

LASRY MARC
Form 4
March 25, 2011

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 *
LASRY MARC

2. Issuer Name and Ticker or Trading Symbol
STERLING CHEMICALS INC
[SCHI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
03/23/2011

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

C/O AVENUE CAPITAL, 399
PARK AVENUE, 6TH FL.

(Street)

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

NEW YORK, NY 10022

(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 or 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|---|
| | | | Code | V Amount (D) Price | | | |
| COMMON STOCK | 03/23/2011 | | S | 6,000 D \$ 2.5 | 357,693 | I | SEE FOOTNOTES (1) (2) (3) |

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

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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... |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
| | | | | Code V (A) (D) | | Date Exercisable Expiration Date | Title Number of Shares | | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| LASRY MARC C/O AVENUE CAPITAL 399 PARK AVENUE, 6TH FL. NEW YORK, NY 10022 | | X | | |

Signatures

/s/ Eric Ross as Attorney-in-Fact for Marc Lasry 03/25/2011

**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).

The shares of Common Stock, par value \$0.01 per share (the "Common Stock") of Sterling Chemicals, Inc. (the "Issuer") the disposition of which is reported in this Form 4 were held directly by Avenue Special Situations Fund V, L.P., a private investment partnership ("Spec V"), Avenue Special Situations Fund IV, L.P., a private investment partnership ("Spec IV") and Avenue-CDP Global Opportunities Fund, (1) L.P. a private investment partnership ("CDP"). Avenue Investments, L.P., a private investment partnership ("Investments"), and Avenue International Master, L.P., a private investment partnership (collectively, with Spec V, Spec IV, CDP and Investments, the "Avenue Entities") also hold shares of Common Stock of the Issuer, but did not dispose of any of such shares of Common Stock in the reported transaction. (See Footnote #2 for continuation.)

The Reporting Person is (i) the Managing Member of Avenue Capital Management II GenPar, LLC, which is the general partner of (2) Avenue Capital Management II, L.P., which is the registered investment adviser to each of the Avenue Entities and (ii) the Managing Member of each of the Managing Members of each of the general partners of the Avenue Entities.

The Reporting Person is deemed to be the indirect beneficial owner of the shares of Common Stock of the Issuer the disposition of which is reported in this Form 4, as well as of the shares of Common Stock of the Issuer reported as beneficially owned following the reported transaction, by reason of his ability to direct the vote and/or disposition of such shares of Common Stock, and his pecuniary interest in such shares of Common Stock (within the meaning of Rule 16a-1(a)(2) under the Securities Exchange Act of 1934, as amended) was a fractional interest in such amount. The Reporting Person disclaims beneficial ownership of any and all such amounts in excess of such actual pecuniary interest. (3)

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.