

WATSA V PREM ET AL
 Form 4
 December 27, 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 *
FAIRFAX FINANCIAL HOLDINGS LTD/ CAN

(Last) (First) (Middle)

95 WELLINGTON STREET
 WEST, SUITE 800

(Street)

TORONTO, ONTARIO, A6 M5J
 2N7

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
AbitibiBowater Inc. [ABH]

3. Date of Earliest Transaction
 (Month/Day/Year)
 12/22/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 ___ Form filed by One Reporting Person
 ___X___ 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 Indirect Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock, \$0.001 par value (?Common Shares?)	12/22/2010		J ⁽¹⁾	13,182,494 A 11	13,182,494	I	See footnote <u>(2)</u>

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

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SEC 1474 (9-02)

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

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 Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Am Nur Sha
8.0% Convertible Notes due 2013 (?Notes?)	(3)	12/22/2010		J(1)	\$ 368,861,110 (5)	10/15/2008	(4)	Common Stock, \$1.00 par value (?Old Common Shares?)	36

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FAIRFAX FINANCIAL HOLDINGS LTD/ CAN 95 WELLINGTON STREET WEST SUITE 800 TORONTO, ONTARIO, A6 M5J 2N7		X		
WATSA V PREM ET AL 95 WELLINGTON STREET WEST SUITE 800 TORONTO, ONTARIO, A6 M5J 2N7		X		
1109519 ONTARIO LTD 95 WELLINGTON STREET WEST SUITE 800 TORONTO, ONTARIO, A6 M5J 2N7		X		
SIXTY TWO INVESTMENT CO LTD 1600 CATHEDRAL PLACE 925 WEST GEORGIA ST. VANCOUVER, BC, A1 V6C 3L3		X		
810679 ONTARIO LTD 95 WELLINGTON STREET WEST SUITE 800 TORONTO, ONTARIO, A6 M5J 2N7		X		
TIG INSURANCE CO 250 COMMERCIAL STREET SUITE 5000		X		

MANCHESTER, NH 03101	
NORTH RIVER INSURANCE CO	
305 MADISON AVENUE	X
MORRISTOWN, NJ 07962	
ODYSSEY AMERICA REINSURANCE CORP	
300 FIRST STAMFORD PLACE	X
STAMFORD, CT 06902	
UNITED STATES FIRE INSURANCE CO	
305 MADISON AVENUE	X
MORRISTOWN, NJ 07962	
Zenith Insurance Co	
21255 CALIFA STREET	X
WOODLAND HILLS, CA 91367-5021	

Signatures

/s/ V. Prem Watsa, Chairman and Chief Executive Officer	12/27/2010
__Signature of Reporting Person	Date
/s/ V. Prem Watsa	12/27/2010
__Signature of Reporting Person	Date
/s/ V. Prem Watsa, President	12/27/2010
__Signature of Reporting Person	Date
/s/ V. Prem Watsa, President	12/27/2010
__Signature of Reporting Person	Date
/s/ V. Prem Watsa, President	12/27/2010
__Signature of Reporting Person	Date
/s/ John J. Bator, Chief Financial Officer and Senior Vice President	12/27/2010
__Signature of Reporting Person	Date
/s/ Paul Bassaline, Vice President Finance and Assistant Controller	12/27/2010
__Signature of Reporting Person	Date
/s/ Kirk M. Reische, Vice President	12/27/2010
__Signature of Reporting Person	Date
/s/ Paul Bassaline, Vice President Finance and Assistant Controller	12/27/2010
__Signature of Reporting Person	Date
/s/ Michael Jansen, Executive Vice President and General Counsel	12/27/2010
__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).

In connection with the emergence from bankruptcy and reorganization of AbitibiBowater Inc. and certain of its affiliates, pursuant to the Second Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code, dated as of November 23, 2010, among AbitibiBowater and certain of its affiliates and the debtors named therein (the "Plan"), (1) the reporting persons named herein received, in

(1) partial consideration of their claims arising from their ownership of certain debt securities of AbitibiBowater Inc. and its affiliates, including the Notes, 13,182,494 Common Shares in the aggregate and (2) all of the outstanding Notes were canceled pursuant to the Plan for no cash consideration, in each case, in a transaction exempt pursuant to Rule 16b-7 under the Securities Exchange Act of 1934, as amended.

Following the transactions reported herein, 4,911,509 Common Shares are held by Fairfax Financial Holdings Limited, 3,667,903 Common Shares are held by Odyssey America Reinsurance Corporation, 1,265,588 Common Shares are held by The North River Insurance Company, 1,269,625 Common Shares are held by TIG Insurance Company, 539,984 Common Shares are held by Lombard

(2) General Insurance Company of Canada, 295,303 Common Shares are held by Commonwealth Insurance Company, 465,682 Common Shares are held by Markel Insurance Company of Canada, 104,621 Common Shares are held by Federated Insurance Company of Canada, 84,373 Common Shares are held by Lombard Insurance Company, 252,400 Common Shares are held by United States Fire Insurance Company, and 325,506 Common Shares are held by Zenith Insurance Company.

The Notes were convertible into Old Common Shares based on an initial conversion rate of 100 Old Common Shares per \$1,000 principal

(3) amount of Notes (equivalent to an initial conversion price of \$10.00 per Old Common Share), subject to adjustment under certain circumstances.

(4) The Notes were convertible into Old Common Shares at the option of the holder thereof at any time prior to the close of business on the business day immediately preceding 04/15/2013, which was the maturity date of the Notes.

(5) Aggregate principal amount of Notes.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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