

LEAP WIRELESS INTERNATIONAL INC
 Form 4
 October 02, 2006

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 *
 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)
 06/16/2006

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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|------------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock <u>(1)</u> <u>(2)</u> | 06/16/2006 | | S | | 19,148 <u>(3)</u> | D | \$ 0.42 |
| | | | | | 4,702,623 | I | |

See Footnote (4)

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)

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| 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 Owned Following Reporting Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|

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 10/02/2006

**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).

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 Columbia Floating Rate Advantage Fund ("Columbia Advantage"), Columbia Floating Rate Limited Liability Company ("Columbia LLC"), Highland Crusader Offshore Partners, L.P. ("Crusader"), Highland Loan Funding V, Ltd. ("Loan Funding"), Highland Legacy Limited ("Legacy"), 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").

Mr. Dondero expressly disclaims beneficial ownership of shares of Common Stock beneficially owned and/or held by or for the account or benefit of Columbia Advantage, Columbia LLC, Crusader, Loan Funding, Legacy, 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 any reporting person is, for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or otherwise, the beneficial owner of any equity securities covered by this statement.

(3) On June 16, 2006, Legacy sold 19,148 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) Columbia Advantage - 76,137 shares; (ii) Columbia LLC - 76,137 shares; (iii) Crusader - 2,309,794 shares; (iv) Loan Funding - 190,342 shares; (v) PAM Capital - 52,504 shares; (vi) CDO Fund - 64,711 shares; and (vii) Equity Fund - 876,750 shares. Also includes 1,038,748 shares held in accounts for which Highland Capital has investment discretion and 17,500 shares of which Mr. Dondero has the right to acquire beneficial ownership within sixty days.

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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