

LEAP WIRELESS INTERNATIONAL INC
 Form 4
 May 25, 2007

FORM 4

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

OMB APPROVAL

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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 *
 DONDERO JAMES D

2. Issuer Name and Ticker or Trading Symbol
 LEAP WIRELESS INTERNATIONAL INC [LEAP]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 13455 NOEL ROAD, SUITE 800
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 05/23/2007

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

DALLAS, TX 75240
 (City) (State) (Zip)

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

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 Beneficial Ownership (Instr. 4)		
			Code	V	Amount (A) or (D) Price				
Common Stock ⁽¹⁾ ₍₂₎	05/23/2007		S		90,000 ₍₃₎	D	\$ 85.677 4,595,081	I	See Footnote ⁽⁴⁾
Common Stock							32,864 ⁽⁵⁾ ₍₆₎	D	
Common Stock ⁽¹⁾ ₍₂₎	05/24/2007		S		3,000 ₍₇₎	D	\$ 85.1751 4,592,081	I	See Footnote ⁽⁸⁾
Common Stock							32,864 ⁽⁵⁾ ₍₆₎	D	

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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)

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. Number of Derivative Securities Beneficially Owned (Instr. 6)
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DONDERO JAMES D 13455 NOEL ROAD, SUITE 800 DALLAS, TX 75240		X		

Signatures

/s/ James D. Dondero 05/25/2007
 **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).
- (1) Mr. Dondero may be deemed to be an indirect beneficial owner of shares of Common Stock beneficially owned and/or held by or for the account or benefit of Highland Floating Rate Advantage Fund ("Highland Advantage"), Highland Floating Rate Limited Liability Company ("Highland FR LLC"), Highland Crusader Offshore Partners, L.P. ("Crusader"), Highland Loan Funding V, Ltd. ("Loan Funding"), PAM Capital Funding, L.P. ("PAM Capital"), Highland Capital Management, L.P. ("Highland Capital"), Highland CDO Opportunity Fund, Ltd. ("CDO Fund"), and Highland Equity Focus Fund, L.P. ("Equity Fund"). However, with respect to the matters described herein, Mr. Dondero may not bind, obligate or take any action, directly or indirectly, on behalf of Highland Advantage and Highland FR LLC. Therefore, each of Highland Advantage and Highland FR LLC expressly disclaims membership in a group with Mr. Dondero.

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Mr. Dondero expressly disclaims beneficial ownership of shares of Common Stock beneficially owned and/or held by or for the account or benefit of Highland Advantage, Highland FR LLC, Crusader, Loan Funding, PAM Capital, Highland Capital, CDO Fund, and Equity Fund, except to the extent of the pecuniary interest of Mr. Dondero in such shares. Neither the filing of this statement nor anything herein shall be deemed an admission that the reporting person is, for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or otherwise, the beneficial owner of any securities covered by this statement.

- (3) On May 23, 2007, Loan Funding sold 90,000 shares.

Includes the following number of shares beneficially owned directly by, and/or held by or for the account or benefit of, the person(s) indicated: (i) Highland Advantage - 76,137 shares; (ii) Highland FR LLC - 76,137 shares; (iii) Crusader - 2,309,794 shares; (iv) Loan Funding - 100,342 shares; (v) PAM Capital - 52,504 shares; (vi) CDO Fund - 64,711 shares; (vii) Equity Fund - 876,708 shares. Also includes 1,038,748 shares held in accounts for which Highland Capital has investment discretion.

- (4) Includes (i) 21,900 shares issuable by the issuer to Mr. Dondero pursuant to the exercise of a non-qualified stock option dated March 11, 2005 at an exercise price of \$26.51 per share, with one-third of the aggregate shares under the option vesting on each of March 11, 2005, January 1, 2006, and January 1, 2007;

- (5) (ii) 7,500 shares issuable by the issuer to Mr. Dondero pursuant to the exercise of a non-qualified stock option dated March 11, 2005 at an exercise price of \$26.51 per share, with one-third of the aggregate shares under the option vesting on each of January 1, 2006, January 1, 2007, and January 1, 2008; (iii) 1,200 shares issuable by the issuer to Mr. Dondero pursuant to the exercise of a non-qualified stock option dated March 11, 2005 at an exercise price of \$26.51 per share, with one-third of the aggregate shares under the option vesting on each of January 1, 2006, January 1, 2007, and January 1, 2008; and (iv) 2,264 shares issued by the issuer to Mr. Dondero pursuant to the exercise of a restricted stock award dated May 18, 2006 at an exercise price of \$0.0001 per share, with one-third of the aggregate shares under the award vesting on each of May 18, 2007, May 18, 2008, and May 18, 2009.

- (6) On May 24, 2007, Loan Funding sold 3,000 shares.

- (7) Includes the following number of shares beneficially owned directly by, and/or held by or for the account or benefit of, the person(s) indicated: (i) Highland Advantage - 76,137 shares; (ii) Highland FR LLC - 76,137 shares; (iii) Crusader - 2,309,794 shares; (iv) Loan Funding - 97,342 shares; (v) PAM Capital - 52,504 shares; (vi) CDO Fund - 64,711 shares; (vii) Equity Fund - 876,708 shares. Also includes 1,038,748 shares held in accounts for which Highland Capital has investment discretion.

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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