

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

SCHEDULE 13G

Under the Securities Exchange Act of 1934
(Amendment No. 2)*

Arabian American Development Company
(Name of Issuer)

Common Stock, \$0.10 Par Value
(Title of Class of Securities)

038465100
(CUSIP Number)

December 31, 2009
(Date of Event Which Requires Filing of this Statement)

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

- 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 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).

CUSIP No 038465100

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Hound Partners, LLC

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

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

400,553

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

400,553

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

400,553

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

1.71%

12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

OO

CUSIP No 038465100

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Hound Performance, LLC

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

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

400,553

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

400,553

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

400,553

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

1.71%

12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

OO

CUSIP No. 038465100

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Jonathan Auerbach

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

United States

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

400,553

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

400,553

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

400,553

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

1.71%

12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN

CUSIP No 038465100

Item 1. (a). Name of Issuer:
Arabian American Development Company

(b). Address of Issuer's Principal Executive Offices:
P.O. Box 1636
Silsbee, Texas 77656

Item 2. (a). Name of Person Filing:
Hound Partners, LLC
Hound Performance, LLC
Jonathan Auerbach

(b). Address of Principal Business Office, or if None, Residence:
Hound Partners, LLC
101 Park Avenue, 48th Floor
New York, NY 10178

Hound Performance, LLC
101 Park Avenue, 48th Floor
New York, NY 10178

Jonathan Auerbach
101 Park Avenue, 48th Floor
New York, NY 10178

(c). Citizenship:
Hound Partners, LLC – Delaware limited liability company
Hound Performance, LLC – Delaware limited liability company
Jonathan Auerbach – United States

(d). Title of Class of Securities:
Common Stock, \$0.10 Par Value

(e). CUSIP Number:
038465100

Item 3. If This Statement is filed pursuant to ss.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 Exchange Act (15 U.S.C. 78c).

(b) Bank as defined in Section 3(a)(6) of the Exchange Act (15 U.S.C. 78c).

- (c) Insurance company as defined in Section 3(a)(19) of the Exchange Act (15 U.S.C. 78c).
- (d) Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e) An investment adviser in accordance with § 240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G);
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C.1813);
- (i) 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) Group, in accordance with s.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:

Hound Partners, LLC: 400,553
Hound Performance, LLC: 400,553
Jonathan Auerbach: 400,553

(b) Percent of class:

Hound Partners, LLC: 1.71%
Hound Performance, LLC: 1.71%
Jonathan Auerbach: 1.71%

(c) Number of shares as to which Hound Partners, LLC has:

(i) Sole power to vote or to direct the vote	0,
(ii) Shared power to vote or to direct the vote	400,553,
(iii) Sole power to dispose or to direct the disposition of	0,
(iv) Shared power to dispose or to direct the disposition of	400,553.

Number of shares as to which Hound Performance, LLC has:

(i)	Sole power to vote or to direct the vote	<u>0,</u>
(ii)	Shared power to vote or to direct the vote	<u>400,553,</u>
(iii)	Sole power to dispose or to direct the disposition of	<u>0,</u>
(iv)	Shared power to dispose or to direct the disposition of	<u>400,553.</u>

Number of shares as to which Jonathan Auerbach has:

(i)	Sole power to vote or to direct the vote	<u>0,</u>
(ii)	Shared power to vote or to direct the vote	<u>400,553,</u>
(iii)	Sole power to dispose or to direct the disposition of	<u>0,</u>
(iv)	Shared power to dispose or to direct the disposition of	<u>400,553.</u>

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.

If any 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, such securities, a statement to that effect should be included in response to this item and, if such interest relates to more than five percent of the class, such person should be identified. A listing of the shareholders of an investment company registered under the Investment Company Act of 1940 or the beneficiaries of employee benefit plan, pension fund or endowment fund is not required.

N/A

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

If a parent holding company has filed this schedule, pursuant to Rule 13d-1(b)(1)(ii)(G), so indicate under Item 3(g) and attach an exhibit stating the identity and the Item 3 classification of the relevant subsidiary. If a parent holding company has filed this schedule pursuant to Rule 13d-1(c) or Rule 13d-1(d), attach an exhibit stating the identification of the relevant subsidiary.

N/A

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

If a group has filed this schedule pursuant to §240.13d-1(b)(1)(ii)(J), so indicate under Item 3(j) and attach an exhibit stating the identity and Item 3 classification of each member of the group. If a group has filed this schedule pursuant to §240.13d-1(c) or §240.13d-1(d), attach an exhibit stating the identity of each member of the group.

N/A

Item 9. Notice of Dissolution of Group.

Notice of dissolution of a group may be furnished as an exhibit stating the date of the dissolution and that all further filings with respect to transactions in the security reported on will be filed, if required, by members of the group, in their individual capacity. See Item 5.

N/A

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 16, 2010

Date

HOUND PARTNERS, LLC*

By: /s/ Jonathan Auerbach

Name: Jonathan Auerbach

Title: Managing Member

HOUND PERFORMANCE, LLC *

By: /s/ Jonathan Auerbach

Name: Jonathan Auerbach

Title: Managing Member

JONATHAN AUERBACH*

/s/ Jonathan Auerbach

*The Reporting Persons disclaim beneficial ownership in the shares except to the extent of the Reporting Persons' pecuniary interest therein.

The original statement shall be signed by each person on whose behalf the statement is filed or his authorized representative. If the statement is signed on behalf of a person by his authorized representative other than an executive officer or general partner of the filing person, evidence of the representative's authority to sign on behalf of such person shall be filed with the statement, provided, however, that a power of attorney for this purpose which is already on file with the Commission may be incorporated by reference. The name and any title of each person who signs the statement shall be typed or printed beneath his signature.

Note. Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See s.240.13d-7 for other parties for whom copies are to be sent.

Attention. Intentional misstatements or omissions of fact constitute Federal criminal violations (see 18 U.S.C. 1001).

AGREEMENT

The undersigned agree that this Schedule 13G Amendment No. 2, dated February 16, 2010, relating to the Common Stock, par value \$0.10 of Arabian American Development Company shall be filed on behalf of the undersigned.

February 16, 2010

Date

HOUND PARTNERS, LLC

By: /s/ Jonathan Auerbach

Name: Jonathan Auerbach

Title: Managing Member

HOUND PERFORMANCE, LLC

By /s/ Jonathan Auerbach

Name: Jonathan Auerbach

Title: Managing Member

JONATHAN AUERBACH

/s/ Jonathan Auerbach