

GRAY TELEVISION INC  
Form 3  
November 15, 2006

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 * |         |          | 2. Date of Event Requiring Statement  | 3. Issuer Name <b>and</b> Ticker or Trading Symbol |   |
| Â HIGHLAND CAPITAL MANAGEMENT LP          |         |          | (Month/Day/Year)  | GRAY TELEVISION INC [GTN]                          |   |
| (Last)                                    | (First) | (Middle) | 08/04/2006  |  |   |
| 13455 NOEL ROAD,Â SUITE 800               |         |          | 4. Relationship of Reporting Person(s) to Issuer  |  | 5. If Amendment, Date Original Filed(Month/Day/Year)  |
| (Street)                                  |         |          | (Check all applicable)  |  |   |
| DALLAS,Â TXÂ 75240                        |         |          | <input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner<br><input type="checkbox"/> Officer <input type="checkbox"/> Other<br>(give title below)    (specify below) |  | 6. Individual or Joint/Group Filing(Check Applicable Line)<br><input type="checkbox"/> Form filed by One Reporting Person<br><input checked="" type="checkbox"/> Form filed by More than One Reporting Person |
| (City)                                    | (State) | (Zip)    |   |  |   |

**Table I - Non-Derivative Securities Beneficially Owned**

| 1. Title of Security<br>(Instr. 4)                          | 2. Amount of Securities Beneficially Owned<br>(Instr. 4) | 3. Ownership Form:<br>Direct (D)<br>or Indirect (I)<br>(Instr. 5) | 4. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|---|--|---|--|
| Common Stock, no par value <u>(1)</u> <u>(2)</u> <u>(3)</u> | 4,273,722 <u>(1)</u> <u>(2)</u>                          | I   | See Footnote <u>(4)</u>                                  |
| Common Stock, no par value <u>(1)</u> <u>(2)</u> <u>(3)</u> | 259,100 <u>(1)</u> <u>(2)</u>                            | D <u>(5)</u>  | Â  |

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

SEC 1473 (7-02)

**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.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security<br>(Instr. 4) | 2. Date Exercisable and Expiration Date<br>(Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security | 4. Conversion or Exercise | 5. Ownership Form of | 6. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|---|---|--|---------------------------|----------------------|--|
|---|---|--|---------------------------|----------------------|--|

| Date Exercisable | Expiration Date | Title | Amount or Number of Shares | Price of Derivative Security | Derivative Security: Direct (D) or Indirect (I) |
|------------------|-----------------|-------|----------------------------|------------------------------|---|
|                  |                 |       |                            |                              |   |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| HIGHLAND CAPITAL MANAGEMENT LP<br>13455 NOEL ROAD<br>SUITE 800<br>DALLAS, TX 75240  | ^             | ^ X       | ^       | ^     |
| DONDERO JAMES D<br>13455 NOEL ROAD<br>SUITE 800<br>DALLAS, TX 75240                 | ^             | ^ X       | ^       | ^     |
| Highland Credit Strategies Fund<br>13455 NOEL ROAD<br>SUITE 800<br>DALLAS, TX 75240 | ^             | ^ X       | ^       | ^     |
| Strand Advisors, Inc.<br>13455 NOEL ROAD<br>SUITE 800<br>DALLAS, TX 75240           | ^             | ^ X       | ^       | ^     |

## Signatures

By: Strand Advisors, Inc., its general partner /s/ James Dondero,  
President

11/15/2006

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 5(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).

This statement is filed by and on behalf of: (i) Highland Credit Strategies Fund ("Credit Strategies Fund"); (ii) Highland Capital Management, L.P. ("Capital Management"); (iii) Strand Advisors, Inc. ("Strand"); and (iv) James D. Dondero. Capital Management serves as an investment adviser and/or manager to other persons, including Credit Strategies Fund. 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.

(1) Strand is the general partner of Capital Management. Strand may be deemed to beneficially own shares owned and/or held by and/or for the account and/or benefit of Capital Management. Mr. Dondero is the President of Credit Strategies Fund and 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.

(2) 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.

(3)

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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.

- (4) Includes shares and/or held by and/or for the account and/or benefit of other persons, including 259,100 shares and/or held by and/or for the account and/or benefit of Credit Strategies Fund.
- (5) Includes 259,100 shares and/or held by and/or for the account and/or benefit of Credit Strategies Fund.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.

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