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Case No. 11130-

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

ADRIAN DIECKMAN, on behalf of himself and all others similarly situated, Plaintiff, v. REGENCY GP LP, REGENCY GP LLC, ENERGY TRANSFER EQUITY, L.P., ENERGY TRANSFER PARTNERS, L.P., ENERGY TRANSFER PARTNERS, GP, L.P., MICHAEL J. BRADLEY, JAMES W. BRYANT, RODNEY L. GRAY, JOHN W. McREYNOLDS, MATTHEW S. RAMSEY and RICHARD BRANNON, Defendants.	)	Civil Action No. _____

VERIFIED CLASS ACTION COMPLAINT

Plaintiff Adrian Dieckman ("Plaintiff"), as and for his Complaint herein alleges, upon knowledge as to himself and his own actions, and upon information and belief as to all other matters, as follows:

NATURE OF THE ACTION

1. Plaintiff brings this action on behalf of himself and the other former common unitholders of Regency Energy Partners LP ("Regency" or the

"Partnership") against Regency's general partner, Regency GP LP ("Regency GP"), and Regency GP's general partner, Regency GP LLC, for breach of contract and breach of the implied covenant of good faith and fair dealing in connection with the sale of the Partnership to Energy Transfer Partners L.P. ("ETP") pursuant to a process that violated the terms of the Amended and Restated Agreement of Limited Partnership of Regency Energy Partners LP (the "Regency LP Agreement"). Plaintiff also alleges claims against ETP, Energy Transfer Equity, L.P. ("ETE"), Energy Transfer Partners GP, and the members of the Board of Directors of Regency GP LLC ("Regency Board") for tortious interference with the contract rights of Regency common unitholders.

2. On January 26, 2014, ETP and Regency, which are both controlled by ETE, announced that ETP would acquire all of the outstanding common units of Regency in exchange for 0.4066 ETP common units and $0.32 in cash per Regency common unit (the "Merger").[1] Regency GP, Energy Transfer Partners, GP, L.P. ("EGP") and ETE – which is the parent entity of Regency, Regency GP, ETP and EGP – were also parties to the Merger Agreement. The Merger closed on April 30, 2015.

[1] As explained below, the parties would subsequently amend the terms of the Merger Agreement to convert the cash portion of the consideration into additional ETP common units.

3. The stated rationale behind the Merger is for ETE to combine two of its indirect subsidiaries – ETP and Regency – to create the largest master limited partnership ("MLP"). In fact, the Merger was timed to take advantage of the artificially low trading price of Regency common units which was temporarily depressed due to a general slide in the value of many oil and gas securities.

4. The Merger posed a clear and indisputable conflict of interest, because ETE controlled both ETP and Regency. The Regency LP Agreement eliminates traditional fiduciary duties, but provides for various mechanisms to resolve such a conflict of interest that ought to be easy to satisfy by a controller acting in good faith. Here, however, the Defendants violated their clear contractual obligations to Regency's common unit holders under the Regency LP Agreement.

5. Here, the mechanism selected by the Regency Board was to gain "Special Approval" by having a "Conflicts Committee" review and approve the Merger. Pursuant to the Regency LP Agreement, any board member serving on a conflicts committee must be independent, as defined in the Regency LP Agreement. Members of the Regency Board are only eligible to serve on a conflicts committee if they satisfy certain conditions, including *inter alia*, that they do not serve on the board of directors of any affiliate of Regency's general partner, Regency GP. The term "affiliate" is defined to include entities under common control with Regency GP. In addition, directors on a conflicts committee must

meet the independence standards set forth by the New York Stock Exchange ("NYSE").

6. Despite these clear standards, the two members of the conflicts committee who were chosen to evaluate the Merger on behalf of Regency ("Regency Conflicts Committee") were far from independent. The first, Richard D. Brannon, had served on the board of directors of Sunoco LP ("Sunoco"), which is also indirectly controlled by ETE and thus an affiliate of Regency GP, until he resigned from that position on the very day that he was appointed to the Regency Conflicts Committee. Moreover, he was reappointed to the Sunoco Board of Directors ("Sunoco Board") just days after the Merger closed, on May 5, 2015. The second, James W. Bryant, was also appointed to the Sunoco Board on May 5, 2015. Thus, during the time that they were supposedly independent as members of the Conflicts Committee, Brannon was a recently-resigned member of the Sunoco Board and both Bryant and Brannon clearly knew that they would be appointed (or reappointed) to the Sunoco Board once the Merger closed.

7. Because Sunoco and Regency are both controlled by ETE, they are "affiliates," and under the plain terms of the Regency LP Agreement no member of the Sunoco Board would be eligible to serve on the Regency Conflicts Committee. Thus, Brannon resigned from the Sunoco Board for the sole purpose of making him eligible to serve on the Regency Conflicts Committee, and was promptly

reappointed once his duties on the Regency Conflicts Committee had concluded. This maneuver, obviously designed to circumvent the independence and eligibility requirements in the Regency LP Agreement, violates the underlying principles of disinterestedness in the Regency LP Agreement and thus constitutes a breach of the implied covenant of good faith and fair dealing that is inherent in every contract.

8. In addition, even prior to his resignation from the Sunoco Board, Brannon had been acting for days as a de facto member of the Regency Conflicts Committee, despite his clear ineligibility for that committee under the terms of the Regency LP Agreement. In an effort to nonetheless take advantage of the "special approval" provision of the Regency LP Agreement, the Regency Board waited to formally constitute the Regency Conflicts Committee until the day Brannon gave notice of his resignation from the Sunoco Board. This delay was one of form over substance, however, as Brannon had been functionally serving as a member of the Conflict Committee while he remained on the Sunoco Board.

9. Finally, neither Brannon nor Bryant met the standards for independence in the NYSE regulations because both knew of their imminent appointments to the Sunoco Board once the Merger was consummated. Section 303A.02 of the NYSE Listed Company Manual requires that in "making 'independence' determinations," "all relevant facts and circumstances" must be

considered, including affiliations and compensation. Furthermore, the commentary provides that a broad range of circumstances may preclude independence, and persons and organizations with whom the person has an affiliation should be considered. An agreement or understanding that one would be appointed or reappointed to the board of an affiliate of ETE runs afoul of NYSE independence standards.

10. Because the Regency Conflicts Committee was itself conflicted, it was not able to perform its duties properly in evaluating whether the price that ETP was offering for Regency was fair and adequate. Consequently, it approved the merger of Regency into ETP at an unfairly low price which caused all of Regency's common unitholders to suffer damages. Moreover, the proxy did not disclose to Regency's unitholders the conflicts of Brannon and Bryant. Therefore, the unitholders' vote on the Merger was not adequately informed because it was based on a material omission. Plaintiff brings this suit on behalf of all unitholders for breach of contract and breach of the implied covenant of good faith and fair dealing for the damages that arose from the bad faith "special approval" of the Merger by a conflicts committee that violated the requirements of Regency LP Agreement.

PARTIES

11. Plaintiff, a citizen of Florida, was a common unitholder of Regency at all relevant times herein until the closing of the Merger on April 30, 2015.

12. Defendant Regency GP is a limited partnership organized and existing under the laws of the State of Delaware. It is the general partner of Regency, and was owned indirectly by ETE both before and after the Merger.

13. Defendant Regency GP LLC is a limited liability company organized and existing under the laws of the State of Delaware, and serves as the general partner of Regency GP. Regency GP manages Regency, and is in turn managed by Regency GP LLC's directors and officers. Regency GP LLC is a party to the Regency LP Agreement, and was owned indirectly by ETE both before and after the Merger.

14. Defendant ETP is a limited partnership organized and existing under the laws of Delaware. ETP owns the general partner of Sunoco, as well as 100% of the distribution rights of Sunoco and 43% of the limited partnership interests in Sunoco. ETP's general partner is owned by ETE.

15. Defendant ETE is a limited partnership organized and existing under the laws of Delaware. Both before and after the Merger, it owned, directly or indirectly, the general partners of both Regency and of ETP. Prior to the Merger,

ETE and ETP beneficially owned approximately 22.58% of the Regency units eligible to vote on the Merger.

16. Defendant EGP is a limited partnership organized and existing under the laws of Delaware. It is the general partner of ETP, and it is owned by ETE.

17. Defendant Michael J. Bradley ("Bradley") has been a director of Regency GP LLC since 2008 and is also the chief executive officer of Regency GP LLC.

18. Defendant James W. Bryant ("Bryant") has been a director of Regency GP LLC since 2010 and served as a member of the Regency Conflicts Committee. On May 5, 2015, Bryant was appointed to the board of directors of Sunoco.

19. Defendant Rodney L. Gray ("Gray") has been a director of Regency GP LLC since 2008.

20. Defendant John W. McReynolds ("McReynolds") has been a director of Regency GP LLC since 2010. McReynolds has served as the President of ETE since March 2005, and as a Director and Chief Financial Officer of ETE since August 2005. In addition, from August 2004 until May 2010, he served as a Director of ETP.

21. Defendant Matthew S. Ramsey ("Ramsey") has been a director of Regency GP LLC since April 2014. Ramsey also is a director of ETE.

22. Defendant Richard Brannon ("Brannon") has been a director of Regency GP LLC since January 16, 2015 and was appointed to the Regency Conflicts Committee on January 20, 2015. He had served as a director of Sunoco until he resigned on January 20, 2015, and he was reappointed as a director of Sunoco on May 5, 2015.

23. Defendants Bradley, Bryant, Gray, McReynolds, Ramsey and Brannon are referred to herein as the "Individual Defendants."

RELEVANT NON-PARTY

24. Regency Energy Partners, LP is a limited partnership organized under the laws of Delaware. It is headquartered at 2001 Bryan Street, Suite 3700, Dallas, Texas 75201. Prior to the Merger, its common units were listed and publicly traded on the NYSE under the symbol "RGP." Effective April 30, 2015, Regency's outstanding common units were acquired by ETP and are no longer publicly traded. Regency's general partner, Regency GP, has at all relevant times been indirectly owned by ETE.

FACTUAL BACKGROUND

I. BACKGROUND AND RECENT FINANCIAL RESULTS OF REGENCY

25. Regency was formed in 2005 and is engaged in the gathering and processing, compression, treatment and transportation of natural gas, and the transportation, fractionation and storage of natural gas lines. It provides mainly

midstream services in some of the highest natural gas producing areas of the country, including the Eagle Ford, Haynesville, Barnett, Fayetteville, Marcellus, Utica, Bone Spring, Avalon and Granite Wash shales. Its assets are primarily located in Alabama, Arkansas, California, Colorado, Kansas, Louisiana, Mississippi, New Mexico, Oklahoma, Pennsylvania, and Texas.

26. Regency has made several acquisitions in the past few years that have enhanced its ability to generate revenues, including its acquisitions of Southern Union Gas Services ("SUGS") in 2013 for $1.5 billion, and its acquisition of subsidiaries of Hoover Energy Partners, L.P., in 2014.

27. Regency's business has been delivering strong results, despite the fact that prices for oil and natural gas have generally been depressed in the past year. On February 19, 2014, it announced its results for the fourth quarter and full year of 2013. Its EBITDA jumped by 18% as compared to 2012, from $517 million to $608 million. Regency's cash available for distribution also rose sharply, from $310 million in 2012 to $411 million in 2013. Michael Bradley, the CEO and President of Regency GP LLC, explained Regency's 2013 accomplishments as follows:

> In 2013, we completed the acquisition and integration of the SUGS assets, and brought online a significant amount of organic growth projects which, along with increased drilling activity, contributed to the strong growth in our gathering and processing and NGL logistics businesses," said Mike Bradley, president and chief executive officer

> of Regency. "In addition, improved demand for compression services led to a nearly 20 percent increase in revenue generating horsepower."
>
> For 2014, we expect strong earnings and volume growth across our base business driven by our substantial organic growth program in 2012 and 2013. . . In addition, we expect the recently acquired Hoover midstream assets, and the proposed acquisitions of PVR Partners and Eagle Rock's midstream business to provide additional growth opportunities, particularly in the Marcellus and Utica Shales in the northeast, the Granite Wash in the Mid-continent and the Permian Basin in west Texas.

Finally, the February 19, 2014 press release highlighted a recent cash distribution to unitholders of $0.475 per outstanding common unit for the fourth quarter ended December 31, 2013, equivalent to $190 per outstanding common unit on an annual basis.

28. Regency continued to thrive in early 2014. In a press release dated May 6, 2014, Regency announced that its first quarter 2014 results showed a 71% increase in its EBITDA over the first quarter of 2013, and an 80% increase in distributable cash flow. Not surprisingly, Regency expressed optimism for its future. Bradley continued to tout the future of Regency:

> Regency's legacy assets experienced strong performance in the first quarter, where we saw significant volume growth in our gathering and processing and NGL services businesses, as well as a strong increase in revenue generating horsepower for our contract compression business . . . . This growth was driven by the ramp up of our growth projects completed last year, along with increased drilling activity in the majority of our operating regions.
>
> Also during the quarter, we completed our merger with PVR Partners, which contributed to incremental earnings for the period since closing.

> ***We continue to expect our legacy assets, as well as PVR assets, to provide significant expansion opportunities in 2014 and 2015 to keep pace with increasing volumes and producer demand*** . . . .

(Emphasis added). Regency also announced a cash distribution of $0.48 per outstanding common unit for the first quarter ended March 31, 2014, which is equivalent to $1.92 per outstanding common unit on an annual basis.

29. Regency's second quarter 2014 results were even better. At that time, Regency's reported adjusted EBITDA was almost double that of its EBITDA from the second quarter in 2013, rising from $155 million to $307 million. Its distributable cash flow more than doubled, rising from $101 million in the second quarter of 2013 to $207 million in the second quarter of 2014. Of these results, Bradley stated:

> In the second quarter, Regency's legacy assets delivered another strong performance, driven by volume growth from completed expansion projects in our gathering and processing and NGL logistics businesses, as well as continued strong demand for contract compression . . . . We were also very pleased with the performance of the recently acquired PVR assets, which also saw a substantial increase in volumes compared to the second quarter of 2013.
>
> Also, we recently completed our acquisition of Eagle Rock Energy's midstream assets. ***Once fully integrated, we expect the acquisitions of Hoover, PVR and Eagle Rock to provide significant synergy and expansion opportunities going forward, allowing Regency to continue increasing our footprint and enhancing our services to customers.***

(Emphasis added).

30. Regency also posted impressive results for the third quarter of 2014. On November 5, 2014, Regency issued a press release announcing that its EBITDA had again doubled from the same quarter in 2013, rising from $172 million to $344 million in the third quarter of 2014. Its distributable cash flow increased from $115 million to $215 million, and its net income more than doubled, raising from $39 million in the third quarter 2013 to $103 million in the third quarter 2014. Its cash distribution was also an impressive $0.5025 per common unit, or $2.01 per outstanding common unit on an annual basis. Bradley continued to express optimism about the future of the Partnership:

> Regency's legacy assets experienced strong growth in the third quarter driven by continued ramp up in volumes in the gathering and processing and NGL logistics businesses, and a further increase in revenue generating horsepower . . . . In addition, volumes on the PVR assets continued to increase compared to the second quarter of 2014.
>
> The integration of the PVR and Eagle Rock midstream assets continues to progress very well, and we are already uncovering incremental synergy opportunities on top of those previously identified.

31. The trading price of a common unit of Regency remained high throughout most of 2014, despite the fact that oil and natural gas prices were falling. In a November 9, 2014 conference call, Bradley discussed the Partnership's prospects in light of the tumultuous oil and gas industry, reassuring investors as follows:

> Despite the recent decline in oil prices, we believe we remain in a good position, as our assets are located in core areas of basins with strong activity and attractive drilling economics and we continue to focus on maintaining predominantly fee-based margins and a comprehensive hedging program. Through our hedging program, we continue to target entering 2015 with approximately two-thirds of our commodity exposure hedged and we have made significant progress towards reaching those levels. And for full-year 2015, we expect margins to be approximately 75% fee-based.
>
> So in summary, we remain very excited as we look forward into 2015 and 2016, as we expect strong continued growth with additional projects coming online. We now have a current backlog of around $2 billion in approved organic growth projects, net of year-to-date CapEx spend and expect that number to increase soon, and we will discuss more on that at a later time.

32. Despite these impressive results and Regency's strong outlook, the Individual Defendants agreed to sell Regency in a conflicted transaction that does not adequately compensate Regency's common unit holders

II. THE TERMS OF THE MERGER

33. On January 26, 2015, Regency and ETP announced that they had reached an agreement whereby ETP would acquire Regency in a transaction valuing the Company at approximately $18 billion. Under the terms of the initial Merger Agreement, Regency's common unit holders were to receive 0.4066 ETP common units and a cash payment of $0.32 for a total estimated value of $26.89 per Regency common unit. These terms would be subsequently amended on February 18, 2015 so that each Regency common unit holder would receive additional ETP common units in lieu of the $0.32 cash consideration. The number

of units were to be determined based on the volume-weighted average price of ETP common units for the five trading days preceding the closing of the Merger.

34. The consideration offered in the Merger represented a meager 13% premium to the most recent closing price for Regency common units and a 15% premium to the volume weighted average price of Regency's common units over the prior three trading days.

35. In announcing the terms of the Merger and in soliciting votes from Regency's common unit holders, the Defendants claimed that these terms, including the amendments thereto, were negotiated and approved by an independent and valid Conflicts Committee of the Regency GP LLC Board. As explained below, this was untrue. Based on the insufficient disclosures concerning the conflicts of interests and the constitution and validity of the Conflicts Committee, Regency unit holders approved the Merger on April 28, 2015 and the Merger closed on April 30, 2015.

III. THE DEFENDANTS FAILED TO ADEQUATELY RESOLVE THE CONFLICTS OF INTEREST POSED BY THE MERGER

36. The Merger between ETP and Regency posed a conflict of interest because both entities were indirectly controlled by ETE. As was explained in Regency's Form 10-Q filed with the SEC on August 9, 2010, the first such filing after ETE acquired Regency GP in May 2010:

Our general partner is owned by ETE, which also owns the general partner of Energy Transfer Partners, L.P. This may result in conflicts of interest.

ETE owns our general partner and as a result controls us. ETE also owns the general partner of Energy Transfer Partners, L.P., or ETP, a publicly traded partnership with which we compete in the natural gas gathering, processing and transportation business. The directors and officers of our general partner and its affiliates have fiduciary duties to manage our general partner in a manner that is beneficial to ETE, its sole owner. At the same time, our general partner has fiduciary duties to manage us in a manner that is beneficial to our unitholders. Therefore, ***our general partner's duties to us may conflict with the duties of its officers and directors to its sole owner. As a result of these conflicts of interest, our general partner may favor its own interest or those of ETE[,] ETP, or their owners or affiliates over the interest of our unitholders.***

37. In addition, the Proxy Statement explains that ETE:

> controls both of ETP and Regency through its indirect ownership of the general partner interests in each company. In addition, ETE owns directly and through its wholly owned subsidiaries, all of the incentive distribution rights in ETP and all of the ETP Class H units and ETP Class I units. ETE also owns directly and through its wholly owned subsidiaries, all of the incentive distribution rights in Regency and 57.2 million Regency common units, representing an approximate 14.0% limited partner interest in Regency. ETP owns, through its subsidiary, 31.4 million Regency common units, representing an approximate 7.6% limited partner interest in Regency, and all of the Regency Class F units.

38. Similarly, in its May 6, 2015 press release announcing the closing of the Merger, ETP acknowledged that "ETP and Regency are both controlled by [ETE]; therefore, the Regency Merger [was] a combination of entities under common control."

39. The Regency LP Agreement contains detailed provisions concerning the proper resolution of such conflicts of interest. Section 7.9 of the Regency LP Agreement, titled "Resolution of Conflicts of Interest; Standards of Conduct and Modification of Duties," provides various mechanisms by which a conflict-of-interest transaction, such as the Merger, could be approved and deemed to be approved by all unitholders, thereby insulating it from most forms of legal challenge:

> Unless otherwise expressly provided in this Agreement or any Group Member Agreement, whenever a potential conflict of interest exists or arises between the General Partner or any of its Affiliates, on the one hand, and the Partnership, any Group Member or any Partner, on the other, any resolution or course of action by the General Partner or its Affiliates in respect of such conflict of interest shall be permitted and deemed approved by all Partners, and shall not constitute a breach of this Agreement, of any Group Member Agreement, of any agreement contemplated herein or therein, or of any duty stated or implied by law or equity, if the resolution or course of action in respect of such conflict of interest is (i) approved by Special Approval, (ii) approved by the vote of a majority of the Common Units (excluding Common Units owned by the General Partner and its Affiliates), (iii) on terms no less favorable to the Partnership than those generally being provided to or available from unrelated third parties, or (iv) fair and reasonable to the Partnership, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to the Partnership). The General Partner shall be authorized but not required in connection with its resolution of such conflict of interest to seek Special Approval of such resolution, and the General Partner may also adopt a resolution or course of action that has not received Special Approval. If Special Approval is not sought and the Board of Directors of the General Partner determines that the resolution or course of action taken with respect to a conflict of interest satisfies either of the standards set forth in clauses (iii) or (iv) above, then it

> shall be presumed that, in making its decision, the Board of Directors of the General Partner acted in good faith, and in any proceeding brought by any Limited Partner or by or on behalf of such Limited Partner or any other Limited Partner or the Partnership challenging such approval, the Person bringing or prosecuting such proceeding shall have the burden of overcoming such presumption….

40. The Regency Board attempted to proceed with the Merger through prong (i) of Section7.9(a), the "Special Approval" process. Any vote by the holders of common units could not satisfy prong (ii) because the conflicts and deficiencies in the process explained below were not adequately disclosed. Moreover, the Regency Board did not make any determination that the terms were no less favorable to Regency that those generally available from unrelated third parties, or that the Merger was fair and reasonable to Regency, as would be required to satisfy prongs (iii) or (iv).

41. Furthermore, because the Regency Board elected to proceed with the "Special Approval" process, the Regency Board is not entitled to the presumption of good faith, which explicitly applies only if "Special Approval is not sought."

42. "Special Approval" is defined in the definitions section of the Regency LP Agreement as "approval by a majority of the members of the Conflicts Committee."

43. The "Conflicts Committee," in turn, is defined as:

> a committee of the Board of Directors of the general partner of the General Partner composed entirely of two or more directors ***who are not*** (a) security holders, officers or employees of the General Partner,

> (b) ***officers, directors or employees of any Affiliate of the General Partner***, or (c) holders of any ownership interest in the Partnership Group other than Common Units ***and who also meet the independence standards required of directors who serve on an audit committee of a board of directors established by the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder and by the National Securities Exchange on which the Common Units are listed or admitted to trading.***

(Emphasis added).

44. Finally, the Regency LP Agreement defines "Affiliate" as follows:

> With respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting, by contract or otherwise.

45. The members selected to serve on the Regency Conflicts Committee were not eligible to serve on the conflicts committee pursuant to the terms of the Regency LP Agreement. Thus, the process by which the Merger was approved constitutes a breach of the Regency LP Agreement and a breach of the implied covenant of good faith and fair dealing.

46. Brannon and Wright were appointed to the Regency Conflicts Committee on January 20, 2015. That same day, Brannon resigned from his position on the board of directors of Sunoco, an affiliate of Regency GP. Brannon

had been appointed to the Regency Board just four days earlier, apparently for the sole purpose of serving on the Conflicts Committee.

47. Prior to January 20, 2015, Brannon had served as a member of the Sunoco board of directors. He resigned from that position on January 20, 2015, which was the same day that he was appointed to the Regency Conflicts Committee. Moreover, on May 5, 2015, just five days after the close of the Merger, Brannon rejoined the Sunoco board of directors.

48. Sunoco is controlled by ETP, which is its general partner. ETE, in turn, controls both ETP and Regency through its ownership of their general partners. Therefore, Sunoco and Regency's general partner, Regency GP, are "Affliates" as defined in the Regency LP Agreement because they were, at all relevant times, "under common control" by ETE.

49. Pursuant to the definition of "conflicts committee," no member of such a committee can be an "officer[], director[], or employee[] of any Affiliate of General Partner." Therefore, no person who was a director of Sunoco could serve on the Regency Conflicts Committee for the purpose of reviewing and approving the Merger.

50. Brannon's temporary resignation from the Sunoco Board evidences a fraudulent attempt to circumvent the express terms of the Regency LP Agreement, which precludes directors of Regency GP affiliates from serving on a conflicts

committee. Thus, Brannon's assignment to the Regency Conflicts Committee was a breach of the express terms of the Regency LP Agreement. Alternatively, it was a breach of the implied covenant of good faith and fair dealing that was inherent in the Regency LP Agreement, as it was done for the sole purpose of evading the express terms to which the parties had agreed, and to benefit ETP at the expense of the Regency common unitholders.

51. In addition, the only other member of the Regency Conflicts Committee, Bryant, was also appointed to the Sunoco Board just a few days after the Merger closed. It strains credulity that Brannon and Bryant were not aware that they would be appointed to the Sunoco Board once they had completed their tenure on the Regency Conflicts Committee, and their lack of disinterestedness rendered them unable to evaluate the terms of the Merger with an impartial view, as required by the Regency LP Agreement.

52. Bryant and Brannon were also ineligible to serve on the Regency Conflicts Committee because they would not have met the "independence standards required of directors who serve on an audit committee of a board of directors established by the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder and by the National Securities Exchange on which the Common Units are listed or admitted to trading" as is also required by the Regency LP Agreement. The New York Stock Exchange Listed

Company manual requires that in "making 'independence' determinations," "all relevant facts and circumstances" be considered. In particular, it states that an audit committee member can have no "[m]aterial relationship" with the company, and that "[m]aterial relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, among others." An understanding that a person would be reappointed or appointed to an affiliate's board shortly after the consummation of the Merger violates this provision.

53. The fact that Brannon and Bryant were ineligible to serve on the Conflicts Committee was not disclosed in the proxy. Nor did the proxy disclose any of the facts giving rise to their ineligibility – *i.e.*, Brannon's recent service on the board of an ETP affiliate, or the expectation that Brannon would rejoin that board, along with Bryant, after completing their work on the Conflicts Committee.

54. As a result of the breach of the Regency LP Agreement and the breach of the implied covenant of good faith and fair dealing by Regency GP and Regency GP LLC, the common unitholders of Regency were forced to sell their units at an inadequate price. ETP was able to exploit the downturn in the oil and gas industry as a whole and strike a bargain – negotiated hastily over the course of only six days – that provided Regency common unitholders a meager 15% premium to the depressed trading price of Regency common units. Furthermore, the Regency common unitholders are not adequately compensated for the synergies and other

expected successes that the Partnership and Bradley touted in their press releases and earnings calls. Accordingly, Regency common unitholders have been damaged.

IV. THE MERGER DISCUSSIONS

55. The final proxy statement for the Merger, filed with the SEC on March 24, 2015 ("Proxy Statement"), explains the background of the Merger and the process that was followed to gain special approval of the Merger by the Regency Conflicts Committee and by the Regency Board. The Proxy Statement reveals that the Defendants showed no regard for the interests of Regency's common unit holders and instead deliberately sought to game the contractual protections and the covenant of good faith in connection with the Merger.

56. According to the Proxy Statement, on January 16, 2015, the ETP Board and the ETE Board held a joint meeting to discuss the possibility of merging Regency with ETP. The ETP Board approved making a proposal, which included an exchange ratio of 0.4044 ETP common units per one common unit of Regency, as well as a cash payment of approximately $137 million to be divided among Regency unitholders.

57. Also on January 16, 2015, Michael J. Bradley, the President and Chief Executive Officer of Regency GP LLC, the general partner of Regency GP, and

Thomas E. Long, the Executive Vice President and Chief Financial Officer of Regency GP LLC, met with Kelcy L. Warren, Chief Executive Officer of ETP GP LLC and Chairman of the ETP Board, and Jamie Welch, Group Chief Financial Officer of LE GP, LLC, the general partner of ETE, for initial discussions concerning ETP's offer.

58. On January 16, 2015, the Regency Board determined that any transaction between ETP and Regency would be subject to the approval of the Regency Conflicts Committee, and it determined that it would delegate authority to the Conflicts Committee to review and analyze the proposed transaction. The formal resolution delegating authority to the Regency Conflicts Committee was adopted by the Regency Board on January 22, 2015.

59. On January 16, 2015, Brannon was appointed to the Regency Board, and on January 20, 2015, he was appointed to the Regency Conflicts Committee.

60. On January 19, 2015, while Brannon was still serving on the Sunoco Board, Brannon and Bryant, the other member of the Regency Conflicts Committee, met with Mr. Bradley, Mr. Long and Mr. Carpenter, as well as with legal counsel, to discuss strategy with regard to the proposed transaction.

61. On January 20, 2015, the two members of the Regency Conflicts Committee – Brannon and Bryant – had a call with their legal representatives to confirm their appointment to the committee. They also discussed various matters

pertaining to their duties and responsibilities as members of the Regency Conflicts Committee, as well as their purported independence.

62. Following the formation of the Conflicts Committee, negotiations between Regency and ETP lasted for a mere six days. During that time, the Regency Conflicts Committee made a halfhearted and perfunctory counter to ETP's meager opening offer and requested an exchange ratio of 0.425, plus a cash payment equal to the expected difference between ETP's quarterly distributions and Regency's quarterly distributions for the two-year period following the closing of the Merger.

63. On January 23, 2015, ETP made a counteroffer with a proposed exchange ratio of 0.4066 and a cash payment of $0.32 per common unit of Regency, which would be necessary to reach the small 15% premium that the Regency Conflicts Committee had set as a goal.

64. Despite the fact that it requested an exchange ratio of 0.425 just a few days earlier, the Conflicts Committee quickly accepted this slightly revised offer on January 25, 2015, just nine days after negotiations began.. That very day, the Regency Board voted to approve the Merger pursuant to the Regency Conflicts Committee's recommendation. ETP and Regency issued a press release on January 26, 2015 announcing the Merger.

V. CLASS ACTION ALLEGATIONS

65. Plaintiff brings this action as a class action pursuant to Delaware Court of Chancery Rule 23 on behalf of all persons who were common unitholders as of the date of the close of the Merger and who were damaged thereby (the "Class"). Excluded from the Class are (a) Defendants; (b) members of the immediate families of the Individual Defendants; (c) any subsidiaries of Defendants or Regency; (d) any affiliate, as that term is defined in the Regency LP Agreement, of any Defendant or of Regency; (e) any person or entity who is a partner, executive officer, director or controlling person of Regency or any Defendant; (f) any entity in which any Defendant or Regency has a controlling interest; (g) Defendants' directors' and officers' liability insurance carriers, and any affiliates or subsidiaries thereof; and (h) the legal representatives, heirs, successors and assigns of any such excluded party.

66. The members of the Class are so numerous that joinder of all members is impracticable. Prior to the Merger, Regency's common units were actively traded on the NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through the appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Regency or its transfer agent and

may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

67. There is a well-defined commonality in the questions of law and fact involved in this case. Questions of law and fact common to the members of the Class that predominate over questions that may affect individual Class members include:

i. whether Regency GP, Regency GP LLC and the Individual Defendants breached the Regency LP Agreement;

ii. whether Regency GP, Regency GP LLC and the Individual Defendants breached the implied covenant of good faith and fair dealing inherent in the Regency LP Agreement;

iii. whether ETP, EGP, and ETE tortiously interfered with Regency common unitholders' contractual rights under the Regency LP Agreement;

iv. whether ETP, EGP and ETE aided and abetted the breach of the Regency LP Agreement;

v. whether ETP paid an unfairly low price to Regency unitholders in connection with the Merger; and

vi. the extent of damages sustained by Class members and the appropriate measure of damages.

68. Plaintiff's claims are typical of those of the Class because Plaintiff and the Class sustained damages from Defendants' wrongful conduct.

69. Plaintiff will fairly and adequately protect the interests of the Class and has retained counsel who are experienced in class action litigation and in litigation in the Delaware Court of Chancery. Plaintiff has no interests that conflict with those of the Class.

70. A class action is superior to other available methods for the fair and efficient adjudication of this controversy. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them.

COUNT I

(Breach of Contract Against Regency GP LP and Regency GP LLC)

71. Plaintiff repeats and realleges all of the preceding allegations as if fully set forth herein.

72. Plaintiff brings this count on behalf of himself and the class against Regency GP and Regency GP LLC for breach of the Regency LP Agreement.

73. Plaintiff and the other members of the class were limited partners of Regency, and thus parties to the Regency LP Agreement.

74. The Regency LP Agreement states that a course of action that presents a "potential conflict of interest" is not a breach of the Regency LP Agreement only if one of four paths are taken: (i) approval by Special Approval, (ii) approval by the vote of a majority of the Common units (excluding those owned by the General Partner and its affiliates); (iii) on terms no less favorable to the Partnership than those generally provided to or available from unrelated third parties; or (iv) fair and reasonable to the Partnership, taking into account the totality of the relationships of the parties involved.

75. Here, the Regency Board elected to attempt to resolve the conflict of interest in the Merger through the Special Approval process. The Regency Board cannot claim that any other path was chosen: there was no fully informed vote of a majority of the Common Units; the terms were less favorable than those that would have been available from an unrelated third party; and the terms were not fair and reasonable to the Partnership.

76. However, the Special Approval process was not correctly implemented because Brannon and Bryant had an understanding that they would be reappointed and appointed to the Sunoco Board, an affiliate of Regency GP, almost immediately once their duties on the Conflicts Committee were concluded. Thus, they were not eligible to serve on the Conflicts Committee, and the Regency Board did not, in fact, follow the Special Approval process. Because *none* of the

four methods were followed in implementing the Merger, taking such course of action constitutes a breach of the Regency LP Agreement. Thus, the Conflicts Committee does not insulate Regency GP from liability.

77. Furthermore, Regency GP acted in bad faith in agreeing to the terms of the Merger because it did not believe that the Merger was in the best interests of the Partnership. Rather, Regency GP knew that the Merger was in the best interests of ETE and ETP, which timed the Merger to take advantage of the artificially depressed trading price of Regency's common units.

78. Regency GP has breached the express terms of the Regency LP Agreement by acting in bad faith when it agreed to the Merger, which it knew not to be in the best interests of the Partnership, and by appointing Bryant and Brannon to the Regency Conflicts Committee, even though they were ineligibile to serve on the Regency Conflicts Committee because they were not disinterested.

79. Regency GP is a party to the Regency LP Agreement. Regency GP LLC, as the general partner of Regency GP, is liable for everything Regency GP is liable for.

80. Plaintiff and the other Regency common unitholders have been injured as a direct result of the actions of Regency GP LP and Regency GP LLC.

81. Plaintiff and the class have no adequate remedy at law.

COUNT II

(Breach of the Implied Covenant of Good Faith and Fair Dealing Against Regency GP LP and Regency GP LLC)

82. Plaintiff repeats and realleges all of the preceding allegations as if fully set forth herein.

83. Plaintiff brings this count on behalf of himself and the class against Regency GP and Regency GP LLC for breach of the implied covenant of good faith and fair dealing that is inherent in the Regency LP Agreement under Delaware law.

84. Plaintiff and the other members of the class were limited partners of Regency, and thus parties to the Regency LP Agreement.

85. Regency GP breached the implied covenant of good faith and fair dealing by appointing Brannon and Bryant to the Regency Conflicts Committee even though (a) Brannon would have been ineligible under the express terms of the Regency LP Agreement absent his resignation from the Sunoco Board, which resignation was accomplished for the sole purpose of evading those express, and (b) Brannon and Bryant had an understanding or an agreement that they would be reappointed and appointed to the Sunoco Board, a Regency GP affiliate, shortly after the Merger was consummated and thus lacked independence. In attempting to skirt the technical requirements in the Regency LP Agreement in order to enter into a transaction that is not in the best interests of Regency's common unit

holders, the Defendants have acted in bad faith. In approving the Merger and appointing interested parties to the Conflicts Committee, Defendants acted arbitrarily and unreasonably, with the effect that Regency's common unitholders have been unable to enjoy the fruits of the Regency LP Agreement. At the time it entered into the Regency LP Agreement, Plaintiff could not have anticipated that Regency GP would appoint conflicted members to serve on the Conflicts Committee.

86. There exists a gap in the Regency LP Agreement's description of who may serve as a conflicts committee member that may be filled by invoking the implied covenant of good faith and fair dealing.

87. Regency GP is a party to the Regency LP Agreement. Regency GP LLC, as the general partner of Regency GP, is liable for everything Regency GP is liable for.

88. Plaintiff and the other Regency common unitholders have been injured as a direct result of the breach of the implied covenant of good faith and fair dealing of Regency GP LP and Regency GP LLC.

89. Plaintiff and the class have no adequate remedy at law.

COUNT III

(Aiding and Abetting Breach of Contract Against Energy Transfer Partners L.P, Energy Transfer Partners GP, L.P., Energy Transfer Equity, L.P., and the Individual Defendants)

90. Plaintiff repeats and realleges all of the preceding allegations as if fully set forth herein.

91. Plaintiff brings this count on behalf of himself and the class against ETP, ETE, EGP and the Individual Defendants for aiding and abetting breach of contract.

92. ETP aided and abetted Regency GP LLC to enter into the Merger agreement on terms that were unfair to the common unitholders of Regency. Furthermore, as the general partner of Sunoco, ETP knew of Brannon's ties to Sunoco and that he was ineligible to serve on the conflicts committee but that he temporarily resigned from the Sunoco Board in an effort to create the illusion of independence and evade the terms of the Regency LP Agreement.

93. EGP is the general partner of ETP, and consequently is liable for everything EGP is liable for.

94. ETE controls EGP and Regency GP LLC.

95. The Individual Defendants caused Regency GP LP and Regency GP LLC to take all of the actions complained of herein.

96. Plaintiff and the other Regency common unitholders have been injured as a direct result of the tortious interference with their contractual rights under the Regency LP Agreement.

97. Plaintiff and the class have no adequate remedy at law.

COUNT IV

(Tortious Interference with Contract Against Energy Transfer Partners L.P, Energy Transfer Partners GP, L.P., Energy Transfer Equity, L.P., and the Individual Defendants)

98. Plaintiff repeats and realleges all of the preceding allegations as if fully set forth herein.

99. Plaintiff brings this count on behalf of himself and the class against ETP, ETE and EGP, as well as against the Individual Defendants for tortious interference with the Regency common unitholders' contractual rights pursuant to the Regency LP Agreement.

100. ETP caused Regency GP LLC to enter into the Merger agreement on terms that were unfair to the common unitholders of Regency. Furthermore, as the general partner of Sunoco, ETP knew of Brannon's ties to Sunoco and that he was ineligible to serve on the conflicts committee but that he temporarily resigned from the Sunoco Board in an effort to create the illusion of independence and evade the terms of the Regency LP Agreement.

101. EGP is the general partner of ETP, and consequently is liable for everything EGP is liable for.

102. ETE controls EGP and Regency GP LLC.

103. The Individual Defendants caused Regency GP LP and Regency GP LLC to take all of the actions complained of herein.

104. Plaintiff and the other Regency common unitholders have been injured as a direct result of the tortious interference with their contractual rights under the Regency LP Agreement.

105. Plaintiff and the class have no adequate remedy at law.

WHEREFORE, Plaintiff prays for the following relief:

A. An order declaring that this action is properly maintainable as a class action;

B. An order declaring that the Merger constituted a breach of the Regency LP Agreement;

C. An order declaring that Regency GP LP and Regency GP LLC breached the Regency LP Agreement;

D. An order declaring that Regency GP LP and Regency GP LLC breached the implied covenant of good faith and fair dealing inherent in the Regency LP Agreement;

E. An order declaring that ETP, ETE, EGP, and the Individual Defendants aided and abetted the breach of the Regency LP Agreement;

F. An order declaring that ETP, ETE, EGP, and the Individual Defendants tortiously interfered with the Regency LP Agreement;

G. An order requiring Defendants to compensate Plaintiff and the class for the violations described herein, in an amount to be determined at trial;

H. An order requiring Defendants to pay reasonable attorneys' fees and expenses in connection with this litigation; and

I. Such other relief as this Court deems just and appropriate.

DATED: June 10, 2015

GRANT & EISENHOFER P.A.

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