

LEVEL 3 COMMUNICATIONS INC  
 Form 4  
 October 20, 2009

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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 \*  
 FAIRFAX FINANCIAL HOLDINGS LTD/ CAN

2. Issuer Name and Ticker or Trading Symbol  
 LEVEL 3 COMMUNICATIONS INC [LVL3]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 95 WELLINGTON STREET  
 WEST, SUITE 800  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 10/16/2009

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

TORONTO, ONTARIO,  
 CANADA M5J 2N7

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

6. Individual or Joint/Group Filing (Check Applicable Line)  
 \_\_\_ Form filed by One Reporting Person  
 \_\_\_X\_\_\_ Form filed by More than One Reporting Person

(City) (State) (Zip)

**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 Beneficial Ownership (Instr. 4)
				(A) or (D)	Amount		Price

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 Security (Instr. 3 and 4)
7% Convertible Senior Notes due 2015, Series B (?Notes?)	(1)	10/16/2009		P	\$ 75,000,000 (2)	10/16/2009 (3)	Common Stock, \$0.01 par value (?Shares?)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FAIRFAX FINANCIAL HOLDINGS LTD/ CAN 95 WELLINGTON STREET WEST SUITE 800 TORONTO, ONTARIO, CANADA M5J 2N7			X	
WATSA V PREM ET AL 95 WELLINGTON STREET WEST SUITE 800 TORONTO, ONTARIO, CANADA M5J 2N7			X	
1109519 ONTARIO LTD 95 WELLINGTON STREET WEST SUITE 800 TORONTO, ONTARIO, CANADA M5J 2N7			X	
SIXTY TWO INVESTMENT CO LTD 1600 CATHEDRAL PLACE 925 WEST GEORGIA ST. VANCOUVER, BC, CANADA V6C 3L3			X	
810679 ONTARIO LTD 95 WELLINGTON STREET WEST SUITE 800 TORONTO, ONTARIO, CANADA M5J 2N7			X	

## Signatures

/s/ Paul Rivett, Vice President and Chief Legal Officer	10/19/2009
**Signature of Reporting Person	Date
/s/ V. Prem Watsa	10/19/2009

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__Signature of Reporting Person	Date
/s/ V. Prem Watsa, President	10/19/2009
__Signature of Reporting Person	Date
/s/ V. Prem Watsa, President	10/19/2009
__Signature of Reporting Person	Date
/s/ V. Prem Watsa, President	10/19/2009
__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) The Notes are convertible into Shares based on an initial conversion price of \$1.80 per Share (equivalent to an initial conversion rate of 555.5556 Shares per \$1,000 principal amount of Notes), subject to adjustment under certain circumstances.
- (2) Aggregate principal amount of Notes
- (3) The Notes are convertible into Shares at the option of the holder thereof at any time on or prior to March 15, 2015, the maturity date of the Notes.
- (4) \$75,000,000 aggregate principal amount of Notes is held by Fairfax Financial Holdings Limited directly.

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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