

STERLING CHEMICALS INC

Form SC 13D/A

March 24, 2009

Table of Contents

**UNITED STATES
SECURITIES EXCHANGE COMMISSION**

Washington, D.C. 20549

SCHEDULE 13D

(Amendment No. 8)*

Under the Securities Exchange Act of 1934

STERLING CHEMICALS, INC.

(Name of Issuer)

Common Stock, par value \$.01 per share

(Title of Class of Securities)

859166100

(CUSIP Number)

Bobby Liu

Senior Vice President and General Counsel

M.D. Sass Investors Services, Inc.

1185 Avenue of the Americas

18th Floor

New York, New York 10036

(212) 843-8980

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

March 24, 2009

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. o

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. *See* § 240.13d-7 for other parties to whom copies are to be sent.

* 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 disclosures provided in a prior cover page.

The information required on 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).

Table of Contents

CUSIP No. 859166100

SCHEDULE 13D

NAMES OF REPORTING PERSONS.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY).

1.

Resurgence Asset Management, L.L.C.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP *

2.

(a) ☐

(b) ☐

SEC USE ONLY

3.

SOURCE OF FUNDS *

4.

OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

5.

☐

CITIZENSHIP OR PLACE OF ORGANIZATION

6.

Delaware

SOLE VOTING POWER

7.

NUMBER OF

None

SHARES
BENEFICIALLY OWNED BY

8.

SHARED VOTING POWER

OWNED BY

3,802,458 /1/

EACH

SOLE DISPOSITIVE POWER

9.

REPORTING

PERSON None

WITH SHARED DISPOSITIVE POWER

10.

3,802,458 /1/

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11.

3,802,458 /1/

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

12.

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13.

65.6%

TYPE OF REPORTING PERSON:

14.

IA

/1/ SEE ITEM 5 HEREIN.

Table of Contents

CUSIP No. 859166100

SCHEDULE 13D

NAMES OF REPORTING PERSONS.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY).

1.

Resurgence Asset Management International, L.L.C.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP *

2.

(a) ☐

(b) ☐

SEC USE ONLY

3.

SOURCE OF FUNDS *

4.

OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

5.

☐

CITIZENSHIP OR PLACE OF ORGANIZATION

6.

Delaware

SOLE VOTING POWER

7.

NUMBER OF

None

SHARES
BENEFICIALLY OWNED BY

8.

SHARED VOTING POWER

OWNED BY

1,064,005 /1/

EACH

SOLE DISPOSITIVE POWER

9.

REPORTING

PERSON None

WITH SHARED DISPOSITIVE POWER

10.

1,064,005 /1/

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11.

1,064,005 /1/

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

12.

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13.

29.1%

TYPE OF REPORTING PERSON:

14.

IA

/1/ SEE ITEM 5 HEREIN.

Table of Contents

CUSIP No. 859166100

SCHEDULE 13D

NAMES OF REPORTING PERSONS.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY).

1.

RE/Enterprise Asset Management, L.L.C.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP *

2.

(a) ☐

(b) ☐

SEC USE ONLY

3.

SOURCE OF FUNDS *

4.

OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

5.

☐

CITIZENSHIP OR PLACE OF ORGANIZATION

6.

Delaware

SOLE VOTING POWER

7.

NUMBER OF

None

SHARES
BENEFICIALLY OWNED BY

8.

SHARED VOTING POWER

2,242,439 /1/

EACH

SOLE DISPOSITIVE POWER

9.

REPORTING

PERSON None

WITH SHARED DISPOSITIVE POWER

10.

2,242,439 /1/

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11.

2,242,439 /1/

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

12.

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13.

49.0%

TYPE OF REPORTING PERSON:

14.

IA

Table of Contents

CUSIP No. 859166100

SCHEDULE 13D

NAMES OF REPORTING PERSONS.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY).

1.

Martin D. Sass

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP *

2.

(a) ☐

(b) ☐

SEC USE ONLY

3.

SOURCE OF FUNDS *

4.

OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(D) OR 2(E)

5.

☐

CITIZENSHIP OR PLACE OF ORGANIZATION

6.

United States of America

SOLE VOTING POWER

7.

NUMBER OF

None

SHARES
BENEFICIALLY OWNED BY

8.

SHARED VOTING POWER

OWNED BY

7,108,902 /1/

EACH

9.

SOLE DISPOSITIVE POWER

REPORTING

PERSON None

WITH SHARED DISPOSITIVE POWER

10.

7,108,902 /1/

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11.

7,108,902 /1/

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

12.

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13.

85.0%

TYPE OF REPORTING PERSON:

14.

IA

/1/ SEE ITEM 5 HEREIN.

*SEE INSTRUCTIONS BEFORE FILLING OUT

Page 5 of 11

TABLE OF CONTENTS

Item 1. Security and Issuer

Item 2. Identity and Background

Item 3. Source and Amount of Funds or Other Consideration

Item 4. Purpose of Transaction

Item 5. Interest in Securities of the Issuer

Item 7. Material to be filed as Exhibits

SIGNATURE

EXHIBIT INDEX

EX-99.A

AMENDMENT NO. 8

SCHEDULE 13D

This Amendment No. 8 (this Amendment) to Schedule 13D (Schedule 13D) relates to shares of Common Stock, par value \$.01 per share (the Shares), of Sterling Chemicals, Inc. (the Issuer). This Amendment No. 8 supplementally amends the initial statement on Schedule 13D, dated December 19, 2002, and all amendments thereto (collectively, the Initial Statement), filed by the Reporting Persons (as defined herein).

Item 1. Security and Issuer

This Statement relates to the Shares. The address of the principal executive office of the Issuer is 333 Clay Street, Suite 3600, Houston, Texas 77002-4109.

Item 2. Identity and Background

This Statement is filed on behalf of each of the following persons (collectively, the Reporting Persons):

- (i) Resurgence Asset Management, L.L.C. (RAM);
- (ii) Resurgence Asset Management International, L.L.C. (RAMI);
- (iii) Re/Enterprise Asset Management, L.L.C. (REAM); and
- (iv) Mr. Martin D. Sass (Mr. Sass).

In its capacity as investment advisor, RAM exercises voting and investment power over the Shares held for the accounts of M.D. Sass Corporate Resurgence Partners, L.P. (Resurgence I), M.D. Sass Corporate Resurgence Partners II, L.P. (Resurgence II), M.D. Sass Corporate Resurgence Partners III, L.P. (Resurgence III), and the Resurgence Asset Management, L.L.C. Employee Retirement Plan (the Plan). Accordingly, RAM may be deemed to share voting and investment power with Resurgence I, Resurgence II, Resurgence III and the Plan.

In its capacity as investment advisor, RAMI exercises voting and investment power over the Shares held for the account of M.D. Sass Corporate Resurgence International, Ltd. (Sass Corporate) and M.D. Sass Re/Enterprise International, Ltd (Sass International). Accordingly, RAMI may be deemed to share voting and investment power with Sass Corporate and Sass International.

In its capacity as investment advisor, REAM exercises voting and investment power over the Shares held for the accounts of two employee pension plans (the Pension Plans), the M.D. Sass Associates, Inc. Employee Profit Sharing Plan (the Sass Plan), and M.D. Sass Re/Enterprise Portfolio Company, L.P. (Enterprise), and M.D. Sass Re/Enterprise II, L.P. (Enterprise II). Accordingly, REAM may be deemed to share voting and investment power with each of the Pension Plans, the Sass Plan, Enterprise and Enterprise II.

Mr. Sass serves as Chairman and Chief Executive Officer of RAM, RAMI and REAM, and as such, may be deemed to beneficially own the Shares held by such entities.

Table of Contents

Item 3. Source and Amount of Funds or Other Consideration

This Schedule 13D/A covers securities issued in connection with the Joint Plan of Reorganization under Chapter 11, Title 11, United States Code of Sterling Chemical Holdings, Inc., et al., Debtors, filed with the United States Bankruptcy Court, Southern District of Texas, Houston Division, on October 14, 2002, as amended (the Plan). The Issuer is the reorganized debtor under the Plan.

At the effective date of the Plan, December 19, 2002 (the Effective Date), the funds and accounts managed by the Reporting Persons received (1) 2,175,000 shares of Preferred Stock of the Issuer, convertible into 2,175,000 shares of Common Stock, for an investment of \$30,000,000; (2) 1,430,193 shares of Common Stock issued upon exercise of certain rights offered under the Plan to the holders of certain of the Issuer's debt securities for an investment of \$19,727,000 and in exchange for claims; and (3) 231,820 shares of Common Stock and 376,209 Warrants of the Issuer, convertible into 376,209 shares of Common Stock, in exchange for claims under the Plan. In addition, 24,666 shares of Common Stock were issued in connection with the merger of Sterling Chemicals Holdings, Inc. and Sterling Chemicals, Inc. pursuant to the Plan shortly before the Effective Date. Further, the Reporting Persons received 703,331 additional shares of Preferred Stock, convertible into 703,331 shares of Common Stock, from the Issuer as dividends on the shares of Preferred Stock in eight separate share distributions in 2003 and 2004, and 5,480 shares of Common Stock as further distributions under the Plan upon resolution of disputed claims.

This Schedule 13D/A also covers securities issued to the funds and accounts managed by the Reporting Persons on a quarterly basis in accordance with dividend rights of the Company's Series A Preferred Stock (the Preferred Stock) held by the Reporting Persons. The Initial Statement previously covered warrants to acquire Shares of the Issuer, which expired on December 19, 2008, beneficially owned or which may be deemed beneficially owned by the Reporting Persons in the following amounts: RAM 186,783 Shares; RAMI 52,195 Shares; REAM 109,942 Shares; and Mr. Sass 348,920. In addition, funds which have invested side-by-side with funds managed by RAM and RAMI beneficially owned 4,287 Shares issuable upon conversion of the warrants.

Item 4. Purpose of Transaction

See Item 3.

None of the Reporting Persons has formulated any plans or proposals that relate to or otherwise result in any matter required to be disclosed in response to clauses (a) through (j) of Item 4 of Schedule 13D. The Reporting Persons intend to review on a continuing basis their investment in the Issuer and the Issuer's business affairs, financial position and prospects. Based on such evaluation and review, as well as the respective objectives of the Reporting Persons and the Issuer, other business opportunities available to the Reporting Persons and the funds and accounts they manage, general economic and industry conditions, and other factors that the Reporting Persons may deem relevant, the Reporting Persons may consider from time to time various courses of action of the types described in clauses (a) through (j) of Item 4 of Schedule 13D.

Table of Contents

Item 5. Interest in Securities of the Issuer

(a) (b) See Rows 7, 9, 11 and 13 of each cover page.

The percentage in Row 13 of each cover page is based on 2,828,460 Shares that were outstanding as of October 31, 2008, as reported in the Issuer's most recently-filed quarterly report on Form 10-Q.

(i) The Shares that RAM may be deemed to beneficially own include Shares that RAM has the current right to acquire upon conversion of shares of Preferred Stock of the Issuer. As of January 31, 2009, funds and accounts managed by RAM held: (A) 837,562 Shares and (B) 2,964,896 Shares issuable upon the conversion of Preferred Stock.

(ii) The Shares that RAMI may be deemed to beneficially own include Shares that RAMI has the current right to acquire upon conversion of shares of Preferred Stock of the Issuer. As of January 31, 2009, funds and accounts managed by RAMI held: (A) 235,481 Shares and (B) 828,524 Shares issuable upon the conversion of Preferred Stock.

(iii) The Shares that REAM may be deemed to beneficially own include Shares that REAM has the current right to acquire upon conversion of shares of Preferred Stock of the Issuer. As of January 31, 2009, funds and accounts managed by REAM held: (A) 497,212 Shares and (B) 1,745,227 Shares issuable upon the conversion of Preferred Stock.

(iv) The Shares that Mr. Sass may be deemed to beneficially own include Shares that Mr. Sass has the current right to acquire upon conversion of shares of Preferred Stock of the Issuer. As of January 31, 2009, funds and accounts managed by Mr. Sass held: (A) 1,570,255 Shares and (B) 5,538,647 Shares issuable upon the conversion of Preferred Stock.

In addition, funds which have invested side-by-side with funds managed by RAM and RAMI beneficially own 19,288 Shares and 68,058 Shares issuable upon the conversion of Preferred Stock.

(c) Except for the receipt by the Reporting Persons of a regularly scheduled dividend of shares of Preferred Stock of the Issuer convertible into Shares, there have been no transactions effected with respect to the Shares during the past 60 days by any of the Reporting Persons.

(d) No person other than those named in Item 2 is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of the Shares.

(e) Not applicable.

Item 7. Material to be filed as Exhibits

The Exhibit Index is incorporated herein by reference.

Page 8 of 11

Table of Contents

SIGNATURE

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

Date: March 24, 2009

**RESURGENCE ASSET MANAGEMENT,
L.L.C.**

By: /s/ Martin D. Sass
Name: Martin D. Sass
Title: Chairman and Chief Executive
Officer

**RESURGENCE ASSET MANAGEMENT
INTERNATIONAL, L.L.C.**

By: /s/ Martin D. Sass
Name: Martin D. Sass
Title: Chairman and Chief Executive
Officer

**RE/ENTERPRISE ASSET MANAGEMENT,
L.L.C.**

By: /s/ Martin D. Sass
Name: Martin D. Sass
Title: Chairman and Chief Executive
Officer

MARTIN D. SASS

/s/ Martin D. Sass
Martin D. Sass

Table of Contents

EXHIBIT INDEX

Exhibit	Page No.
A. Joint Filing Agreement, dated March 24, 2009 by and among Resurgence Asset Management, L.L.C., Resurgence Asset Management International, L.L.C., Re/Enterprise Asset Management, L.L.C. and Martin D. Sass	11

Page 10 of 11