

LORAL SPACE & COMMUNICATIONS INC.
Form SC 13G/A
February 14, 2013

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

SCHEDULE 13G/A

(Rule 13d-102)

(Amendment No. 1)

**INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO
RULES 13d-1(b), (c) AND (d) AND AMENDMENTS THERETO FILED
PURSUANT TO RULE 13d-2
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

Loral Space & Communications Inc.

(Name of Issuer)

Voting common stock, par value \$0.01 per share

(Title of Class of Securities)

543881106

(CUSIP Number)

December 31, 2012

(Date of Event Which Requires Filing of this Statement)

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Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

1 NAME OF REPORTING PERSONS

Highland Capital Management, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) (b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

5 SOLE VOTING POWER

NUMBER OF

0

SHARES 6 SHARED VOTING POWER

BENEFICIALLY

OWNED BY

1,562,300**

EACH 7 SOLE DISPOSITIVE POWER

REPORTING

PERSON

0

8 SHARED DISPOSITIVE POWER

WITH

1,562,300**

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,562,300**

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

12 7.4%**
TYPE OF REPORTING PERSON*

IA, PN

* SEE INSTRUCTIONS BEFORE FILLING OUT
** SEE ITEM 4.

1 NAME OF REPORTING PERSONS

Strand Advisors, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) (b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

5 SOLE VOTING POWER

NUMBER OF

0

SHARES 6 SHARED VOTING POWER

BENEFICIALLY

OWNED BY

1,562,300**

EACH 7 SOLE DISPOSITIVE POWER

REPORTING

PERSON

0

8 SHARED DISPOSITIVE POWER

WITH

1,562,300**

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,562,300**

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

12 7.4%**
TYPE OF REPORTING PERSON*

HC, CO

* SEE INSTRUCTIONS BEFORE FILLING OUT

** SEE ITEM 4.

1 NAME OF REPORTING PERSONS

James D. Dondero

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) (b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

5 SOLE VOTING POWER

NUMBER OF

0

SHARES 6 SHARED VOTING POWER

BENEFICIALLY

OWNED BY

1,800,000**

EACH 7 SOLE DISPOSITIVE POWER

REPORTING

PERSON

0

8 SHARED DISPOSITIVE POWER

WITH

1,800,000**

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,800,000**

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

12 8.5%**
TYPE OF REPORTING PERSON*

HC, IN

* SEE INSTRUCTIONS BEFORE FILLING OUT
** SEE ITEM 4.

SCHEDULE 13G/A

This Amendment No. 1 to the Schedule 13G (this Amendment) is being filed on behalf of Highland Capital Management, L.P., a Delaware limited partnership (Highland Capital), Strand Advisors, Inc., a Delaware corporation (Strand), and James D. Dondero (collectively, the Reporting Persons). This Amendment modifies the original Schedule 13G filed with the Securities and Exchange Commission on October 2, 2012 (the Original 13G) by the Reporting Persons.

James D. Dondero is the President of Strand and Highland Capital Management Services, Inc., a Delaware corporation (Highland Services). Strand is the general partner of Highland Capital. Highland Capital serves as the advisor to several funds and managed accounts. This Amendment relates to the voting common stock, par value \$0.01 per share (the Common Stock), of Loral Space & Communications Inc., a Delaware corporation (the Issuer), held by (i) funds managed by Highland Capital, (ii) Highland Capital and (ii) Highland Services.

Item 4 Ownership.

Item 4 of the Original 13G is hereby amended and restated to read as follows:

- (a) As advisor to several funds, Highland Capital and Strand may be deemed the beneficial owners of the 1,562,300 shares of Common Stock the funds hold. This amount consists of 1,562,300 shares of Common Stock receivable upon exercise of presently exercisable American-style call options.

Mr. Dondero may be deemed the beneficial owner of the 1,800,000 shares of Common Stock held by (i) the funds Highland Capital manages and (ii) Highland Services, as President of Highland Capital and Highland Services. This amount consists of 1,800,000 shares of Common Stock receivable upon exercise of presently exercisable American-style call options.

- (b) Highland Capital and Strand may be deemed the beneficial owner of 7.4% of the outstanding Common Stock. This percentage was determined by dividing 1,562,300, the number of shares of Common Stock held directly by the funds managed by Highland Capital, by 21,247,588, which is the number of shares of Common Stock outstanding as of October 31, 2012 according to the Issuer's Quarterly Report on Form 10-Q filed with the Securities Exchange Commission on November 14, 2012.

Mr. Dondero may be deemed the beneficial owner of 8.5% of the outstanding Common Stock. This percentage was determined by dividing 1,800,000, the number of shares of Common Stock held directly by (i) the funds managed by Highland Capital and (ii) Highland Services, by 21,247,588, which is the number of shares of Common Stock outstanding as of October 31, 2012 according to the Issuer's Quarterly Report on Form 10-Q filed with the Securities Exchange Commission on November 14, 2012.

- (c) Highland Capital and Strand each have the shared power to vote and dispose of the 1,562,300 shares of Common Stock held by the funds managed by Highland Capital.

Mr. Dondero has the the shared power to vote and dispose of the 1,800,000 shares of Common Stock held by (i) the funds managed by Highland Capital and (ii) Highland Services.

Item 10 Certification.

By signing below each of the Reporting Persons certifies that, to the best of such person's knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 13, 2013

HIGHLAND CAPITAL MANAGEMENT, L.P.

By: Strand Advisors, Inc., its general partner

By: /s/ James D. Dondero
Name: James D. Dondero
Title: President

STRAND ADVISORS, INC.

By: /s/ James D. Dondero
Name: James D. Dondero
Title: President

/s/ James D. Dondero
James D. Dondero