

TERRA INDUSTRIES INC  
Form SC 13G/A  
February 14, 2006

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

OMB APPROVAL  
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**SCHEDULE 13G**

**Under the Securities Exchange Act of 1934**

**(Amendment No. 1)**

**TERRA INDUSTRIES INC.**  
(Name of Issuer)

**Common Stock, without par value**  
(Title of Class of Securities)

**880915103**  
(CUSIP Number)

**December 31, 2005**  
(Date of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

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Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

\*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 the disclosures previously provided in a prior cover page.

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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 the disclosures provided in a prior cover page.

The information required in 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).

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CUSIP NO. **880915103**

1 Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only)

Seneca Capital, L.P.

Seneca Capital Advisors, LLC

Seneca Capital International, Ltd.

Seneca Capital Investments, LLC

Douglas A. Hirsch

2 Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3 SEC Use Only

4 Citizenship or Place of Organization.

Seneca Capital, L.P. - Delaware

Seneca Capital Advisors, LLC - Delaware

Seneca Capital International, Ltd. - Cayman Islands, British West Indies

Seneca Capital Investments, LLC - Delaware

Douglas A. Hirsch - United States

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	5 Sole Voting Power
	Seneca Capital, L.P. - 0 shares
	Seneca Capital Advisors, LLC - 0 shares
	Seneca Capital International, Ltd. - 0 shares
	Seneca Capital Investments, LLC - 0 shares
	Douglas A. Hirsch - 0 shares
	6 Shared Voting Power
	Seneca Capital, L.P. 303,700 shares
	Seneca Capital Advisors, LLC 0 shares
Number	Seneca Capital International, Ltd. 639,300 shares
of Shares	Seneca Capital Investments, LLC 948,200 shares
Beneficially	Douglas A. Hirsch 1,000,000 shares
Owned by	Refer to Item 4 below.
	7 Sole Dispositive Power
Each	Seneca Capital, L.P. - 0 shares
Reporting	Seneca Capital Advisors, LLC - 0 shares
Person With	Seneca Capital International, Ltd. - 0 shares
	Seneca Capital Investments, LLC - 0 shares
	Douglas A. Hirsch - 0 shares
	8 Shared Dispositive Power
	Seneca Capital, L.P. 303,700 shares
	Seneca Capital Advisors, LLC 0 shares
	Seneca Capital International, Ltd. 639,300 shares
	Seneca Capital Investments, LLC 948,200 shares
	Douglas A. Hirsch 1,000,000 shares
	Refer to Item 4 below.
9	Aggregate Amount Beneficially Owned by Each Reporting Person

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Seneca Capital, L.P. 303,700 shares

Seneca Capital Advisors, LLC 0 shares

Seneca Capital International, Ltd. 639,300 shares

Seneca Capital Investments, LLC 948,200 shares

Douglas A. Hirsch 1,000,000 shares

Refer to Item 4 below.

10 Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) o N/A

11 Percent of Class Represented by Amount in Row (9)\*

Seneca Capital, L.P. 0.3%

Seneca Capital Advisors, LLC 0%

Seneca Capital International, Ltd. 0.7%

Seneca Capital Investments, LLC 1.0%

Douglas A. Hirsch 1.1%

Refer to Item 4 below.

12 Type of Reporting Person (See Instructions)

Seneca Capital, L.P. - PN

Seneca Capital Advisors, LLC - OO (Limited Liability Company)

Seneca Capital International, Ltd. - CO

Seneca Capital Investments, LLC - OO (Limited Liability Company)

Douglas A. Hirsch - IN

\* All percentage ownership reported in this Schedule 13G is based on 95,172,174 shares of Common Stock issued and outstanding as of October 31, 2005, as reported by the issuer in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005, filed with the Securities and Exchange Commission on November 9, 2005. Each of the Reporting Persons disclaims beneficial ownership of the shares reported herein except to the extent of its or his pecuniary interest therein.

### Item 1.

- (a) Name of Issuer  
Terra Industries Inc.
- (b) Address of Issuer's Principal Executive Offices  
Terra Centre, P.O. Box 6000, 600 Fourth Street, Sioux City, Iowa 51102-6000

### Item 2.

- (a) Name of Person Filing



CUSIP NO. **880915103**

Seneca Capital, L.P.

Seneca Capital Advisors, LLC

Seneca Capital International, Ltd.

Seneca Capital Investments, LLC

(b) Douglas A. Hirsch  
Address of Principal Business Office or, if none, Residence  
Seneca Capital, L.P.

Seneca Capital Advisors, LLC

Seneca Capital Investments, LLC

950 Third Avenue, 29th Floor

New York, NY 10022

Seneca Capital International, Ltd.

P.O. Box HM 2257

Par La Ville Place

14 Par La Ville Road

Hamilton HM JX, Bermuda  
(Cayman Islands, British West Indies)

Douglas A. Hirsch

c/o Seneca Capital Investments, LLC

950 Third Avenue, 29th Floor

(c) New York, NY 10022  
Citizenship  
Seneca Capital, L.P. - Delaware

Seneca Capital Advisors, LLC - Delaware

Seneca Capital International, Ltd. - Cayman Islands, British West Indies

Seneca Capital Investments, LLC - Delaware

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- Douglas A. Hirsch - United States
- (d) Title of Class of Securities  
Common Stock, without par value
- (e) CUSIP Number  
880915103

**Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:**

- (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c)  Insurance Company as defined in Section 3(a)(19) of the Act
- (d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C 80a-8).



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- (e) o An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
- (f) o An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
- (g) o A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
- (h) o A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) o A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) o Group, in accordance with §240.13d-1(b)(1)(ii)(J).

**Item 4. Ownership**

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

- (a) Amount Beneficially Owned\*\*
  - Seneca Capital, L.P. 303,700 shares
  
  - Seneca Capital Advisors, LLC 0 shares
  
  - Seneca Capital International, Ltd. 639,300 shares
  
  - Seneca Capital Investments, LLC 948,200 shares
  
  - Douglas A. Hirsch 1,000,000 shares
- (b) Percent of Class
  - Seneca Capital, L.P. 0.3%
  
  - Seneca Capital Advisors, LLC 0%
  
  - Seneca Capital International, Ltd. 0.7%
  
  - Seneca Capital Investments, LLC 1.0%
  
  - Douglas A. Hirsch 1.1%
- (c) Number of shares as to which such person has:
  - (i) sole power to vote or to direct the vote
    - Seneca Capital, L.P. - 0 shares
  
    - Seneca Capital Advisors, LLC - 0 shares
  
    - Seneca Capital International, Ltd. - 0 shares
  
    - Seneca Capital Investments, LLC - 0 shares
  
    - Douglas A. Hirsch - 0 shares
  - (ii) shared power to vote or to direct the vote
    - Seneca Capital, L.P. 303,700 shares
  
    - Seneca Capital Advisors, LLC 0 shares
  
    - Seneca Capital International, Ltd. 639,300 shares

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Seneca Capital Investments, LLC 948,200 shares

Douglas A. Hirsch 1,000,000 shares

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- (iii) sole power to dispose or to direct the disposition of Seneca Capital, L.P. - 0 shares  
  
Seneca Capital Advisors, LLC - 0 shares  
  
Seneca Capital International, Ltd. - 0 shares  
  
Seneca Capital Investments, LLC - 0 shares
- (iv) Douglas A. Hirsch - 0 shares  
shared power to dispose or to direct the disposition of Seneca Capital, L.P. 303,700 shares  
  
Seneca Capital Advisors, LLC 0 shares  
  
Seneca Capital International, Ltd. 639,300 shares  
  
Seneca Capital Investments, LLC 948,200 shares

Douglas A. Hirsch 1,000,000 shares

\*\* Shares reported for Seneca Capital Investments, LLC represent shares held of record by Seneca Capital, L.P., Seneca Capital II, L.P., Seneca Capital International, Ltd. and Acorn Overseas Security Company. Seneca Capital Investments, LLC has voting and investment control over such shares. Shares reported for Douglas A. Hirsch represent shares held of record by Seneca Capital L.P., Seneca Capital II, L.P., Seneca Capital International, Ltd., Acorn Overseas Security Company and a limited liability company of which Mr. Hirsch is a managing member of the investment advisor (which investment advisor has voting and investment control over the shares held by such limited liability company). Mr. Hirsch is the managing member of Seneca Capital Investments, LLC (which has voting and investment control over the shares held by Seneca Capital, L.P., Seneca Capital II, L.P., Seneca Capital International, Ltd. and Acorn Overseas Security Company).

**Item 5. Ownership of Five Percent or Less of a Class**

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [ X ].

**Item 6. Ownership of More than Five Percent on Behalf of Another Person**

Not applicable.

**Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company**

Not applicable.

**Item 8. Identification and Classification of Members of the Group**

Not applicable.

**Item 9. Notice of Dissolution of Group**  
Not applicable.

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**Item 10. Certification**

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

February 13, 2006

SENECA CAPITAL, L.P.

By: Seneca Capital Advisors, LLC, its General Partner

By: /s/ Douglas A. Hirsch

Douglas A. Hirsch  
Managing Member

SENECA CAPITAL ADVISORS, LLC

By: /s/ Douglas A. Hirsch

Managing Member

Douglas A. Hirsch

SENECA CAPITAL INTERNATIONAL, LTD.

By: Seneca Capital Investments, LLC, its Investment Advisor

By: /s/ Douglas A. Hirsch

Douglas A. Hirsch  
Managing Member

SENECA CAPITAL INVESTMENTS, LLC

By: /s/ Douglas A. Hirsch

Managing Member

Douglas A. Hirsch

DOUGLAS A. HIRSCH

/s/ Douglas A. Hirsch

Douglas A. Hirsch, individually