain situations, we are required to indemnify these investors, including without limitation, for certain liabilities under the Securities Act.

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PLAN OF DISTRIBUTION

As of the date of this prospectus, we have not been advised by the selling unitholders as to any plan of distribution. Distributions of the common units by the selling unitholders, or by their partners, pledgees, donees (including charitable organizations), transferees or other successors in interest, may from time to time be offered for sale either directly by such individual, or through underwriters, dealers or agents or on any exchange on which the common units may from time to time be traded, in the over-the-counter market, or in independently negotiated transactions or otherwise. The methods by which the common units may be sold include:

privately negotiated transactions;

underwritten transactions;

exchange distributions and/or secondary distributions;

sales in the over-the-counter market;

ordinary brokerage transactions and transactions in which the broker solicits purchasers;

broker-dealers may agree with the selling unitholders to sell a specified number of such units at a stipulated price per unit;

a block trade (which may involve crosses) in which the broker or dealer so engaged will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;

purchases by a broker or dealer as principal and resale by such broker or dealer for its own account pursuant to this prospectus;

short sales;

through the writing of options on the units, whether or not the options are listed on an options exchange;

through the distributions of the units by any selling unitholder to its partners, members or stockholders;

a combination of any such methods of sale; and

any other method permitted pursuant to applicable law.

The selling unitholders may also sell common units under Rule 144 under the Securities Act, if available, rather than under this prospectus.

Such transactions may be effected by the selling unitholders at market prices prevailing at the time of sale or at negotiated prices. The selling unitholders may effect such transactions by selling the securities to underwriters or to or through broker-dealers, and such underwriters or broker-dealers may receive compensations in the form of discounts or commissions from the selling unitholders and may receive commissions from the purchasers of the securities for whom they may act as agent. The selling unitholders may agree to indemnify any underwriter, broker-dealer or agent that participates in transactions involving sales of the common units against certain liabilities, including liabilities arising under the Securities Act. We have agreed to register the common units for sale under the Securities Act and to indemnify the selling unitholders and each person who participates as an underwriter in the offering of the common units against certain civil liabilities, including certain liabilities under the Securities Act.

In connection with sales of the securities under this prospectus, the selling unitholders may enter into hedging transactions with broker-dealers, who may in turn engage in short sales of the securities in the course of hedging the positions they assume. The selling unitholders also may sell securities short and deliver them to close their short positions, or loan or pledge the securities to broker-dealers that in turn may sell them.

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The selling unitholders may from time to time pledge or grant a security interest in some or all of the common units owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell common units from time to time under this prospectus, or under an amendment to this prospectus under Rule 424 or other applicable provision of the Securities Act amending the list of selling unitholders to include the pledgee, transferee or other successors in interest as selling unitholders under this prospectus.

The selling unitholders and any underwriters, dealers or agents that participate in distribution of the securities may be deemed to be underwriters, and any profit on sale of the securities by them and any discounts, commissions or concessions received by any underwriter, dealer or agent may be deemed to be underwriting discounts and commissions under the Securities Act.

There can be no assurances that the selling unitholders will sell any or all of the securities offered under this prospectus.

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DESCRIPTION OF THE COMMON UNITS

The Units

The common units represent limited partner interests in us. The holders of common units, along with the holders of subordinated units, are entitled to participate in partnership distributions and are entitled to exercise the rights and privileges available to limited partners under our partnership agreement. For a description of the relative rights and preferences of holders of common and subordinated units in and to partnership distributions, please read *Cash Distribution Policy*. For a general discussion of the expected federal income tax consequences of owning and disposing of common units, please read *Material U.S. Federal Income Tax Consequences*. For a description of the rights and privileges of limited partners under our partnership agreement, including voting rights, please read *Description of Our Partnership Agreement*. Our common units are listed on the NYSE under the symbol *SHLX*.

Transfer Agent and Registrar

Duties

American Stock Transfer & Trust Company, LLC serves as the registrar and transfer agent for our common units. We will pay all fees charged by the transfer agent for transfers of common units, except the following that must be paid by our unitholders:

surety bond premiums to replace lost or stolen certificates, or to cover taxes and other governmental charges in connection therewith;

special charges for services requested by a holder of a common unit; and

other similar fees or charges.

Unless our general partner determines otherwise in respect of some or all of any classes of our partnership interests, our partnership interests will be evidenced by book entry notation on our partnership register and not by physical certificates.

There will be no charge to our unitholders for disbursements of our cash distributions. We will indemnify the transfer agent, its agents and each of their respective stockholders, directors, officers and employees against all claims and losses that may arise out of acts performed or omitted for its activities in that capacity, except for any liability due to any gross negligence or intentional misconduct of the indemnified person or entity.

Resignation or Removal

The transfer agent may resign, by notice to us, or be removed by us. The resignation or removal of the transfer agent will become effective upon our appointment of a successor transfer agent and registrar and its acceptance of the appointment. If no successor has been appointed and has accepted the appointment within 30 days after notice of the resignation or removal, our general partner may act as the transfer agent and registrar until a successor is appointed.

Transfer of Common Units

By transfer of common units in accordance with our partnership agreement, each transferee of common units shall be admitted as a limited partner with respect to the common units transferred when such transfer and admission are reflected in our books and records. Each transferee, with or without executing our partnership agreement:

agrees to be bound by the terms and conditions of our partnership agreement;

represents and warrants that the transferee has the right, power, authority and capacity to enter into our partnership agreement; and

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gives the consents, waivers and approvals contained in our partnership agreement, such as the approval of all transactions and agreements that we entered into in connection with our formation and that we are entering into in connection with an offering pursuant to this prospectus.

We are entitled to treat the nominee holder of a common unit as the absolute owner in the event such nominee is the record holder of such common unit. In such case, the beneficial holder's rights are limited solely to those that it has against the nominee holder as a result of any agreement between the beneficial owner and the nominee holder.

Common units are securities and are transferable according to the laws governing the transfer of securities. Until a common unit has been transferred on our register, we and the transfer agent are entitled to treat the record holder of the common unit as the absolute owner, except as otherwise required by law or stock exchange regulations.

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CASH DISTRIBUTION POLICY

Set forth below is a summary of the significant provisions of our partnership agreement that relate to cash distributions.

Distributions of Available Cash

General

Our partnership agreement requires that, within 60 days after the end of each quarter, we distribute all of our available cash to unitholders of record on the applicable record date.

Definition of Available Cash

Available cash generally means, for any quarter, all cash and cash equivalents on hand at the end of that quarter:

less, the amount of cash reserves established by our general partner to:

provide for the proper conduct of our business (including reserves for our future maintenance and expansion capital expenditures, future acquisitions and anticipated future debt service requirements and refunds of collected rates reasonably likely to be refunded as a result of a settlement or hearing related to FERC rate proceedings or rate proceedings under applicable law) subsequent to that quarter;

comply with applicable law, any of our or our subsidiaries' debt instruments or other agreements; or

provide funds for distributions to our unitholders and to our general partner for any one or more of the next four quarters (provided that our general partner may not establish cash reserves for distributions if the effect of the establishment of such reserves will prevent us from making the minimum quarterly distribution on all common units and any cumulative arrearages on such common units for the current quarter);

plus, all cash on hand on the date of determination resulting from dividends or distributions received after the end of the quarter from equity interests in any person other than a subsidiary in respect of operations conducted by such person during the quarter;

plus, if our general partner so determines, all or any portion of the cash on hand on the date of determination resulting from working capital borrowings after the end of the quarter.

The purpose and effect of the last bullet point above is to allow our general partner, if it so decides, to use cash from working capital borrowings made after the end of the quarter but on or before the date of determination of available cash for that quarter to pay distributions to unitholders. Under our partnership agreement, working capital borrowings are generally borrowings that are made under a credit facility, commercial paper facility or similar financing

arrangement, and in all cases are used solely for working capital purposes or to pay distributions to partners, and with the intent of the borrower to repay such borrowings within twelve months with funds other than from additional working capital borrowings.

Intent to Distribute the Minimum Quarterly Distribution

We intend to make a minimum quarterly distribution to the holders of our common units and subordinated units of \$0.1625 per unit, or \$0.6500 per unit on an annualized basis, to the extent we have sufficient available cash after the establishment of cash reserves and the payment of costs and expenses, including reimbursements of expenses to our general partner. However, there is no guarantee that we will pay the minimum quarterly distribution on our units in any quarter. Even if our cash distribution policy is not modified or revoked, the

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amount of distributions we pay and the decision to make any distribution is determined by our general partner, taking into consideration the terms of our partnership agreement.

General Partner Interest and Incentive Distribution Rights

Initially, our general partner was entitled to 2.0% of all quarterly distributions from inception that we made prior to our liquidation. Our general partner has the right, but not the obligation, to contribute up to a proportionate amount of capital to us to maintain its current general partner interest. The general partner's initial 2% interest in these distributions will be reduced if we issue additional units in the future and our general partner does not contribute a proportionate amount of capital to us to maintain its 2% general partner interest.

Assuming our general partner maintains or attains a 2.0% general partner interest, our general partner will hold incentive distribution rights that entitle it to receive increasing percentages, up to a maximum of 48%, of the cash we distribute from operating surplus (as defined below) in excess of \$0.186875 per unit per quarter. The maximum distribution of 48% does not include any distributions that our general partner or its affiliates may receive on common, subordinated or general partner units that they own. Please read **General Partner Interest and Incentive Distribution Rights** below for additional information.

Operating Surplus and Capital Surplus

General

All cash distributed to unitholders is characterized as either being paid from **operating surplus** or **capital surplus**. We treat distributions of available cash from operating surplus differently than distributions of available cash from capital surplus.

Operating Surplus

We define operating surplus as:

\$90 million (as described below); *plus*

all of the cash receipts of us and our subsidiaries (as defined below) since the closing of our initial public offering, excluding cash from interim capital transactions (as defined below), provided that cash receipts from the termination of a commodity hedge or interest rate hedge prior to its specified termination date shall be included in operating surplus in equal quarterly installments over the remaining scheduled life of such commodity hedge or interest rate hedge; *plus*

all of our cash receipts since the closing of our initial public offering resulting from dividends or distributions received after the end of the quarter from equity interests in any person other than a

subsidiary in respect of operations
conducted by such person during
the quarter.

| | | | | | |
|---|------------|------------|------------|------------|------------|
| Formation and operating costs | 71,041 | 3,250 | 144,769 | 4,000 | 273,605 |
| State and local capital taxes | 7,723 | — | 30,223 | — | 76,348 |
| Total expenses | 78,764 | 3,250 | 174,992 | 4,000 | 349,953 |
| Income (loss) for the period | 430,921 | (3,250) | 765,368 | (4,000) | 1,301,080 |
| Income taxes (Note 1) | 106,000 | 0 | 197,000 | 0 | 321,600 |
| Net Income (loss) for the period | \$ 324,921 | \$ (3,250) | \$ 568,368 | \$ (4,000) | \$ 979,480 |
| Net income (loss) per share basic and diluted | \$ 0.02 | \$ (0.00) | \$ 0.03 | \$ (0.00) | |
| Weighted average shares outstanding | 16,800,000 | 3,000,000 | 16,800,000 | 3,000,000 | |

See accompanying notes to unaudited condensed financial statements.

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Courtside Acquisition Corp.
(a corporation in the development stage)

Condensed Statement of Stockholders' Equity

| | Common Stock Shares | Amount | Additional Paid-In Capital | Earnings Accumulated in the development stage | Total |
|--|------------------------|--------|----------------------------------|--|-----------|
| Sale of 3,000,000 shares of common stock at \$.0083 per share to initial stockholders committed for on March | 3,000,000 | \$ 300 | \$ 147,000 | \$ — | \$ 25,000 |

18, 2005

| | | | | | |
|--|------------|----------|---------------|------------|---------------|
| Sale of 12,000,000 units, net of underwriters' discount and offering expenses on July 7, 2005 (includes 2,398,800 shares subject to possible conversion) | 12,000,000 | 1,200 | 65,645,882 | — | 65,647,082 |
| Proceeds subject to possible conversion of 2,398,800 shares | — | — | (12,737,628) | — | (12,737,628) |
| Proceeds from issuance of option | — | — | 100 | — | 100 |
| Sale of 1,800,000 units, net of underwriters' discount on July 11, 2005 (includes 359,820 shares subject to possible conversion) | 1,800,000 | 180 | 10,043,820 | — | 10,044,000 |
| Proceeds subject to possible conversion of 359,820 shares | — | — | (2,007,796) | — | (2,007,796) |
| Net income for the period | — | — | — | 411,112 | 411,112 |
| Balance, December 31, 2005 | 16,800,000 | \$ 1,680 | \$ 60,969,078 | \$ 411,112 | \$ 61,381,870 |
| Unaudited: | | | | | |
| Net income for the six months ended June 30, 2006 | — | — | — | 568,368 | 568,368 |
| Balance, June 30, 2006 | 16,800,000 | \$ 1,680 | \$ 60,969,078 | \$ 979,480 | \$ 61,950,238 |

See accompanying notes to unaudited condensed financial statements.

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Courtside Acquisition Corp.
(a corporation in the development stage)

Unaudited Condensed Statement of Cash Flows

| | Six Months Ended June 30, 2006 | Period from March 18, 2005 (inception) to June 30, 2005 | Period from March 18, 2005 (inception) to June 30, 2006 |
|--|--------------------------------|---|---|
| Cash Flows from Operating Activities | | | |
| Net income (loss) | \$ 568,368 | \$ (4,000) | \$ 979,480 |
| Adjustments to reconcile net income (loss) provided by (used in) operating activities: | | | |
| Increase in value of Trust Fund | (1,135,919) | — | (1,990,539) |
| Increase in prepaid expenses | (11,953) | — | (90,086) |
| | (45) | 4,000 | 12,598 |

| | | | |
|--|--------------|------------|--------------|
| Increase/(decrease) in accounts payable and accrued expenses | | | |
| Increase in taxes payable | 78,368 | — | 157,093 |
| Increase in deferred dividends | 227,070 | — | 397,909 |
| Net cash used in operating activities | (274,111) | — | (533,545) |
| Cash Flows from Investing Activities | | | |
| Cash deposited in Trust Fund | — | — | (73,764,000) |
| Cash Flows from Financing Activities | | | |
| Gross proceeds of public offering | — | — | 82,800,000 |
| Proceeds from sale of shares of common stock | — | 25,000 | 25,000 |
| Proceeds from issuance of option | — | — | 100 |
| Proceeds from notes payable, stockholder | — | 100,000 | 100,000 |
| Payment of notes payable, stockholder | — | — | (100,000) |
| Payment of offering costs | — | (123,474) | (7,108,918) |
| Net cash provided by financing activities | — | 1,526 | 75,716,182 |
| Net increase (decrease) in cash and cash equivalents | (274,111) | 1,526 | 1,418,637 |
| Cash and cash equivalents at beginning of the period | 1,692,748 | — | — |
| Cash and cash equivalents at end of the period | \$ 1,418,637 | \$ 1,526 | \$ 1,418,637 |
| Supplemental schedule of non-cash financing activities: | | | |
| Accrual of deferred offering costs | \$ — | \$ 409,052 | \$ — |

See accompanying notes to unaudited condensed financial statements.

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Courtside Acquisition Corp.
(a corporation in the developmental stage)
Note to Unaudited Condensed Financial Statements

1. Organization and Business Operations

Courtside Acquisition Corp. (the “Company”) was incorporated in Delaware on March 18, 2005 as a blank check company whose objective is to acquire an operating business.

The financial information in this report has not been audited, but in the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary to present fairly such information have been included. See the Company’s Annual Report on Form 10-KSB for the year ended December 31, 2005 for additional disclosure relating to the Company’s condensed financial statements.

All activity from March 18, 2005 (inception) through July 7, 2005 relates to the Company’s formation and initial public offering described below. Subsequent to July 7, 2005, the Company has been seeking a business

combination with an operating business (“Business Combination”).

The registration statement for the Company’s initial public offering (“Offering”) was declared effective June 30, 2005. The Company consummated the Offering for 12,000,000 units on July 7, 2005 and, on July 11, 2005, the representative of the underwriters (“Representative”) exercised its over-allotment option for 1,800,000 units, with the Company receiving total net proceeds of approximately \$75,691,000 (Note 2). The Company’s management has broad discretion with respect to the specific application of the net proceeds of this Offering, although substantially all of the net proceeds of this Offering are intended to be generally applied toward consummating a Business Combination. Furthermore, there is no assurance that the Company will be able to successfully effect a Business Combination. An amount of \$73,764,000 of the net proceeds was placed in an interest-bearing trust account (“Trust Account”) until the earlier of (i) the consummation of a Business Combination or (ii) liquidation of the Company. Under the agreement governing the Trust Account, funds will only be invested in United States “government securities” within the meaning of Section 2(a)(16) of the Investment Company Act of 1940 with a maturity of 180 days or less, or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act of 1940. At June 30, 2006, the value of the Trust Account amounted to \$75,754,539. The placing of funds in the Trust Account may not protect those funds from third party claims against the Company. Although the Company will seek to have all vendors, prospective target businesses or other entities it engages, execute agreements with the Company waiving any right, title, interest or claim of any kind in or to any monies held in the Trust Account, there is no guarantee that they will execute such agreements. Two of the Company's officers have severally agreed that they will be personally liable to ensure that the proceeds in the Trust Account are not reduced by the claims of target businesses or vendors or other entities that are owed money by the Company for services rendered or contracted for or products sold to the Company. However, there can be no assurance that these officers will be able to satisfy those obligations. The remaining net proceeds (not held in the Trust Account)

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Courtside Acquisition Corp.

(a corporation in the developmental stage)

Note to Unaudited Condensed Financial Statements

may be used for tax payments and business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses.

The Company, after signing a definitive agreement for the acquisition of a target business, will submit such transaction for stockholder approval. In the event that stockholders owning 20% or more of the shares sold in the Offering vote against the Business Combination and exercise their conversion rights described below, the Business Combination will not be consummated.

All of the Company's stockholders prior to the Offering, including all of the officers and directors of the Company ("Initial Stockholders"), have agreed to vote their 3,000,000 founding shares of common stock in accordance with the vote of the majority in interest of all other stockholders of the Company ("Public Stockholders") with respect to any Business Combination. After consummation of a Business Combination, these voting safeguards will no longer be applicable.

With respect to a Business Combination which is approved and consummated, any Public Stockholder who voted against the Business Combination may demand that the Company convert his or her shares. The per share conversion price will equal the amount in the Trust Account, calculated as of two business days prior to the consummation of the proposed Business Combination, divided by the number of shares of common stock held by Public Stockholders at the consummation of the Offering. Accordingly, Public Stockholders holding 19.99% of the aggregate number of shares owned by all Public Stockholders may seek conversion of their shares in the event of a Business Combination. Such Public Stockholders are entitled to receive their per share interest in the Trust Account computed without regard to the shares held by Initial Stockholders. In this respect, \$14,745,424 (19.99% of the original amount placed in the Trust Account) has been classified as common stock subject to possible conversion at June 30, 2006 and \$397,909 (19.99% of the dividend income held in the Trust Account) has been classified as deferred dividends at June 30, 2006.

The Company's Certificate of Incorporation, as amended, provides for mandatory liquidation of the Company in the event that the Company does not consummate a Business

Combination within 18 months from the date of the consummation of the Offering (January 7, 2007), or 24 months from the consummation of the Offering if certain extension criteria have been satisfied. In the event of liquidation, it is likely that the per share value of the residual assets remaining available for distribution (including Trust Account assets) will be less than the initial public offering price per share in the Offering assuming no value is attributed to the Warrants contained in the Units sold (Note 2). There is no assurance that the Company will be able to successfully effect a Business Combination during this period. This factor raises substantial doubt about the Company's ability to continue as a going concern. The

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Courtside Acquisition Corp.
(a corporation in the developmental stage)
Note to Unaudited Condensed Financial Statements

accompanying financial statements are prepared assuming the Company will continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In December 2004, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 123 (revised 2004) ("SFAS 123(R)"), "Share Based Payment". SFAS 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values. The Company adopted SFAS 123(R) effective January 1, 2006. The adoption of SFAS No. 123(R) did not have any impact on its financial condition or results of operations.

In July 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes," an interpretation of FASB Statement No. 109 ("FIN 48"), which provides criteria for the recognition, measurement, presentation and disclosure of uncertain tax positions. A tax benefit from an uncertain position may be recognized only if it is "more likely than not" that the position is sustainable based on its technical merits. The provisions of FIN 48 are effective for fiscal years beginning after December 15, 2006. We do not expect FIN 48 will have a material effect on our condensed financial condition or

results of operations.

Management does not believe that any other recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying financial statements.

2. Initial Public Offering

On July 7, 2005, the Company sold 12,000,000 units (“Units”) in the Offering. On July 11, 2005, the Company sold an additional 1,800,000 Units pursuant to the Representative’s over-allotment option. Each Unit consists of one share of the Company’s common stock, \$.0001 par value, and two Redeemable Common Stock Purchase Warrants (“Warrants”). Each Warrant entitles the holder to purchase from the Company one share of common stock at an exercise price of \$5.00 commencing the later of the completion of a Business Combination or one year from the effective date of the Offering and expiring four years from the effective date of the Offering. The Warrants will be redeemable at a price of \$.01 per Warrant upon 30 days’ notice after the Warrants become exercisable, only in the event that the last sale price of the common stock is at least \$8.50 per share for any 20 trading days within a 30 trading day period ending on the third day prior to the date on which notice of redemption is given.

In connection with the Offering, the Company paid the underwriters an underwriting discount of 7% of the gross proceeds of the Offering and a non-accountable expense allowance of 1% of the gross proceeds of the Offering. In connection with the Offering, the Company also issued an option, for \$100, to the Representative to purchase 600,000 Units at an exercise price of \$7.50 per Unit. The Units issuable upon exercise of this

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Courtside Acquisition Corp.
(a corporation in the developmental stage)
Note to Unaudited Condensed Financial Statements

purchase option are identical to the Units sold in the Offering except that the Warrants included in the option have an exercise price of \$6.65 per share. The Company estimated that the fair value of this option was approximately \$1,224,000 (\$2.04 per Unit underlying such option) using a Black-Scholes option-pricing model. The fair value of the option was estimated as of the date of grant using the following assumptions: (1) expected

volatility of 40.995%, (2) risk-free interest rate of 3.72% and (3) expected life of 5 years. The sale of the option was accounted for as a cost attributable to the Offering.

Accordingly, there was no net impact on the Company's financial position or results of operations, except for the recording of the \$100 proceeds from the sale. The option may be exercised for cash or on a "cashless" basis, at the holder's option, such that the holder may use the appreciated value of the option (the difference between the exercise prices of the option and the underlying Warrants and the market price of the Units and underlying securities) to exercise the option without the payment of any cash.

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Courtside Acquisition Corp.
(a corporation in the developmental stage)
Note to Unaudited Condensed Financial Statements

ITEM 2 — MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

The following discussion should be read in conjunction with the Company's Consolidated Financial Statements and footnotes thereto contained in this report.

Forward Looking Statements

The statements discussed in this Report include forward looking statements that involve risks and uncertainties detailed from time to time in the Company's reports filed with the Securities and Exchange Commission.

We were formed on March 18, 2005, to serve as a vehicle to effect a merger, capital stock exchange, asset acquisition or other similar business combination with an operating business. We intend to utilize cash derived from the proceeds of our recently completed public offering, our capital stock, debt or a combination of cash, capital stock and debt, in effecting a business combination.

For the three months ended June 30, 2006, we had net income of \$324,921 consisting of interest and dividend income less operating expenses and state and local income and capital taxes. Our interest and dividend income includes dividend income of \$493,824 and \$1,619,472 for the three months ended June 30, 2006 and the period from March 18, 2005 (inception) through June 30, 2006, respectively, and our deferred dividends of \$397,909 and \$170,839 at June 30, 2006 and December 31, 2005, respectively, were derived from money market funds which are exempt from federal income taxes. For the three months ended June 30, 2006, our expenses consisted of operating costs and expenses of searching for a business combination, which were \$71,041, state capital taxes in the quarter of \$7,723, and state and local income taxes of \$106,000.

For the six months ended June 30, 2006, we had net income of \$568,368 consisting of interest and dividend income less operating expenses and state and local income and capital taxes. Our interest and dividend income includes dividend income of \$908,850 for the six months ended June 30, 2006 and our deferred dividends of \$397,909 at June

30, 2006 were derived from money market funds which are exempt from federal income taxes. For the six months ended June 30, 2006, our expenses consisted of operating costs and expenses of searching for a business combination, which were \$144,769, state capital taxes in the quarter of \$30,223, and state and local income taxes of \$197,000.

For the period from March 18, 2005 (inception) through June 30, 2006, we had net income of \$979,480 attributable to dividend and interest income less formation and operating expenses and state and local income and capital taxes respectively.

We consummated our initial public offering on July 7, 2005. On July 11, 2005, we consummated the closing of an additional 1,800,000 units that were subject to the over-allotment option. Gross proceeds from our initial public offering (including the over-allotment option) were \$82,800,000. We paid a total of \$6,516,000 in underwriting discounts and commissions, and approximately \$593,000 was paid for costs and expenses related to the offering. After deducting the underwriting discounts and commissions and the offering expenses, the total net proceeds to us from the offering were approximately \$75,691,000, of which \$73,764,000 was deposited into the trust account (or approximately \$5.35 per share sold in the offering). As of June 30, 2006, approximately \$75,754,539 (or approximately \$5.49 per share sold in the offering) is being held in the trust account. The remaining proceeds are available to be used by us to provide for business, legal and accounting due diligence on prospective acquisitions, tax payments and continuing general and administrative expenses. We intend to use substantially all of the net proceeds of this offering to acquire a target business, including identifying and evaluating prospective acquisition candidates, selecting the target business, and structuring, negotiating and consummating the business combination. To the extent that our capital stock is used in whole or in part as consideration to effect a business combination, the proceeds held in the trust fund as well as any other net proceeds not expended will be used to finance

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the operations of the target business. We believe we will have sufficient available funds outside of the trust fund to operate through July 7, 2007, assuming that a business combination is not consummated during that time. From July 7, 2005 through July 7, 2007, we anticipate approximately \$300,000 of expenses for legal, accounting and other expenses attendant to the due diligence investigations, structuring and negotiating of a business combination, \$300,000 for expenses for the due diligence and investigation of a target business, \$180,000 for the administrative fee payable to Alpine Capital LLC (\$7,500 per month for two years), \$40,000 of expenses in legal and accounting fees relating to our SEC reporting obligations and \$1,107,000 for general working capital that will be used for tax payments, miscellaneous expenses and reserves, including approximately \$110,000 (through January 1, 2007) for director and officer liability insurance premiums. We do not believe we will need to raise additional funds following this offering in order to meet the expenditures required for operating our business. However, we may need to raise additional funds through a private offering of debt or equity securities if such funds are required to consummate a business combination that is presented to us. We would only consummate such a financing simultaneously with the consummation of a business combination.

Commencing on June 30, 2005 and ending upon the acquisition of a target business, we began incurring a fee from Alpine Capital LLC, an affiliate of Richard D. Goldstein, our chairman of the board and chief executive officer, Bruce M. Greenwald, our president and a member of our board of directors, Gregg H. Mayer, our vice president and controller, and Oded Aboodi, our special advisor, of \$7,500 per month for providing us with office space and certain general and administrative services. In addition, in April and May 2005, Richard D. Goldstein advanced an aggregate of \$100,000 to us for payment on our behalf of offering expenses. These loans were repaid following our initial public offering from the proceeds of the offering.

ITEM 3 — CONTROLS AND PROCEDURES.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in company reports filed or submitted under the Securities Exchange Act of 1934 (the “Exchange Act”) is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our chief executive officer and treasurer, as appropriate to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our chief executive officer and chief financial officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2006. Based upon their evaluation, they concluded that our disclosure controls and procedures were effective.

Our internal control over financial reporting is a process designed by, or under the supervision of, our chief executive officer and chief financial officer and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of our financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with the authorization of our board of directors and management; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

During the most recently completed fiscal quarter, there has been no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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PART II.

OTHER INFORMATION

ITEM 2: UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On July 7, 2005, we consummated our initial public offering of 12,000,000 Units, with each unit consisting of one share of our common stock and two warrants, each to purchase one share of our common stock at an exercise price of \$5.00 per share. On July 11, 2005, we closed on an additional 1,800,000 units that were subject to the over-allotment option. The units were sold at an offering price of \$6.00 per unit, generating total gross proceeds of \$82,800,000. EarlyBirdCapital, Inc. acted as lead underwriter. The securities sold in the offering were registered under the Securities Act of 1933 on a registration statement on Form S-1 (No. 333-124380). The Securities and Exchange Commission declared the registration statement effective on June 30, 2005.

We paid a total of \$6,516,000 in underwriting discounts and commissions, and approximately \$593,000 has been or will be paid for costs and expenses related to the offering.

After deducting the underwriting discounts and commissions and the offering expenses, the total net proceeds to us from the offering were approximately \$75,691,000, of which \$73,764,000 was deposited into the trust account (or approximately \$5.35 per share sold in the offering) and the remaining proceeds are available to be used to provide for business, legal and accounting due diligence on prospective business combinations and continuing general and administrative expenses.

For a description of the use of the proceeds generated in our initial public offering, see Part I, Item 2 of this Form 10-QSB.

ITEM 6: EXHIBITS

(a) Exhibits:

31.1 — Section 302 Certification by CEO

31.2 — Section 302 Certification by CFO

32.1 — Section 906 Certification by CEO

32.2 — Section 906 Certification by CFO

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SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COURTSIDE ACQUISITION CORP.

Dated: August 8, 2006

/s/ Richard D. Goldstein

Richard D. Goldstein.

Chairman of the Board and Chief Executive Officer

/s/ Carl D. Harnick

Carl D. Harnick

Vice President and Chief Financial Officer

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