

LORAL SPACE & COMMUNICATIONS INC.
 Form 4
 July 17, 2008

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 *
 RACHESKY MARK H MD

2. Issuer Name and Ticker or Trading Symbol
 LORAL SPACE & COMMUNICATIONS INC. [LORL]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 40 WEST 57TH STREET, 24TH FLOOR
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 07/15/2008

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

NEW YORK, NY 10019

(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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) | | |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------|-----|-------|
| | | | | (A) or (D) | Code | V | Amount | (D) | Price |

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

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SEC 1474 (9-02)

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

| 1. Title of Derivative | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction | 5. Number of Derivative | 6. Date Exercisable and Expiration Date | 7. Title and Amount of Underlying Securities |
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|-----------------------------------------|----------------------------------------------|
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|-----------------------------------------|----------------------------------------------|

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| Security (Instr. 3) | or Exercise Price of Derivative Security | any (Month/Day/Year) | Code (Instr. 8) | Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | (Month/Day/Year) | (Instr. 3 and 4) | | | | |
|---------------------------------------|------------------------------------------|----------------------|------------------|-----------------------------------------------------------------|------------------|------------------|------------------|-----------------|-------------------------|----------------------------|
| | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Series A-1 Preferred Stock <u>(1)</u> | \$ 30.1504 | 07/15/2008 | J ⁽¹⁾ | | 14 | | 07/15/2008 | <u>(9)</u> | Common Stock | 140 |
| Series A-1 Preferred Stock <u>(1)</u> | \$ 30.1504 | 07/15/2008 | J ⁽¹⁾ | | 2 | | 07/15/2008 | <u>(9)</u> | Common Stock | 20 |
| Series A-1 Preferred Stock <u>(1)</u> | \$ 30.1504 | 07/15/2008 | J ⁽¹⁾ | | 7 | | 07/15/2008 | <u>(9)</u> | Common Stock | 70 |
| Series A-1 Preferred Stock <u>(1)</u> | \$ 30.1504 | 07/15/2008 | J ⁽¹⁾ | | 17 | | 07/15/2008 | <u>(9)</u> | Common Stock | 170 |
| Series A-1 Preferred Stock <u>(1)</u> | \$ 30.1504 | 07/15/2008 | J ⁽¹⁾ | | 81 | | 07/15/2008 | <u>(9)</u> | Common Stock | 810 |
| Series B-1 Preferred Stock <u>(1)</u> | \$ 30.1504 | 07/15/2008 | J ⁽¹⁾ | | 2,310 | | <u>(7)</u> | <u>(9)</u> | Common Stock <u>(8)</u> | 23,100 |
| Series B-1 Preferred Stock <u>(1)</u> | \$ 30.1504 | 07/15/2008 | J ⁽¹⁾ | | 266 | | <u>(7)</u> | <u>(9)</u> | Common Stock <u>(8)</u> | 2,660 |
| Series B-1 Preferred Stock <u>(1)</u> | \$ 30.1504 | 07/15/2008 | J ⁽¹⁾ | | 1,146 | | <u>(7)</u> | <u>(9)</u> | Common Stock <u>(8)</u> | 11,460 |
| Series B-1 Preferred Stock <u>(1)</u> | \$ 30.1504 | 07/15/2008 | J ⁽¹⁾ | | 2,888 | | <u>(7)</u> | <u>(9)</u> | Common Stock <u>(8)</u> | 28,880 |
| Series B-1 | \$ 30.1504 | 07/15/2008 | J ⁽¹⁾ | | 13,558 | | <u>(7)</u> | <u>(9)</u> | Common Stock <u>(8)</u> | 135,580 |

Preferred
Stock ⁽¹⁾

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|-------------------------------------------------------------------------------------------------|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| RACHESKY MARK H MD 40 WEST 57TH STREET, 24TH FLOOR NEW YORK, NY 10019 | X | X | | |
| MHR Capital Partners Master Account LP 40 WEST 57TH STREET, 24TH FLOOR NEW YORK, NY 10019 | | X | | |
| MHR ADVISORS LLC 40 WEST 57TH STREET, 24TH FLOOR NEW YORK, NY 10019 | | X | | |
| MHR INSTITUTIONAL PARTNERS LP 40 WEST 57TH STREET, 24TH FLOOR NEW YORK, NY 10019 | | X | | |
| MHR Institutional Advisors LLC 40 WEST 57TH STREET, 24TH FLOOR NEW YORK, NY 10019 | | X | | |
| MHR Institutional Partners IIA LP 40 WEST 57TH STREET, 24TH FLOOR NEW YORK, NY 10019 | | X | | |
| MHR Institutional Advisors II LLC 40 WEST 57TH STREET, 24TH FLOOR NEW YORK, NY 10019 | | X | | |
| MHR Institutional Partners III LP 40 WEST 57TH STREET, 24TH FLOOR NEW YORK, NY 10019 | | X | | |
| MHR Institutional Advisors III LLC 40 WEST 57TH STREET, 24TH FLOOR NEW YORK, NY 10019 | | X | | |
| MHR FUND MANAGEMENT LLC 40 WEST 57TH STREET, 24TH FLOOR NEW YORK, NY 10019 | | X | | |

Signatures

/s/ Hal Goldstein, Attorney
in Fact

07/17/2008

__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).

Since February 27, 2007, the Reporting Persons have owned shares of Series A-1 Cumulative 7.50% Convertible Preferred Stock, par value \$0.01 per share, of the Issuer (the "Series A-1 Preferred Stock") and Series B-1 Cumulative 7.50% Convertible Preferred Stock, par value \$0.01 per share, of the Issuer (the "Series B-1 Preferred Stock" and, together with the Series A-1 Preferred Stock, the "Preferred Stock"). This Form 4 is being filed to report the receipt of additional shares of Preferred Stock as paid-in-kind interest on the shares of Preferred Stock already held by the Reporting Persons pursuant to their respective terms.

(1) These shares are held for the account of MHR Capital Partners Master Account LP, an Anguilla, British West Indies limited partnership ("Master Account"). MHR Advisors LLC, a Delaware limited liability company ("Advisors") is the general partner of Master Account. Mark H. Rachesky, M.D. ("Dr. Rachesky") is the managing member of Advisors. In such capacity, Dr. Rachesky may be deemed to be the beneficial owner of the shares held for the account of Master Account. MHR Fund Management LLC, a Delaware limited liability company ("Fund Management"), has an investment management agreement with Master Account pursuant to which it has the power to vote or direct the vote and to dispose or to direct the disposition of the shares held for the account of Master Account and, accordingly, Fund Management may be deemed to beneficially own the shares held for the account of Master Account.

(2) These shares are held for the account of MHR Capital Partners (100) LP, a Delaware limited partnership ("Capital Partners (100)"). Advisors is the general partner of Capital Partners (100). Dr. Rachesky is the managing member of Advisors. In such capacity, Dr. Rachesky may be deemed to be the beneficial owner of the shares held for the account of Capital Partners (100). Fund Management has an investment management agreement with Capital Partners (100) pursuant to which it has the power to vote or direct the vote and to dispose or to direct the disposition of the shares held for the account of Capital Partners (100) and, accordingly, Fund Management may be deemed to beneficially own the shares held for the account of Capital Partners (100).

(3) These shares are held for the account of MHR Institutional Partners II LP, a Delaware limited partnership ("Institutional Partners II"). MHR Institutional Advisors II LLC, a Delaware limited liability company ("Institutional Advisors II") is the general partner of Institutional Partners II. Dr. Rachesky is the managing member of Institutional Advisors II. In such capacity, Dr. Rachesky may be deemed to be the beneficial owner of the shares held for the account of Institutional Partners II. Fund Management has an investment management agreement with Institutional Partners II pursuant to which it has the power to vote or direct the vote and to dispose or to direct the disposition of the shares held for the account of Institutional Partners II and, accordingly, Fund Management may be deemed to beneficially own the shares held for the account of Institutional Partners II.

(4) These shares are held for the account of MHR Institutional Partners IIA LP, a Delaware limited partnership ("Institutional Partners IIA"). Institutional Advisors II is the general partner of Institutional Partners IIA. Dr. Rachesky is the managing member of Institutional Advisors II. In such capacity, Dr. Rachesky may be deemed to be the beneficial owner of the shares held for the account of Institutional Partners IIA. Fund Management has an investment management agreement with Institutional Partners IIA pursuant to which it has the power to vote or direct the vote and to dispose or to direct the disposition of the shares held for the account of Institutional Partners IIA and, accordingly, Fund Management may be deemed to beneficially own the shares held for the account of Institutional Partners IIA.

(5) These shares are held for the account of MHR Institutional Partners III LP, a Delaware limited partnership ("Institutional Partners III"). MHR Institutional Advisors III LLC, a Delaware limited liability company ("Institutional Advisors III") is the general partner of Institutional Partners III. Dr. Rachesky is the managing member of Institutional Advisors III. In such capacity, Dr. Rachesky may be deemed to be the beneficial owner of the shares held for the account of Institutional Partners III. Fund Management has an investment management agreement with Institutional Partners III pursuant to which it has the power to vote or direct the vote and to dispose or to direct the disposition of the shares held for the account of Institutional Partners III and, accordingly, Fund Management may be deemed to beneficially own the shares held for the account of Institutional Partners III.

(6) The shares of Series B-1 Preferred Stock are convertible into shares of common stock, par value \$.01 per share, of the Issuer (the "Common Stock") only upon the Majority Ownership Date, as defined and described further in the Schedule 13D/A filed with the Securities and Exchange Commission by the Reporting Persons on February 28, 2007.

(7) Prior to the Majority Ownership Date, the shares of Series B-1 Preferred Stock are only convertible into shares of Class B-1 Non-Voting Common Stock, par value \$0.01, of the Issuer (the "Class B-1 Non-Voting Stock"), provided that the Issuer has filed an amendment to its Certificate of Incorporation authorizing the issuance of the Class B-1 Non-Voting Stock (the "Class B Non-Voting Stock Authorization"). Prior to the Class B Non-Voting Stock Authorization, the shares of Series B-1 Preferred Stock are not convertible into any other securities of the Issuer.

(8) None.

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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