

MERCER INTERNATIONAL INC.  
Form SC 13G/A  
February 16, 2016

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

**SCHEDULE 13G**  
**Under the Securities Exchange Act of 1934**  
**(Amendment No. 1)\***

**Mercer International Inc.**

**(Name of Issuer)**

**Common Stock, par value \$1.00 per share**

**(Title of Class of Securities)**

**588056101**

**(CUSIP Number)**

**December 31, 2015**

**(Date of Event which Requires Filing of this Statement)**

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

x Rule 13d-1(b)

.. Rule 13d-1(c)

.. 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).

1 Names of Reporting Persons.

Knighthood Capital Management, LLC

2 Check the Appropriate Box if a Member of a Group (See Instructions)

(a)  (b)

3 SEC Use Only

4 Citizenship or Place of Organization.

Delaware, United States of America

5 Sole Voting Power

0 shares

6 Shared Voting Power

Number of

Shares

3,001,780 shares

Beneficially

Owned by

Refer to Item 4 below.

Each

7 Sole Dispositive Power

Reporting

Person

0 shares

8 Shared Dispositive Power

With

3,001,780 shares

Refer to Item 4 below.

9 Aggregate Amount Beneficially Owned by Each Reporting Person

3,001,780 shares

Refer to Item 4 below.

10 Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)  N/A

11 Percent of Class Represented by Amount in Row (9)\*

4.65%

Refer to Item 4 below.

12 Type of Reporting Person (See Instructions)

IA, OO

1 Names of Reporting Persons.

Thomas A. Wagner

2 Check the Appropriate Box if a Member of a Group (See Instructions)

(a)  (b)

3 SEC Use Only

4 Citizenship or Place of Organization.

United States of America

5 Sole Voting Power

0 shares

6 Shared Voting Power

Number of

Shares

3,001,780 shares

Beneficially

Owned by

Refer to Item 4 below.

Each

7 Sole Dispositive Power

Reporting

Person

0 shares

8 Shared Dispositive Power

With

3,001,780 shares

Refer to Item 4 below.

9 Aggregate Amount Beneficially Owned by Each Reporting Person

3,001,780 shares

Refer to Item 4 below.

10 Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)  N/A

11 Percent of Class Represented by Amount in Row (9)\*

4.65%

Refer to Item 4 below.

12 Type of Reporting Person (See Instructions)

HC, IN

1 Names of Reporting Persons.

Ara D. Cohen

2 Check the Appropriate Box if a Member of a Group (See Instructions)

(a)  (b)

3 SEC Use Only

4 Citizenship or Place of Organization.

United States of America

5 Sole Voting Power

0 shares

6 Shared Voting Power

Number of

Shares

3,001,780 shares

Beneficially

Owned by

Refer to Item 4 below.

Each

7 Sole Dispositive Power

Reporting

Person

0 shares

8 Shared Dispositive Power

With

3,001,780 shares

Refer to Item 4 below.

9 Aggregate Amount Beneficially Owned by Each Reporting Person

3,001,780 shares

Refer to Item 4 below.

10 Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)  N/A

11 Percent of Class Represented by Amount in Row (9)\*

4.65%

Refer to Item 4 below.

12 Type of Reporting Person (See Instructions)

HC, IN



**Item 1.**

(a) Name of Issuer

Mercer International Inc.

(b) Address of Issuer's Principal Executive Offices

700 West Pender Street

Suite 1120

Vancouver, British Columbia V6C 1G8

Canada

**Item 2.**

(a) Name of Person Filing

Knighthood Capital Management, LLC

Thomas A. Wagner

Ara D. Cohen

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

1140 Avenue of the Americas, 12th Floor

New York, NY 10036

(c) Citizenship

Knighthood Capital Management, LLC - Delaware, United States of America

Thomas A. Wagner - United States of America

Ara D. Cohen - United States of America

(d) Title of Class of Securities

Common Stock, \$1.00 par value per share

(e) CUSIP Number  
588056101

**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
- (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);
- (k)  Group, in accordance with §240.13d-1(b)(1)(ii)(K).

**Item 4. Ownership\*\*\***

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

As of December 31, 2015, Knighthead Capital Management, LLC ( Knighthead ) beneficially owned 3,001,780 shares of Common Stock, which is 4.65% of the Issuer s outstanding Common Stock. The percentage herein is calculated based upon the aggregate total of the 64,501,896 shares of Common Stock issued and outstanding as of October 28, 2015, as reported in the Issuer s Form 10-Q filed with the SEC on October 29, 2015.

(a) Amount Beneficially Owned

Knighthead Capital Management, LLC - 3,001,780 shares

Thomas A. Wagner - 3,001,780 shares

Ara D. Cohen - 3,001,780 shares

(b) Percent of Class

Knighthead Capital Management, LLC - 4.65%

Thomas A. Wagner - 4.65%

Ara D. Cohen - 4.65%

(c) Number of shares as to which such person has:

(i) sole power to vote or to direct the vote

Knighthead Capital Management, LLC - 0 shares

Thomas A. Wagner - 0 shares

Ara D. Cohen - 0 shares

(ii) shared power to vote or to direct the vote

Knighthead Capital Management, LLC - 3,001,780 shares

Thomas A. Wagner - 3,001,780 shares

Ara D. Cohen - 3,001,780 shares

(iii) sole power to dispose or to direct the disposition of

Knighthead Capital Management, LLC - 0 shares

Thomas A. Wagner - 0 shares

Ara D. Cohen - 0 shares

(iv) shared power to dispose or to direct the disposition of

Knighthead Capital Management, LLC - 3,001,780 shares

Thomas A. Wagner - 3,001,780 shares

Ara D. Cohen - 3,001,780 shares

\*\*\* Shares reported herein represent shares held by investment advisory clients of Knighthead. Thomas Wagner and Ara Cohen serve as managing members of Knighthead. Each of the Reporting Persons disclaims beneficial ownership of the shares reported herein except to the extent of its pecuniary interest therein.

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

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following x.

**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**

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, other than activities solely in connection with a nomination under §240.14a-11.

**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.

February 16, 2016

KNIGHTHEAD CAPITAL MANAGEMENT,  
LLC

By: /s/ Thomas A. Wagner  
Thomas A. Wagner  
Managing Member

/s/ Thomas A. Wagner  
Thomas A. Wagner

/s/ Ara D. Cohen  
Ara D. Cohen



**JOINT FILING AGREEMENT**

This Joint Filing Agreement, dated as of February 16, 2016, is by and among Knighthead Capital Management, LLC, Thomas A. Wagner and Ara D. Cohen (collectively, the Filers ).

Each of the Filers may be required to file with the United States Securities and Exchange Commission a statement on Schedule 13D and/or 13G with respect to shares of Common Stock of Mercer International Inc. beneficially owned by them from time to time.

Pursuant to and in accordance with Rule 13(d)(1)(k) promulgated under the Securities Exchange Act of 1934, as amended, the Filers hereby agree to file a single statement on Schedule 13D and/or 13G (and any amendments thereto) on behalf of each of the Filers, and hereby further agree to file this Joint Filing Agreement as an exhibit to such statement, as required by such rule.

This Joint Filing Agreement may be terminated by any of the Filers upon written notice or such lesser period of notice as the Filers may mutually agree.

Executed and delivered as of the date first above written.

KNIGHTHEAD CAPITAL MANAGEMENT,  
LLC

By: /s/ Thomas A. Wagner  
Thomas A. Wagner  
Managing Member

/s/ Thomas A. Wagner  
Thomas A. Wagner

/s/ Ara D. Cohen  
Ara D. Cohen