

NAVISTAR INTERNATIONAL CORP

Form 3

June 14, 2012

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104

Expires: January 31, 2005

Estimated average burden hours per response... 0.5

INITIAL STATEMENT OF 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 *

Â RACHESKY MARK H MD
 (Last) (First) (Middle)

40 WEST 57TH STREET, Â 24TH FLOOR

(Street)

NEW YORK, Â NY Â 10019

(City) (State) (Zip)

2. Date of Event Requiring Statement

(Month/Day/Year)
 06/12/2012

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

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

5. 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

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	216,386	I	See Footnote ⁽¹⁾
Common Stock	28,919	I	See Footnote ⁽²⁾
Common Stock	2,617,197	I	See Footnote ⁽³⁾

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

SEC 1473 (7-02)

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.

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying	4. Conversion	5. Ownership	6. Nature of Indirect Beneficial Ownership
--	--	--	---------------	--------------	--

	Date Exercisable	Expiration Date	Derivative Security (Instr. 4) Title	Amount or Number of Shares	or Exercise Price of Derivative Security	Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	(Instr. 5)
Forward Transaction (right to buy) ⁽⁴⁾	Â ⁽⁷⁾	Â ⁽⁹⁾	Common Stock	301,893	\$ ⁽¹⁰⁾	I	See Footnote ⁽¹⁾
Forward Transaction (right to buy) ⁽⁵⁾	Â ⁽⁷⁾	Â ⁽⁹⁾	Common Stock	40,348	\$ ⁽¹⁰⁾	I	See Footnote ⁽²⁾
Forward Transaction (right to buy) ⁽⁶⁾	Â ⁽⁸⁾	Â ⁽⁹⁾	Common Stock	3,650,035	\$ ⁽¹⁰⁾	I	See Footnote ⁽³⁾

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	Â	Â X	Â	Â
MHR FUND MANAGEMENT LLC 40 WEST 57TH STREET 24TH FLOOR NEW YORK, NY 10019	Â	Â X	Â	Â

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 5(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) 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.

(2) 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 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).

(3)

Edgar Filing: NAVISTAR INTERNATIONAL CORP - Form 3

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 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.

- (4) 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").
- (5) 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").
- (6) 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 Master Account Forward Transaction and the Capital Partners (100) Forward Transaction, the "DB Forward Transactions").
- (7) 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.
- (8) 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.
- (9) 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.
- (10)

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

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