

GRAY TELEVISION INC  
Form 4  
May 21, 2007

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
**HIGHLAND CAPITAL MANAGEMENT LP**

(Last) (First) (Middle)

13455 NOEL ROAD, SUITE 800

(Street)

DALLAS, TX 75240

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**GRAY TELEVISION INC [GTN]**

3. Date of Earliest Transaction  
(Month/Day/Year)  
05/17/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_\_ Form filed by One Reporting Person  
\_X\_ 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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock <u>(1)</u> <u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u>	05/17/2007		P		35,300	A	\$ 9.7179
					4,708,114 <u>(6)</u>	I	
Common Stock <u>(1)</u> <u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u>	05/18/2007		P		56,000	A	\$ 10.0427
					4,764,114 <u>(6)</u>	I	
Common Stock <u>(1)</u> <u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u>	05/18/2007		P		104,500	A	\$ 10.2141
					4,868,614 <u>(6)</u>	I	

See Footnote (1) (2) (3)

See Footnote (1) (2) (3)

See Footnote (1) (2) (3)

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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(9-02)

**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 Beneficially Owned (Instr. 5)
				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
HIGHLAND CAPITAL MANAGEMENT LP 13455 NOEL ROAD SUITE 800 DALLAS, TX 75240		X		
DONDERO JAMES D 13455 NOEL ROAD SUITE 800 DALLAS, TX 75240		X		
Highland Credit Strategies Fund 13455 NOEL ROAD SUITE 800 DALLAS, TX 75240		X		
Strand Advisors, Inc. 13455 NOEL ROAD SUITE 800 DALLAS, TX 75240		X		
Highland Multi-Strategy Onshore Master SubFund, L.L.C. 13455 NOEL ROAD SUITE 800 DALLAS, TX 75240		X		

Highland Multi-Strategy Master Fund, L.P.  
 13455 NOEL ROAD  
 SUITE 800  
 DALLAS, TX 75240

X

Highland Multi-Strategy Fund GP, L.P.  
 13455 NOEL ROAD  
 SUITE 800  
 DALLAS, TX 75240

X

Highland Multi-Strategy Fund GP, L.L.C.  
 13455 NOEL ROAD  
 SUITE 800  
 DALLAS, TX 75240

X

## Signatures

Highland Capital Management, L.P. By: Strand Advisors, Inc., its general partner /s/ James D. Dondero, President 05/21/2007

\*\*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).

(1) This statement is filed by and on behalf of: (i) Highland Credit Strategies Fund ("Credit Strategies Fund"); (ii) Highland Multi-Strategy Onshore Master SubFund, L.L.C. ("Multi-Strategy SubFund"); (iii) Highland Multi-Strategy Master Fund, L.P. ("Multi-Strategy Fund"); (iv) Highland Multi-Strategy Fund GP, L.P. ("Multi-Strategy Fund GP"); (v) Highland Multi-Strategy Fund GP, L.L.C. ("Multi-Strategy Fund GP LLC"); (vi) Highland Capital Management, L.P. ("Highland Capital Management"); (vii) Strand Advisors, Inc. ("Strand"); and (viii) James D. Dondero. Multi-Strategy Fund is the managing member of Multi-Strategy SubFund. Multi-Strategy Fund may be deemed to beneficially own shares owned and/or held by and/or for the account and/or benefit of Multi-Strategy SubFund. Multi-Strategy Fund GP is the general partner of Multi-Strategy Fund.

(2) Multi-Strategy Fund GP may be deemed to beneficially own shares owned and/or held by and/or for the account and/or benefit of Multi-Strategy Fund. Multi-Strategy Fund GP LLC is the general partner of Multi-Strategy Fund GP. Multi-Strategy Fund GP LLC may be deemed to beneficially own shares owned and/or held by and/or for the account and/or benefit of Multi-Strategy Fund GP. Highland Capital Management serves as an investment adviser and/or manager to other persons, including Credit Strategies Fund and Multi-Strategy SubFund. Highland Capital Management may be deemed to beneficially own shares owned and/or held by and/or for the account and/or benefit of other persons, including Credit Strategies Fund and Multi-Strategy SubFund. Strand is the general partner of Highland Capital Management.

(3) Strand may be deemed to beneficially own shares owned and/or held by and/or for the account and/or benefit of Highland Capital Management. Mr. Dondero is the President and a director of Strand. Mr. Dondero may be deemed to beneficially own shares owned and/or held by and/or for the account and/or benefit of Strand. Mr. Dondero and Highland Capital Management may not bind, obligate or take any action, directly or indirectly, on behalf of Credit Strategies Fund.

(4) Each of the reporting persons states that neither the filing of this statement nor anything herein shall be deemed an admission that such person is, for purposes of Section 16 of the Act or otherwise, the beneficial owner of any securities covered by this statement. Each of the reporting persons disclaims beneficial ownership of the securities covered by this statement, except to the extent of the pecuniary interest of such person in such securities.

(5) Each of the reporting persons may be deemed to be a member of a group with respect to the issuer or securities of the issuer for the purposes of Section 13(d) or 13(g) of the Act. Each of the reporting persons declares that neither the filing of this statement nor anything herein shall be construed as an admission that such person is, for the purposes of Section 13(d) or 13(g) of the Act or any other purpose, (i) acting (or has agreed or is agreeing to act together with any other person) as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding, or disposing of securities of the issuer or otherwise with respect to the issuer or any securities of the issuer or (ii) a member of any group with respect to the issuer or any securities of the issuer.

(6) On May 17, 2007, Highland Capital Management acquired 35,300 shares and on May 18, 2007 Highland Capital Management acquired 160,500 shares. Following the reported transactions, Highland Capital Management beneficially owned 4,868,614 shares, which includes 357,343 shares owned and/or held by and/or for the account and/or benefit of Credit Strategies Fund and includes 1,400 shares owned

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and/or held by and/or for the account and/or benefit of Multi-Strategy SubFund.

**Remarks:**

Exhibit 24.1 - Joint Filing Agreement and Power of Attorney (incorporated by reference to Exhibit 24 to the Form 4 filed on D  
18, 2006 by the reporting persons with respect to the issuer)

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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