

FALCONE PHILIP  
Form 3  
February 08, 2010

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

OMB APPROVAL

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**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 HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD.

2. Date of Event Requiring Statement  
(Month/Day/Year) 02/04/2010

3. Issuer Name **and** Ticker or Trading Symbol  
MERCER INTERNATIONAL INC. [MERC]

(Last) (First) (Middle)  
  
C/O INTERNATIONAL FUND SERVICES LIMITED,Â THIRD FL, BISHOP'S SQUARE REDMOND'S HILL  
(Street)

4. Relationship of Reporting Person(s) to Issuer  
  
5. If Amendment, Date Original Filed(Month/Day/Year)

(Check all applicable)

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

DUBLIN L2,Â L2Â 00000

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 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, \$1.00 par value per share	2,228,194	D <u>(1)</u> <u>(2)</u> <u>(5)</u> <u>(6)</u> <u>(10)</u>	Â

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

SEC 1473 (7-02)

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

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1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
8.5% Convertible Notes due 2012	Â (8)	10/15/2012	Common Stock, \$1.00 par value per share	1,973,333 \$ (9)	D (3) (4) (5) (7) (10) Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD. C/O INTERNATIONAL FUND SERVICES LIMITED THIRD FL, BISHOP'S SQUARE REDMOND'S HILL DUBLIN L2,Â L2Â 00000	Â	Â X	Â	Â
FALCONE PHILIP 450 PARK AVENUE, 30TH FLOOR NEW YORK,Â NYÂ 10022	Â	Â X	Â	Â
HARBINGER HOLDINGS, LLC 450 PARK AVENUE, 30TH FLOOR NEW YORK,Â NYÂ 10022	Â	Â X	Â	Â
HARBINGER CAPITAL PARTNERS II GP LLC 450 PARK AVENUE, 30TH FLOOR NEW YORK,Â NYÂ 10022	Â	Â X	Â	Â
HARBINGER CAPITAL PARTNERS II LP 450 PARK AVENUE, 30TH FLOOR NEW YORK,Â NYÂ 10022	Â	Â X	Â	Â
Credit Distressed Blue Line Master Fund, Ltd. C/O INTERNATIONAL FUND SERVICES (IRELAND) THIRD FL, BISHOP'S SQUARE, REDMOND'S HIL DUBLIN 2,Â L2Â 00000	Â	Â X	Â	Â
HARBINGER CAPITAL PARTNERS LLC 450 PARK AVENUE, 30TH FLOOR NEW YORK,Â NYÂ 10022	Â	Â X	Â	Â

## Signatures

HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD.; BY: HARBINGER  
CAPITAL PARTNERS LLC; BY: HARBINGER HOLDINGS, LLC; /s/ Philip Falcone,  
Managing Member

02/08/2010

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<u>Signature of Reporting Person</u>	Date
HARBINGER CAPITAL PARTNERS LLC; BY: HARBINGER HOLDINGS, LLC; /s/ Philip Falcone, Managing Member	02/08/2010
<u>Signature of Reporting Person</u>	Date
CREDIT DISTRESSED BLUE LINE MASTER FUND, LTD.; BY: HARBINGER CAPITAL PARTNERS II LP; BY: HARBINGER CAPITAL PARTNERS II GP LLC; /s/ Philip Falcone, Managing Member	02/08/2010
<u>Signature of Reporting Person</u>	Date
HARBINGER CAPITAL PARTNERS II LP; BY: HARBINGER CAPITAL PARTNERS II GP LLC; /s/ Philip Falcone, Managing Member	02/08/2010
<u>Signature of Reporting Person</u>	Date
HARBINGER CAPITAL PARTNERS II GP LLC; /s/ Philip Falcone, Managing Member	02/08/2010
<u>Signature of Reporting Person</u>	Date
HARBINGER HOLDINGS, LLC; /s/ Philip Falcone, Managing Member	02/08/2010
<u>Signature of Reporting Person</u>	Date
PHILIP FALCONE; /s/ Philip Falcone	02/08/2010
<u>Signature of Reporting Person</u>	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) (1) These shares of the issuer's common stock, par value \$1.00 per share ("Common Stock" or the "Shares") are held for the account of Harbinger Capital Partners Master Fund I, Ltd. (the "Master Fund"), which is a Reporting Person.
- (2) These Shares may be deemed to be indirectly beneficially owned by Harbinger Capital Partners LLC ("Harbinger LLC") which serves as the investment manager and investment advisor to the Master Fund; Harbinger Holdings LLC ("Harbinger Holdings") which serves as the manager to Harbinger LLC; and Philip Falcone ("Mr. Falcone") who serves as the managing member of Harbinger Holdings and the portfolio manager of the Master Fund. In such capacity, Harbinger Holdings and Mr. Falcone may be deemed to have beneficial ownership over the Shares held in the Master Fund.
- (3) (3) These shares of the issuer's common stock, par value \$1.00 per share ("Common Stock" or the "Shares") are held for the account of Credit Distressed Blue Line Master Fund, Ltd. (the "Blue Line Fund"), which is a Reporting Person.
- (4) These Shares may be deemed to be indirectly beneficially owned by Harbinger Capital Partners II LP ("HCP II") which serves as the investment manager to the Blue Line Fund; Harbinger Capital Partners II GP LLC ("HCP II GP") which serves as the general partner of HCP II; and Mr. Falcone who serves as the managing member of HCP II GP and the portfolio manager of the Blue Line Fund. In such capacity, Mr. Falcone may be deemed to have beneficial ownership over the Shares held in the Blue Line Fund.
- (5) These Shares are held for the Master Fund and the Blue Line Fund and constitute approximately 10.94% of the total number of Shares outstanding. Reporting Persons hold approximately 4,201,527 Shares of the issuer, consisting of: (A) 2,228,194 Shares held for the account of the Master Fund; and (B) 1,973,333 Shares held for the account of the Blue Line Fund which consists of Shares that the Reporting Persons may be deemed to own upon the conversion of the 8.5% Convertible Notes due 2012 as per Rule 13d-3(d)(1)(i).
- (6) Based upon information provided by the Issuer in its recently-filed quarterly report on Form 10-Q, there were 36,443,487 Shares outstanding as of November 5, 2009.
- (7) Based upon information provided by the Issuer in its recently-filed quarterly report on Form 10-Q, there were 36,443,487 Shares outstanding as of November 5, 2009. Pursuant to Rule 13d-3(d)(1)(i), 1,973,333 Shares which are entitled to be obtained upon the conversion of the 8.5% Convertible Notes due 2012 have been added to the Issuer's number of shares outstanding, therefore totaling 38,416,820, as the number of Shares outstanding.
- (8) (8) The 8.5% Convertible Notes due 2012 are immediately convertible into Shares.
- (9) (9) The conversion ratio of the 8.5% Convertible Notes due 2012 is 303.0303 Shares per \$1,000 principal amount of Convertible Notes (equal to a conversion price of approximately \$3.30 per Share).

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- (10) Each of the reporting persons may be deemed to be a beneficial owner of the securities held by the Master Fund and the Blue Line for purposes of Rule 16a-1(a)(1) under the Securities Exchange Act of 1934 (the "Exchange Act"). Harbinger LLC, HCP II, HCP II GP, Harbinger Holdings and Mr. Falcone disclaim beneficial ownership within the meaning of Rule 16a-1(a)(2) under the Exchange Act in the securities owned by the Master Fund and the Blue Line Fund except to the extent, if any, of their pecuniary interest therein.

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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