

LARSSON WILLIAM D
Form 4
January 29, 2010

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
LARSSON WILLIAM D

2. Issuer Name and Ticker or Trading Symbol
SCHNITZER STEEL INDUSTRIES INC [SCHN]

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

(Last) (First) (Middle)
3200 NW YEON AVENUE
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
01/27/2010

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

PORTLAND, OR 97210

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

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 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 Indirect Beneficial Ownership (Instr. 4)		
				(A) or (D)	Price				
				Code	V	Amount			
Class A Common Stock	01/27/2010		A ⁽¹⁾	2,803.083	A	\$ 0	11,151.209	I	See Note (2)

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. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LARSSON WILLIAM D 3200 NW YEON AVENUE PORTLAND, OR 97210	X			

Signatures

Richard C. Josephson,
Attorney-in-Fact

01/29/2010

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).
- (1) Annual grant of deferred stock units to non-employee directors.
- (2) Deferred Shares that have been or will be credited to the reporting person's account under the issuer's Deferred Compensation Plan for Non-Employee Directors.

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. ys">

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Claims Under the TLG Program

The FDIC's payment obligation under the TLG Program will be triggered by our uncured failure to make a timely payment of principal or interest on the Notes (a payment default). The trustee is obligated to give notice to the FDIC if we are in default of any payment under the Notes (without regard to any cure period) within one business day of such payment default. Upon a payment default, the trustee, as duly authorized representative of

the holders of the Notes, will be required under the indenture to make a demand for payment on the guaranteed amount on behalf of all holders of the Notes (i) in the case of any payment default prior to maturity of the Notes, on the earlier of the date that the applicable cure period ends (or if such date is not a business day, the immediately succeeding business day) and 60 days following such payment default and (ii) in the case of any payment due on the maturity date for the Notes, on such maturity date (or if such date is not a business day, the immediately succeeding business day). Under the terms of the TLG Program and the indenture, the demand for payment must be accompanied by a proof of claim, with accompanying evidence, in form and content satisfactory to the FDIC of (1) the trustee's capacity to act as representative, (2) the trustee's exclusive authority to act as representative, (3) the occurrence of a payment default and (4) the authority to make an assignment of each holder's rights, title and interest in the Notes and to effect the transfer to the FDIC of each holder's claim in an insolvency proceeding. To receive payment under the TLG Program, the trustee, on behalf of the holders of the Notes, will be required to assign all of the holders' rights, title and interest in the Notes to the FDIC and to transfer to the FDIC the holders' claim in any insolvency proceeding, including the right to receive any and all distributions on the Notes from the proceeds of the receivership or bankruptcy estate. The trustee, as assignor of such rights, will be required to certify that it has not, without the FDIC's prior consent, agreed to any material amendment of the Notes or the senior debt indenture (to the extent relating to the Notes), or accelerated the maturity of the Notes.

Under the terms of the TLG Program, The Depository Trust Company, New York, New York, as the sole registered holder of the Notes, may elect not to be represented by the trustee for purposes of making demands for payments under the FDIC Guarantee. If the registered holder of the Notes has elected not to have the trustee act as its authorized representative for such purposes, or is otherwise not represented by the trustee in such capacity, such holder may make demand for payment in the circumstances described above in accordance with the terms of the TLG Program. The demand for payment on the guaranteed amount must be accompanied by a proof of claim, with accompanying evidence, in form and content satisfactory to the FDIC of (1) the occurrence of a payment default and (2) the claimant's ownership of the Notes. The demand also must be accompanied by an assignment of such holder's rights, title and interest in the Notes to the FDIC and the transfer to the FDIC of such holder's claim in any insolvency proceeding, including the right of the FDIC to receive any and all distributions on the Notes from the proceeds of the receivership or bankruptcy estate. The registered holder, as assignor of such rights, will be required to certify that it has not, without the FDIC's prior consent, agreed to any material amendment of the Notes or the senior debt indenture (to the extent relating to the Notes), or accelerated the maturity of the Notes.

Upon receipt of a timely filed conforming proof of claim, under the terms of the TLG Program, the FDIC will make payment of the amount guaranteed by the FDIC Guarantee, less the amount of any distribution which a holder of Notes has received from GE Capital or its receivership or bankruptcy estate prior to the FDIC's payment under the FDIC Guarantee. If the FDIC makes payment under the FDIC Guarantee on the Notes upon our failure to pay, the FDIC will be subrogated to the claims of the holders against us to the extent of such payment.

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If a demand for payment under the FDIC Guarantee is not made within 60 days of the occurrence of a payment default, the FDIC will be under no obligation to make the payments on the Notes under the FDIC Guarantee. The TLG Program does not specify a deadline by which the FDIC must make payment following receipt of a proper demand from the trustee. The FDIC will not pay any additional interest or penalty amounts in respect of any event of default or resulting delay in payment that may occur.

There shall not be deemed to be an event of default under the senior debt indenture pursuant to which the Notes are issued, if such an event of default is due solely to our failure to make timely payment with respect to the Notes, provided that the FDIC is making timely guarantee payments with respect to the Notes in accordance with the TLG Program.

The senior debt indenture provides that if an event of default occurs and is continuing, either the trustee or the holders of not less than 25% in aggregate principal amount of the Notes, by notice in writing to GE Capital and to the trustee, if given by security holders, may declare the principal of all the Notes and interest accrued thereon, if any, to be due and payable immediately. However, GE Capital's failure to pay any principal of or interest on the Notes that is then paid by the FDIC on a timely basis will not be deemed an event of default under the Notes and holders of the Notes will not be permitted to accelerate the maturity of the Notes during any period when the FDIC is making timely payments of principal and interest in respect of the Notes.

Risks Relating to the FDIC Guarantee

Guarantee Payments by the FDIC May Be Delayed. There is no designated period within which the FDIC is required to make the guarantee payments after it receives a written demand with a conforming proof of claim from the trustee and verifies the same. Therefore, if the FDIC does not make payments promptly after it is required to do so, guarantee payments on the Notes could be delayed from the date the payment is due under the terms of the Notes. In addition, if there is a delay in submitting the demand for payment, guarantee payments on the Notes could be delayed from the date payment is due under the terms of the Notes.

You May Lose the Right to Payment under the FDIC Guarantee if the Trustee Fails to Follow the FDIC Claims Process and Your Notes Will Not Be Entitled to Payment Under the FDIC Guarantee if you are an Affiliate or Insider. In order to recover payment under the FDIC Guarantee in the event that we have failed to pay on the Notes, the trustee must make a written demand, with the required proof of claim, to the FDIC within 60 days of the occurrence of our failure to pay on the Notes. If the trustee fails to follow the FDIC claims process pursuant to the TLG Program, or if the Depository Trust Company, as the sole registered holder of the Notes, has elected not to be represented by the trustee and fails to follow the FDIC claims process, holders may be deprived of all rights and remedies with respect to the guarantee claim. Notes that are owed to affiliates of GE Capital, institution-affiliated parties of GE Capital, insiders of GE Capital or an insider of an affiliate of GE Capital will not be entitled to payment under the FDIC guarantee as set forth in the Final Rule.

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The Determination of the FDIC on any Matter Relating to the FDIC Claims Process Will Be Final and Binding on Holders of the Notes and Us, Subject to Judicial Review. The determination by the FDIC on any matter relating to the FDIC claims process will be a final administrative determination, which will be final and binding on all concerned, including the holders of the Notes. Holders of the Notes will have the right to challenge the FDIC's determination only by commencing an action in the U.S. District Court for the District of Columbia or Connecticut within 60 days after the FDIC makes its determination.

The TLG Program is New and Subject to Change. The TLG Program is new and no claims have been made or paid under it as of the date of this free writing prospectus. The TLG Program is governed by the Final Rule adopted by the FDIC on November 21, 2008, and the Final Rule may be amended and is subject to evolving interpretation by the FDIC after the date of this free writing prospectus. Thus, the ability to obtain payment on the Notes under the FDIC Guarantee is subject to rules, procedures and practices of the FDIC that could be changed at any time and from time to time in the future. The summary of the FDIC Guarantee and the risks of investing in reliance on that guarantee, as set forth in this free writing prospectus, is based solely on the Final Rule adopted by the FDIC and the Master Agreement in effect on the date of this free writing prospectus.

Plan of Distribution

The Notes are being purchased by the underwriters listed below (collectively, the "Underwriters"), as principal, at 99.935% of the aggregate principal amount less an underwriting discount equal to 0.175% of the principal amount of the Notes. The Notes will not be exclusively marketed and targeted to retail customers.

<u>Institution</u>	<u>Commitment</u>
Lead Managers:	
Banc of America Securities LLC	\$ 882,000,000
Citigroup Global Markets Inc.	\$ 882,000,000
Goldman, Sachs & Co.	\$ 882,000,000
J.P. Morgan Securities Inc.	\$ 882,000,000
Morgan Stanley & Co. Incorporated	\$ 882,000,000
Co Managers:	
Blaylock Robert Van, LLC	\$ 22,500,000
CastleOak Securities, L.P.	\$ 22,500,000
Samuel A. Ramirez & Co., Inc.	\$ 22,500,000
The Williams Capital Group, L.P.	\$ 22,500,000
Total	\$ 4,500,000,000

We have agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

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Additional Information

General

At the nine months ended September 30, 2008, we had outstanding indebtedness totaling \$531.747 billion, consisting of notes payable within one year, senior notes payable after one year and subordinated notes payable after one year. The total amount of outstanding indebtedness at September 30, 2008, excluding subordinated notes payable after one year, was equal to \$521.192 billion.

Consolidated Ratio of Earnings to Fixed Charges

The information contained in the Prospectus under the caption "Consolidated Ratio of Earnings to Fixed Charges" is hereby amended in its entirety, as follows:

<u>Year Ended December</u>					<u>Nine Months Ended</u>
		<u>31,</u>			
<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>September 30, 2008</u>
1.73	1.83	1.67	1.63	1.56	1.37

For purposes of computing the consolidated ratio of earnings to fixed charges, earnings consist of net earnings adjusted for the provision for income taxes, minority interest and fixed charges.

Fixed charges consist of interest and discount on all indebtedness and one-third of rentals, which we believe is a reasonable approximation of the interest factor of such rentals.

CAPITALIZED TERMS USED HEREIN WHICH ARE DEFINED IN THE PROSPECTUS SUPPLEMENT SHALL HAVE THE MEANINGS ASSIGNED TO THEM IN THE PROSPECTUS SUPPLEMENT. THE INFORMATION ON THE INTERNET SITE OF THE FDIC IS NOT A PART OF THIS FREE WRITING PROSPECTUS OR ANY PROSPECTUS.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting the SEC Web site at www.sec.gov. Alternatively, the issuer or the underwriters participating in the offering will arrange to send you the prospectus if you request it by calling Banc of America Securities LLC at 1-800-294-1322 (or you may e-mail a request to dg.prospectus_distribution@bofasecurities.com), Citigroup Global Markets Inc. at 1-877-858-5407, Goldman, Sachs & Co. at 1-866-471-2526, J.P. Morgan Securities Inc. at 1-212-834-4533, Morgan Stanley & Co. Incorporated at 1-866-718-1649 or Investor Communications of the issuer at 1-203-357-3950.