

MERCER INTERNATIONAL INC.  
Form SC 13G/A  
February 14, 2017

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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, DC 20549**

**SCHEDULE 13G/A**

**Under the Securities Exchange Act of 1934**

**(Amendment No. 6)\***

**Mercer International Inc.**

(Name of Issuer)

**Common Stock, par value \$1.00 per share**  
(Title of Class of Securities)

**588056101**  
(CUSIP Number)

December 31, 2016  
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)

o Rule 13d-1(d)

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

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



CUSIP No. 588056101

**SCHEDULE 13G/A**

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NAME OF REPORTING PERSONS

1

Gates Capital Management, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2

(a)

(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4

Delaware

SOLE VOTING POWER

5

0

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON

SHARED VOTING POWER

6

10,959,849 shares of Common Stock

SOLE DISPOSITIVE POWER

7

0

WITH

SHARED DISPOSITIVE POWER

8

10,959,849 shares of Common Stock

9

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

10,959,849 shares of Common Stock

10

CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

16.9%

12

TYPE OF REPORTING PERSON

IA, PN



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NAME OF REPORTING PERSONS

1

Gates Capital Management GP, LLC

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2

(a)

(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4

Delaware

SOLE VOTING POWER

5

0

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON

SHARED VOTING POWER

6

10,959,849 shares of Common Stock

SOLE DISPOSITIVE POWER

7

WITH

0

SHARED DISPOSITIVE POWER

8

10,959,849 shares of Common Stock

9

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

10,959,849 shares of Common Stock

10

CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

16.9%

12

TYPE OF REPORTING PERSON

OO



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NAME OF REPORTING PERSONS

1

Gates Capital Management, Inc.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2

(a)

(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4

Delaware

SOLE VOTING POWER

5

0

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON

SHARED VOTING POWER

6

10,959,849 shares of Common Stock

SOLE DISPOSITIVE POWER

7

0

WITH

SHARED DISPOSITIVE POWER

8

10,959,849 shares of Common Stock

9

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

10,959,849 shares of Common Stock

10

CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

16.9%

12

TYPE OF REPORTING PERSON

CO, IA





CUSIP No. 588056101

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NAME OF REPORTING PERSONS

1

Jeffrey L. Gates

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2

(a)

(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4

United States Citizen

SOLE VOTING POWER

5

0

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON

SHARED VOTING POWER

6

10,959,849 shares of Common Stock

SOLE DISPOSITIVE POWER

7

WITH

0

SHARED DISPOSITIVE POWER

8

10,959,849 shares of Common Stock

9

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

10,959,849 shares of Common Stock

10

CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

16.9%

12

TYPE OF REPORTING PERSON

IN



CUSIP No. 588056101

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**Item 1. (a) Name of Issuer**

Mercer International Inc.

**(b) Address of Issuer's Principal Executive Offices**

Suite 1120, 700 West Pender Street, Vancouver, British Columbia, Canada, V6C 1G8

**Item 2.**

**(a) Name of Person Filing**

This Statement is filed by each of the entities and persons listed below, all of whom together are referred to herein as the "Reporting Persons":

(i) Gates Capital Management, L.P., a Delaware limited partnership ("Gates Capital"), with respect to the shares of Common Stock held by certain funds as to which Gates Capital serves as investment manager (the "Gates Capital Funds");

(ii) Gates Capital Management GP, LLC, a Delaware limited liability company ("the General Partner"), which is the general partner of Gates Capital, with respect to the shares of Common Stock directly held by the Gates Capital Funds;

(iii) Gates Capital Management, Inc., a Delaware corporation ("the Corporation"), is the managing member of the General Partner, with respect to the shares of Common Stock directly held by the Gates Capital Funds; and

(iv) Jeffrey L. Gates, a United States citizen, who serves as the President of the Corporation, with respect to the shares of Common Stock directly held by the Gates Capital Funds.

**(b) Address of Principal Business Office or, if none, Residence**

The address of the principal business office of each of the Reporting Persons is c/o Gates Capital Management, L.P., 1177 Avenue of the Americas, 46th Floor, New York, New York 10036.

**(c) Citizenship**

- (i) Gates Capital - a Delaware limited partnership
  
- (ii) The General Partner - a Delaware limited liability company
  
- (iii) The Corporation - a Delaware corporation
  
- (iv) Jeffrey L. Gates - a United States citizen

The filing of this statement should not be construed as an admission that any of the Reporting Persons is, for purposes of Section 13 of the Act, the beneficial owner of the Common Stock reported herein.

**(d) Title of Class of Securities**

Common Stock, par value \$1.00 per share

**(e) CUSIP No.:**

588056101

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**Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:**

- (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);
- (b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);
- (c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c);
- (d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);
- (e)  An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
- (f)  An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person in accordance with §240.13d-1(b)(1)(ii)(G);
- (h)  A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j)  A non-U.S. institution in accordance with §240.13d-1(b)(1)(ii)(J);

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**Item 4. Ownership**

The percentage set forth this Schedule 13G/A is calculated based upon the 64,694,138 shares of Common Stock issued and outstanding as of October 26, 2016 as disclosed in the Company's Quarterly Report for the quarterly period ended September 30, 2016 on Form 10-Q filed with the Securities and Exchange Commission on October 27, 2016.

The information required by Items 4(a) - (c) is set forth in Rows 5 - 11 of the cover page for each Reporting Person hereto and is incorporated herein by reference for each Reporting Person.

**Item 5. Ownership of Five Percent or Less of a Class**

Not applicable.

**Item 6. Ownership of More Than Five Percent on Behalf of Another Person**

Not applicable.

**Item 7. Identification and Classification of the Subsidiary which Acquired the Security Being Reported on by the Parent Holding Company or Control Person**

Not applicable.

**Item 8. Identification and Classification of Members of the Group**

Not applicable.

**Item 9. Notice of Dissolution of Group**

Not applicable.

**Item 10. Certification**

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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**SIGNATURE**

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

Dated: February 14, 2017

**Gates Capital Management, L.P.** By: Gates Capital Management GP, LLC, its general partner By: Gates Capital Management, Inc., its managing member By: /s/ Jeffrey L. Gates Name: Jeffrey L. Gates Title: President

**Gates Capital  
Management  
GP, LLC**

**Gates Capital  
Management, Inc.**

By: /s/ Jeffrey L. Gates  
Name: Jeffrey L. Gates  
Title: President

/s/  
By: Jeffrey  
L.  
Gates  
**Jeffrey  
L.  
Gates**

CUSIP No. 588056101

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**EXHIBIT 1**

**JOINT FILING AGREEMENT**

**PURSUANT TO RULE 13d-1(k)**

The undersigned acknowledge and agree that the foregoing statement on Schedule 13G/A is filed on behalf of each of the undersigned and that all subsequent amendments to this statement on Schedule 13G/A shall be filed on behalf of each of the undersigned without the necessity of filing additional joint filing agreements. The undersigned acknowledge that each shall be responsible for the timely filing of such amendments, and for the completeness and accuracy of the information concerning him or it contained herein and therein, but shall not be responsible for the completeness and accuracy of the information concerning the others, except to the extent that he or it knows or has reason to believe that such information is inaccurate.

DATE: February 14, 2017

**Gates Capital  
Management, L.P.**

By: Gates Capital  
Management GP, LLC, its  
general partner

By: Gates Capital  
Management, Inc., its  
managing member

By: /s/ Jeffrey L. Gates  
Name: Jeffrey L. Gates  
Title: President

**Gates Capital  
Management  
GP, LLC**

**Gates Capital  
Management, Inc.**

By: /s/ Jeffrey L. Gates  
Name: Jeffrey L. Gates  
Title: President



/s/  
Jeffrey  
By: L.  
Gates  
**Jeffrey**  
**L.**  
**Gates**