

LEAP WIRELESS INTERNATIONAL INC

Form 424B3

October 13, 2011

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**This filing is made pursuant to Rule 424(b)(3) under  
the Securities Act of 1933 in connection with  
Registration No. 333-177126**

PROSPECTUS

## **Cricket Communications, Inc.**

**Offer to exchange its 7.75% senior notes due 2020, which have been registered under the  
Securities Act of 1933, for any and all of its outstanding unregistered 7.75% senior notes due 2020**

**The exchange offer and withdrawal rights will expire at 5:00 p.m.,**

**New York City time, on November 10, 2011, unless extended.**

We are offering to exchange up to \$400,000,000 aggregate principal amount of our new 7.75% senior notes due 2020, which have been registered under the Securities Act of 1933, as amended, or the Securities Act, referred to in this prospectus as the new notes, for any and all of our outstanding unregistered 7.75% senior notes due 2020, referred to in this prospectus as the old notes. We issued the old notes on May 23, 2011 in a transaction not requiring registration under the Securities Act. We are offering you new notes, with terms substantially identical to those of the old notes, in exchange for old notes in order to satisfy our registration obligations from that previous transaction. The new notes and the old notes are collectively referred to in this prospectus as the notes.

**See Risk Factors starting on page 18 of this prospectus for a discussion of risks associated with investing in the new notes and with the exchange of old notes for the new notes offered hereby.**

We will exchange new notes for all old notes that are validly tendered and not withdrawn before expiration of the exchange offer. You may withdraw tenders of old notes at any time prior to the expiration of the exchange offer. The exchange procedure is more fully described in The Exchange Offer Procedures for Tendering. If you fail to tender your old notes, you will continue to hold unregistered notes that you will not be able to transfer freely.

The terms of the new notes are identical in all material respects to those of the old notes, except that the transfer restrictions and registration rights applicable to the old notes do not apply to the new notes. See Description of New Notes for more details on the terms of the new notes. We will not receive any proceeds from the exchange offer.

There is no established trading market for the new notes or the old notes. The exchange of old notes for new notes in the exchange offer will not be a taxable transaction for United States federal income tax purposes. See Certain U.S. Federal Income Tax Considerations. All broker-dealers must comply with the registration and prospectus delivery requirements of the Securities Act. See Plan of Distribution.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense. We are not asking you for a proxy and you are requested not to send us a proxy.**

**The date of this prospectus is October 13, 2011**



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Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. The letter of transmittal delivered with this prospectus states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for outstanding old notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, starting on the expiration date of the exchange offer and ending on the close of business one year after such expiration date, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

**We have not authorized any dealer, salesman or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus. You must not rely upon any information or representation not contained or incorporated by reference in this prospectus as if we had authorized it. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the registered securities to which it relates, nor does this prospectus constitute an offer to sell or a solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.**

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### **About this Prospectus**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or the SEC. We may add, update or change in a prospectus supplement any information contained in this prospectus. You should read this prospectus and any accompanying prospectus supplement, as well as any post-effective amendments to the registration statement of which this prospectus is a part, together with the additional information described under **Where You Can Find More Information** and **Incorporation of Certain Documents by Reference** before you make any investment decision.

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. We are offering to exchange old notes for new notes only in jurisdictions where such offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any actual exchange of old notes for new notes.

### **WHERE YOU CAN FIND MORE INFORMATION**

We have filed with the SEC a registration statement on Form S-4 under the Securities Act with respect to the new notes offered hereby. This prospectus, which is a part of the registration statement, does not contain all of the information set forth in the registration statement, as amended, or the exhibits and schedules filed therewith. For further information with respect to us and the new notes offered hereby, please see the registration statement, as amended, and the exhibits and schedules filed with the registration statement. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement. A copy of the registration statement, as amended, and the exhibits and schedules filed with the registration statement may be inspected without charge at the public reference room maintained by the SEC, located at 100 F Street, NE, Washington, D.C. 20549, and copies of all or any part of the registration statement may be obtained from such offices upon the payment of the fees prescribed by the SEC. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. The SEC also maintains an internet website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of the website is [www.sec.gov](http://www.sec.gov).

We are subject to the information and periodic reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and, in accordance therewith, we file annual, quarterly and periodic reports, proxy statements and other information with the SEC. Such reports, proxy statements and other information are available for inspection and copying at the public reference room and website of the SEC referred to above. We maintain a website at [www.leapwireless.com](http://www.leapwireless.com). You may access our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed with or furnished to the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act free of charge at our website as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The reference to our web address does not constitute incorporation by reference of the information contained at such site.

### **INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. The information incorporated by reference is considered to be part of this prospectus, except for any information superseded by information that we file later with the SEC. This prospectus incorporates by reference the documents set forth below that we have previously filed with the SEC:

our Annual Report on Form 10-K for the year ended December 31, 2010 filed with the SEC on February 25, 2011 and Amendment No. 1 to our Annual Report on Form 10-K/A for the period ended December 31, 2010 filed with the SEC on April 29, 2011;

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our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2011 and June 30, 2011 filed with the SEC on May 6, 2011 and August 5, 2011, respectively; and

our Current Reports on Form 8-K filed with the SEC on January 21, 2011, February 1, 2011, April 26, 2011, May 17, 2011, May 18, 2011, May 23, 2011, June 22, 2011, July 7, 2011, July 27, 2011, August 2, 2011 and August 31, 2011.

We are also incorporating by reference additional documents that we file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus. We are not, however, incorporating by reference any documents or portions thereof, whether specifically listed above or filed in the future, that are not deemed filed with the SEC, including our compensation committee report and performance graph or any information furnished pursuant to Items 2.02 or 7.01 of Form 8-K or certain exhibits furnished pursuant to Item 9.01 of Form 8-K.

We will provide at no cost to each person, including any beneficial owner, to whom this prospectus is delivered, upon oral or written request of such person, a copy of any or all of the reports or documents that have been incorporated by reference in this prospectus, but not delivered therewith. Requests for such copies should be directed to:

Leap Wireless International, Inc.

Attn: Director of Investor Relations

5887 Copley Drive

San Diego, California 92111

(858) 882-6000

These documents may also be accessed through our website at [www.leapwireless.com](http://www.leapwireless.com) or as described under the heading "Where You Can Find More Information" in this prospectus. The information contained in, or that can be accessed through, our website is not a part of this prospectus. Exhibits to the filings will not be sent, however, unless those exhibits have specifically been incorporated by reference into this prospectus. **To obtain timely delivery of any copies of filings requested, please write or telephone no later than November 3, 2011, five business days prior to the expiration of the exchange offer.**

This exchange offer is not being made to, nor will we accept surrenders for exchange from, holders of outstanding old notes in any jurisdiction in which this exchange offer or the acceptance thereof would not be in compliance with the securities or blue sky laws of such jurisdiction.

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**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Except for the historical information contained herein, this prospectus (including the documents incorporated by reference in this prospectus) contains forward-looking statements. Such statements reflect management's current forecast of certain aspects of our future. You can generally identify forward-looking statements by forward-looking words such as believe, think, may, could, will, estimate, continue, anticipate, seek, plan, expect, should, would, and similar expressions. Such statements are based on currently available operating, financial and competitive information and are subject to various risks, uncertainties and assumptions that could cause actual results to differ materially from those anticipated in or implied by our forward-looking statements. Such risks, uncertainties and assumptions include, among other things:

our ability to attract and retain customers in an extremely competitive marketplace;

the duration and severity of the current economic downturn in the United States and changes in economic conditions, including interest rates, consumer credit conditions, consumer debt levels, consumer confidence, unemployment rates, energy costs and other macro-economic factors that could adversely affect demand for the services we provide;

the impact of competitors' initiatives;

our ability to successfully implement product and service plan offerings, expand our retail distribution and execute effectively on our other strategic activities;

our ability to obtain and maintain roaming and wholesale services from other carriers at cost-effective rates;

our ability to maintain effective internal control over financial reporting;

our ability to attract, integrate, motivate and retain an experienced workforce, including members of senior management;

future customer usage of our wireless services, which could exceed our expectations, and our ability to manage or increase network capacity to meet increasing customer demand;

our ability to acquire additional spectrum in the future at a reasonable cost or on a timely basis;

our ability to comply with the covenants in any credit agreement, indenture or similar instrument governing any of our existing or future indebtedness;

our ability to effectively integrate, manage and operate our new joint venture in South Texas;

failure of our network or information technology systems to perform according to expectations and risks associated with the upgrade or transition of certain of those systems, including our customer billing system; and

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other factors detailed in the section entitled "Risk Factors" commencing on page 18 of this prospectus.

All future written and oral forward-looking statements attributable to us or any persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained in this section or elsewhere in, or incorporated by reference into, this prospectus. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. Except as required by applicable law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in, or incorporated by reference into, this prospectus may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. Accordingly, users of this prospectus are cautioned not to place undue reliance on the forward-looking statements.

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**SUMMARY**

*This summary highlights selected information included elsewhere in or incorporated by reference in this prospectus and does not contain all the information that you should consider before participating in the exchange offer. You should read the entire prospectus carefully, including the Risk Factors section and the financial statements and related notes and other information incorporated by reference, before deciding to participate in the exchange offer described in this prospectus. As used in this prospectus, the terms Leap, we, our, ours and us refer to Leap Wireless International, Inc., a Delaware corporation, and its subsidiaries, including Cricket Communications, Inc., a Delaware corporation and the issuer of the notes, or Cricket, unless the context suggests otherwise. Unless otherwise specified, information relating to population and potential customers, or POPs, is based on 2011 population estimates provided by Claritas Inc.*

**Overview of Our Business**

We are a wireless communications carrier that offers digital wireless services in the U.S. under the Cricket® brand. Our Cricket service offerings provide customers with unlimited nationwide wireless services for a flat rate without requiring a fixed-term contract or a credit check.

Cricket service is offered by Cricket, a wholly owned subsidiary of Leap. Cricket service is also offered in South Texas by our joint venture, STX Wireless Operations, LLC, or STX Operations, which Cricket controls through a 75.75% controlling membership interest in its parent company STX Wireless, LLC, or STX Wireless. In addition, Cricket owns an 85% non-controlling membership interest in Savary Island Wireless, LLC, or Savary Island, which holds wireless spectrum in the upper Midwest portion of the U.S. and which leases a portion of that spectrum to us.

As of June 30, 2011, Cricket service was offered in 35 states and the District of Columbia and had approximately 5.7 million customers. As of June 30, 2011, we and Savary Island owned wireless licenses covering an aggregate of approximately 184.6 million POPs (adjusted to eliminate duplication from overlapping licenses). The combined network footprint in our operating markets covered approximately 95.3 million POPs as of June 30, 2011. The licenses we and Savary Island own provide 20 MHz of coverage and the opportunity to offer enhanced data services in almost all markets in which we currently operate, assuming that Savary Island were to make available to us certain of its spectrum.

In addition to our Cricket network footprint, we have entered into roaming relationships with other wireless carriers that enable us to offer Cricket customers nationwide voice and data roaming services over an extended service area covering approximately 289 million POPs. We have also entered into a wholesale agreement which permits us to offer Cricket services outside of our current network footprint. These arrangements enable us to offer enhanced Cricket products and services, continue to strengthen our growing retail presence in our existing markets and expand our distribution nationwide. In connection with our planned roll-out of Cricket products and services on a nationwide basis under the wholesale agreement, we expect to significantly expand our sales presence into thousands of additional national retail locations by the end of 2011.

The foundation of our business is to provide unlimited, nationwide wireless service and to design and market our products and services to appeal to customers seeking increased value. Our primary Cricket service is Cricket Wireless, which offers customers unlimited nationwide voice and data services for a flat monthly rate. Our most popular Cricket Wireless rate plans bundle certain features with unlimited local and U.S. long distance and unlimited text messaging, along with mobile web, 411 services, navigation and data backup. In addition to our Cricket Wireless voice and data services, we offer Cricket Broadband, our unlimited mobile broadband service, which allows customers to access the internet through their computers for a flat monthly rate. We also offer Cricket PAYGo, a pay-as-you-go unlimited prepaid wireless service designed for customers who prefer

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the flexibility and control offered by traditional prepaid services. In early 2011, we launched Muve Music , an unlimited music download service designed specifically for mobile handsets, in select Cricket markets, and following this successful launch we have expanded the service to cover all of our markets. None of our services require customers to enter into long-term commitments or pass a credit check.

In August 2010, we revised certain features of a number of our Cricket service offerings. We introduced all-inclusive rate plans for all of our Cricket services, which eliminated telecommunications taxes and certain other fees (such as activation, reactivation and regulatory fees) that we previously charged to customers. We also introduced new Cricket Broadband service plans with flat monthly rates that vary depending upon the targeted amount of data that a customer expects to use during the month. At the same time, we eliminated the free first month of service that we previously provided to new customers of our Cricket Wireless and Cricket Broadband services who purchased a handset or modem and decreased the retail prices of many of our devices. We also eliminated late fees that we previously charged to customers who reinstated their service after having failed to pay their monthly bill on time. Beginning in August 2010, we also began offering smartphones and other new handsets and devices, along with new, higher-priced service plans for those devices.

We believe that these changes to our business have made our services more attractive to customers and improved our competitive position, and they are producing improved operating and financial performance. The business changes we introduced have also affected a number of our operating metrics, generally tending to increase average revenue per user, or ARPU, cost per gross addition, or CPGA, and cash cost per user, or CCU, and tending to decrease gross customer additions and churn. For example, our appealing handset line-up and more attractive service plans have led many customers to purchase smartphones and select higher-value service plans, which has increased ARPU but has also increased our equipment and product costs associated with the enhanced value these services offer to customers. As a result of strong customer adoption of our smartphones and other new handsets and devices, we have deemphasized our Cricket Broadband service and have experienced a substantial reduction in the number of customers subscribing for this service.

A significant number of existing customers are also choosing to upgrade their handsets, frequently to smartphones, and to select higher-value service plans. Prior to August 2010, many existing customers activated a new line of service to receive a discount on a new handset and free month of service and then terminated their prior service, which had the effect of increasing our gross customer additions in prior year periods. The changes we made to our product and service offerings in August 2010 eliminated this practice, which has generally led to fewer, but higher-quality, gross customer additions than under the prior model. The value offered by our all-inclusive rate plans and the appeal of the smartphones and other new devices we have introduced have significantly reduced customer turnover, or churn. However, the substantial increase in existing customer upgrades as a result of our new initiatives tends to increase CCU. Further, the changes we have instituted tend to increase CPGA, because the fixed portions of our customer acquisition costs, including marketing and retail costs, are now allocated over a smaller number of gross customer additions. Total new customer acquisition costs tend to be lower than under the prior model because of the smaller number of gross customer additions. These lower new customer acquisition costs can substantially offset the costs of handset upgrades by existing customers. On balance, we believe that the changes we implemented have strengthened our business and are leading to greater lifetime customer value.

We are continuing to pursue opportunities to strengthen and expand our business. Our current business investment initiatives include the ongoing maintenance and development of our network and other business assets to allow us to continue to provide customers with high-quality service. In addition, we currently plan to deploy next-generation LTE network technology across approximately two-thirds of our current network footprint over the next two to three years, with a commercial trial market scheduled to be launched in late 2011. We also plan to continue to strengthen and expand our distribution, including through the wholesale agreement we have entered into, which permits us to offer Cricket services outside of our current network footprint. Other

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future business investment initiatives could include the launch of additional new product and service offerings, the acquisition of additional spectrum through private transactions or Federal Communications Commission, or FCC, auctions, the build-out and launch of new markets, entering into partnerships with others or the acquisition of other wireless communications companies or complementary businesses. We expect to continue to look for opportunities to optimize the value of our spectrum portfolio. Because some of the licenses that we and Savary Island hold include large regional areas covering both rural and metropolitan communities, we and Savary Island may seek to partner with others, sell some of this spectrum or pursue alternative products or services to utilize or benefit from the spectrum not otherwise currently used for Cricket service. We intend to be disciplined as we pursue any investment initiatives and to remain focused on our position as a low-cost provider of wireless telecommunications.

Our customer activity is influenced by seasonal effects related to traditional retail selling periods and other factors that arise in connection with our target customer base. Based on historical results, we generally expect new sales activity to be highest in the first and fourth quarters, and churn to be highest in the third quarter and lowest in the first quarter. Sales activity and churn, however, can be strongly affected by other factors, including changes in service plan pricing, promotional activity, device availability, economic conditions, high unemployment (particularly in the lower-income segment of our customer base) and competitive actions, any of which may have the ability to either offset or magnify certain seasonal effects or the relative amount of time a market has been in operation. For example, we frequently offer existing customers the opportunity to activate an additional line of voice service on a previously activated Cricket device not currently in service. Customers accepting this offer receive a free first month of service on the additional line of service after paying an activation fee. In addition, from June to mid-July 2011, we offered port-in promotions in which we lowered the price on select smartphones, which drove significant, new customer activity for our smartphone handsets and their accompanying higher-priced service plans. We believe that promotional activity can provide important long-term benefits to us, including by helping us attract new customers for our wireless services or by extending the period of time over which customers use our services. The success of any of our promotional efforts depends upon many factors, including the cost that we incur to attract or retain customers and the length of time these customers continue to use our services. From time to time, we have experienced inventory shortages, most notably with certain of our strongest-selling devices, including shortages we experienced during the second quarter of 2009 and again in the second and third quarters of 2010. These shortages have had the effect of limiting the customer activity that would otherwise have been expected based on seasonal trends.

The wireless telecommunications industry is very competitive. In general, we compete with national facilities-based wireless providers and their prepaid affiliates or brands, local and regional carriers, non-facilities-based mobile virtual network operators, or MVNOs, voice-over-internet-protocol service providers, traditional landline service providers, cable companies and mobile satellite service providers. The competitive pressures of the wireless telecommunications industry have continued to increase and have caused a number of our competitors to offer competitively priced unlimited prepaid and postpaid service offerings. These service offerings present additional strong competition in markets in which our offerings overlap, and the evolving competitive landscape has negatively impacted our financial and operating results since 2009. As noted above, however, we substantially revised our product and service offerings in August 2010 and these changes are producing improved operating and financial performance. As consolidation in the industry continues and creates even larger competitors, advantages that these competitors may have, as well as their bargaining power as wholesale providers of roaming services, may increase. Our ability to remain competitive will depend, in part, on our ability to anticipate and respond to various competitive factors and to keep our costs low.

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**Our Business Strategy**

Our business strategy is to (1) target customers in the value segment, leveraging our high-quality, low-cost network, (2) continue to develop innovative and value-driven products and services while maintaining cost discipline, (3) continue to build our brand and strengthen and expand our distribution, and (4) enhance our network capacity and service coverage.

**Recent Developments**

On August 30, 2011, our board of directors adopted a Tax Benefit Preservation Plan to help deter acquisitions of Leap common stock that could result in an ownership change under Section 382 and thus help preserve our ability to use our net operating loss, or NOL, carryforwards. The Tax Benefit Preservation Plan is designed to deter acquisitions of Leap common stock that would result in a stockholder owning 4.99% or more of Leap common stock (as calculated under Section 382 of the Internal Revenue Code), or any existing holder of 4.99% or more of Leap common stock acquiring additional shares, by substantially diluting the ownership interest of any such stockholder unless the stockholder obtains an exemption from our board of directors.

**Corporate Information**

Leap was formed as a Delaware corporation in June 1998. Leap's shares began trading publicly in September 1998, and we launched our innovative Cricket service in March 1999. In April 2003, we filed voluntary petitions for relief under Chapter 11 in federal bankruptcy court. On August 16, 2004, our plan of reorganization became effective and we emerged from Chapter 11 bankruptcy. On that date, a new board of directors of Leap was appointed, Leap's previously existing stock, options and warrants were cancelled, and Leap issued 60 million shares of new Leap common stock to two classes of creditors. On June 29, 2005, Leap became listed for trading on the NASDAQ National Market (now known as the NASDAQ Global Market) under the symbol LEAP, and our common stock currently trades on the NASDAQ Global Select Market, also under the symbol LEAP.

Our principal executive offices are located at 5887 Copley Drive, San Diego, California 92111 and our telephone number at that address is (858) 882-6000. Our principal websites are located at [www.leapwireless.com](http://www.leapwireless.com) and [www.mycricket.com](http://www.mycricket.com). The information contained in, or that can be accessed through, our websites is not part of this prospectus.

Leap is a U.S. registered trademark and the Leap logo is a trademark of Leap. Cricket, Cricket Wireless, Cricket Clicks, Jump, Jump Mobile, Flex Bucket, Real Unlimited Unreal Savings and the Cricket K are U.S. registered trademarks of Cricket. In addition, the following are trademarks or service marks of Cricket: BridgePay, Cricket by Week, Cricket Choice, Cricket Connect, Cricket Nation, Cricket PAYGo, Muve, Muve Music, Muve Money, Cricket Crosswave, Seek Music, MyPerks, Cricket MyPerks and Cricket Wireless Internet Service. All other trademarks are the property of their respective owners.

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**Organizational Structure**

The following chart represents our current corporate organizational structure, excluding certain immaterial subsidiaries of Cricket. Prior to becoming wholly owned subsidiaries of Cricket, Savary Island and its subsidiaries are neither guarantors of the notes nor in the Restricted Group nor Subsidiaries under the indenture governing the notes. STX Wireless and its subsidiaries will be in the Restricted Group and Subsidiaries under the indenture governing the notes, but will not guarantee the notes and will only be required to guarantee the notes in the future if they guarantee other indebtedness of Leap, Cricket or any other guarantor. Cricket Music Holdco, LLC, or Cricket Music, and its wholly owned subsidiary, Cricket Music Operations, LLC, have been designated as Unrestricted Subsidiaries under the indenture governing the notes and will not guarantee the notes.

- (a) Guarantor of the notes and of Cricket's outstanding \$300 million in aggregate principal amount of 10.0% senior notes due 2015, \$1,100 million in aggregate principal amount of 7.75% senior secured notes due 2016, or the 7.75% Secured Notes, and an additional \$1,200 million in aggregate principal amount of unsecured senior notes due 2020. Leap also is the issuer of \$250 million of unsecured convertible senior notes due 2014.
- (b) STX Wireless owns a 100% interest in STX Operations, which, in turn, owns a 100% interest in STX Wireless License, LLC. The remaining 24.25% non-controlling membership interest in STX Wireless is owned by Youghioghny Communications, LLC.
- (c) The remaining 15% controlling membership interest is owned by Ring Island Wireless, LLC.
- (d) Cricket Music and its wholly owned subsidiary, Cricket Music Operations, LLC, hold certain hardware, software and intellectual property relating to Cricket's Muve Music business. The board of directors of Leap designated both entities as Unrestricted Subsidiaries under the indenture governing the notes in July 2011.

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**The Exchange Offer**

On May 23, 2011, we completed the private offering of \$400 million aggregate principal amount of additional 7.75% senior notes due 2020. As part of that offering, we entered into a registration rights agreement with the initial purchasers of the old notes in which we agreed, among other things, to deliver this prospectus to you and to complete an exchange offer for the old notes. Below is a summary of the exchange offer.

**Old Notes** \$400 million in aggregate principal amount of 7.75% senior notes due 2020. The old notes are an additional issuance of 7.75% senior notes due 2020 under an indenture dated as of November 19, 2010, and are treated as a single class with the \$1,200 million aggregate principal amount of our 7.75% senior notes due 2020 already outstanding, which we refer to as the existing notes.

**New Notes** Notes of the same series, the issuance of which has been registered under the Securities Act. The terms of the new notes are identical in all material respects to those of the old notes, except that the transfer restrictions, registration rights and additional interest provisions relating to the old notes do not apply to the new notes.

**Terms of the Offer** We are offering to exchange a like amount of new notes for our old notes in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. In order to be exchanged, an old note must be properly tendered and accepted. All old notes that are validly tendered and not withdrawn will be exchanged. As of the date of this prospectus, there is \$400 million aggregate principal amount of unregistered 7.75% senior notes due 2020 outstanding. We will issue new notes promptly after the expiration of the exchange offer.

**Expiration Time** The exchange offer will expire at 5:00 p.m., New York City time, on November 10, 2011, unless extended.

**Procedures for Tendering** To tender old notes, you must complete and sign a letter of transmittal in accordance with the instructions contained in the letter and forward it by mail, facsimile or hand delivery, together with any other documents required by the letter of transmittal, to the exchange agent, either with the old notes to be tendered or in compliance with the specified procedures for guaranteed delivery of old notes. Certain brokers, dealers, commercial banks, trust companies and other nominees may also effect tenders by book-entry transfer. Holders of old notes registered in the name of a broker, dealer, commercial bank, trust company or other nominee are urged to contact such person promptly if they wish to tender old notes pursuant to the exchange offer. See The Exchange Offer Procedures for Tendering.

Letters of transmittal and certificates representing old notes should not be sent to us. Such documents should only be sent to the exchange agent. Questions regarding how to tender old notes and requests for information should be directed to the exchange agent. See The Exchange Offer Exchange Agent.

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Acceptance of Old Notes for Exchange;

Issuance of New Notes

Subject to the conditions stated in The Exchange Offer Conditions to the Exchange Offer, we will accept for exchange any and all old notes which are properly tendered in the exchange offer before the expiration time. The new notes will be delivered promptly after the expiration time.

Interest Payments on the New Notes

The new notes will bear interest from April 15, 2011 or, if interest has already been paid on the old notes, from the date interest was most recently paid. If your old notes are accepted for exchange, then you will receive interest on the new notes (including any accrued but unpaid additional interest on the old notes) and not on the old notes.

Withdrawal Rights

You may withdraw your tender of old notes at any time before the expiration time.

Conditions to the Exchange Offer

The exchange offer is subject to customary conditions. We may assert or waive these conditions in our sole discretion. If we materially change the terms of the exchange offer, we will resolicit tenders of the old notes. See The Exchange Offer Conditions to the Exchange Offer for more information.

Resales of New Notes

Based on interpretations by the staff of the SEC, as detailed in a series of no-action letters issued by the SEC to third parties, we believe that the new notes issued in the exchange offer may be offered for resale, resold or otherwise transferred by you without compliance with the registration and prospectus delivery requirements of the Securities Act as long as:

you are acquiring the new notes in the ordinary course of your business;

you are not participating, do not intend to participate and have no arrangement or understanding with any person to participate in a distribution of the new notes;

you are not an affiliate of ours; and

you are not a broker-dealer that acquired any of its old notes directly from us.

If you fail to satisfy any of the foregoing conditions, you will not be permitted to tender your old notes in the exchange offer and you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or other transfer of your old notes unless such sale is made pursuant to an exemption from such requirements.

Each broker or dealer that receives new notes for its own account in exchange for old notes that were acquired as a result of market-making or other trading activities must acknowledge that it will comply with the registration and prospectus delivery requirements of



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the Securities Act in connection with any offer to resell, resale or other transfer of the new notes issued in the exchange offer, including the delivery of a prospectus that contains information with respect to any selling holder required by the Securities Act in connection with any resale of the new notes. See [The Exchange Offer](#) [Resales of New Notes](#).

Exchange Agent

Wells Fargo Bank, National Association, is serving as the exchange agent in connection with the exchange offer. The address and telephone and facsimile numbers of the exchange agent are listed under the heading [The Exchange Offer](#) [Exchange Agent](#).

Use of Proceeds

We will not receive any proceeds from the issuance of new notes in the exchange offer. We will pay all expenses incident to the exchange offer. See [Use of Proceeds](#) and [The Exchange Offer](#) [Fees and Expenses](#).

**Certain U.S. Federal Income Tax Considerations**

The exchange of old notes for new notes in the exchange offer will not be a taxable transaction for United States federal income tax purposes. See [Certain U.S. Federal Income Tax Considerations](#) on page 103.

**Risk Factors**

You should carefully consider the matters set forth under [Risk Factors](#) before you decide to tender your old notes pursuant to the exchange offer.

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**The New Notes**

Issuer	Cricket Communications, Inc.
Securities	Up to \$400 million aggregate principal amount of 7.75% senior notes due 2020. The terms of the new notes are identical in all material respects to those of the old notes, except that the transfer restrictions, registration rights and additional interest provisions relating to the old notes do not apply to the new notes.
Maturity	October 15, 2020
Interest	Annual rate: 7.75%. The new notes will pay interest semi-annually in cash in arrears on April 15 and October 15 of each year.
Guarantees	The new notes will be guaranteed by our parent, Leap Wireless International, Inc., by our wholly owned subsidiary Cricket License Company, LLC, and by any future restricted subsidiary that guarantees any indebtedness of Cricket or a guarantor of the notes.

Our non-guarantor restricted subsidiaries and consolidated ventures had total assets of \$429.2 million as of June 30, 2011 and had total revenues and operating income of \$191.0 million and \$5.6 million, respectively, for the six months ended June 30, 2011. Our non-guarantor restricted subsidiaries and consolidated ventures had total revenues and operating income of \$85.3 million and \$0.3 million, respectively, for the year ended December 31, 2010, as adjusted to exclude the revenues and operating income of Denali Spectrum, LLC, or Denali, and LCW Wireless, LLC, or LCW Wireless, and their respective subsidiaries, which entities were merged with and into Cricket during the three months ended March 31, 2011.

Ranking	<p>The new notes and guarantees:</p> <p>will be our and the guarantors' general unsubordinated obligations;</p> <p>will rank equally in right of payment with all of our and the guarantors' existing and future senior unsecured indebtedness;</p> <p>will be effectively junior to all of our and the guarantors' existing and future secured indebtedness, including our 7.75% Secured Notes to the extent of the value of the collateral securing such indebtedness;</p> <p>will be effectively junior to existing and future liabilities of our subsidiaries that are not guarantors and of any designated entities to the extent of the value of the assets of</p>
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such entities; and

will be senior in right of payment to any of our and the guarantors' future subordinated indebtedness.

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Optional Redemption

The new notes may be redeemed, in whole or in part, at any time on or after October 15, 2015, at the redemption prices described in this prospectus, plus accrued and unpaid interest. See Description of New Notes Optional Redemption. Prior to October 15, 2015, we may redeem the new notes, in whole or in part, at a redemption price equal to 100% of the principal amount thereof plus the applicable premium, plus accrued and unpaid interest and any additional interest as described in Description of New Notes Optional Redemption.

Prior to October 15, 2013, we may redeem up to 35% of the aggregate principal amount of the new notes with the net cash proceeds from specified equity offerings at a redemption price set forth in Description of New Notes Optional Redemption. We may, however, only make these redemptions if at least 50% of the aggregate principal amount of the new notes issued under the indenture remains outstanding after the redemptions.

Change of Control

If a change of control occurs, each holder of new notes may require us to repurchase all of the holder's new notes at a purchase price equal to 101% of the principal amount of the notes, plus accrued and unpaid interest. In addition, if 90% or more of the existing notes and new notes are purchased in a change of control offer, we may redeem the remaining 7.75% senior notes due 2020. See Description of New Notes Repurchase at the Option of Holders Change of Control.

Certain Covenants

The indenture governing the new notes, among other things, limits our ability to:

incur additional indebtedness;

create liens or other encumbrances;

place limitations on distributions from restricted subsidiaries;

pay dividends, make investments, prepay subordinated indebtedness or make other restricted payments;

issue or sell capital stock of restricted subsidiaries;

issue guarantees;

sell or otherwise dispose of all or substantially all of our assets;

enter into transactions with our affiliates; and

make acquisitions or merge or consolidate with another entity.

The covenants are subject to a number of important qualifications and exceptions that are described in the sections of this prospectus entitled "Description of New Notes - Certain Covenants."

If the notes are rated investment grade by two out of three rating agencies (Moody's, S&P and Fitch) and we are not in default under the indenture, certain of the covenants in the indenture will be suspended.

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Use of Proceeds

We will not receive proceeds from the issuance of the new notes offered hereby. In consideration for issuing the new notes in exchange for old notes as described in this prospectus, we will receive old notes of like principal amount. The old notes surrendered in exchange for the new notes will be retired and canceled.

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The following tables set forth selected consolidated financial and other data as of and for the years ended December 31, 2006, 2007, 2008, 2009 and 2010 and as of and for the six months ended June 30, 2010 and 2011. We derived our summary historical financial data for the years ended December 31, 2008, 2009 and 2010 from our consolidated financial statements filed as an exhibit to Leap's Current Report on Form 8-K dated May 17, 2011 and filed with the SEC on May 17, 2011, which is incorporated by reference into this prospectus. We derived our summary historical financial data for the six months ended June 30, 2010 and 2011 from our unaudited consolidated financial statements appearing in Leap's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2011, which is incorporated by reference into this prospectus. For a more detailed explanation of our financial condition and operating results, you should read the following summary historical financial and operating data in conjunction with our historical financial statements and related notes and Selected Consolidated Financial Data and Management's Discussion and Analysis of Financial Condition and Results of Operations in Leap's Annual Report on Form 10-K for the year ended December 31, 2010 and Quarterly Reports on Form 10-Q for the quarterly periods ended March 31 and June 30, 2011, each of which is incorporated herein by reference. The summary historical financial and operating data presented in this prospectus may not be indicative of future performance. Interim results are not necessarily indicative of the results to be expected for the entire financial year.

	2006	Year Ended December 31,				Six Months Ended	
		2007	2008	2009	2010	2010	2011
		(Dollars in thousands, except per share data)					
<b>Statement of Operations Data</b>							
Revenues:							
Service revenues	\$ 1,020,956	\$ 1,467,031	\$ 1,782,163	\$ 2,241,988	\$ 2,482,601	\$ 1,245,432	\$ 1,382,498
Equipment revenues	210,822	235,136	249,761	239,333	214,602	105,674	157,954
<b>Total revenues</b>	<b>1,231,778</b>	<b>1,702,167</b>	<b>2,031,924</b>	<b>2,481,321</b>	<b>2,697,203</b>	<b>1,351,106</b>	<b>1,540,452</b>
Operating expenses:							
Cost of service (exclusive of items shown separately below)	(328,753)	(455,492)					