

FALCONE PHILIP
Form 4
November 20, 2008

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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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 *
HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD.

(Last) (First) (Middle)

C/O INTERNATIONAL FUND SERVICES LIMITED, THIRD FL, BISHOP'S SQUARE REDMOND'S HILL

(Street)

DUBLIN, L2 00000

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
11/18/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

*See Remarks

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 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) (Instr. 3, 4 and 5) | 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Code V Amount (D) Price | | |

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.

SEC 1474
(9-02)

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

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| 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) | 8. D Se (I | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Equity Swap | (8) | 11/18/2008 ⁽³⁷⁾ | | J | | 55,000 | (8)(37) (8)(37) | Common Stock | 0 |
| Equity Swap | (9) | 11/18/2008 ⁽³⁷⁾ | | J | | 102,872 | (9)(37) (9)(37) | Common Stock | 27,628 |
| Equity Swap | (9) | 11/19/2008 ⁽³⁷⁾ | | J | | 27,628 | (9)(37) (9)(37) | Common Stock | 0 |
| Equity Swap | (10) | 11/19/2008 ⁽³⁷⁾ | | J | | 65,632 | (10)(37) (10)(37) | Common Stock | 134,368 |
| Equity Swap | (11) | | | | | | (11) (11) | Common Stock | 106,300 |
| Equity Swap | (12) | | | | | | (12) (12) | Common Stock | 150,000 |
| Equity Swap | (13) | | | | | | (13) (13) | Common Stock | 250,000 |
| Equity Swap | (14) | | | | | | (14) (14) | Common Stock | 170,000 |
| Equity Swap | (15) | | | | | | (15) (15) | Common Stock | 313,160 |
| Equity Swap | (16) | | | | | | (16) (16) | Common Stock | 500,000 |
| Equity Swap | (17) | | | | | | (17) (17) | Common Stock | 150,000 |
| Equity Swap | (18) | | | | | | (18) (18) | Common Stock | 86,500 |
| Equity Swap | (19) | | | | | | (19) (19) | Common Stock | 115,000 |
| Equity Swap | (20) | | | | | | (20) (20) | Common Stock | 110,000 |
| Equity Swap | (21) | | | | | | (21) (21) | Common Stock | 100,000 |
| Equity Swap | (22) | | | | | | (22) (22) | Common Stock | 100,000 |
| Equity Swap | (23) | | | | | | (23) (23) | Common Stock | 166,667 |

| | | | | | | | | |
|-------------|-------------|----------------------------|---|--------|-----------------|-----------------|--------------|---------|
| Equity Swap | <u>(24)</u> | | | | <u>(24)</u> | <u>(24)</u> | Common Stock | 166,667 |
| Equity Swap | <u>(25)</u> | | | | <u>(25)</u> | <u>(25)</u> | Common Stock | 53,000 |
| Equity Swap | <u>(26)</u> | | | | <u>(26)</u> | <u>(26)</u> | Common Stock | 18,150 |
| Equity Swap | <u>(27)</u> | | | | <u>(27)</u> | <u>(27)</u> | Common Stock | 101,000 |
| Equity Swap | <u>(28)</u> | 11/18/2008 ⁽³⁸⁾ | J | 11,428 | <u>(28)(38)</u> | <u>(28)(38)</u> | Common Stock | 118,312 |
| Equity Swap | <u>(28)</u> | 11/19/2008 ⁽³⁸⁾ | J | 6,740 | <u>(28)(38)</u> | <u>(28)(38)</u> | Common Stock | 111,572 |
| Equity Swap | <u>(29)</u> | | | | <u>(29)</u> | <u>(29)</u> | Common Stock | 75,000 |
| Equity Swap | <u>(30)</u> | | | | <u>(30)</u> | <u>(30)</u> | Common Stock | 282,900 |
| Equity Swap | <u>(31)</u> | | | | <u>(31)</u> | <u>(31)</u> | Common Stock | 83,333 |
| Equity Swap | <u>(32)</u> | | | | <u>(32)</u> | <u>(32)</u> | Common Stock | 83,333 |
| Equity Swap | <u>(33)</u> | | | | <u>(33)</u> | <u>(33)</u> | Common Stock | 53,000 |
| Equity Swap | <u>(34)</u> | | | | <u>(34)</u> | <u>(34)</u> | Common Stock | 18,150 |

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 00000 | | X | | *See Remarks |
| HARBINGER CAPITAL PARTNERS OFFSHORE MANAGER, L.L.C. 2100 THIRD AVENUE NORTH SUITE 600 BIRMINGHAM, AL 35203 | | X | | *See Remarks |
| HMC INVESTORS, L.L.C. 2100 THIRD AVENUE NORTH SUITE 600 BIRMINGHAM, AL 35203 | | X | | *See Remarks |

| | | |
|---|---|-----------------|
| HARBINGER CAPITAL PARTNERS SPECIAL SITUATIONS FUND, L.P. 555 MADISON AVENUE 16TH FLOOR NEW YORK, NY 10022 | X | *See Remarks |
| HARBINGER CAPITAL PARTNERS SPECIAL SITUATIONS GP, LLC 555 MADISON AVENUE 16TH FLOOR NEW YORK, NY 10022 | X | *See Remarks |
| HMC - NEW YORK, INC. 555 MADISON AVENUE 16TH FLOOR NEW YORK, NY 10022 | X | *See Remarks |
| HARBERT MANAGEMENT CORP 2100 THIRD AVENUE NORTH SUITE 600 BIRMINGHAM, AL 35203 | X | *See Remarks |
| FALCONE PHILIP 555 MADISON AVE 16TH FLOOR NEW YORK, NY 10022 | X | *See Remarks |
| HARBERT RAYMOND J 2100 THIRD AVENUE NORTH SUITE 600 BIRMINGHAM, AL 35203 | X | *See Remarks |
| LUCE MICHAEL D 2100 THIRD AVENUE NORTH SUITE 600 BIRMINGHAM, AL 35203 | X | *See Remarks |

Signatures

| | |
|--|------------|
| Harbinger Capital Partners Master Fund I, Ltd.(+), By: Harbinger Capital Partners Offshore Manager, L.L.C., By: HMC Investors, L.L.C., Managing Member, By: /s/ Joel B. Piassick | 11/20/2008 |
| __Signature of Reporting Person | Date |
| Harbinger Capital Partners Offshore Manager, L.L.C.(+), By: HMC Investors, L.L.C., Managing Member, By: /s/ Joel B. Piassick | 11/20/2008 |
| __Signature of Reporting Person | Date |
| HMC Investors, L.L.C.(+), By: /s/ Joel B. Piassick | 11/20/2008 |
| __Signature of Reporting Person | Date |
| Harbinger Capital Partners Special Situations Fund, L.P. (+), By: Harbinger Capital Partners Special Situations GP, LLC, By: HMC-New York, Inc., Managing Member, By: /s/ Joel B. Piassick | 11/20/2008 |
| __Signature of Reporting Person | Date |

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| | |
|---|------------|
| Harbinger Capital Partners Special Situations GP, LLC (+), By: HMC-New York, Inc., Managing Member, By: /s/ Joel B. Piassick | 11/20/2008 |
| __Signature of Reporting Person | Date |
| HMC-New York, Inc. (+), By: /s/ Joel B. Piassick | 11/20/2008 |
| __Signature of Reporting Person | Date |
| Harbert Management Corporation (+), By: /s/ Joel B. Piassick | 11/20/2008 |
| __Signature of Reporting Person | Date |
| /s/ Philip Falcone (+) | 11/20/2008 |
| __Signature of Reporting Person | Date |
| /s/ Raymond J. Harbert (+) | 11/20/2008 |
| __Signature of Reporting Person | Date |
| /s/ Michael D. Luce (+) | 11/20/2008 |
| __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).
- IMPORTANT NOTE: THE SECURITIES SET FORTH IN THIS REPORT ARE DIRECTLY BENEFICIALLY OWNED BY HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD. AND/OR HARBINGER CAPITAL PARTNERS SPECIAL SITUATIONS FUND, L.P. (COLLECTIVELY, THE "FUNDS"). ALL OTHER REPORTING PERSONS ARE INCLUDED WITHIN THIS REPORT DUE TO THEIR AFFILIATION WITH ONE OR BOTH OF THE FUNDS.
- (1) These securities are owned by Harbinger Capital Partners Master Fund I, Ltd. (the "Master Fund"), which is a Reporting Person.
 - (2) These securities may be deemed to be indirectly beneficially owned by the following, each of whom is a Reporting Person: Harbinger Capital Partners Offshore Manager, L.L.C. ("Harbinger Management"), the investment manager of the Master Fund, HMC Investors, L.L.C., its managing member ("HMC Investors"), Philip Falcone, a member of HMC Investors and the portfolio manager of the Master Fund, Raymond J. Harbert, a member of HMC Investors, and Michael D. Luce, a member of HMC Investors.
 - (3) Each Reporting Person listed in Footnotes 2 and 3 disclaims beneficial ownership of the reported securities except to the extent of his or its pecuniary interest therein, and this report shall not be deemed an admission that such Reporting Person is the beneficial owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.
 - (4) These securities are owned by Harbinger Capital Partners Special Situations Fund, L.P. (the "Special Situations Fund"), which is a Reporting Person.
 - (5) These securities may be deemed to be indirectly beneficially owned by the following Reporting Persons: Harbinger Capital Partners Special Situations GP, LLC ("HCPSS"), HMC-New York, Inc. ("HMCNY"), Harbert Management Corporation ("HMC"), Philip Falcone, Raymond J. Harbert and Michael Luce. HCPSS is the general partner of the Special Situations Fund. HMCNY is the managing member of HCPSS. HMC wholly owns HMCNY. Philip Falcone is the portfolio manager of the Special Situations Fund and is a shareholder of HMC. Raymond J. Harbert and Michael D. Luce are shareholders of HMC.
 - (6) Each Reporting Person listed in Footnotes 5 and 6 disclaims beneficial ownership of the reported securities except to the extent of his or its pecuniary interest therein, and this report shall not be deemed an admission that such Reporting Person is the beneficial owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.
 - (7) On May 17, 2007, the Master Fund entered into an equity swap transaction with Deutsche Bank ("DB"), under which DB agreed to pay the Master Fund an amount equal to any increase, and the Master Fund agreed to pay DB an amount equal to any decrease, in the official market price of 55,000 notional shares above or below an initial reference price of US\$64.53 per share upon close-out of any transaction.
 - (8)

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- (26) On July 31, 2008, the Master Fund entered into an equity swap transaction with TradIndex, under which TradIndex agreed to pay the Master Fund an amount equal to any increase, and the Master Fund agreed to pay TradIndex an amount equal to any decrease, in the official market price of 18,150 notional shares above or below an initial reference price of US\$56.2567 per share upon close-out of any transaction.
- (27) On August 1, 2008, the Master Fund entered into an equity swap transaction with TradIndex, under which TradIndex agreed to pay the Master Fund an amount equal to any increase, and the Master Fund agreed to pay TradIndex an amount equal to any decrease, in the official market price of 101,000 notional shares above or below an initial reference price of US\$56.4026 per share upon close-out of any transaction.
- (28) On June 1, 2007, the Special Situations Fund entered into an equity swap transaction with DB, under which DB agreed to pay the Special Situations Fund an amount equal to any increase, and the Special Situations Fund agreed to pay DB an amount equal to any decrease, in the official market price of 500,000 notional shares above or below an initial reference price of US\$66.01 per share upon close-out of any transaction.
- (29) On June 4, 2007, the Special Situations Fund entered into an equity swap transaction with DB, under which DB agreed to pay the Special Situations Fund an amount equal to any increase, and the Special Situations Fund agreed to pay DB an amount equal to any decrease, in the official market price of 75,000 notional shares above or below an initial reference price of US\$65.7520 per share upon close-out of any transaction.
- (30) On June 5, 2007, the Special Situations Fund entered into an equity swap transaction with DB, under which DB agreed to pay the Special Situations Fund an amount equal to any increase, and the Special Situations Fund agreed to pay DB an amount equal to any decrease, in the official market price of 282,900 notional shares above or below an initial reference price of US\$65.9350 per share upon close-out of any transaction.
- (31) On August 15, 2007, the Special Situations Fund entered into an equity swap transaction with DB, under which DB agreed to pay the Special Situations Fund an amount equal to any increase, and the Special Situations Fund agreed to pay DB an amount equal to any decrease, in the official market price of 83,333 notional shares above or below an initial reference price of US\$51.5322 per share upon close-out of any transaction.
- (32) On August 16, 2007, the Special Situations Fund entered into an equity swap transaction with DB, under which DB agreed to pay the Special Situations Fund an amount equal to any increase, and the Special Situations Fund agreed to pay DB an amount equal to any decrease, in the official market price of 83,333 notional shares above or below an initial reference price of US\$48.2052 per share upon close-out of any transaction.
- (33) On July 30, 2008, the Special Situations Fund entered into an equity swap transaction with TradIndex, under which TradIndex agreed to pay the Special Situations Fund an amount equal to any increase, and the Special Situations Fund agreed to pay TradIndex an amount equal to any decrease, in the official market price of 53,000 notional shares above or below an initial reference price of US\$54.10 per share upon close-out of any transaction.
- (34) On July 31, 2008, the Special Situations Fund entered into an equity swap transaction with TradIndex, under which TradIndex agreed to pay the Special Situations Fund an amount equal to any increase, and the Special Situations Fund agreed to pay TradIndex an amount equal to any decrease, in the official market price of 18,150 notional shares above or below an initial reference price of US\$56.2567 per share upon close-out of any transaction.
- (35) The equity swap transactions do not contemplate interim payments of appreciation or depreciation of the shares, and the Master Fund is not entitled to any dividends on the shares or equivalent thereof. All balances will be cash settled, and neither party shall acquire any ownership interest, voting or similar rights, or dispositive power over any Share under the equity swap transactions. Each equity swap transaction may be closed out by the Master Fund at any time.
- (36) The equity swap transactions do not contemplate interim payments of appreciation or depreciation of the shares, and the Special Situations Fund is not entitled to any dividends on the shares or equivalent thereof. All balances will be cash settled, and neither party shall acquire any ownership interest, voting or similar rights, or dispositive power over any Share under the equity swap transactions. Each equity swap transaction may be closed out by the Special Situations Fund at any time.
- (37) On November 18, 2008 and November 19, 2008, the Master Fund closed out certain equity swap transactions with DB in the amount of 157,872 and 93,260 notional shares, respectively, at a price of US\$19.2389 and US\$17.6055, respectively.
- (38) On November 18, 2008 and November 19, 2008, the Special Situations Fund closed out certain equity swap transactions with DB in the amount of 11,428 and 6,740 notional shares, respectively, at a price of US\$19.2389 and US\$17.6055, respectively.

Remarks:

- (+) The Reporting Persons may be deemed to be members of a "group" for purposes of the Securities Exchange Act of 1934, as amended. Each Reporting Person disclaims beneficial ownership of any securities deemed to be owned by the group that are not directly owned by the Reporting Person. This report shall not be deemed an admission that such Reporting Person is a

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member of a group or the beneficial owner of any securities not directly owned by such Reporting Person.

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.