STONEMOR PARTNERS LP
Form 424B5
February 11, 2014
Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration Number 333-192670

PROSPECTUS SUPPLEMENT

(To prospectus dated December 16, 2013)

2,000,000 Common Units

StoneMor Partners L.P.

Representing Limited Partner Interests

We are selling 2,000,000 common units representing limited partner interests in us pursuant to this prospectus supplement and the accompanying prospectus.

Common units are traded on the New York Stock Exchange under the symbol STON. On February 10, 2014, the last reported sale price of common units on the New York Stock Exchange was $25.40 per common unit.

You should consider the information set forth in Risk Factors beginning on page S-14 of this prospectus supplement and on page 5 of the accompanying prospectus and in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus before buying common units.

	Per Common Unit	Total
Public offering price	$ 24.45	$ 48,900,000
Underwriting discount	$ 1.14	$ 2,280,000
Proceeds, before expenses, to us	$ 23.31	$ 46,620,000

The underwriters may purchase up to an additional 300,000 common units from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement to cover overallotments, if any.

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

The underwriters expect to deliver the common units to purchasers on or about February 14, 2014.

RAYMOND JAMES

JANNEY MONTGOMERY SCOTT

The date of this prospectus supplement is February 10, 2014.

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

Base Prospectus

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

We are providing information to you about this offering of common units in two parts. The first part is this prospectus supplement, which provides the specific details regarding this offering. The second part is the accompanying prospectus, which provides general information. Generally, when we refer to this prospectus, we are referring to both documents combined, as well as to the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. Some of the information in the accompanying prospectus may not apply to this offering. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement.

Any statement made in this prospectus or in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document that is also incorporated by reference into this prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus. The sections captioned Where You Can Find More Information and Information Regarding Forward-Looking Statements in the accompanying prospectus are superseded in their entirety by the similarly titled sections included in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference in this prospectus. We have not, and the underwriters have not, authorized anyone to provide you with information that is different from that contained in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell common units and seeking offers to buy common units only in jurisdictions where offers and sales are permitted. You should assume that the information appearing in this prospectus, as well as information we previously filed with the Securities and Exchange Commission, or the SEC, and incorporated herein by reference, is accurate only as of their respective dates or other dates which are specified in those documents, regardless of the time of delivery of this prospectus or of any sale of the common units. Our business, financial condition, results of operations and prospects may have changed since those dates.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained or incorporated by reference in this prospectus, including, but not limited to, information regarding the status and progress of our operating activities, the plans and objectives of our management, assumptions regarding our future performance and plans, and any financial guidance provided as well as certain information in our other filings with the SEC and elsewhere, are forward-looking statements. The words believe, may, will, estimate, continue, anticipate, intend, project, expect, predict and similar expressions identify t forward-looking statements. These forward-looking statements are made subject to certain risks and uncertainties that could cause actual results to differ materially from those stated or implied, including, but not limited to, the following:

- uncertainties associated with future revenue and revenue growth;
- the effect of the current economic downturn;
- the impact of our significant leverage on our operating plans;
- our ability to service our debt and pay distributions;

Table of Contents

- the decline in the fair value of certain equity and debt securities held in our trusts;
- our ability to attract, train and retain an adequate number of sales people;
- uncertainties associated with the volume and timing of pre-need sales of cemetery services and products;
- increased use of cremation;
- changes in the death rate;
- changes in the political or regulatory environments, including potential changes in tax accounting and trusting policies;
- our ability to successfully implement a strategic plan relating to achieving operating improvements, strong cash flows and further deleveraging;
- our ability to successfully compete in the cemetery and funeral home industry;
- uncertainties associated with the integration or anticipated benefits of our recent acquisitions or any future acquisitions;
- our ability to complete and fund additional acquisitions;
- litigation or legal proceedings that could expose us to significant liabilities and damage our reputation;
- our ability to maintain effective disclosure controls and procedures and internal control over financial reporting;
- the effects of cybersecurity attacks due to our significant reliance on information technology;
- uncertainties relating to the financial condition of third-party insurance companies that fund our pre-need funeral contracts; and
- various other uncertainties associated with the death care industry and our operations in particular.

Forward-looking statements contained or incorporated by reference in this prospectus present our views only as of the date of the applicable document containing such forward-looking statements. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements set forth in Risk Factors and other sections in this prospectus supplement and the accompanying prospectus and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 filed with the SEC on March 15, 2013, or the 2012 Form 10-K, our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2013 filed with the SEC on May 7, 2013, or the First Quarter 2013 Form 10-Q, our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2013 filed with the SEC on August 7, 2013, or the Second Quarter 2013 Form 10-Q, and our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2013 filed with the SEC on November 7, 2013, or the Third Quarter 2013 Form 10-Q, each of which is incorporated herein by reference. Except as required by federal and state securities laws, we assume no obligation to update or revise any forward-looking statements made herein or any other forward-looking statements made by us, whether as a result of new information, future events or otherwise. See Where You Can Find More Information.

Table of Contents

SUMMARY

This summary highlights information about our business and about this offering contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. It does not contain all of the information that you should consider before making an investment decision. You should read this entire prospectus supplement and the accompanying prospectus, as well as the documents incorporated by reference herein and therein in their entirety, including the risk factors and our financial statements and related notes, before making an investment decision. You should carefully consider the information set forth under Risk Factors beginning on page S-14 of this prospectus supplement and page 5 of the accompanying prospectus about important risks that you should consider before buying common units in this offering. Unless we indicate otherwise, the information we present in this prospectus supplement assumes that the underwriters do not exercise their option to purchase additional common units.

In this prospectus supplement, unless the context otherwise requires, references to we, us or our are to StoneMor Partners L.P., its subsidiaries and its general partner collectively.

StoneMor Partners L.P.

We are, as of September 30, 2013, the second largest owner and operator of cemeteries in the United States. As of September 30, 2013, we operated 277 cemeteries in 27 states and Puerto Rico. We own 259 of these cemeteries, and we operate the remaining 18 under management or operating agreements with the nonprofit cemetery corporations that own the cemeteries. As of September 30, 2013, we also owned and operated 90 funeral homes in 18 states and Puerto Rico. Forty-one of our funeral homes are located on the grounds of the cemeteries that we own.

We were formed as a Delaware limited partnership in April 2004. Unlike certain of our competitors that are not treated as partnerships for federal income tax purposes, our primary business objective is to increase distributable cash flow over time for our unitholders. We aim to set unitholder distributions at a level that can be sustained over time, while maintaining resources sufficient for the ongoing stability and growth of our business.

As of September 30, 2013, we were the only one of the four publicly traded U.S. death care companies that derives a majority of its revenue from cemetery operations rather than funeral home services. In the nine months ended September 30, 2013, our total revenues were approximately $183.6 million.

The cemetery products and services that we sell include the following:

Interment Rights	Merchandise	Services
burial lots	burial vaults	installation of burial vaults
lawn crypts	caskets	installation of caskets
mausoleum crypts	grave markers and grave marker bases	installation of other cemetery merchandise
cremation niches	memorials	other service items
perpetual care rights		

We sell cemetery products and services both at the time of death, which we refer to as at-need, and prior to the time of death, which we refer to as pre-need. We market our products and services through an experienced staff of commissioned sales representatives. We had 839 of these full-time representatives on staff as of September 30, 2013. Our sales of real property, including burial lots

Table of Contents

(with and without installed vaults), lawn and mausoleum crypts and cremation niches, generate qualifying income sufficient for us to be treated as a partnership for federal income tax purposes.

For the nine months ended September 30, 2013, we performed 34,156 burials and sold 23,394 interment rights (net of cancellations). Based on our sales of interment spaces in 2012, our cemeteries have an aggregated weighted average estimated remaining sales life of 246 years. As of September 30, 2013, we do not believe there has been any material change to the weighted average estimated remaining sales life of our cemeteries.

As of September 30, 2013, our cemetery properties were located in Alabama, California, Colorado, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, Mississippi, Missouri, New Jersey, North Carolina, Ohio, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Tennessee, Virginia, Washington and West Virginia. In 2012 and in the nine months ended September 30, 2013, our cemetery operations accounted for approximately 85.3% and 82.3% of our total revenues, respectively.

Our primary funeral home products are caskets and related items. Our funeral home services include consultation, the removal and preparation of remains and the use of funeral home facilities for visitation and prayer services. We sell these services and merchandise generally at the time of need.

As of September 30, 2013, our funeral homes were located in Alabama, Arkansas, California, Florida, Illinois, Indiana, Kansas, Maryland, Mississippi, Missouri, Ohio, Oregon, Pennsylvania, Puerto Rico, South Carolina, Tennessee, Virginia, Washington and West Virginia. In 2012 and in the nine months ended September 30, 2013, our funeral home revenues accounted for approximately 14.7% and 17.7% of our total revenues, respectively. Our funeral home operations are conducted through various wholly-owned subsidiaries that are treated as corporations for U.S. federal income tax purposes.

Competitive Strengths

We believe that the following competitive strengths contribute to our position as a leading cemetery operator:

Long-lived and Geographically Diverse Cemeteries. We have a large portfolio of cemetery properties, which will enable us to offer cemetery products and services in the markets we serve for many years. Because we operate cemeteries in 27 states and Puerto Rico, we have not historically been materially affected by localized economic downturns or changes in laws regulating cemetery operations in any one state. Our portfolio consisted of 276 cemetery properties with a total of approximately 12,309 acres as of December 31, 2012. Our cemeteries have an aggregated weighted average estimated remaining sales life of 246 years based upon interment spaces sold in 2012. In addition, we increase capacity in our cemeteries by building mausoleum crypts and lawn crypts as the number of unsold lots decreases.

Highly Trained and Professional Sales Force. Our highly trained and professional sales force is the key to our success in executing our pre-need sales strategy. We had 839 full-time commissioned sales representatives and 123 full-time sales support and telemarketing employees as of September 30, 2013.

Ability to Successfully Execute and Integrate Acquisitions. Our acquisitions have been based on targeted guidelines that include projected cash flow and profitability, location, heritage and reputation, physical size, market value and volume of pre-need business. We believe our targeted approach, combined with our management team s industry contacts and experience will allow us to continue to maintain a competitive advantage in executing and integrating acquisitions. Since going public in September 2004, we have successfully acquired, integrated and continue to operate 146 cemeteries and 83 funeral homes into our operations as of February 7, 2014. With the completion of this offering, we expect to have the ability to fund additional acquisition opportunities should they arise. We expect to continue to see businesses become available for purchase that meet our acquisition criteria.

Diversified Product Mix. Our mix of pre-need cemetery merchandise and services and at-need cemetery and funeral home merchandise and services represents a diversified product mix that allows us to provide customers with a comprehensive product offering. These products and services provide us with a presence in the major segments of the death care industry.

Operating Efficiencies Attributable to Our Size. Due to our size, we are able to generate economies of scale and operating efficiencies. These include shared best practices in the area of pre-need marketing, lower purchasing costs for cemetery and funeral home merchandise through volume purchasing, lower operating expenses through centralized administrative functions, shared maintenance equipment and personnel and more effective strategic and financial planning. As a result, we are able to compete favorably in the areas we serve and to potentially improve the profitability of cemetery operations we acquire.

Oversight and Management of Trust Assets to Preserve Capital and Generate Income. While our business model calls for us to release funds from our merchandise trusts on an accelerated basis upon pre-need delivery and performance, at any point in time we will have a significant amount of invested assets. We have employed an investment strategy that focuses on a balanced approach to preserving capital while generating returns in excess of current inflation rates. We invest the funds held in merchandise trusts and perpetual care trusts in investments in intermediate term, investment grade, fixed income securities, high-yield fixed income securities, real estate investment trusts, master limited partnerships and, to a lesser extent, other types of equity securities and cash. The funds that are held in trusts are managed by third-party professional investment managers within specified investment guidelines adopted by the Trust and Compliance Committee of the board of directors of our general partner and standards imposed by state law. Our merchandise trusts had an aggregate market value of approximately $415.4 million as of September 30, 2013. Our perpetual care trusts had an aggregate market value of approximately $302.8 million as of September 30, 2013.

Experienced Management Team. We believe that we have one of the most experienced management teams in the death care industry, led by Lawrence Miller, our President and Chief Executive Officer, and Timothy Yost, our Chief Financial Officer, who have extensive senior-level experience in managing large death care companies. Our 9 senior officers have an average industry experience of over 26 years.

Business Strategies

Our primary business objective is to increase distributable cash flow over time for our unitholders. We attempt to achieve this objective by employing the following core strategies:

Develop and Maintain a Diversified Revenue Stream. Our business model is constructed so that sales revenues are generated from pre-need sales of cemetery merchandise and services as well as at-need sales of cemetery merchandise and services and at-need or pre-need sales of funeral home merchandise and services. This diverse revenue stream should prove to be more stable over economic cycles than a more concentrated revenue stream.

Sales of pre-need merchandise and services allow us to focus on sales to new customers and sales of additional merchandise to existing customers in order to establish a loyal customer base. These sales tend to generate additional pre-need sales and at-need sales to close family members of our pre-need customers. We have developed a sales force and marketing platform dedicated to this revenue stream. This marketing platform is built around direct response marketing programs and relationship marketing. This has improved the quality of our company-generated sales leads which in turn has led to improved sales from these sources. We have also established an inside sales department to create an additional avenue for customers to purchase our products and services. The inside sales representatives work hand-in-hand with their counterparts in the field, and their joint efforts have helped to increase the amount of sales per customer.

Sales of at-need cemetery merchandise and services and funeral home merchandise and services are a complement to our pre-need sales program. From a strategic standpoint, they also provide us with a revenue stream that is less sensitive to changes in economic cycles and requires less significant upfront sales and marketing resources as compared to sales of pre-need services.

Consistently Review and Improve Operating Efficiencies. We have a dedicated senior executive team that actively monitors our operating costs and efficiently executes cost-containment and operational improvement strategies. We believe this team is quick to react to changes in the marketplace and implement both long- and short-term strategies that allow us to meet our primary objective on a continuing basis.

Purchase Products and Perform Services That Are Subject to Trusting Requirements in Advance of the Time of Need. We are required by various state laws to deposit a portion of funds that we receive from our pre-need sales of cemetery merchandise and services into merchandise trusts to ensure that we will have sufficient funds in the future to purchase these products and perform these services. In many cases, we are allowed to release these funds from the trust once we have delivered the product or performed the services. We have instituted a program wherein we deliver certain of these products or perform certain of these services in advance of the time of need, thereby allowing us to release the funds from trust and relieve ourselves of the obligation of trusting any additional funds. This in turn makes cash available to pay operating expenses, pursue investment opportunities, service debt and make distributions.

Acquire and Integrate Additional Cemeteries and Funeral Homes. One of our core strategies is to grow our business through the acquisition of additional properties. We plan to continue to evaluate potential acquisitions and identify properties that we believe complement our existing portfolio.

Table of Contents

Recent Developments

Acquisitions. For the nine months ended September 30, 2013, we completed two acquisitions and executed a management agreement and long-term lease.

In the first acquisition, which was completed in the first quarter of 2013, we acquired six funeral homes in Florida, including certain related assets, and assumed certain related liabilities. We paid an aggregate of $9.1 million in cash and issued 159,635 of our common units, which equated to approximately $3.6 million worth of common units. We also issued an unsecured promissory note in the amount of $3.0 million. In addition, we will also pay an aggregate amount of $1.2 million in six equal annual installments commencing on February 19, 2014 in exchange for a non-compete agreement with the seller.

In the second acquisition, which was completed in the third quarter of 2013, we acquired one cemetery in Virginia, including certain related assets, and assumed certain related liabilities. We paid an aggregate of $5.0 million in cash to complete this transaction.

Lease Transaction with Archdiocese of Philadelphia. During September 2013, we entered into a Lease Agreement and Management Agreement with the Archdiocese of Philadelphia, pursuant to which we will operate 13 cemeteries in Pennsylvania. These cemeteries have recently performed a combined average of about 7,000 burials per year. We will operate these cemeteries for a period of 60 years, subject to certain closing conditions and subject to early termination in certain circumstances. In connection with these agreements, we agreed to lease eight cemetery sites in the Philadelphia area and to serve as the exclusive operator with respect to the remaining five sites. This transaction represents the second largest enterprise that we have undertaken since becoming publicly traded, and we expect to bring to these cemetery sites our experience in offering and managing pre-need planning for families. We expect to close this lease transaction in the first half of 2014.

7.875% Senior Notes due 2021. On May 28, 2013, we completed an offering of $175.0 million aggregate principal amount of 7.875% Senior Notes due 2021. A portion of the net proceeds from the debt offering were used to pay the tender offer consideration and redeem our $150.0 million outstanding aggregate principal amount of 10.25% Senior Notes due 2017, including the tender premium and accumulated interest, and the remaining proceeds were used for general corporate purposes.

New Chief Operating Officer. In October 2013, we appointed David L. Meyers as the Interim Chief Operating Officer of our general partner as part of our management succession plan. Upon the December 31, 2013 retirement of Michael L. Stache, the previous Senior Vice President and Chief Operating Officer of our general partner, Mr. Meyers succeeded Mr. Stache as the Chief Operating Officer of our general partner.

Mr. Meyers joined us from Terminix International, where he had over 20 years of experience in positions of increasing responsibility. Mr. Meyers previously managed the operations of multiple branch locations and regional management teams in the southeastern part of the United States. His responsibilities included developing the division s organizational structure, designing process improvements and leveraging technology to monitor operational results, increase productivity and drive competitive strengths.

Cash Distribution for Fourth Quarter of 2013. On January 27, 2014, we declared a quarterly cash distribution for the quarter ended December 31, 2013 of $0.60 per common unit payable on

Table of Contents

February 14, 2014 to unitholders of record as of February 6, 2014. Purchasers of our common units in this offering will not be entitled to this quarterly cash distribution.

Structure and Management

Our operations are conducted through, and our operating assets are owned by, our direct and indirect subsidiaries. We have one direct subsidiary, StoneMor Operating LLC, a limited liability company that owns equity interests in a number of our subsidiary operating companies.

Our general partner, StoneMor GP LLC, manages our operations and activities. Our general partner does not receive any management fee or other compensation in connection with its management of our business, but is reimbursed for expenses that it incurs on our behalf and holds incentive distribution rights in us. Members of our management hold direct and indirect interests in our general partner.

Our principal executive offices are located at 311 Veterans Highway, Suite B, Levittown, Pennsylvania 19056, and our phone number is (215) 826-2800. Our website is located at *http://www.stonemor.com.* Information on our website is not incorporated by reference into this prospectus supplement and accompanying prospectus and does not constitute a part of this prospectus supplement and accompanying prospectus.

Table of Contents

Organizational Structure

The following diagram depicts our organizational structure and ownership giving effect to the offering of common units contemplated by this prospectus supplement:

S-7

Table of Contents

The Offering

Common units offered	2,000,000 common units
Common units outstanding after this offering	23,385,231 common units, or 23,685,231 if the underwriters exercise in full their option to purchase an additional 300,000 common units.
Use of proceeds	We estimate that our net proceeds from this offering will be approximately $46.1 million after deducting underwriting discounts and offering expenses payable by us ($53.1 million if the underwriters exercise in full their option to purchase additional common units).
	We intend to use the net proceeds from this offering of common units to pay down borrowings outstanding under our credit facility.
	If the underwriters exercise their option to purchase additional common units in full, we will use the additional net proceeds to pay down borrowings outstanding under our credit facility.
	An affiliate of Raymond James & Associates, Inc., or Raymond James, is a lender under our credit agreement and as such will receive a portion of the proceeds of this offering. See Use of Proceeds.
Cash distributions	Within 45 days after the end of each quarter, we distribute our available cash from operations, after we have paid our expenses, funded merchandise and perpetual care trusts and established necessary cash reserves, to unitholders of record on the applicable record date. In general, after giving effect to this offering, we will pay any cash distributions we make each quarter 98.32% to all common units, pro rata, and 1.68% to our general partner, until each common unit has received a distribution of $0.5125.
	If cash distributions per common unit exceed $0.5125 in any quarter, our general partner will receive increasing percentages, up to a maximum of 49.68%, of the cash we distribute in excess of that amount. We refer to these additional distributions as incentive distributions.
	On January 27, 2014, we declared a quarterly cash distribution for the quarter ended December 31, 2013 of $0.60 per common unit payable on February 14, 2014 to unitholders of record as of February 6, 2014. Purchasers of our common units in this offering will not be entitled to this quarterly cash

	distribution. Subject to the declaration by the board of directors of our general partner of a cash distribution with respect to the first quarter of 2014, purchasers of the common units in this offering will receive their first cash distribution in May 2014. For a discussion of our cash distribution policy, see Cash Distribution Policy in the accompanying prospectus.
Issuance of additional units	We may issue an unlimited number of limited partner interests of any type without the approval of the unitholders.
Limited voting rights	Our general partner manages and operates us. Unlike the holders of common stock in a corporation, you will have only limited voting rights on matters affecting our business. You will have no right to elect our general partner or its directors on an annual or other continuing basis. Our general partner may not be removed except by a vote of the holders of at least 66 $^{2}/_{3}$% of the outstanding units, including any units owned by our general partner and its affiliates, voting together as a single class. After giving effect to this offering, affiliates of our general partner will own approximately 2.3% of the common units. See Description of the Common Units Voting Rights in the accompanying prospectus.
Limited call right	If at any time our general partner and its affiliates own more than 80% of the outstanding common units, our general partner has the right, but not the obligation, to purchase all of the remaining common units at a price not less than the then-current market price of the common units.
Estimated ratio of taxable income to distributions	We estimate that if you hold the common units that you purchase in this offering through December 31, 2016, you will be allocated, on a cumulative basis, an amount of taxable income for that period that will be 50% or less of the cash distributed to you with respect to that period. Thereafter, we anticipate that the ratio of allocable taxable income to cash distributions to the unitholders will increase. See U.S. Federal Income Tax Considerations in this prospectus supplement.
Material U.S. federal income tax consequences	For a discussion of other material federal income tax consequences that may be relevant to prospective unitholders who are individual citizens or residents of the United States, see U.S. Federal Income Tax Considerations in this prospectus supplement and Material U.S. Federal Income Tax Consequences in the accompanying prospectus.
Risk factors	You should refer to the section entitled Risk Factors in this prospectus supplement, the accompanying prospectus and

Table of Contents

	the documents incorporated by reference herein and therein to ensure you understand the risks associated with an investment in our common units.
New York Stock Exchange symbol	STON

Table of Contents

Summary Historical Consolidated Financial and Operating Data

The following tables present our summary historical consolidated financial and operating data for the periods and as of the dates indicated. Our summary historical consolidated financial data as of and for the years ended December 31, 2012, 2011 and 2010 are derived from our audited consolidated financial statements and are incorporated by reference into this prospectus supplement. Our summary historical consolidated financial data as of and for the nine months ended September 30, 2013 and 2012 are derived from our unaudited condensed consolidated financial statements and are incorporated by reference into this prospectus supplement.

In the opinion of our management, our unaudited historical consolidated financial statements have been prepared on the same basis as our audited historical consolidated financial statements and contain all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of our financial position and results of operations for the relevant periods.

The results of operations for the interim periods are not necessarily indicative of the operating results for the entire year or any future period. The following tables should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and the audited and unaudited historical consolidated financial statements and accompanying notes thereto included in the 2012 Form 10-K, and our Third Quarter 2013 Form 10-Q, each of which is incorporated by reference in this prospectus supplement and the accompanying prospectus.

	As of and for the Year Ended December 31,			As of and for the Nine Months Ended September 30,	
	2012	2011	2010	2013	2012
	(dollars in thousands, except per unit data)				
Statement of Operations Data:					
Cemetery revenues:					
Merchandise	$ 114,025	$ 108,088	$ 94,898	$ 83,586	$ 87,424
Services	46,094	46,995	40,951	33,422	34,481
Investment and Other	46,808	42,901	35,897	34,098	35,769
Funeral home revenues:					
Merchandise	15,551	12,810	10,435	13,736	11,135
Services	20,128	17,594	15,111	18,731	14,483
Total revenues	242,606	228,388	197,292	183,573	183,292
Cost of goods sold (exclusive of depreciation shown separately below):					
Perpetual care	5,715	5,727	5,094	4,199	4,398
Merchandise	22,386	20,388	18,435	16,905	16,904
Cemetery expense	55,410	57,145	48,784	42,700	41,819
Selling expense	46,878	45,291	38,245	35,134	36,200
General and administrative expense	28,928	29,544	24,591	23,382	21,403
Overhead(1)	28,169	23,766	24,379	21,657	20,905
Depreciation and amortization	9,431	8,534	8,845	7,159	6,759
Funeral home expense:					
Merchandise	5,200	4,473	4,001	4,798	3,726
Services	14,574	11,717	9,752	14,239	10,446
Other	8,951	7,364	6,184	8,044	6,295
Acquisition related costs	3,123	4,604	5,715	901	2,198
Total costs and expenses	228,765	218,553	194,025	179,118	171,053
Operating profit	13,841	9,835	3,267	4,455	12,239

Table of Contents

	As of and for the Year Ended December 31,			As of and for the Nine Months Ended September 30,	
	2012	2011	2010	2013	2012
	(dollars in thousands, except per unit data)				
Other income and expense:					
Gain on sale of other assets				155	
Gain on sale of funeral home		92			
Gain on acquisitions	122		7,152	2,530	122
Gain on termination of operating agreement	1,737				1,737
Gain on settlement agreement, net				12,261	
Loss on early extinguishment of debt		4,010		21,595	
Increase (decrease) in fair value of interest rate swap			4,724		
Expenses related to refinancing(2)		453			
Interest expense	20,503	19,198	21,973	15,788	15,109
Income (loss) before income taxes	(4,803)	(13,734)	(6,830)	(17,982)	(1,011)
Income tax expense (benefit)	(1,790)	(4,019)	(5,383)	(2,489)	(1,933)
Net income (loss)	$ (3,013)	$ (9,715)	$ (1,447)	$ (15,493)	$ 922
Net income (loss) per limited partner unit (basic and diluted)	$ (0.15)	$ (0.50)	$ (0.10)	$ (0.73)	$ 0.05
Weighted average number of limited partner s units (basic)	19,445	18,947	14,133	20,814	19,412
Weighted average number of limited partner s units (diluted)	19,445	18,947	14,133	20,814	19,672
Balance Sheet Data (at period end):					
Cash and cash equivalents	$ 7,946	$ 12,058	$ 7,535	$ 19,984	$ 8,128
Accounts receivable, net of allowance	51,895	48,837	45,149	52,202	48,109
Long-term accounts receivable, net of allowance	71,521	68,419	60,061	76,045	69,631
Cemetery property	309,980	298,938	283,460	316,522	309,340
Property and equipment, net of accumulated depreciation	79,740	73,777	66,249	85,282	79,567
Merchandise trusts, restricted, at fair value	375,973	344,515	318,318	415,355	372,775
Perpetual care trusts, restricted, at fair value	282,313	254,679	249,690	302,766	282,651
Total assets(3)	1,343,725	1,248,758	1,145,592	1,448,815	1,329,937
Total debt	254,949	195,322	220,394	281,092	237,888
Merchandise liability	125,869	128,942	113,356	129,922	128,452
Total partners capital	135,182	180,279	128,191	124,127	150,328
Other Financial Data:					
Net cash provided by operating activities	$ 31,896	$ 5,466	$ 3,106	$ 36,896	$ 30,797
Net cash used in investing activities	(39,948)	(29,186)	(49,551)	(23,521)	(34,414)
Net cash provided by (used in) financing activities	3,940	28,243	40,501	(1,337)	(313)
Depreciation and amortization	9,431	8,534	8,845	7,159	6,759
Cash paid for cemetery property	(7,098)	(7,126)	(2,200)	(4,210)	(5,417)
Cash distributions	(47,454)	(44,605)	(32,443)	(38,653)	(35,447)

Table of Contents

	As of and for the Year Ended December 31, 2012	2011	2010	As of and for the Nine Months Ended September 30, 2013	2012
	(dollars in thousands, except per unit data)				
Operating Data:					
Interments performed	45,128	45,236	41,556	34,156	33,629
Interment rights sold(4):					
Lots	26,638	26,403	24,353	21,099	21,213
Mausoleum crypts (including pre-construction)	2,206	2,518	2,584	1,489	1,775
Niches	985	1,126	1,071	806	762
Net interment rights sold(4)	29,829	30,047	28,008	23,394	23,750
Number of contracts written	98,297	101,281	92,661	76,842	74,536
Aggregate contract amount, in thousands (excluding interest)	$ 251,999	$ 244,921	$ 221,895	$ 201,886	$ 192,213
Average amount per contract (excluding interest)	$ 2,564	$ 2,418	$ 2,395	$ 2,627	$ 2,579
Number of pre-need contracts written	48,131	49,747	45,193	38,937	36,687
Aggregate pre-need contract amount, in thousands (excluding interest)	$ 163,627	$ 157,410	$ 143,022	$ 135,360	$ 125,128
Average amount per pre-need contract (excluding interest)	$ 3,400	$ 3,164	$ 3,165	$ 3,476	$ 3,411
Number of at-need contracts written	50,166	51,534	47,468	37,905	37,849
Aggregate at-need contract amount, in thousands (excluding interest)	$ 88,372	$ 87,511	$ 78,873	$ 66,526	$ 67,085
Average amount per at-need contract (excluding interest)	$ 1,762	$ 1,698	$ 1,662	$ 1,755	$ 1,772

(1) Includes bonuses of $1.8 million in 2010 and unit-based compensation of $916,000, $773,000 and $711,000, in the years ended December 31, 2012, 2011 and 2010, respectively, and $1,038,000 and $625,000 in unit based compensation for the nine months ended September 30, 2013 and September 30, 2012, respectively.

(2) Represents write-downs in previously capitalized debt issuance costs.

(3) Includes the fair value of assets held in the merchandise and perpetual care trusts. Refer to note 1 of our audited consolidated financial statements included in the 2012 Form 10-K and note 1 of our unaudited condensed consolidated financial statements included in the Third Quarter 2013 Form 10-Q for a detailed discussion of the consolidation rules for these assets.

(4) Net of cancellations. Sales of double-depth burial lots are counted as two sales.

Table of Contents

RISK FACTORS

An investment in our common units is subject to risks and uncertainties. You should carefully consider the risks described in the section titled Risk Factors included in Item 1A of Part I of the 2012 Form 10-K, and, if applicable, in Item 1A of Part II of the First Quarter 2013 Form 10-Q, the Second Quarter 2013 Form 10-Q and the Third Quarter 2013 Form 10-Q, each of which is incorporated herein by reference, before making an investment decision. Realization of these risks could materially adversely affect our business, financial condition or results of operations. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business operations. In such case, you may lose all or part of your original investment. Also, please read Information Regarding Forward-Looking Statements in this prospectus supplement.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately $46.1 million from this offering after deducting underwriting discounts and offering expenses ($53.1 million if the underwriters exercise in full their option to purchase additional common units). We intend to use the net proceeds from this offering to pay down borrowings outstanding under our credit facility.

If the underwriters exercise their option to purchase additional common units in full, we will use the additional net proceeds to pay down borrowings outstanding under our credit facility.

Amounts to be paid down under our credit facility were incurred for acquisitions and general partnership purposes, including for working capital needs and to fund our capital expenditure program.

Our credit facility will mature on January 19, 2017, and the interest rates on amounts outstanding under our credit facility for the nine months ended September 30, 2013 ranged from approximately 3.5% to 4.0%. As of September 30, 2013, we had approximately $99.5 million of borrowings outstanding under our credit facility. See Management s Discussion and Analysis of Financial Condition and Results of Operations included in our 2012 Form 10-K and our Third Quarter 2013 Form 10-Q, each of which is incorporated by reference into this prospectus supplement.

An affiliate of Raymond James is a lender under our credit agreement and as such will receive a portion of the proceeds from this offering. See Underwriting FINRA Conduct Rules.

Table of Contents

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of September 30, 2013:

- on an actual basis; and

- on an as adjusted basis to reflect the use of the net proceeds of this offering in the manner described in Use of Proceeds.

This table should be read in conjunction with the audited and unaudited historical consolidated financial statements and accompanying notes thereto for the year ended December 31, 2012 included in the 2012 Form 10-K and our Third Quarter 2013 Form 10-Q, each of which is incorporated by reference in this prospectus supplement and the accompanying prospectus. The table below does not reflect the issuance of up to 300,000 common units that the underwriters may purchase to cover overallotments, if any. If the underwriters exercise their option to purchase additional common units in full, we will use the additional net proceeds to pay down borrowings outstanding under our credit facility.

	As of September 30, 2013	
	Actual	As Adjusted
	(in thousands)	
Cash and cash equivalents	$ 19,984	$ 19,984
Long-term debt, including current portion:		
7.875% Senior notes due 2021	$ 175,000	$ 175,000
Credit facility	99,502	53,382
Notes payable acquisition debt	4,159	4,159
Note payable acquisition non-competes	4,364	4,364
Other debt	2,552	2,552
Total long-term debt, including current portion	$ 285,577	$ 239,457
Partners capital:		
Common units	125,622	171,742
General partner interest	(1,495)	(1,495)
Total partners capital	124,127	170,247
Total capitalization	$ 409,704	$ 409,704

S-16

Table of Contents

PRICE RANGE OF OUR COMMON UNITS AND DISTRIBUTIONS

As of February 7, 2014, we had 21,385,231 common units outstanding, held by 62 holders of record. Our common units are traded on the New York Stock Exchange under the symbol STON.

The following table sets forth, for the periods indicated, the high and low sales prices for our common units based on the daily composite listing of common unit transactions for the New York Stock Exchange and quarterly declared cash distributions per unit. The last reported sales price of our common units on the New York Stock Exchange on February 10, 2014 was $25.40 per common unit.

	Price Range		Cash Distributions Per Common Unit(1)
	High	Low	
Year ending December 31, 2014			
First Quarter (through February 10, 2014)	26.69	25.17	n/a(2)
Year ended December 31, 2013			
Fourth Quarter	26.51	23.56	0.6000(3)
Third Quarter	26.99	21.23	0.6000
Second Quarter	28.00	23.63	0.5950
First Quarter	26.99	21.51	0.5900
Year ended December 31, 2012			
Fourth Quarter	24.51	20.10	0.5900
Third Quarter	28.68	20.63	0.5850
Second Quarter	26.70	23.91	0.5850
First Quarter	26.65	22.07	0.5850

(1) Distributions are declared and paid within 45 days of the close of each quarter.

(2) Subject to the declaration by the board of directors of our general partner of a cash distribution with respect to the first quarter of 2014, purchasers of the common units in this offering will receive their first cash distribution in May 2014.

(3) On January 27, 2014, we declared a quarterly cash distribution for the quarter ended December 31, 2013 of $0.60 per common unit payable on February 14, 2014 to unitholders of record as of February 6, 2014. Purchasers of our common units in this offering will not be entitled to this quarterly cash distribution.

Table of Contents

SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING DATA

The following tables present our selected historical consolidated financial and operating data for the periods and as of the dates indicated. Our selected historical consolidated financial data as of and for the years ended December 31, 2012, 2011 and 2010 are derived from our audited consolidated financial statements and are incorporated by reference into this prospectus supplement. Our selected historical consolidated financial data as of and for each of the years ended December 31, 2009 and 2008 have been derived from our audited consolidated financial statements for such years, which have not been incorporated by reference into this prospectus supplement. Our selected historical consolidated financial data as of and for the nine months ended September 30, 2013 and 2012 are derived from our unaudited condensed consolidated financial statements and are incorporated by reference into this prospectus supplement.

In the opinion of our management, our unaudited historical consolidated financial statements have been prepared on the same basis as our audited historical consolidated financial statements and contain all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of our financial position and results of operations for the relevant periods.

The results of operations for the interim periods are not necessarily indicative of the operating results for the entire year or any future period. The following tables should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and the audited and unaudited historical consolidated financial statements and accompanying notes thereto included in the 2012 Form 10-K and our Third Quarter 2013 Form 10-Q, each of which is incorporated by reference in this prospectus supplement and the accompanying prospectus.

	As of and for the Year Ended December 31,					As of and for the Nine Months Ended September 30,	
	2012	2011	2010	2009	2008	2013	2012
	(dollars in thousands, except per unit data)						
Statement of Operations Data:							
Cemetery revenues:							
Merchandise	$ 114,025	$ 108,088	$ 94,898	$ 87,836	$ 90,968	$ 83,586	$ 87,424
Services	46,094	46,995	40,951	36,947	36,894	33,422	34,481
Investment and Other	46,808	42,901	35,897	33,055	31,623	34,098	35,769
Funeral home revenues:							
Merchandise	15,551	12,810	10,435	9,701	9,249	13,736	11,135
Services	20,128	17,594	15,111	13,664	14,714	18,731	14,483
Total revenues	242,606	228,388	197,292	181,203	183,448	183,573	183,292
Cost of goods sold (exclusive of depreciation shown separately below):							
Perpetual care	5,715	5,727	5,094	4,727	4,326	4,199	4,398
Merchandise	22,386	20,388	18,435	17,067	18,556	16,905	16,904
Cemetery expense	55,410	57,145	48,784	41,246	41,651	42,700	41,819
Selling expense	46,878	45,291	38,245	34,123	34,806	35,134	36,200
General and administrative expense	28,928	29,544	24,591	22,498	21,372	23,382	21,403
Overhead(1)	28,169	23,766	24,379	22,370	21,293	21,657	20,905
Depreciation and amortization	9,431	8,534	8,845	6,528	5,029	7,159	6,759

Table of Contents

	As of and for the Year Ended December 31,					As of and for the Nine Months Ended September 30,	
	2012	2011	2010	2009	2008	2013	2012
	(dollars in thousands, except per unit data)						
Funeral home expense:							
Merchandise	5,200	4,473	4,001	3,716	3,684	4,798	3,726
Services	14,574	11,717	9,752	9,275	9,073	14,239	10,446
Other	8,951	7,364	6,184	6,015	6,308	8,044	6,295
Acquisition related costs	3,123	4,604	5,715	1,072		901	2,198
Total costs and expenses	228,765	218,553	194,025	168,637	166,098	179,118	171,053
Operating profit	13,841	9,835	3,267	12,566	17,350	4,455	12,239
Other income and expense:							
Gain on sale of other assets						155	
Gain on sale of funeral home		92		434			
Gain on acquisitions	122		7,152			2,530	122
Gain on termination of operating agreement	1,737						1,737
Gain on settlement agreement, net						12,261	
Loss on early extinguishment of debt		4,010				21,595	
Increase (decrease) in fair value of interest rate swap			4,724	(2,681)			
Expenses related to refinancing(2)		453		2,242			
Interest expense	20,503	19,198	21,973	14,410	12,714	15,788	15,109
Income (loss) before income taxes	(4,803)	(13,734)	(6,830)	(6,333)	4,636	(17,982)	(1,011)
Income tax expense (benefit)	(1,790)	(4,019)	(5,383)	(1,945)	80	(2,489)	(1,933)
Net income (loss)	$ (3,013)	$ (9,715)	$ (1,447)	$ (4,388)	$ 4,556	$ (15,493)	$ 922
Net income (loss) per limited partner unit (basic and diluted)	$ (0.15)	$ (0.50)	$ (0.10)	$ (0.36)	$ 0.38	$ (0.73)	$ 0.05
Weighted average number of limited partner s units (basic)	19,445	18,947	14,133	12,034	11,809	20,814	19,412
Weighted average number of limited partner s units (diluted)	19,445	18,947	14,133	12,034	11,809	20,814	19,672
Balance Sheet Data (at period end):							
Cash and cash equivalents	$ 7,946	$ 12,058	$ 7,535	$ 13,479	$ 7,068	$ 19,984	$ 8,128
Accounts receivable, net of allowance	51,895	48,837	45,149	37,273	33,090	52,202	48,109
Long-term accounts receivable, net of allowance	71,521	68,419	60,061	47,794	42,309	76,045	69,631
Cemetery property	309,980	298,938	283,460	228,048	228,499	316,522	309,340
Property and equipment, net of accumulated depreciation	79,740	73,777	66,249	47,636	49,615	85,282	79,567
Merchandise trusts, restricted, at fair value	375,973	344,515	318,318	203,829	161,605	415,355	372,775
Perpetual care trusts, restricted, at fair value	282,313	254,679	249,690	196,276	152,797	302,766	282,651
Total assets(3)	1,343,725	1,248,758	1,145,592	855,301	738,240	1,448,815	1,329,937
Total debt	254,949	195,322	220,394	183,199	160,934	281,092	237,888
Merchandise liability	125,869	128,942	113,356	65,894	75,977	129,922	128,452
Total partners capital	135,182	180,279	128,191	111,937	119,389	124,127	150,328

S-19

	As of and for the Year Ended December 31,					As of and for the Nine Months Ended September 30,	
	2012	2011	2010	2009	2008	2013	2012
	(dollars in thousands, except per unit data)						
Other Financial Data:							
Net cash provided by operating activities	$ 31,896	$ 5,466	$ 3,106	$ 14,729	$ 21,144	$ 36,896	$ 30,797
Net cash used in investing activities	(39,948)	(29,186)	(49,551)	(12,180)	(17,046)	(23,521)	(34,414)
Net cash provided by (used in) financing activities	3,940	28,243	40,501	3,862	(10,830)	(1,337)	(313)
Depreciation and amortization	9,431	8,534	8,845	6,528	5,029	7,159	6,759
Cash paid for cemetery property	(7,098)	(7,126)	(2,200)	(4,770)	(4,376)	(4,210)	(5,417)
Cash distributions	(47,454)	(44,605)	(32,443)	(27,253)	(25,658)	(38,653)	(35,447)
Operating Data:							
Interments performed	45,128	45,236	41,556	37,782	38,863	34,156	33,629
Interment rights sold(4):							
Lots	26,638	26,403	24,353	22,637	22,552	21,099	21,213
Mausoleum crypts (including pre-construction)	2,206	2,518	2,584	2,316	1,881	1,489	1,775
Niches	985	1,126	1,071	889	864	806	762
Net interment rights sold(4)	29,829	30,047	28,008	25,842	25,297	23,394	23,750
Number of contracts written	98,297	101,281	92,661	83,043	80,144	76,842	74,536
Aggregate contract amount, in thousands (excluding interest)	$ 251,999	$ 244,921	$ 221,895	$ 197,787	$ 187,093	$ 201,886	$ 192,213
Average amount per contract (excluding interest)	$ 2,564	$ 2,418	$ 2,395	$ 2,382	$ 2,334	$ 2,627	$ 2,579
Number of pre-need contracts written	48,131	49,747	45,193	39,043	35,599	38,937	36,687
Aggregate pre-need contract amount, in thousands (excluding interest)	$ 163,627	$ 157,410	$ 143,022	$ 124,997	$ 115,024	$ 135,360	$ 125,128
Average amount per pre-need contract (excluding interest)	$ 3,400	$ 3,164	$ 3,165	$ 3,202	$ 3,231	$ 3,476	$ 3,411
Number of at-need contracts written	50,166	51,534	47,468	44,000	44,545	37,905	37,849
Aggregate at-need contract amount, in thousands (excluding interest)	$ 88,372	$ 87,511	$ 78,873	$ 72,790	$ 72,068	$ 66,526	$ 67,085
Average amount per at-need contract (excluding interest)	$ 1,762	$ 1,698	$ 1,662	$ 1,654	$ 1,618	$ 1,755	$ 1,772

(1) Includes bonuses of $1.8 million in 2010 and unit-based compensation of $916,000, $773,000, $711,000, $1.6 million and $2.3 million in the years ended December 31, 2012, 2011, 2010, 2009 and 2008, respectively, and $1,038,000 and $625,000 in unit based compensation for the nine months ended September 30, 2013 and September 30, 2012, respectively.

(2) Represents write-downs in previously capitalized debt issuance costs.

(3) Includes the fair value of assets held in the merchandise and perpetual care trusts. Refer to note 1 of our audited consolidated financial statements included in the 2012 Form 10-K and note 1 of our unaudited condensed consolidated financial statements included in the Third Quarter 2013 Form 10-Q for a detailed discussion of the consolidation rules for these assets.

(4) Net of cancellations. Sales of double-depth burial lots are counted as two sales.

BUSINESS

Overview

We were formed as a Delaware limited partnership in April 2004 to own and operate the assets and businesses previously owned and operated by Cornerstone Family Services, Inc., (Cornerstone), which was converted into CFSI LLC, a limited liability company, prior to our initial public offering of common units representing limited partner interests on September 20, 2004. Cornerstone had been founded in 1999 by members of our management team and a private equity investment firm, which we refer to as McCown De Leeuw, in order to acquire a group of 123 cemetery properties and 4 funeral homes. On November 30, 2010, McCown De Leeuw transferred certain of its interests to MDC IV Trust U/T/A November 30, 2010, MDC IV Associates Trust U/T/A November 30, 2010 and Delta Trust U/T/A November 30, 2010, which we collectively refer to as the MDC IV Liquidating Trusts and McCown De Leeuw was subsequently terminated.

We are, as of September 30, 2013, the second largest owner and operator of cemeteries in the United States. As of September 30, 2013, we operated 277 cemeteries in 27 states and Puerto Rico. We own 259 of these cemeteries, and we operate the remaining 18 under management or operating agreements with the nonprofit cemetery corporations that own the cemeteries. As of September 30, 2013, we also owned and operated 90 funeral homes in 18 states and Puerto Rico. Forty-one of our funeral homes are located on the grounds of the cemeteries that we own.

The cemetery products and services that we sell include the following:

Interment Rights	Merchandise	Services
burial lots	burial vaults	installation of burial vaults
lawn crypts	caskets	installation of caskets
mausoleum crypts	grave markers and grave marker bases	installation of other cemetery merchandise
cremation niches	memorials	other service items
perpetual care rights		

We sell these products and services both at the time of death, which we refer to as at-need, and prior to the time of death, which we refer to as pre-need. Our sales of real property, including burial lots (with and without installed vaults), lawn and mausoleum crypts and cremation niches, generate qualifying income sufficient for us to be treated as a partnership for federal income tax purposes. In 2012, we performed 45,128 burials and sold 29,829 interment rights (net of cancellations). Based on our sales of interment spaces in 2012, our cemeteries have an aggregated weighted average remaining sales life of 246 years.

As of September 30, 2013, our cemetery properties are located in Alabama, California, Colorado, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, Mississippi, Missouri, New Jersey, North Carolina, Ohio, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Tennessee, Virginia, Washington and West Virginia. One cemetery in Hawaii that we acquired in December 2007 is still awaiting regulatory approval and has not yet been conveyed to us. Our cemetery operations accounted for approximately 85.3% and 82.3% of our revenues in 2012 and the nine months ended September 30, 2013, respectively.

Our primary funeral home products are caskets and related items. Our funeral home services include consultation, the removal and preparation of remains, and the use of funeral home facilities for visitation and prayer services. We sell these services and merchandise generally at the time of need.

Table of Contents

As of September 30, 2013, our funeral homes are located in Alabama, Arkansas, California, Florida, Illinois, Indiana, Kansas, Maryland, Mississippi, Missouri, Ohio, Oregon, Pennsylvania, Puerto Rico, South Carolina, Tennessee, Virginia, Washington and West Virginia. Our funeral home revenues accounted for approximately 14.7% and 17.7% of our revenues in 2012 and the nine months ended September 30, 2013, respectively. Our funeral home operations are conducted through various wholly-owned subsidiaries that are treated as corporations for U.S. federal income tax purposes.

Operations

Our Corporate segment includes various home office selling and administrative expenses that are not allocable to the other operating segments.

Cemetery Operations. Our cemetery operations include sales of cemetery interment rights, merchandise and services and the performance of cemetery maintenance and other services. An interment right entitles a customer to a burial space in one of our cemeteries and the perpetual care of that burial space. Burial spaces, or lots, are parcels of property that hold interred human remains. Our cemeteries require a burial vault be placed in each burial lot. A burial vault is a rectangular container, usually made of concrete but also made of steel or plastic, which sits in the burial lot and in which the casket is placed. The top of the burial vault is buried approximately 18 to 24 inches below the surface of the ground, and the casket is placed inside the vault. Burial vaults prevent ground settling that otherwise occurs when a casket placed directly in the ground begins to decay creating uneven ground surface. Ground settling typically results in higher maintenance costs and increased potential liability for slip-and-fall accidents on the property. Lawn crypts are a series of closely spaced burial lots with preinstalled vaults and other improvements, such as landscaping, sprinkler systems and drainage. A mausoleum crypt is an above-ground structure that may be designed for a particular customer, which we refer to as a private mausoleum, or it may be a larger building that serves multiple customers, which we refer to as a community mausoleum. Cremation niches are spaces in which the ashes remaining after cremation are stored. Cremation niches are often part of community mausoleums, although we sell a variety of cremation niches to accommodate our customers preferences.

Grave markers, monuments and memorials are above-ground products that serve as memorials by showing who is remembered, the dates of birth and death and other pertinent information. These markers, monuments and memorials include simple plates, such as those used in a community mausoleum or cremation niche, flush-to-the-ground granite or bronze markers, headstones or large stone obelisks.

One of the principal services we provide at our cemeteries is an opening and closing, which is the digging and refilling of burial spaces to install the vault and place the casket into the vault. With pre-need sales, there are usually two openings and closings. During the initial opening and closing, we install the burial vault in the burial space. We usually perform this service shortly after the customer signs a pre-need contract. Advance installation allows us to withdraw the related funds from our merchandise trusts, making the amount in excess of our cost to purchase and install the vault available to us for other uses, and eliminates future merchandise trusting requirements for the burial vault and its installation. During the final opening and closing, we remove the dirt above the vault, open the lid of the vault, place the casket into the vault, close the vault lid and replace the ground cover. With at-need sales, we typically perform the initial opening and closing at the time we perform the final opening and closing. Our other services include the installation of other cemetery merchandise and the perpetual care related to interment rights.

Managed Cemeteries. As of September 30, 2013, we provided services to 18 cemeteries under management or operating agreements with the nonprofit cemetery corporations that own the cemeteries. These nonprofit cemeteries are organized as such either because state law requires cemetery properties to be owned by nonprofit entities, such as in New Jersey, or because they were originally established as nonprofit entities. We have voting rights, along with member owners of burial spaces, in the five New Jersey nonprofit cemeteries as a result of owning all of their outstanding certificates of indebtedness or interest. To obtain the benefit of professional management services, the remaining 13 nonprofit cemeteries have entered into agreements with us. The agreements under which we operate these 18 nonprofit cemeteries generally have terms ranging from 3 to 40 years (but some are subject to early termination rights and obligations) and provide us with management or operating fees that approximate what we would earn if we owned those cemeteries and held them in for-profit entities.

Funeral Home Operations. As of September 30, 2013, we owned, operated and/or managed 90 funeral homes, 41 of which are located on the grounds of cemetery properties that we own. Our funeral homes offer a range of services to meet a family s funeral needs, including family consultation, the removal and preparation of remains, provision of caskets and related funeral merchandise, the use of funeral home facilities for visitation, worship and funeral services and transportation services. Funeral home operations primarily generate revenues from at-need sales. Our funeral home segment has continued to grow and has become a larger part of our total revenues in each of the last three years.

We purchase caskets from Thacker Caskets, Inc. under a supply agreement that expires on December 31, 2015. This agreement entitles us to specified discounts on the price of caskets but gives Thacker Caskets, Inc. the right of first refusal on all of our casket purchases. We do not have minimum purchase requirements under this supply agreement.

Cremation Products and Services. We operate crematories at some of our cemeteries or funeral homes, but our primary cremation operations are sales of receptacles for cremated remains, such as urns, and the inurnment of cremated remains in niches or scattering gardens. While cremation products and services usually cost less than traditional burial products and services, they yield higher margins on a percentage basis and take up less space than burials. We sell cremation products and services on both a pre-need and at-need basis.

Seasonality. The death care business is relatively stable and predictable. Although we experience seasonal increases in deaths due to extreme weather conditions and winter flu, these increases have not historically had any significant impact on our results of operations. In addition, we perform fewer initial openings and closings in the winter when the ground is frozen.

Sales Contracts

Pre-need products and services are typically sold on an installment basis. At-need products and services are generally required to be paid for in full in cash by the customer at the time of sale.

Trusts

Sales of cemetery products and services are subject to a variety of state regulations. In accordance with these regulations, we are required to establish and fund two types of trusts, merchandise trusts and perpetual care trusts, to ensure that we can meet our future obligations. Our funding obligations are generally equal to a percentage of sales proceeds of the products and services we sell.

Sales Personnel, Training and Marketing

As of September 30, 2013, we employed 839 full-time commissioned salespeople and 123 full-time sales support and telemarketing employees. As of that date, we had nine regional sales vice presidents supporting our cemetery operations. They were supported by two Divisional Vice Presidents of Sales who report to our Chief Operating Officer. Individual salespersons are typically located at the cemeteries they serve and report directly to the cemetery sales manager. We have made a strong commitment to the ongoing education and training of our sales force and to salesperson retention in order to ensure our customers receive the highest quality customer service and to ensure compliance with all applicable requirements. Our training program includes classroom training at our headquarters, field training, continuously updated training materials that utilize media, such as the Internet, for interactive training and participation in industry seminars. We place special emphasis on training property sales managers, who are key elements to a successful pre-need sales program.

We reward our salespeople with incentives for generating new customers. Sales force performance is evaluated by sales budgets, sales mix and closing ratios, which are equal to the number of contracts written, divided by the number of presentations that are made. Substantially all of our sales force is compensated based solely on performance. Commissions are augmented with various bonus and incentive packages to ensure a high quality, motivated sales force. We pay commissions to our sales personnel on pre-need contracts based upon a percentage of the value of the underlying contracts. Such commissions vary depending upon the type of merchandise and services sold. We also pay commissions on at-need contracts that are generally equal to a fixed percentage of the contract amount. In addition, cemetery managers receive an override commission that is equal to a percentage of the gross sales price of the contracts entered into by the salespeople assigned to the cemeteries they manage.

We generate sales leads through focused telemarketing, direct mail, television advertising, funeral follow-up and sales force cold calling, with the assistance of database mining and other marketing resources. We have created a marketing department to allow us to use more sophisticated marketing techniques to more effectively focus our telemarketing and direct sales efforts. Sales leads are referred to the sales force to schedule an appointment, most often at the customer s home. We believe these activities comply in all material respects with legal requirements.

Acquisitions and Long-Term Operating Agreements

Refer to note 14 of our consolidated financial statements in Item 8 of the 2012 Form 10-K and note 13 of our consolidated financial statements in Part I Item 1 of the Third Quarter 2013 Form 10-Q for a more detailed discussion of our acquisitions and long-term operating agreements. A summary of our acquisition activities is as follows:

Nine Months ended September 30, 2013

Acquisitions. For the nine months ended September 30, 2013, we completed two acquisitions and executed a management agreement and long-term lease.

In the first acquisition, which was completed in the first quarter of 2013, we acquired six funeral homes in Florida, including certain related assets, and assumed certain related liabilities. We paid an aggregate of $9.1 million in cash and issued 159,635 of our common units, which equated to approximately $3.6 million worth of common units. We also issued an unsecured promissory note in the amount of $3.0 million. In addition, we will also pay an aggregate amount of $1.2 million in six equal annual installments commencing on February 19, 2014 in exchange for a non-compete agreement with the seller.

In the second acquisition, which was completed in the third quarter of 2013, we acquired one cemetery in Virginia, including certain related assets, and assumed certain related liabilities. We paid an aggregate of $5.0 million in cash to complete this transaction.

Table of Contents

Lease Transaction with Archdiocese of Philadelphia. During September 2013, we entered into a Lease Agreement and Management Agreement with the Archdiocese of Philadelphia, pursuant to which we will operate 13 cemeteries in Pennsylvania. These cemeteries have recently performed a combined average of about 7,000 burials per year. We will operate these cemeteries for a period of 60 years, subject to certain closing conditions and subject to early termination in certain circumstances. In connection with these agreements, we agreed to lease eight cemetery sites in the Philadelphia area and to serve as the exclusive operator with respect to the remaining five sites. This transaction represents the second largest enterprise that we have undertaken since becoming publicly traded, and we expect to bring to these cemetery sites our experience in offering and managing pre-need planning for families. We expect to close this lease transaction in the first half of 2014.

2012

We completed six acquisitions during the year ended December 31, 2012 to acquire 5 cemeteries and 17 funeral homes. The acquired properties were located in Ohio, Illinois, California, Oregon and Florida. The aggregate fair value of the total consideration paid for these acquisitions was $34.9 million. Effective March 31, 2012, we terminated a long-term operating agreement entered into in 2010 related to 3 cemeteries with the Archdiocese of Detroit, resulting in a gain of $1.7 million.

2011

We completed six acquisitions during the year ended December 31, 2011 to acquire 17 cemeteries and 12 funeral homes. The acquired properties were located in Mississippi, Missouri, North Carolina, Puerto Rico, Tennessee and Virginia. The aggregate fair value of the total consideration paid for these acquisitions was $16.4 million. On December 30, 2011, we sold one funeral home in West Virginia for $0.1 million, resulting in a gain of $0.1 million.

2010

We completed four acquisitions during the year ended December 31, 2010 and entered into one long-term operating agreement to acquire and operate 22 cemeteries and 6 funeral homes in the aggregate. The acquired properties were located in Indiana, Kansas, Michigan, Ohio and Pennsylvania. The total consideration paid for these acquisitions was $48.7 million.

Competition

Our cemeteries and funeral homes generally serve customers that live within a 10- to 15-mile radius of a property s location. Within this localized area, we face competition from other cemeteries and funeral homes located in the area. Most of these cemeteries and funeral homes are independently owned and operated, and most of these owners and operators are smaller than we are and have fewer resources than we do. We generally face limited competition from the two publicly held death care companies that have U.S. operations Service Corporation International and Carriage Services, Inc. as they do not directly operate cemeteries in the same local geographic areas where we operate.

Within a localized area of competition, we compete primarily for at-need sales because many of the independently owned, local competitors either do not have pre-need sales programs or have pre-need programs that are not as developed as ours. Most of these competitors do not have as many of the resources that are available to us to launch and grow a substantial pre-need sales program. The number of customers that cemeteries and funeral homes are able to attract is largely a function of reputation and heritage, although competitive pricing, professional service and attractive, well maintained and conveniently located facilities are also important factors. The sale of cemetery and funeral home products and services on a pre-need basis has increasingly been used by many companies as an important marketing tool. Due to the importance of reputation and heritage, increases in customer base are usually gained over a long period of time.

Competitors within a localized area have an advantage over us if a potential customer s family members are already buried in the competitor s cemetery. If either of the two publicly held death care companies identified above operated, or in the future were to operate, cemeteries within close proximity of our cemeteries, they may have a competitive advantage over us because they have greater financial resources available to them due to their size and access to the capital markets.

We believe that we currently face limited competition for cemetery acquisitions. The two publicly held death care companies identified above, as well as Stewart Enterprises, Inc., which was acquired by Service Corporation International in December 2013, have historically been the industry s primary consolidators but have largely curtailed cemetery acquisition activity since 1999. Furthermore, these companies continue to generate a majority of their revenues from funeral home operations. Based on the relative levels of cemetery operations and funeral home operations of these publicly traded death care companies, which are disclosed in their SEC filings, we believe that we are the only public death care company that focuses a significant portion of its efforts on cemetery operations.

Regulation

General. Our operations are subject to regulation, supervision and licensing under federal, state and local laws which impacts the goods and services that we may sell and the manner in which we may furnish goods and services.

Cooling-Off Legislation. Each of the states where our current cemetery and funeral home properties are located has cooling-off legislation with respect to pre-need sales of cemetery and funeral home products and services. This legislation generally requires us to refund proceeds from pre-need sales contracts if canceled by the customer for any reason within three to thirty days, or in certain states until death, from the date of the contract, depending on the state (and some states permit cancellation and require refund beyond that time). The Federal Trade Commission, or FTC, also requires a cooling-off period of three business days for door to door sales, during which time a contract may be cancelled entitling a customer to refund of the funds paid.

Trusting. Sales of cemetery interment rights and pre-need sales of cemetery and funeral home merchandise and services are generally subject to trusting requirements imposed by state laws in most of the states where we operate. See Management s Discussion and Analysis of Financial Condition and Results of Operations Trusting in the 2012 Form 10-K.

Truth in Lending Act and Regulation Z. Our pre-need installment contracts are subject to the federal Truth-in-Lending Act, or TILA, and the regulations thereunder, which are referred to as Regulation Z. TILA and Regulation Z promote the informed use of consumer credit by requiring us to disclose, among other things, the annual percentage rate, finance charges and amount financed when extending credit to consumers.

Other Consumer Credit-Related Laws and Regulations. As a provider of consumer credit and a business that generally deals with consumers, we are subject to various other state and federal laws covering matters such as credit discrimination, the use of credit reports, identity theft, the handling of consumer information, consumer privacy, marketing and advertising, debt collection, extensions of credit to service members, and prohibitions on unfair or deceptive trade practices.

Table of Contents

The Dodd-Frank Wall Street Reform and Consumer Protection Act, or Dodd-Frank. Dodd-Frank, signed into law by President Obama on July 21, 2010, created a new federal Bureau of Consumer Financial Protection, or the Bureau. In addition to transferring to the Bureau rule-writing authority for nearly all federal consumer finance-related laws and giving the Bureau rule-writing authority in other areas, Dodd-Frank empowers the Bureau to conduct examinations and bring enforcement actions against certain consumer credit providers and other entities offering consumer financial products or services. While not presently subject to examination by the Bureau, we potentially could be in the future in connection with our pre-need installment contracts. The Bureau also has authority to conduct investigations and bring enforcement actions against providers of consumer financial services, including providers over which it may not currently have examination authority. The Bureau may seek penalties and other relief on behalf of consumers that are substantially in excess of the remedies available under such laws prior to Dodd-Frank. On July 21, 2011, the Bureau officially assumed rule-writing and enforcement authority for most federal consumer finance laws, as well as authority to write rules to prohibit unfair, deceptive or abusive practices related to consumer financial products and services.

Telemarketing Laws. We are subject to the requirements of two federal statutes governing telemarketing practices, the Telephone Consumer Protection Act, or TCPA, and the Telemarketing and Consumer Fraud and Abuse Prevention Act, or TCFAPA. These statutes impose significant penalties on those who fail to comply with their mandates. The Federal Communications Commission, or FCC, is the federal agency with authority to enforce the TCPA, and the FTC, has jurisdiction under the TCFAPA. The FTC and FCC jointly administer a national do not call registry, which consumers can join in order to prevent unwanted telemarketing calls. Primarily as a result of implementation of the do not call legislation and regulations, the percentage of our pre-need sales generated from telemarketing leads has decreased substantially in the past ten years. We are also subject to similar telemarketing consumer protection laws in all states in which we currently operate. These states statutes similarly permit consumers to prevent unwanted telephone solicitations. In addition, in cases where telephone solicitations are permitted, there are various restrictions and requirements under state and federal law in connection with such calls.

Occupational Safety and Health Act and Environmental Law Requirements. We are subject to the requirements of the Occupational Safety and Health Act, or OSHA, and comparable state statutes. OSHA s regulatory requirement known as the Hazard Communication Standard, the Emergency Planning and Community Right-to-Know Act (EPCRA) and similar state statutes require us to report information about hazardous materials used or maintained for our operations to state, federal and local authorities. We may also be subject to Tier 1 or Tier 2 Emergency and Hazardous Chemical Inventory reporting requirements under EPCRA depending on the amount of hazardous materials maintained on-site at a particular facility. We are also subject to the federal Americans with Disabilities Act and similar laws which, among other things, may require that we modify our facilities to comply with minimum accessibility requirements for disabled persons.

Federal Trade Commission. Our funeral home operations are comprehensively regulated by the FTC under Section 5 of the Federal Trade Commission Act and a trade regulation rule for the funeral industry promulgated thereunder, referred to as the Funeral Rule. The Funeral Rule requires funeral service providers to disclose the prices for their goods and services as soon as the subject of price arises in a discussion with a potential customer (this entails presenting various itemized price lists if the consultation is in person, and readily answering all price-related questions posed over the telephone), and to offer their goods and services on an unbundled basis. The Funeral Rule also prohibits misrepresentations in connection with our sale of goods and services, and requires that the consumer receive an itemized statement of the goods and services purchased. Through these regulations, the FTC sought to give consumers the ability to compare prices among funeral service providers and to avoid buying packages containing goods or services

Table of Contents

that they did not want. The unbundling of goods from services has also opened the way for third-party, discount casket sellers to enter the market, although they currently do not possess substantial market share.

In addition, our pre-need installment contracts for sales of cemetery and funeral home merchandise and services are subject to the FTC s Holder Rule, which requires disclosure in the installment contract that any holder of the contract is subject to all claims and defenses that the consumer could assert against the seller of the goods or services, subject to certain limitations. These contracts are also subject to the FTC s Credit Practices Rule, which prohibits certain credit loan terms and practices.

Future Enactments and Regulation. Federal and state legislatures and regulatory agencies frequently propose new laws, rules and regulations and new interpretations of existing laws, rules and regulations which, if enacted or adopted, could have a material adverse effect on our operations and on the death care industry in general. A significant portion of our operations is located in California, Pennsylvania, Michigan, New Jersey, Virginia, Maryland, North Carolina, Ohio, Indiana and West Virginia and any material adverse change in the regulatory requirements of those states applicable to our operations could have a material adverse effect on our results of operations. We cannot predict the outcome of any proposed legislation or regulations or the effect that any such legislation or regulations, if enacted or adopted, might have on us.

Environmental Regulations and Liabilities

Our operations are subject to federal, state and local environmental regulations in three principal areas: (1) crematories for emissions to air that may trigger requirements under the Clean Air Act, (2) funeral homes for the management of hazardous materials and medical wastes and (3) cemeteries and funeral homes for the management of solid waste, underground and above-ground storage tanks and discharges to wastewater treatment systems and/or septic systems.

Clean Air Act. The Federal Clean Air Act and similar state laws, which regulate emissions into the air, can affect crematory operations through permitting and emissions control requirements. Our cremation operations may be subject to Clean Air Act regulations under federal and state law and may be subject to enforcement actions if these operations do not conform to the requirements of these laws.

Emergency Planning and Community Right-to-Know Act. As noted above, federal, state and local regulations apply to the storage and use of hazardous materials at our facilities. Depending on the types and quantities of materials we manage at any particular facility, we may be required to maintain and submit Material Safety Data Sheets and inventories of these materials located at our facilities to the regulatory authorities in compliance with EPCRA or similar state statutes.

Comprehensive Environmental Response, Compensation, and Liability Act. The Comprehensive Environmental Response, Compensation, and Liability Act, or CERCLA, and similar state laws affect our cemetery and funeral home operations by, among other things, imposing investigation and remediation obligations for threatened or actual releases of hazardous substances that may endanger public health or welfare or the environment. Under CERCLA and similar state laws, strict, joint and several liability may be imposed upon generators, site owners and operators, and others regardless of fault or the legality of the original disposal activity. Our operations include the use of some materials that may meet the definition of hazardous substances under CERCLA or state laws and thus may give rise to liability if released to the environment through a spill or release. Should we acquire new properties with pre-existing conditions triggering CERCLA or similar state liability, we may become liable for responding to

Table of Contents

those conditions under CERCLA or similar state laws. We may become involved in proceedings, litigation or investigations at one or more sites where releases of hazardous substances have occurred, and we cannot assure you that the associated costs and potential liabilities would not be material.

Underground and Aboveground Storage Tank Laws and Solid Waste Laws. Federal, state and local laws regulate the installation, removal, operations and closure of underground storage tanks, or USTs and above-ground storage tanks, or ASTs, which are located at some of our facilities as well as the management and disposal of solid waste. Most of the USTs and ASTs contain petroleum for heating our buildings or are used for vehicle maintenance, or general operations. Depending upon the age and integrity of the USTs and ASTs, they may require upgrades, removal and/or closure, and remediation may be required if there has been a potential discharge or release of petroleum into the environment. All of the aforementioned activities may require us to incur capital costs and expenses to ensure continued compliance with environmental requirements. Should we acquire properties with existing USTs and ASTs that are not in compliance with environmental requirements, we may become liable for responding to releases to the environment or for costs associated with upgrades, removal and/or closure costs, and we cannot assure you that the costs or liabilities will not be material in that event. Solid wastes have been disposed of at some of our cemeteries, both lawfully and unlawfully. Prior to acquiring a cemetery, an environmental site assessment is usually conducted to determine, among other conditions, if a solid waste disposal area or landfill exists on the parcel which requires removal, cleaning or management. Depending upon the existence of any such solid waste disposal areas, we may be required by the applicable regulatory authority to remove the waste materials or to conduct remediation and we cannot assure you that the costs or liabilities will not be material in that event.

Employees

As of September 30, 2013, our general partner and its affiliates employed 2,897 full-time and 107 part-time employees. A total of six full-time and two part-time employees, respectively, at one of our cemeteries located in New Jersey are represented by a union and are subject to collective bargaining agreements which expire in September 2015 and June 2018, respectively. Twenty-three employees at 11 of our cemeteries located in Pennsylvania are represented by three different unions and are subject to collective bargaining agreements that expire in November 2014, June 2015 and June 2017. Three employees at one of our cemeteries located in Illinois are represented by a union and are subject to a collective bargaining agreement which expires September 2014. Nine employees at one of our locations in California are represented by a union and are subject to a collective bargaining agreement that expires in June 2017. Five employees at one cemetery in Ohio are represented by a union and are subject to a collective bargaining agreement that is currently being negotiated. We believe that our relationship with our employees is good.

Table of Contents

U.S. FEDERAL INCOME TAX CONSIDERATIONS

The tax consequences to you of an investment in our common units will depend in part on your own tax circumstances. Although this section updates information related to certain tax considerations, it should be read in conjunction with Material U.S. Federal Income Tax Consequences in the accompanying prospectus and Tax Risks to Common Unitholders in our 2012 Form 10-K. You are urged to consult with your tax advisor about the federal, state, local and non-U.S. tax consequences particular to your circumstances.

Partnership Tax Treatment

The anticipated after-tax economic benefit of an investment in our common units depends largely on our being treated as a partnership for federal income tax purposes. We have not requested, and do not plan to request, a ruling from the IRS with respect to our partnership status. In order to be treated as a partnership for federal income tax purposes, at least 90% of our gross income must be from specific qualifying sources, such as income and gains derived from the sale of real property or other passive types of income such as dividends. We estimate that less than 6% of our current gross income is not qualifying income; however, this estimate could change from time to time. For a more complete description of this qualifying income requirement, please read Material U.S. Federal Income Tax Consequences Taxation of the Partnership Partnership Status in the accompanying prospectus.

If we were treated as a corporation for federal income tax purposes, we would pay federal income tax on our taxable income at the corporate tax rate, which is currently a maximum of 35%, and would likely pay state income tax at varying rates. Distributions to you would generally be taxed again as corporate distributions, and no income, gains, losses or deductions would flow through to you. Because a tax would be imposed upon us as a corporation, our cash available for distribution to you would be substantially reduced. Therefore, treatment of us as a corporation would result in a material reduction in the anticipated cash flow and after-tax return to the unitholders, likely causing a substantial reduction in the value of common units.

Ratio of Taxable Income to Distributions

We estimate that a purchaser of common units in this offering who owns those common units from the date of closing of this offering through the record date for distributions for the period ending December 31, 2016, will be allocated, on a cumulative basis, an amount of federal taxable income for that period that will be 50% or less of the cash distributed with respect to that period. Thereafter, we anticipate that the ratio of allocable taxable income to cash distributions to the unitholders will increase. These estimates are based upon the assumption that gross income from operations will approximate the amount required to make current quarterly distribution on all units and other assumptions with respect to capital expenditures, cash flow, net working capital and anticipated cash distributions. These estimates and assumptions are subject to, among other things, numerous business, economic, regulatory, legislative, competitive and political uncertainties beyond our control. Further, the estimates are based on current tax law and tax reporting positions that we will adopt and with which the IRS could disagree. Accordingly, we cannot assure you that these estimates will prove to be correct. The actual percentage of distributions that will constitute taxable income could be higher or lower than expected, and any differences could be material and could materially affect the value of the common units. For example, the ratio of allocable taxable income to cash distributions to a purchaser of common units in this offering will be greater, and perhaps substantially greater, than our estimate with respect to the period described above if:

- gross income from operations exceeds the amount required to make current quarterly distributions on all units, yet we only distribute the current quarterly distributions on all units; or

Table of Contents

we make a future offering of common units and use the proceeds of the offering in a manner that does not produce substantial additional deductions during the period described above, such as to repay indebtedness outstanding at the time of this offering or to acquire property that is not eligible for depreciation or amortization for federal income tax purposes or that is depreciable or amortizable at a rate significantly slower than the rate applicable to our assets at the time of this offering.

Tax-Exempt Organizations & Other Investors

Ownership of common units by tax-exempt entities, including employee benefit plans and individual retirement accounts (known as IRAs), and non-U.S. investors raises issues unique to such persons. Please read Material U.S. Federal Income Tax Consequences Tax-Exempt Organizations and Other Investors in the accompanying prospectus.

Table of Contents

UNDERWRITING

Raymond James is acting as the representative of the underwriters named below and as the sole book-running manager for this offering. Subject to the terms and conditions contained in an underwriting agreement dated February 10, 2014, among us and the underwriters, the underwriters named below have severally agreed to purchase, and we have agreed to sell to them, severally, the number of common units indicated below:

Underwriter	Number of Common Units
Raymond James & Associates, Inc.	1,650,000
Janney Montgomery Scott LLC	350,000
Total	2,000,000

The underwriters have agreed to purchase all of the common units sold under the underwriting agreement if any of these common units are purchased.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

Commissions and Discounts

The underwriters representative has advised us that the underwriters propose initially to offer the common units to the public at the public offering price on the cover page of this prospectus supplement and to dealers at that price less a concession not in excess of $0.684 per common unit. The underwriters may allow a discount not in excess of $0.10 per common unit to other dealers. After the public offering, the public offering price, concession and discount may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their overallotment option to purchase additional common units from us:

	Per Common Unit	No Exercise	Full Exercise
Public offering price	$ 24.45	$ 48,900,000	$ 56,235,000
Underwriting discount	$ 1.14	$ 2,280,000	$ 2,622,000
Proceeds, before expenses, to StoneMor Partners L.P.	$ 23.31	$ 46,620,000	$ 53,613,000

The expenses of the offering payable by StoneMor Partners L.P., not including the underwriting discount, are estimated to be $500,000 and are payable by us.

Overallotment Option

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to an aggregate of 300,000 additional common units from us at the public offering price listed on the cover page of this prospectus supplement, less underwriting discounts. The underwriters may exercise this option solely for the purpose of covering overallotments, if any, made in connection with the offering of the common units offered by this prospectus supplement. If the underwriters option is exercised in full, the total price to the public would be approximately $56.2 million and the total proceeds to us would be approximately $53.1 million after deducting underwriting discount and estimated offering expenses.

Table of Contents

No Sales of Similar Securities

We and each of the directors and officers of our general partner have agreed, with exceptions, not to sell or transfer any common units for 90 days after the date of this prospectus supplement, subject to an extension of up to 18 days, without first obtaining the written consent of Raymond James on behalf of the underwriters. Specifically, we and these other individuals have agreed not to directly or indirectly:

- offer, pledge, sell, contract to sell, sell any common units;
- sell any option or contract to purchase any common units;
- purchase any option or contract to sell any common units;
- grant any option, right or warrant for the sale of any common units;
- lend or either dispose of or transfer any common units;
- request or demand that we file a registration statement related to the common units; or
- enter into any swap or other arrangement that transfers, in whole or in part, the economic consequences of ownership of any common units, whether any transaction swap or transaction is to be settled by delivery of common units or other securities, in cash or otherwise.

These restrictions do not apply to:

- the sale of common units to the underwriters;
- issuances under our employee benefit plans; or
- issuances of common units as consideration in acquisitions (provided the acquiror agrees to be bound by the lock-up for the unexpired term).

This lock-up provision applies to common units and to securities convertible into or exchangeable or exercisable for or repayable with common units. It also applies to common units owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition.

The New York Stock Exchange

Our common units are listed on the New York Stock Exchange under the symbol STON.

Price Stabilization and Short Positions

Until the distribution of the common units is completed, SEC rules may limit underwriters from bidding for and purchasing our common units. However, the underwriters may engage in transactions that stabilize the price of our common units, such as bids or purchases to peg, fix or maintain that price.

Short sales involve syndicate sales of common units in excess of the number of units to be purchased by the underwriters in the offering, which creates a syndicate short position. Covered short sales are sales of common units made in an amount up to the number of units represented by

Table of Contents

the underwriters overallotment option. In determining the source of common units to close out the covered syndicate short position, the underwriters will consider, among other things, the price of common units available for purchase in the open market as compared to the price at which they may purchase units through the overallotment option. Transactions to close out the covered syndicate short involve either purchases of the common units in the open market after the distribution has been completed or the exercise of the overallotment option. The underwriters may also make naked short sales of common units in excess of the overallotment option. The underwriters must close out any naked short position by purchasing common units in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common units in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of bids for or purchases of common units in the open market while the offering is in progress. Purchases of the common units to stabilize its price or to reduce a short position may cause the price of the common units to be higher than it might be in the absence of such purchases.

Neither we nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the common units. In addition, neither we nor any of the underwriters makes any representation that the underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Passive Market Making

In connection with this offering, the underwriters and selling group members may engage in passive market making transactions in the common units on the New York Stock Exchange in accordance with Rule 103 of Regulation M under the Exchange Act during a period before the commencement of offers or sales of common units and extending through the completion of distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker s bid, the bid must then be lowered when specified purchase limits are exceeded.

FINRA Conduct Rules

An affiliate of Raymond James is a lender under our credit facility and will receive more than five percent of the proceeds of this offering (in addition to underwriting discounts and commissions) pursuant to the repayment of borrowings thereunder. No conflict of interest exists between us and the underwriters under Financial Industry Regulatory Authority Rule 5121. Because the common units offered hereby are interests in a direct participation program, as defined in Financial Industry Regulatory Authority Rule 2310, investor suitability with respect to the common units will be judged similarly to the suitability with respect to other securities that are listed for trading on a national securities exchange.

Electronic Distribution

A prospectus in electronic format will be made available on the website maintained by one or more of the underwriters participating in this offering. Other than the electronic prospectus, the information on such websites is not part of this prospectus.

Other Relationships

Certain of the underwriters and their affiliates perform various financial advisory, investment banking and commercial banking services from time to time for us and our affiliates, for which they received or will receive customary fees and expense reimbursement.

Table of Contents

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of us or our affiliates.

Table of Contents

LEGAL MATTERS

The validity of the common units will be passed upon for us by Vinson & Elkins L.L.P., New York, New York. Certain legal matters relating to the offering of the common units will be passed upon for the underwriters by Andrews Kurth LLP, Austin, Texas.

EXPERTS

The consolidated financial statements of StoneMor Partners L.P. as of December 31, 2012, 2011 and 2010, incorporated herein by reference from StoneMor Partners L.P. s Annual Report on Form 10-K filed on March 15, 2013, and the effectiveness of StoneMor Partners L.P. s internal control over financial reporting as of December 31, 2012 incorporated from StoneMor Partners L.P. s Annual Report on Form 10-K filed on March 15, 2013, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports which are incorporated herein by reference. Such financial statements have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and other reports and other information with the SEC under the Securities Exchange Act of 1934, as amended, or the Exchange Act. You may read and copy any reports, statements or other information filed by us at the SEC s public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Copies of such materials can be obtained by mail at prescribed rates from the Public Reference Room of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our filings with the SEC are also available to the public from commercial document retrieval services and at the SEC s web site at http://www.sec.gov.

We incorporate by reference information into this prospectus supplement, which means that we disclose important information to you by referring you to other documents filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus supplement, except for any information superseded by information contained expressly in this prospectus supplement, and the information we file later with the SEC will automatically supersede this information until the termination of this offering (other than information deemed to have been furnished or not filed in accordance with the SEC rules). You should not assume that the information in this prospectus supplement is current as of any date other than the date on the front page of this prospectus supplement.

We incorporate by reference the documents listed below filed by us and any future filings made after the date of the initial filing of the registration statement of which this prospectus supplement is a part with the SEC under sections 13(a), 13(c), 14 or 15(d) of the Exchange Act until the termination of the offering under this prospectus supplement (other than, in each case, information deemed to have been furnished or not filed in accordance with the SEC rules).

Our Annual Report on Form 10-K for the year ended December 31, 2012 filed on March 15, 2013;

Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 filed on May 7, 2013;

Our Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 filed on August 7, 2013;

Our Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 filed on November 7, 2013;

Our Current Reports on Form 8-K filed on February 22, 2013, March 1, 2013 , March 26, 2013, May 13, 2013 (excluding information furnished pursuant to Item 7.01), May 17, 2013, May 28, 2013, June 11, 2013, June 21, 2013, July 26, 2013, October 2, 2013, October 24, 2013, December 3, 2013 and January 7, 2014;

The description of the common units contained in the Registration Statement on Form 8-A, initially filed on August 23, 2004, and any subsequent amendment thereto filed for the purpose of updating such description.

You may request a copy of any document incorporated by reference in this prospectus supplement and any exhibit specifically incorporated by reference in those documents, at no cost, by writing or telephoning us at the following address or phone number:

StoneMor Partners L.P.

311 Veterans Highway, Suite B

Levittown, PA 19056

(215) 826-2800

Attn: Investor Relations

We also make available free of charge on our website at *http://www.stonemor.com* our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and Section 16 reports, and any amendments to those reports, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

Table of Contents

PROSPECTUS

$500,000,000

StoneMor Partners L.P.

Common Units

Other Classes of Units Representing

Limited Partner Interests

We may from time to time offer up to $500,000,000 of common units representing limited partner interests and other classes of units representing limited partner interests in StoneMor Partners L.P. We refer to the common units and other classes of units representing limited partner interests in StoneMor Partners L.P. collectively as the securities. This prospectus describes the general terms of the securities and the general manner in which we will offer the securities. The specific terms of any securities we offer will be included in a supplement to this prospectus. The prospectus supplement will also describe the specific manner in which we will offer the securities.

Our common units are traded on the New York Stock Exchange (NYSE) under the symbol STON.

We will provide information in the prospectus supplement for the trading market, if any, for any other classes of units representing limited partner interests we may offer.

Investing in our securities involves risks, including those associated with the inherent differences between limited partnerships and corporations. You should carefully consider the risks relating to investing in our securities and each of the other risk factors incorporated by reference under Risk Factors beginning on page 5 of this prospectus before you make an investment in our securities.

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.

The date of this prospectus is December 16, 2013.

Table of Contents

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized any other person to provide you with different information. You should not assume that the information incorporated by reference or provided in this prospectus is accurate as of any date other than the date on the front of this prospectus.

TABLE OF CONTENTS

Table of Contents

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (the SEC) using a shelf registration process or continuous offering process. Under this shelf registration process, we may sell up to $500,000,000 in aggregate offering price of the securities described in this prospectus in one or more offerings. Each time we sell securities with this prospectus, we will provide a prospectus supplement that will contain specific information about the terms of that offering and the securities being offered. That prospectus supplement may include additional risk factors or other special considerations applicable to those securities. Any prospectus supplement may also add, update, or change information in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in that prospectus supplement.

Additional information, including our financial statements and the notes thereto, is incorporated in this prospectus by reference to our reports filed with the SEC. See Where You Can Find More Information. You are urged to read this prospectus and our SEC reports in their entirety.

Throughout this prospectus, when we use the terms we, us, or StoneMor Partners L.P., we are referring either to StoneMor Partners L.P., the registrant itself, or to StoneMor Partners L.P. and its operating subsidiaries collectively, as the context requires.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and other reports and other information with the SEC under the Securities Exchange Act of 1934. You may read and copy any reports, statements or other information filed by us at the SEC s public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Copies of such materials can be obtained by mail at prescribed rates from the Public Reference Room of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our filings with the SEC are also available to the public from commercial document retrieval services and at the SEC s web site at *http://www.sec.gov*.

We incorporate by reference information into this prospectus, which means that we disclose important information to you by referring you to other documents filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, except for any information superseded by information contained expressly in this prospectus, and the information we file later with the SEC will automatically supersede this information until the termination of this offering (other than information furnished and not filed with the SEC). You should not assume that the information in this prospectus is current as of any date other than the date on the front page of this prospectus.

We incorporate by reference in this prospectus the documents listed below:

Our Annual Report on Form 10-K for the year ended December 31, 2012 filed March 15, 2013;

Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 filed May 7, 2013;

Our Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 filed August 7, 2013;

Our Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 filed November 7, 2013;

Our Current Reports on Form 8-K filed February 22, 2013, March 1, 2013, March 26, 2013, May 13, 2013 (excluding information furnished pursuant to Item 7.01), May 17, 2013, May 28, 2013, June 11, 2013, June 21, 2013, July 26, 3013, October 2, 2013, October 24, 2013 and December 3, 2013; and

The description of the common units contained in the Registration Statement on Form 8-A, initially filed on August 23, 2004, and any subsequent amendment thereto filed for the purpose of updating such description.

In addition, we incorporate by reference in this prospectus any future filings made by StoneMor Partners L.P. with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 (excluding any information furnished and not filed with the SEC) after the date on which the registration statement that includes this prospectus was initially filed with the SEC (including all such documents we may file with the SEC after the date of the initial registration statement and prior to the effectiveness of the registration statement) and until all offerings under this shelf registration statement are terminated.

You may request a copy of any document incorporated by reference in this prospectus and any exhibit specifically incorporated by reference in those documents, at no cost, by writing or telephoning us at the following address or phone number:

StoneMor Partners L.P.
311 Veterans Highway, Suite B
Levittown, PA 19056
(215) 826-2800
Attn: Investor Relations

We also make available free of charge on our internet website at *http://www.stonemor.com* our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and Section 16 reports, and any amendments to those reports, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Information contained on our website is not incorporated by reference into this prospectus and you should not consider information contained on our website as part of this prospectus.

Table of Contents

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained or incorporated by reference in this prospectus, including, but not limited to, information regarding the status and progress of our operating activities, the plans and objectives of our management, assumptions regarding our future performance and plans, and any financial guidance provided, as well as certain information in our other filings with the SEC and elsewhere are forward-looking statements. The words believe, may, will, estimate, continue, anticipate, intend, project, expect, predict and similar expressions identify these forward-looking st These forward-looking statements are made subject to certain risks and uncertainties that could cause actual results to differ materially from those stated or implied, including, but not limited to, the following: uncertainties associated with future revenue and revenue growth; the effect of the current economic downturn; the impact of our significant leverage on our operating plans; our ability to service our debt and pay distributions; the decline in the fair value of certain equity and debt securities held in our trusts; our ability to attract, train and retain an adequate number of sales people; uncertainties associated with the volume and timing of pre-need sales of cemetery services and products; increased use of cremation; changes in the death rate; changes in the political or regulatory environments, including potential changes in tax accounting and trusting policies; our ability to successfully implement a strategic plan relating to achieving operating improvements, strong cash flows and further deleveraging; our ability to successfully compete in the cemetery and funeral home industry; uncertainties associated with the integration or anticipated benefits of our recent acquisitions or any future acquisitions; our ability to complete and fund additional acquisitions; our ability to complete and fund the transaction with the Archdiocese of Philadelphia; litigation or legal proceedings that could expose us to significant liabilities and damage our reputation; our ability to maintain effective disclosure controls and procedures and internal control over financial reporting; the effects of cyber security attacks due to our significant reliance on information technology; uncertainties relating to the financial condition of third-party insurance companies that fund our pre-need funeral contracts; and various other uncertainties associated with the death care industry and our operations in particular; and other risks set forth under Risk Factors incorporated by reference into this prospectus including, without limitation, in our most recent Annual Report on Form 10-K and, to the extent applicable, in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements set forth in our SEC filings. We assume no obligation to update or revise any forward-looking statements made herein or any other forward-looking statements by us, whether as a result of new information, future events or otherwise. New factors emerge from time to time, and it is not possible for us to predict all of these factors. In addition, we cannot assess the effect of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement.

ABOUT STONEMOR PARTNERS L.P.

We are, as of September 30, 2013, the second largest owner and operator of cemeteries in the United States. As of September 30, 2013, we operated 277 cemeteries in 27 states and Puerto Rico. We own 259 of these cemeteries, and we operate the remaining 18 under management or operating agreements with the nonprofit cemetery corporations that own the cemeteries. As of September 30, 2013, we also owned and operated 90 funeral homes in 18 states and Puerto Rico. Forty-o