

NAVISTAR INTERNATIONAL CORP
Form 4
June 14, 2012

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
RACHESKY MARK H MD

2. Issuer Name and Ticker or Trading Symbol
NAVISTAR INTERNATIONAL CORP [NAV]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
40 WEST 57TH STREET, 24TH FLOOR

3. Date of Earliest Transaction (Month/Day/Year)
06/12/2012

____ Director
____ Officer (give title below)
 10% Owner
____ Other (specify below)

(Street)
NEW YORK, NY 10019

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
____ Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|-------|-----------------|---|--|-----------------------------------|------------------|
| | | | | Code | V | Amount or Price | | | | |
| Common Stock | 06/13/2012 | | P | | 5,607 | A | \$ 27.5631 (1) | 221,993 | I | See Footnote (3) |
| Common Stock | 06/13/2012 | | P | | 6,214 | A | \$ 27.8561 (2) | 228,207 | I | See Footnote (3) |
| Common Stock | 06/13/2012 | | P | | 750 | A | \$ 27.5631 (1) | 29,669 | I | See Footnote (4) |
| Common | 06/13/2012 | | P | | 832 | A | \$ | 30,501 | I | See |

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| | | | | | | | | | |
|--------------|------------|--|---|--------|----------------|----------------------|-----------|-----------------|------------------------|
| Stock | | | | | 27.8561 (2) | | | Footnote (4) | |
| Common Stock | 06/13/2012 | | P | 69,535 | A | \$ 27.5631 (1) | 2,686,732 | I | See Footnote (5) |
| Common Stock | 06/13/2012 | | P | 77,062 | A | \$ 27.8561 (2) | 2,763,794 | I | See Footnote (5) |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount Number Shares |
| Forward Transaction (right to buy) (6) | (9) | 06/12/2012 | | P | 110,195 | (10) | (12) | Common Stock | 110,1 |
| Forward Transaction (right to buy) (7) | (9) | 06/12/2012 | | P | 14,745 | (10) | (12) | Common Stock | 14,7 |
| Forward Transaction (right to buy) (8) | (9) | 06/12/2012 | | P | 1,366,540 | (11) | (12) | Common Stock | 1,366, |
| Forward Transaction (right to buy) (13) | (16) (17) | 06/14/2012 | | P | 61,292 | (18) | (20)(21) | Common Stock | 61,2 |
| Forward Transaction (right to buy) (14) | (16) (17) | 06/14/2012 | | P | 8,201 | (18) | (20)(21) | Common Stock | 8,20 |

| | | | | | | | | |
|--|-------------------------|------------|---|---------|-------------|-------------------------|--------------|-------|
| Forward Transaction (right to buy) <u>(15)</u> | <u>(16)</u> <u>(17)</u> | 06/14/2012 | P | 760,086 | <u>(19)</u> | <u>(20)</u> <u>(21)</u> | Common Stock | 760,0 |
|--|-------------------------|------------|---|---------|-------------|-------------------------|--------------|-------|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| RACHESKY MARK H MD 40 WEST 57TH STREET 24TH FLOOR NEW YORK, NY 10019 | | X | | |
| MHR FUND MANAGEMENT LLC 40 WEST 57TH STREET 24TH FLOOR NEW YORK, NY 10019 | | X | | |
| MHR Institutional Partners III LP 40 WEST 57TH STREET, 24TH FLOOR NEW YORK, NY 10019 | | X | | |
| MHR Institutional Advisors III LLC 40 WEST 57TH STREET, 24TH FLOOR NEW YORK, NY 10019 | | X | | |

Signatures

/s/ Janet Yeung,
Attorney-in-Fact

06/14/2012

 Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The price reported in Column 4 is a weighted average price. These shares were purchased in multiple transactions at prices ranging from \$26.92 to \$27.70. The reporting person undertakes to provide to the Staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares purchased at each separate price within the ranges set forth in the footnotes (1) and (2) to this Form 4.
- (2) The price reported in Column 4 is a weighted average price. These shares were purchased in multiple transactions at prices ranging from \$27.71 to \$28.14.
- (3) These shares are held for the account of MHR Capital Partners Master Account LP, an Anguilla, British West Indies limited partnership ("Master Account"). MHR Advisors LLC, a Delaware limited liability company ("Advisors"), is the general partner of Master Account. Mark H. Rachesky, M.D. ("Dr. Rachesky") is the managing member of Advisors. In such capacity, Dr. Rachesky may be deemed to be the beneficial owner of the shares held for the account of Master Account. MHR Fund Management LLC ("Fund Management") has an investment management agreement with Master Account pursuant to which it has the power to vote or direct the vote and to dispose or to direct the disposition of the shares held for the account of Master Account and, accordingly, Fund Management may be deemed to beneficially own the shares held for the account of Master Account.
- (4) These shares are held for the account of MHR Capital Partners (100) LP, a Delaware limited partnership ("Capital Partners (100)"). Advisors is the general partner of Capital Partners (100). Dr. Rachesky is the managing member of Advisors. In such capacity, Dr. Rachesky may be deemed to be the beneficial owner of the shares held for the account of Capital Partners (100). Fund Management has

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an investment management agreement with Capital Partners (100) pursuant to which it has the power to vote or direct the vote and to dispose or to direct the disposition of the shares held for the account of Capital Partners (100) and, accordingly, Fund Management may be deemed to beneficially own the shares held for the account of Capital Partners (100).

These shares are held for the account of MHR Institutional Partners III LP, a Delaware limited partnership ("Institutional Partners III"). MHR Institutional Advisors III LLC, a Delaware limited liability company ("Institutional Advisors III") is the general partner of Institutional Partners III. Dr. Rachesky is the managing member of Institutional Advisors III. In such capacity, Dr. Rachesky may be

- (5) deemed to be the beneficial owner of the shares held for the account of Institutional Partners III. Fund Management has an investment management agreement with Institutional Partners III pursuant to which it has the power to vote or direct the vote and to dispose or to direct the disposition of the shares held for the account of Institutional Partners III and, accordingly, Fund Management may be deemed to beneficially own the shares held for the account of Institutional Partners III.
- (6) Forward Transaction, dated as of June 6, 2012, by and between Deutsche Bank AG, London Branch ("DB"), with Deutsche Bank Securities Inc. as agent, and Master Account (the "DB Master Account Forward Transaction").
- (7) Forward Transaction, dated as of June 6, 2012, by and between DB, Deutsche Bank Securities Inc. as agent, and Capital Partners (100) (the "DB Capital Partners (100) Forward Transaction").
- (8) Amended and Restated Forward Transaction, dated as of June 12, 2012, by and between DB, Deutsche Bank Securities Inc. as agent, and Institutional Partners III (the "DB Institutional Partners III Forward Transaction" and, together with the DB Master Account Forward Transaction and the DB Capital Partners (100) Forward Transaction, the "DB Forward Transactions").

In the event that Master Account, Capital Partners (100) or Institutional Partners III elect to physically settle their respective DB Forward Transactions, such MHR entity is required to pay the DB Forward Price per Share to DB in exchange for each share of Common Stock underlying the DB Forward Transaction. The "DB Forward Price per Share" is initially \$25.5399 and increases each day based on a formula that generally equals the initial DB Forward Price per Share multiplied by an interest rate generally equal to one-month LIBOR plus 0.85% per annum compounded monthly. If any DB Forward Transaction is settled in cash, Master Account, Capital Partners (100) or Institutional Partners III will generally obtain the gain from any positive price performance and suffer the loss from any negative price performance when compared to the DB Forward Price per Share on the notional number of shares of Common Stock subject to the DB Forward Transactions, subject to certain fees payable to DB.

- (9)
- (10) Each of the DB Master Account Forward Transaction and the DB Capital Partners (100) Forward Transaction may be settled at any time, at the election of Master Account or Capital Partners (100), as the case may be, in cash or by delivery of Common Stock.

The DB Institutional Partners III Forward Transaction may be settled at any time at the election of Institutional Partners III in cash. In addition, the DB Institutional Partners III Forward Transaction may be settled at any time, at the election of Institutional Partners III, following the date that all required filings and any applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 have been made or have expired (the "HSR Act Condition"), by delivery of Common Stock in exchange for payment by Institutional Partners III of the Forward Price per Share (as defined above).

- (11)
- (12) The shares of Common Stock underlying the DB Forward Transactions generally must be settled in either cash or physical delivery of such shares of Common Stock (subject, in the case of the DB Institutional Partners III Forward Transaction, to satisfaction of the HSR Act Condition) by June 12, 2013 or at such earlier date at the election of Master Account, Capital Partners (100) or Institutional Partners III, as the case may be. If the relevant MHR fund elects physical settlement, the settlement date will occur on the fifth business day following the date of such election. If the relevant MHR fund elects cash settlement, the cash settlement date will occur three business days following the expiration of a fifteen (15) business day price averaging period commencing two business days following the date of such election.

- (13) Forward Transaction, dated as of June 14, 2012, by and between Societe Generale ("SG") and Master Account (the "SG Master Account Forward Transaction").

- (14) Forward Transaction, dated as of June 14, 2012, by and between SG and Capital Partners (100) (the "SG Capital Partners (100) Forward Transaction").

- (15) Forward Transaction, dated as of June 14, 2012, by and between SG and Institutional Partners III (the "SG Institutional Partners III Forward Transaction" and, together with the SG Master Account Forward Transaction and the SG Capital Partners (100) Forward Transaction, the "SG Forward Transactions").

In the event that Master Account, Capital Partners (100) or Institutional Partners III elect to physically settle their respective SG Forward Transactions, such MHR entity is required to pay the SG Forward Price per Share to SG in exchange for each share of Common Stock underlying the SG Forward Transaction. The "SG Forward Price per Share" will equal a weighted average of the VWAP price of the shares of Common Stock obtained during SG's hedging period multiplied by 1.10% per annum plus certain fees payable to SG, and thereafter, the SG Forward Price per Share will increase generally at a rate equal to one-month LIBOR plus 0.85% per annum compounded monthly. (Continued in footnote 17)

- (16)
- (17) (Continued from footnote 16) The weighted average of the VWAP price of the shares obtained during SG's hedging on June 14, 2012 was \$27.0661. If any SG Forward Transaction is settled in cash, Master Account, Capital Partners (100) or Institutional Partners III will

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generally obtain the gain from any positive price performance and suffer the loss from any negative price performance when compared to the SG Forward Price per Share on the notional number of shares of Common Stock subject to the SG Forward Transactions, subject to certain fees payable to SG.

- (18) Each of the SG Master Account Forward Transaction and the SG Capital Partners (100) Forward Transaction may be settled at any time, at the election of Master Account or Capital Partners (100), as the case may be, in cash or by delivery of Common Stock.

- (19) The SG Institutional Partners III Forward Transaction may be settled at any time at the election of Institutional Partners III in cash. In addition, the SG Institutional Partners III Forward Transaction may be settled at any time, at the election of Institutional Partners III, following the satisfaction of the HSR Act Condition, by delivery of Common Stock.

- (20) The shares of Common Stock underlying the SG Forward Transactions generally must be settled in either cash or physical delivery of such shares of Common Stock (subject, in the case of the SG Institutional Partners III Forward Transaction, to satisfaction of the HSR Act Condition) no later than the date that is 12 months from the "Trade Date" (as defined below). The "Trade Date" is the earlier to occur of (i) the date on which SG or its affiliate completes its hedges in connection with the applicable SG Forward Transaction, and (ii) the date designated by the relevant MHR fund by written notice to SG, in each case which must occur not later than September 14, 2012. If the relevant MHR fund elects physical settlement, the settlement date will occur on the fifth business day following the date of such election. If the relevant MHR fund elects cash settlement, the cash settlement date will occur three business days (Continued in footnote 21)

- (21) (Continued from footnote 20) following the expiration of a fifteen (15) business day price averaging period commencing two business days following the date of such election.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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