

GOLD RESERVE INC
Form SC 13D/A
June 20, 2014

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

SCHEDULE 13D

(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT

TO §240.13d-1(a) AND AMENDMENTS THERETO FILED

PURSUANT TO §240.13d-2(a).

(Amendment No. 2)*

Gold Reserve Inc.

(Name of Issuer)

Class A Common Stock, no par value per share

(Title of Class of Securities)

38068N108

(CUSIP Number)

Brent Binge, Esq.
Steelhead Partners, LLC
333 108th Avenue NE, Suite 2010
Bellevue, WA 98004
(425) 974-3788

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

June 18, 2014

(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.

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).

| | | |
|-----|--|-------------------------|
| 1. | Names of Reporting Persons | STEELHEAD PARTNERS, LLC |
| 2. | Check the Appropriate Box if a Member of a Group (See Instructions) | (a) (b) |
| 3. | SEC Use Only | |
| 4. | Source of Funds (See Instructions) | OO |
| 5. | Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e) | |
| 6. | Citizenship or Place of Organization | Delaware |
| | Number of Shares Beneficially Owned by Each Reporting Person With | 19,667,244 ¹ |
| 7. | Sole Voting Power | 0 |
| 8. | Shared Voting Power | 19,667,244 ¹ |
| 9. | Sole Dispositive Power | 0 |
| 10. | Shared Dispositive Power | |
| 11. | Aggregate Amount Beneficially Owned by Each Reporting Person | 19,667,244 ¹ |
| 12. | Check if the Aggregate Amount in Row 11 Excludes Certain Shares (See Instructions) | |
| 13. | Percent of Class Represented by Amount in Row 11 | 26.0% ¹ |
| 14. | Type of Reporting Person (See Instructions) | IA |

[1]This number does not include (i) 4,638,788 shares of the issuer’s Class A common stock (the “Convertible Note Shares”) that may be issued to Steelhead Navigator (as defined below) upon the conversion of certain convertible notes held by Steelhead Navigator because the receipt of such Convertible Note Shares is contingent upon the issuer’s determination, in its sole discretion, to deliver the Convertible Note Shares instead of cash upon conversion of the convertible notes or (ii) a contingent value right held by Steelhead Navigator or any underlying securities that may be

issuable by the issuer to Steelhead Navigator pursuant to the terms of the contingent value right.

| | | |
|---|--|---|
| 1. | Names of Reporting Persons | STEELHEAD NAVIGATOR MASTER, L.P. |
| 2. | Check the Appropriate Box if a Member of a Group (See Instructions) | (a) (b) |
| 3. | SEC Use Only | |
| 4. | Source of Funds (See Instructions) | WC |
| 5. | Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e) | |
| 6. | Citizenship or Place of Organization | Cayman Islands 19,667,244 ¹ |
| Number of Shares Beneficially Owned by Each Reporting Person With | 7. Sole Voting Power | 0 |
| | 8. Shared Voting Power | 19,667,244 ¹ |
| | 9. Sole Dispositive Power | 0 |
| | 10. Shared Dispositive Power | |
| 11. | Aggregate Amount Beneficially Owned by Each Reporting Person | 19,667,244 ¹ |
| 12. | Check if the Aggregate Amount in Row 11 Excludes Certain Shares (See Instructions) | |
| 13. | Percent of Class Represented by Amount in Row 11 | 26.0% ¹ |
| 14. | Type of Reporting Person (See Instructions) | PN |

[1]This number does not include (i) 4,638,788 shares of the issuer’s Class A common stock (the “Convertible Note Shares”) that may be issued to Steelhead Navigator (as defined below) upon the conversion of certain convertible notes held by Steelhead Navigator because the receipt of such Convertible Note Shares is contingent upon the issuer’s determination, in its sole discretion, to deliver the Convertible Note Shares instead of cash upon conversion of the convertible notes or (ii) a contingent value right held by Steelhead Navigator or any underlying securities that may be issuable by the issuer to Steelhead Navigator pursuant to the terms of the contingent value right.

| | | | |
|-----|--|---------------------------|--|
| 1. | Names of Reporting Persons | JAMES MICHAEL JOHNSTON | |
| 2. | Check the Appropriate Box if a Member of a Group (See Instructions) | (a) | |
| 3. | SEC Use Only | (b) | |
| 4. | Source of Funds (See Instructions) | OO | |
| 5. | Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e) | | |
| 6. | Citizenship or Place of Organization | United States | |
| | Number of Shares Beneficially Owned by Each Reporting Person With | | |
| 7. | Sole Voting Power | 0 | |
| 8. | Shared Voting Power | 19,667,244 ¹ | |
| 9. | Sole Dispositive Power | 0 | |
| 10. | Shared Dispositive Power | 19,667,244 ¹ | |
| 11. | Aggregate Amount Beneficially Owned by Each Reporting Person | 19,667,244 ¹ | |
| 12. | Check if the Aggregate Amount in Row 11 Excludes Certain Shares (See Instructions) | | |
| 13. | Percent of Class Represented by Amount in Row 11 | 26.0% ¹ | |
| 14. | Type of Reporting Person (See Instructions) | IN/HC | |

[1]This number does not include (i) 4,638,788 shares of the issuer's Class A common stock (the "Convertible Note Shares") that may be issued to Steelhead Navigator (as defined below) upon the conversion of certain convertible notes held by Steelhead Navigator because the receipt of such Convertible Note Shares is contingent upon the issuer's determination, in its sole discretion, to deliver the Convertible Note Shares instead of cash upon conversion of the

convertible notes or (ii) a contingent value right held by Steelhead Navigator or any underlying securities that may be issuable by the issuer to Steelhead Navigator pursuant to the terms of the contingent value right.

1. Names of Reporting Persons BRIAN KATZ
KLEIN
2. Check the Appropriate Box if a Member of a Group (a)
(See Instructions) (b)
3. SEC Use Only
4. Source of Funds (See Instructions) OO
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e)
6. Citizenship or Place of Organization United States
- Number of Shares Beneficially Owned by Each Reporting Person With
7. Sole Voting Power 0
8. Shared Voting Power 19,667,244¹
9. Sole Dispositive Power 0
10. Shared Dispositive Power 19,667,244¹
11. Aggregate Amount Beneficially Owned by Each Reporting Person 19,667,244¹
12. Check if the Aggregate Amount in Row 11 Excludes Certain Shares (See Instructions)
13. Percent of Class Represented by Amount in Row 11 26.0%¹
14. Type of Reporting Person (See Instructions) IN/HC

[1]This number does not include (i) 4,638,788 shares of the issuer's Class A common stock (the "Convertible Note Shares") that may be issued to Steelhead Navigator (as defined below) upon the conversion of certain convertible notes held by Steelhead Navigator because the receipt of such Convertible Note Shares is contingent upon the issuer's determination, in its sole discretion, to deliver the Convertible Note Shares instead of cash upon conversion of the convertible notes or (ii) a contingent value right held by Steelhead Navigator or any underlying securities that may be issuable by the issuer to Steelhead Navigator pursuant to the terms of the contingent value right.

Item 1. Security and Issuer.

This Schedule 13D/A (this “Schedule 13D”) relates to shares of Class A common stock, no par value per share (the “Common Stock”), of Gold Reserve Inc. (the “Issuer”). The principal executive office of the Issuer is 926 West Sprague Avenue, Suite 200, Spokane, Washington 99201.

Item 2. Identity and Background.

This Schedule 13D/A is filed on behalf of Steelhead Partners, LLC (“Steelhead”), Steelhead Navigator Master, L.P. (“Steelhead Navigator”), James Michael Johnston and Brian Katz Klein. Steelhead, Steelhead Navigator, Mr. Johnston and Mr. Klein are referred to collectively herein as the “Reporting Persons.”

The principal business address of Steelhead, Mr. Johnston and Mr. Klein is 333 108th Avenue NE, Suite 2010, Bellevue, WA 98004. The principal business address of Steelhead Navigator is c/o Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

Steelhead Navigator is an exempted limited partnership, whose investment manager is Steelhead and whose general partner is Steelhead Navigator Cayman GP, Ltd., a Cayman Islands exempted company, the sole shareholder of which is Steelhead. Steelhead is an investment adviser registered as such with the Securities and Exchange Commission (“SEC”). Mr. Johnston and Mr. Klein are Steelhead’s member-managers.

None of Steelhead, Steelhead Navigator, Mr. Johnston or Mr. Klein has during the past five years, been convicted in any criminal proceeding (excluding traffic violations or similar misdemeanors).

None of Steelhead, Steelhead Navigator, Mr. Johnston or Mr. Klein has, during the past five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction, as a result of which any of them became or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Steelhead is a Delaware limited liability company, Steelhead Navigator is a Cayman Islands exempted limited partnership, and Mr. Johnston and Mr. Klein are United States citizens.

Item 3. Source and Amount of Funds or Other Consideration.

The source of funds used to purchase 11,707,979 shares of Common Stock reported on this Schedule 13D/A was the working capital of Steelhead Navigator or margin borrowings described below. The amount of funds used to purchase such shares of Common Stock was approximately \$21,827,747. No funds or other consideration were used to acquire the remaining shares of Common Stock or other securities described herein, as those securities were issued or issuable by the Issuer to Steelhead Navigator pursuant to the First Restructuring Transaction or the Second Restructuring Transaction (each as defined in Item 6 below). Shares of Common Stock are held by Steelhead Navigator in a commingled margin account, which may extend margin credit to Steelhead Navigator from time to time, subject to applicable federal margin regulations, stock exchange rules and credit policies. In such instances, the positions held in each margin account are pledged as collateral security for the repayment of debit balances in such account. The margin accounts bear interest at a rate based upon the broker’s call rate from time to time in effect. Because other securities are held in the margin accounts, it is not possible to determine the amounts, if any, of margin used to purchase the Common Stock reported herein.

Item 4. Purpose of Transaction.

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The securities were acquired for investment purposes, and the acquisitions of the securities were made in the ordinary course of business or pursuant to the First Restructuring Transaction or Second Restructuring Transaction and were not made for the purpose of acquiring control of the Issuer.

Consistent with their investment purposes, the reporting persons may engage in communications with one or more officers of the Issuer and/or one or members of the board of directors of the Issuer, including by not limited to the Issuer's operations.

Although the reporting persons have no specific plan or proposal to acquire or dispose of the securities of the Issuer, consistent with their investment purposes, the reporting persons at any time and from time to time, may acquire additional securities or dispose of any or all of their securities depending upon an ongoing evaluation of the investment in the securities, prevailing market conditions and other investment opportunities.

None of the reporting persons has any plans or proposals which relate to, or could result in, any of the matters referred to in paragraphs (a) through (j) of Item 4 of Schedule 13D. The reporting persons may, at any time and from time to time, review or reconsider their position and/or change their purpose and/or formulate plans or proposals with respect thereto.

Item 5. Interest in Securities of the Issuer.

(a) Steelhead Navigator beneficially owns 19,667,244 shares of Common Stock, and the percentage of Common Stock beneficially owned by Steelhead Navigator is 26.0%.

Steelhead, as the investment manager of Steelhead Navigator and the sole member of Steelhead Navigator's general partner, and Mr. Johnston and Mr. Klein, as the member-managers of Steelhead, may be deemed to beneficially own the shares owned by Steelhead Navigator in that they may be deemed to have the power to direct the voting or disposition of the shares. Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission that any of Steelhead, Mr. Johnston or Mr. Klein is, for any other purpose, the beneficial owner of any such securities, and Steelhead, Mr. Johnston and Mr. Klein disclaim beneficial ownership as to such securities except to the extent of their respective pecuniary interests therein. For the purposes of this Schedule 13D, Steelhead, Mr. Johnston and Mr. Klein beneficially own 19,667,244 shares of Common Stock (which is comprised of the shares of Common Stock owned by Steelhead Navigator), and the percentage of Common Stock beneficially owned by such reporting persons is 26.0%.

The calculation of percentage of beneficial ownership in this paragraph (a) and Item 13 of pages 2 - 5 of this Schedule 13D was derived from the Issuer's Form 6-K filed with the SEC on May 23, 2014, in which the Issuer stated that a total of 75,559,911 shares of Common Stock were issued and outstanding.

(b) Reference is made hereby to Items 7 to 10 of pages 2 - 5 of this Schedule, which Items are incorporated herein by reference.

(c) There have been no transactions in the class of securities reported on that were effected during the past sixty days or since the most recent Schedule 13D filed by the Reporting Persons on December 13, 2013. For information on the Second Restructuring Transaction, which did not include any transactions in the class of securities reported on, please see Item 6.

(d) Except as set forth in this Schedule 13D, no other person 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, securities covered by this Schedule 13D.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

On June 20, 2014, the Issuer filed a 6-K with the SEC indicating that the issuer and certain parties, including Steelhead Navigator as a holder of the Issuer's previously modified convertible notes (the "Notes"), had closed a financing and second restructuring transaction (the "Second Restructuring Transaction") pursuant to the Subordinated Note Restructuring and Note Purchase Agreement (the "Second Restructuring Agreement"). Based on the revised conversion rate set forth in the Second Supplemental Indenture, attached as Exhibit C to the Second Restructuring Agreement, 4,638,788 shares of Common Stock (the "Convertible Note Shares") may be issued to Steelhead Navigator upon the conversion of the Notes held by Steelhead Navigator. The Convertible Note Shares are not included in this Schedule 13D because the receipt of such Convertible Note Shares is contingent upon the issuer's determination, in its sole discretion, to deliver the Convertible Note Shares instead of cash upon conversion of the Notes.

Previously, as described in the Schedule 13D filed by the Reporting Persons on December 14, 2012, on September 18, 2012 the Issuer filed a Schedule TO with the SEC relating to the offer to certain holders of the Notes to participate in an initial restructuring of such Notes. According to the Issuer's Schedule TO, as amended and supplemented, holders of approximately 98.7% of the outstanding Notes (the "Large Noteholders"), including Steelhead Navigator, agreed to the terms of a restructuring transaction (the "First Restructuring Transaction") pursuant to the Second Amended and Restated Subordinated Note Restructuring Agreement dated September 13, 2012, among the Issuer and the Large Noteholders (the "First Restructuring Agreement"), whereby the Notes held by the Large Noteholders were first restructured.

Item 7. Material to Be Filed as Exhibits.

No. Exhibit

1. Agreement Regarding Joint Filing of Statement on Schedule 13D/A
2. Second Amended and Restated Subordinated Note Restructuring Agreement, dated September 13, 2012*
3. Subordinated Note Restructuring and Note Purchase Agreement, dated June 18, 2014**
4. Second Supplemental Indenture***

* Filed as Exhibit 99.1 to the Issuer's Form 6-K filed with the SEC on September 18, 2012 and incorporated by reference herein.

** Filed as Exhibit 99.1 to the Issuer's Form 6-K filed with the SEC on June 20, 2014 and incorporated by reference herein.

*** Filed as Exhibit 99.2 to the Issuer's Form 6-K filed with the SEC on June 20, 2014 and incorporated by reference herein.

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.

STEELHEAD PARTNERS, LLC

Dated: June 20, 2014 By: /s/ Brent E. Binge

Brent Binge, General Counsel

STEELHEAD NAVIGATOR MASTER, L.P.

By: Steelhead Partners, LLC, its Investment Manager

By: /s/ Brent E. Binge

Brent Binge, General Counsel

JAMES MICHAEL JOHNSTON

/s/ Brent E. Binge

Brent Binge, Attorney-In-Fact for James Michael Johnston*

BRIAN KATZ KLEIN

/s/ Brent E. Binge

Brent Binge, Attorney-In-Fact for Brian Katz Klein**

* Power of Attorney was previously filed with the SEC as Exhibit 2 to Amendment No. 6 to the Schedule 13D filed by Steelhead Partners, LLC with respect to Sonde Resources Corp. on October 26, 2011.

** Power of Attorney was previously filed with the SEC as Exhibit 3 to Amendment No. 6 to the Schedule 13D filed by Steelhead Partners, LLC with respect to Sonde Resources Corp. on October 26, 2011.

EXHIBITS LIST

No.Exhibit

1. Agreement Regarding Joint Filing of Statement on Schedule 13D/A.
2. Second Amended and Restated Subordinated Note Restructuring Agreement, dated September 13, 2012.*
3. Subordinated Note Restructuring and Note Purchase Agreement, dated June 20, 2014.**
4. Second Supplemental Indenture***

* Filed as Exhibit 99.1 to the Issuer's Form 6-K filed with the SEC on September 18, 2012 and incorporated by reference herein.

** Filed as Exhibit 99.1 to the Issuer's Form 6-K filed with the SEC on June 20, 2014 and incorporated by reference herein.

***Filed as Exhibit 99.2 to the Issuer's Form 6-K filed with the SEC on June 20, 2014 and incorporated by reference herein.

EXHIBIT 1

JOINT FILING UNDERTAKING

The undersigned, being authorized thereunto, hereby execute this agreement as an exhibit to this Schedule 13D/A to evidence the agreement of the below-named parties, in accordance with rules promulgated pursuant to the Securities Exchange Act of 1934, to file this Schedule, as it may be amended, jointly on behalf of each of such parties.

STEELHEAD PARTNERS, LLC

Dated: June 20, 2014 By: /s/ Brent E. Binge

Brent Binge, General Counsel

STEELHEAD NAVIGATOR MASTER, L.P.

By: Steelhead Partners, LLC, its Investment Manager

By: /s/ Brent E. Binge

Brent Binge, General Counsel

JAMES MICHAEL JOHNSTON

/s/ Brent E. Binge_____

Brent Binge, Attorney-In-Fact for James Michael Johnston*

BRIAN KATZ KLEIN

/s/ Brent E. Binge_____

Brent Binge, Attorney-In-Fact for Brian Katz Klein**

* Power of Attorney was previously filed with the SEC as Exhibit 2 to Amendment No. 6 to the Schedule 13D filed by Steelhead Partners, LLC with respect to Sonde Resources Corp. on October 26, 2011.

** Power of Attorney was previously filed with the SEC as Exhibit 3 to Amendment No. 6 to the Schedule 13D filed by Steelhead Partners, LLC with respect to Sonde Resources Corp. on October 26, 2011.
