

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D  
Under the Securities Exchange Act of 1934

(Amendment No. )\*

Constellation Energy Partners LLC

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(Name of Issuer)  
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Common Units representing Class B Limited Liability Company Interests

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(Title of Class of Securities)

21038E101

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(CUSIP Number)

Gregg T. Abella  
Investment Partners Asset Management, Inc.  
One Highland Avenue  
Metuchen, New Jersey 08840  
732-205-0391

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(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

October 18, 2012

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Sections 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box [ ].

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Section 240.13d-7 for other parties to whom copies are to be sent.

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The Information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1 NAME OF REPORTING PERSON

Investment Partners Asset Management, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS  
IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Investment Partners Asset Management, Inc. is organized under the  
laws of Delaware.

7 SOLE VOTING POWER

252,923

NUMBER OF 8 SHARED VOTING POWER  
SHARES

BENEFICIALLY 958,742  
OWNED BY

EACH 9 SOLE DISPOSITIVE POWER  
REPORTING 252,923  
PERSON

10 SHARED DISPOSITIVE POWER

958,742

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
1,211,665

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN  
SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
5.12%

14 TYPE OF REPORTING PERSON  
IA

## Item 1. Security and Issuer

This statement relates to the Common Units representing Class B Limited Liability Company Interests (“Common Units”) of Constellation Energy Partners LLC, which is located at 1801 Main Street, Suite 1300, Houston, Texas 77002.

## Item 2. Identity and Background

The reporting person is Investment Partners Asset Management, Inc., a corporation organized in the State of Delaware that does business as an investment adviser. Its principal office is located at One Highland Avenue, Metuchen, NJ 08840. During the last five years, the reporting person (i) has not been convicted in a criminal proceeding and (ii) has not been a party to a civil proceeding described in Item 2(e) of Schedule 13D.

## Item 3. Source and Amount of Funds or Other Consideration

The source of all funds used in making purchases was client assets.

## Item 4. Purpose of Transaction

The purpose of the acquisition is investment. However, from time to time the reporting person intends to make recommendations to the issuer's management and/or board of managers with the goal of enhancing unitholder value and the income-paying capacity of the Common Units generally, through operational efficiencies, corporate finance strategies, cost containment, and corporate governance initiatives. The reporting person may also recommend strategic initiatives, such as capital structure and balance sheet restructurings or a sale, merger, acquisition, or other transaction. To this end, the reporting person's attorney has sent a letter to the board of managers (attached hereto as an exhibit), laying out its concerns and making the following demands:

(1) a meeting or conference call in the immediate future with the full board of managers to discuss points 2 - 6 below;

(2) the right to place on the board of managers an energy-industry expert who is committed to representing the minority investors, maintaining the issuer's tax structure, and following the issuer's primary business objective;

(3) the written commitment from the board that it will cut management compensation and expenses immediately, reducing them to levels similar to those that existed prior to 2009;

(4) the removal of any and all anti-takeover mechanisms, which are now deterring, or are highly likely in the future to deter, potential acquirers and are now depressing and will continue to depress the market value of the Common Units;

(5) the rescission of executives' “golden parachutes,” which similarly entrench management at minority investors' expense; and

(6) the cooperation of the issuer and its board of managers and executives in providing all information requested by any bankers, investment bankers, advisors or consultants that the reporting person may contact and

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refer to the issuer to explore a near-term financing, merger, or sale of the issuer or similar transaction.

Item 5. Interest in Securities of the Issuer

a) The reporting person believes that the number of Common Units that are outstanding is 23,681,878 as of August 9, 2012, based on information provided in the issuer's most recent quarterly report on Form 10-Q. As of October 23, 2012, the reporting person may have been deemed the beneficial owner of 1,211,665 Common Units, or approximately 5.12% of the total number of Common Units outstanding.

b) The reporting person has sole power to vote and sole dispositive power for 252,923 Common Units, or approximately 1.07% of the total number of Common Units outstanding.

The reporting person has shared voting power and shared dispositive power for 958,742 Common Units, approximately 4.05% of the total number of Common Units outstanding.

c) Clients of the reporting person have made the following purchases and sales of shares of the issuer within the past 60 days. Each such transaction was effected by Investment Partners Asset Management, Inc., on behalf of its clients.

Type of Transaction	Date of Transaction	Number of Common Units	Price Per Common Unit	Where and How Effected
Purchase	09/05/2012	1,000	\$1.2999	Open market
Purchase	09/06/2012	100	\$1.2300	Open market
Purchase	10/17/2012	20,100	\$1.2919	Open market
Purchase	10/18/2012	24,100	\$1.3492	Open market
Purchase	10/19/2012	18,372	\$1.4570	Open market

d) Clients of the reporting person are entitled to receive all dividends, distributions and proceeds of sale.

e) Not applicable.

Item 6. Contracts, Arrangements, Understandings, or Relationships with Respect to Securities of the Issuer

None

Item 7. Material to be Filed as Exhibits

Letter to the Board of Managers of Constellation Energy Partners LLC, dated October 23, 2012.

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SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

Date: October 23, 2012

Investment Partners Asset Management, Inc.

By: /s/ Gregg T. Abella

Name: Gregg T. Abella

Title: Officer

[Letterhead of  
**KEEFE BARTELS**  
**TRIAL ATTORNEYS**  
Reply to: Monmouth County Office  
170 Monmouth Street  
Red Bank, NJ 07701  
Tel: 732-224-9400  
Toll Free: 877-288-9247  
Fax: 732-224-9494]

October 23, 2012

Board of Managers  
Constellation Energy Partners LLC  
1801 Main Street, Suite 1300  
Houston, TX 77002

Dear Sirs:

As you will note from today's filing, my client, Investment Partners Asset Management ("IPAM") now has under management over 5% of the outstanding Master Limited Partnership Class B Units of Constellation Energy Partners LLC ("CEP"). This letter outlines steps that my client believes the board must take, some immediately, in order to unlock value for unitholders and protect their interests.

**I. Board Seats, Management Issues, Financing Changes**

This current board – specifically the independent members of the board of managers - has overseen a substantial decline in unitholder market value. Despite this decline, over the past 4 years management and the board have been richly compensated while unitholders have seen their investment lose market value and produce no cash distributions since June 2009. The executive team's effectiveness requires independent evaluation now, by a new set of eyes in light of CEP's performance. Additionally, all options concerning lending facilities, mezzanine level financing sources, mergers, and other sources of capital or corporate finance should be explored immediately. To ensure that these important actions are taken, the outside minority investors must be given the opportunity to immediately place a member on the board of managers to protect investors' interests.

Furthermore, as you will see below, my client currently intends to take an active role to hold management and the board accountable, and facilitate the creation of value for unitholders.

IPAM's previous suggestion to raise additional capital, perhaps through a rights offering or other mechanism (when the units traded at a price approximately 100% higher than they do now), seems, inexplicably, to have

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fallen on deaf executive ears. Therefore, IPAM may, alone or with advisors, propose capital structure and balance sheet restructurings. IPAM may revisit the issue and, singly or with advisors, propose and seek to effect CEP's issuance of warrants or other such instruments. IPAM may, on its own or with the help of consultants or other advisors, recommend or otherwise seek to effect a sale, merger, acquisition, or other transaction, depending on what best serves CEP's unitholders. In exploring such alternatives, IPAM naturally expects and legally deserves CEP's Board and executives to act as the fiduciaries they are and to cooperate fully with all such analyses and efforts in the best interests of CEP and its unitholders.

## **II. Cost Cutting, Executive Compensation and Board Pay**

CEP's sales, general and administrative ("SG&A") expenses seem to be extremely high in light of the company's size and industry averages. IPAM may recommend and seek implementation of certain cost cutting measures. Proposed cost cutting could include, in particular, replacing certain executives, reducing the number of executives, and/or decreasing executive compensation to levels commensurate with performance. For example, CEP's total executive compensation has soared from CEP's total management expense of \$450,000 in 2008. In 2009, the four senior executives each received a new and much larger compensation agreement – including participation in a 2009 Omnibus Incentive Compensation Plan offering a panoply of further riches to executives – just before the Board suspended distributions to unitholders. For 2009-2011, the value of Mr. Brunner's total compensation and other benefits was \$5,107,795; Mr. Hiney's was \$1,522,074; Ms. Mellencamp's was \$2,155,680; and Mr. Ward's was \$2,673,821. The staggering total: \$11,459,370. Such astronomical figures, in our opinion, cannot be squared with proper business judgment in light of CEP's dismal performance. While each of the four named executive's total compensation decreased in each of the three years cited, those annual compensation figures started at unjustifiably high levels. In our opinion, those annual figures have been, in absolute and relative terms, disproportionate to performance. Further underscoring our concern, the Board's approval on April 5, 2012 of an aggregate \$1.3 Million in cash service-based grants to "certain key employees other than our named executive officers" seems similarly unwarranted.

Such outlandishly high senior executive compensation, while CEP's market-value performance has remained consistently poor and unitholders have not received a distribution since June 6, 2009, reflects conspicuous disregard for unitholders' interests. A bit of context suffices to make the point.

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According to CEP's investor presentations, the company's total reserves net-asset-value per unit approximated \$14.57 in Q4 2009 and remained at roughly that level until Q3 2010, when the company recorded approximately a \$270 million asset-impairment charge. As of last quarter, total reserves per unit net-asset-value was as low as \$5.43. It is thoroughly misguided, and a conspicuous dereliction of the Board's duties to unitholders, to lavishly reward management while unitholders have endured such evisceration of value.

IPAM understands that Delaware law delegates broad discretion to boards to decide executive compensation. But "broad" does not mean "unlimited" or "unreviewable." Absent facts of which IPAM is unaware, no valid justification exists, reflecting the sound judgment of a properly informed and appropriately attentive Board, for these compensation awards to executives whose company year after year both underperforms and returns nothing to its unitholders. IPAM may also retain counsel to explore the validity of, and perhaps to challenge, these executive compensation awards, including, without limitation, the Voluntary Termination, Involuntary Termination and Change in Control payments, and stock option awards.

The board has also been handsomely rewarded. In 2010, three of CEP's independent managers received over \$123,000, including Mr. Langdon, who received some \$135,000. In 2011, the independent managers received compensation of at least \$150,000 (some \$169,000 for Mr. Langdon), but with \$75,000 in cash in March 2012 rather than receiving restricted stock units worth \$75,000. Here, too, cash goes to insiders while unitholders get nothing.

### **III. Board's and Executives' Fiduciary Duties**

Entrenched executives, prospering handsomely as the company languishes and distributions to unitholders have gone unmade for over three years, might well lack the correct incentives to behave like the fiduciary stewards they are of the unitholders' interests. Not just Board members, but senior executives, too, are required "to pursue the best interests of the company in good faith." *Hampshire Group, Ltd., v. Kuttner*, 2010 WL 2739995, at \* 11 (Del. Ch. Chan. July 12, 2010) ("our Supreme Court has found that the duties of corporate officers are similar to those of corporate directors," citing *Gantler v. Stephens*, 965 A.2d 695, 709 (Del. 2009)). Negotiating for, and accepting, compensation that appears much greater than their performance warrants, CEP's executives may be equally as answerable to unitholders as the Board is. Unitholders are entitled to no less than the full and faithful discharge of those duties. CEP's record over the past three years mandates careful inquiry to

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ensure the unitholders received the benefit of those nondelegable fiduciary duties.

#### **IV. Suspension of Distributions**

CEP's unitholders bought and paid for their units in reliance on CEP's repeated representations that CEP's main purpose was in fact to generate distributions for unitholders. For example: CEP's Prospectus dated November 15, 2006 stated:

Our primary business objective is to generate stable cash flows allowing us to make quarterly cash distributions to our unitholders and over time to increase the amount of our future quarterly distributions.

CEP's secondary offering Prospectus, dated October 31, 2007 confirmed the distribution paying point:

Our primary business objective is to generate stable cash flows allowing us to make quarterly cash distributions to our unitholders and over time to increase our quarterly cash distribution.

CEP's registration statement on Form S-3, filed on January 20, 2011 and declared effective on February 14, 2011, almost identically repeated the distribution promise:

Our primary business objective is to create long-term value and to generate stable cash flows allowing us to resume making quarterly cash distributions to our unitholders and over time to increase the amount of our future quarterly distributions.

Finally, CEP's February 29, 2012 Press Release addressed the "Distribution Outlook" question. Mr. Brunner stated, in pertinent part: "[W]e believe that we have positioned the company to consider the reinstatement of a cash distribution to unitholders in 2012." Confirming that seemingly happy news, Mr. Brunner also said: "We're pleased to be in a position to reward the patience of our unitholders as we've worked to improve company's financial strength." Nearly seven months later, CEP's unitholders have seen nothing of a distribution, nor heard of any plans to reinstate distributions – the *sine qua non* of an investment in a master limited partnership ("MLP") in the first place.

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## **V. Sale to Postrock and Postrock's Antipathy to Distributions**

Similarly troubling, and similarly motivating IPAM's concern, CEP's former sponsor, Constellation Energy Group ("CEG"), in 2011 sold CEG's investment in CEP to Postrock Energy Corporation ("Postrock") – including CEG's A-unit stake (which has enhanced rights including nomination rights for 2 board seats). Highly leveraged and with a smaller market capitalization than CEP, Postrock is an exploration and production ("E & P") company – not a Master Limited Partnership.

Selling to Postrock generated cash and other consideration for CEG. But that sale not only has not advanced, but seems to have been directly inimical to, CEP's stated "primary business objective" of making "quarterly cash distributions" as Postrock's strategy explicitly excludes paying ongoing cash distributions to investors. Whatever the merit of Postrock's views of MLPs in general or CEP in particular, CEP unitholders bought their units in reliance on CEP's numerous and unambiguous representations that the "primary business objective" was to generate tax-advantaged distributions to unitholders. Postrock's different strategy cannot gainsay those repeated assurances and the reasonableness of the unitholders' reliance on them.

From what we understand, CEG initiated the approach to Postrock. CEG knew or should have known that paying distributions would not be a priority of Postrock, CEP's new largest investor. Postrock's position, then, squarely contradicts CEP's numerous public statements in SEC filings and elsewhere. The propriety of CEG's sale to Postrock requires serious examination.

It does not appear that Postrock obtained prior approval from CEP's board of managers prior to purchasing CEG's units. Since Postrock now owns over 20% of CEP, according to restrictions in CEP's Operating Agreement, it seems that Postrock's units are ineligible to vote.

## **VI. Potential Conversion to a C Corporation**

Recent consideration of reconfiguring CEP's legal status to a C corporation contemplated in CEP's preliminary proxy statement also raises concerns. IPAM is not aware of any basis for claiming now that restructuring CEP as a C corporation would increase value. This too, may well require investigation. Whatever the merit management and the board perceive of that position, or of transforming this MLP into purely an Exploration and

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Production company, such a maneuver squarely contradicts the basis upon which investors purchased units in the Company.

#### **VII. Potential Sale of Assets and Operations in Black Warrior Basin**

IPAM believes no divestiture of the Black Warrior Basin assets or operations should proceed without both much closer and more careful analysis and unitholder approval. More than just odd, the Company's recent announcement that it has retained Lantana Oil & Gas Partners to explore the divestiture of assets and operations in the Black Warrior basin in Tuscaloosa County, Alabama appears to betoken another foray into value destruction. As you may be aware, a recent article in **Barron's** cited an energy analyst at a major investment firm who projects the price of natural gas could reach \$5.00 in the first quarter of 2013. Selling assets now, at what appears to be a market low, with the prospect of a strong market improvement in the very near future, is baffling.

#### **VIII. Conclusion**

IPAM demands the following:

- (1) a meeting or conference call in the immediate future with the full board of CEP to discuss points 2-6 below;
  - (2) the right to place on CEP's board of managers an energy-industry expert who is committed to representing the minority investors, maintaining the Company's structure, and following the Company's primary business objective;
  - (3) the written commitment from CEP's board that it will cut management compensation and expenses immediately, reducing them to levels similar to those that existed prior to 2009;
  - (4) the removal of any and all anti-takeover mechanisms, which are now deterring, or are highly likely in the future to deter, potential acquirers and are now depressing and will continue to depress the market value of CEP's units;
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- (5) the rescission of executives' "golden parachutes," which similarly entrench management at minority investors' expense;
- (6) the cooperation of the Company, the Board, and executives in providing all information requested by any bankers, investment bankers, advisors or consultants that IPAM may contact and refer to CEP to explore a near-term financing, merger, or sale of the Company or similar transaction.

IPAM's potential plans for evaluating and perhaps seeking changes in CEP's corporate structure, financing, operations, management, governance, operation and policies are not mutually exclusive. IPAM may seek to take all, none or some of these steps, in concert, singly, or in combinations. In the absence of satisfactory resolution of the items discussed herein, IPAM may also make a request of CEP for books-and-records under Section 220 of the Delaware Corporate Law in connection with IPAM's potential plans and as part of investigating potential unitholder claims against past and present Board members, executives and other affiliates.

I will follow up with you shortly to arrange a meeting or conference call with CEP's board and my client to discuss the above.

Sincerely,

/s/ Stephen G. Grygiel

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