

LEAP WIRELESS INTERNATIONAL INC
 Form 4
 May 22, 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)
 05/18/2006

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 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 | 05/18/2006 | | A | 2,264 A \$ 0.0001 | 2,264 | D | |
| Common Stock | | | | | 4,704,271 | I | See Footnote (1) (2) (3) |

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

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SEC 1474 (9-02)

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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 Owned Following Reporting Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

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

James Dondero 05/22/2006

 **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 the shares of Common Stock beneficially owned by Highland Floating Rate Advantage Fund ("Highland Advantage"), Highland Floating Rate Limited Liability Company ("Highland 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 the shares of Common Stock held by Highland Advantage, Highland LLC, Crusader, Loan Funding, Legacy, PAM Capital, Highland Capital, CDO Fund, and Equity Fund, except to the extent of his pecuniary interest therein. The filing of this statement shall not 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.

Includes (i) 76,137 shares held by Highland Advantage, (ii) 76,137 shares held by Highland LLC, (iii) 2,309,794 shares held by Crusader, (iv) 190,342 shares held by Loan Funding, (v) 19,148 shares held by Legacy, (vi) 52,504 shares held by PAM Capital, (vii) 1,038,748 shares held in accounts for which Highland Capital has investment discretion, (viii) 64,711 shares held by CDO Fund, and (ix) 876,750 shares held by Equity Fund.

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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