

GRAY TELEVISION INC

Form SC 13G/A

February 14, 2008

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

SCHEDULE 13G

**Under the Securities Exchange Act of 1934
(Amendment No. 3)***

GRAY TELEVISION, INC.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

389375106

(CUSIP Number)

December 31, 2007

(Date of Event Which Requires Filing of this Statement)

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)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 389375106

Page 2 of 11

1 NAMES OF REPORTING PERSONS
Highland Capital Management, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2
(a)
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

| | | |
|--------------|----------|--------------------------|
| | 5 | SOLE VOTING POWER |
| NUMBER OF | | 6,208,919 |
| SHARES | 6 | SHARED VOTING POWER |
| BENEFICIALLY | | 680,667 |
| OWNED BY | | |
| EACH | 7 | SOLE DISPOSITIVE POWER |
| REPORTING | | 6,208,919 |
| PERSON | | |
| WITH: | 8 | SHARED DISPOSITIVE POWER |
| | | 680,667 |

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
6,889,586

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

16.3%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN/IA

CUSIP No. 389375106

Page 3 of 11

1 NAMES OF REPORTING PERSONS
Strand Advisors, Inc.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2
(a)
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

5 SOLE VOTING POWER
NUMBER OF 6,208,919

6 SHARED VOTING POWER
SHARES BENEFICIALLY OWNED BY 680,667

7 SOLE DISPOSITIVE POWER
EACH REPORTING PERSON 6,208,919

8 SHARED DISPOSITIVE POWER
WITH: 680,667

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
6,889,586

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

16.3%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

CO/HC

CUSIP No. 389375106

Page 4 of 11

1 NAMES OF REPORTING PERSONS
James Dondero

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2
(a)
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
United States

5 SOLE VOTING POWER
NUMBER OF 6,208,919

6 SHARED VOTING POWER
SHARES BENEFICIALLY OWNED BY 680,667

7 SOLE DISPOSITIVE POWER
EACH REPORTING PERSON 6,208,919

8 SHARED DISPOSITIVE POWER
WITH: 680,667

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
6,889,586

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

16.3%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN/HC

CUSIP No. 389375106

Page 5 of 11

1 NAMES OF REPORTING PERSONS
Highland Credit Strategies Fund (1)

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2
(a)
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

5 SOLE VOTING POWER
NUMBER OF 0

6 SHARED VOTING POWER
SHARES BENEFICIALLY OWNED BY 357,343

7 SOLE DISPOSITIVE POWER
EACH REPORTING PERSON 0

8 SHARED DISPOSITIVE POWER
WITH: 357,343

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
357,343

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.84%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

OO

(1) The Reporting Person may be deemed to be the beneficial owner of the shares of the Issuer's Common Stock beneficially owned by the other Reporting Persons. However, with respect to the matters described herein, no other Reporting Person may bind, obligate or take any action, directly or indirectly, on behalf of Highland Credit Strategies Fund. The Reporting Person expressly disclaims membership in 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.

CUSIP No. 389375106

Page 6 of 11

1 NAMES OF REPORTING PERSONS
Restoration Opportunities Fund (1)

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2
(a)
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

5 SOLE VOTING POWER
NUMBER OF 0

6 SHARED VOTING POWER
SHARES BENEFICIALLY OWNED BY 153,279

7 SOLE DISPOSITIVE POWER
EACH REPORTING PERSON 0

8 SHARED DISPOSITIVE POWER
WITH: 153,279

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
153,279

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.36%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

OO

(1) The Reporting Person may be deemed to be the beneficial owner of the shares of the Issuer's Common Stock beneficially owned by the other Reporting Persons. However, with respect to the matters described herein, no other Reporting Person may bind, obligate or take any action, directly or indirectly, on behalf of Restoration Opportunities Fund. The Reporting Person expressly disclaims membership in 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.

CUSIP No. 389375106

Page 7 of 11

1 NAMES OF REPORTING PERSONS
Highland Multi-Strategy Onshore Master SubFund, L.L.C.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2
(a)
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

5 SOLE VOTING POWER
NUMBER OF 0

6 SHARED VOTING POWER
SHARES BENEFICIALLY OWNED BY 170,045

7 SOLE DISPOSITIVE POWER
EACH REPORTING PERSON 0

8 SHARED DISPOSITIVE POWER
WITH: 170,045

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
170,045

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.4%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

OO

CUSIP No. 389375106

Page 8 of 11

1 NAMES OF REPORTING PERSONS
 Highland Multi-Strategy Master Fund, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2
 (a)
 (b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
 Bermuda

5 SOLE VOTING POWER
 NUMBER OF 0

6 SHARED VOTING POWER
 SHARES BENEFICIALLY OWNED BY 170,045

7 SOLE DISPOSITIVE POWER
 EACH REPORTING PERSON 0

8 SHARED DISPOSITIVE POWER
 WITH: 170,045

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 170,045

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.4%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN/HC

Item 1(a) Name of Issuer:

Gray Television, Inc. (the *Issuer*).

Item 1(b) Address of Issuers Principal Executive Offices:

4370 Peachtree Road, Atlanta, GA 30319.

Item 2(a) Name of Persons Filing:

This statement is filed by and on behalf of: (i) Highland Capital Management, L.P. (*Highland Capital*); (ii) Strand Advisors, Inc. (*Strand*); (iii) James D. Dondero (*Dondero*); (iv) Highland Credit Strategies Fund (*Credit Fund*); (v) Restoration Opportunities Fund (*Restoration Fund*); (vi) Highland Multi-Strategy Onshore Master SubFund, L.L.C. (*Multi-Strategy SubFund*); and (vii) Highland Multi-Strategy Master Fund, L.P. (*Multi-Strategy Master Fund*).

Highland Capital principally serves as an investment adviser and/or manager to other persons, including Credit Fund, Restoration Fund, Multi-Strategy SubFund and Multi-Strategy Master Fund; Highland Capital may be deemed to beneficially own shares owned and/or held by and/or for the account of and/or benefit of other persons, including Credit Fund, Restoration Fund, Multi-Strategy SubFund and Multi-Strategy Master Fund. Strand serves as the general partner of Highland Capital; Strand may be deemed to beneficially own shares owned and/or held by and/or for the account of and/or benefit of Highland Capital. Dondero is the President and a director of Strand; Dondero may be deemed to beneficially own shares owned and/or held by and/or for the account of and/or benefit of Strand.

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, the beneficial owner of any securities covered by this statement.

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.

Item 2(b) Address of Principal Business Office or, if non Residence:

The address of the principal business office of each of the reporting persons is Two Galleria Tower, 13455 Noel Road, Suite 800, Dallas, Texas 75240.

Item 2(c) Citizenship:

See Item 4 of each cover page for the respective reporting persons.

Item 2(d) Title of Class of Securities:

Common Stock, no par value (the *Common Stock*).

Item 2(e) CUSIP Number:

389375106.

Item 3 Status of Persons Filing.

Not applicable.

Item 4 Ownership.

(a) Amount Beneficially Owned:

See Item 9 of each cover page for the respective reporting persons.

(b) Percent of Class:

See Item 11 of each cover page for the respective reporting persons.

(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote:

See Item 5 of each cover page for the respective reporting persons.

(ii) Shared power to vote or to direct the vote:

See Item 6 of each cover page for the respective reporting persons.

(iii) Sole power to dispose or to direct the disposition of:

See Item 7 of each cover page for the respective reporting persons.

(iv) Shared power to dispose or to direct the disposition of:

See Item 8 of each cover page for the respective reporting persons.

Item 5 Ownership of 5% or Less of a Class.

Not applicable.

Item 6 Ownership of More than 5% on Behalf of Another Person.

Highland Capital serves as an investment adviser and/or manager to other persons, including Credit Fund, Restoration Fund, Multi-Strategy SubFund and Multi-Strategy Master Fund; Highland Capital 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 Fund, Restoration Fund, Multi-Strategy SubFund and Multi-Strategy Master Fund.

Item 7 Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.

Not applicable.

Item 8 Identification and Classification of Members of the Group.

Not applicable.

Item 9 Notice of Dissolution of Group.

Not applicable.

Item 10 Certifications.

By signing below I certify that, to the best of my 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.

SIGNATURES

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 14, 2008

Highland Credit Strategies Fund

By: /s/ James D. Dondero

James D. Dondero, President

Restoration Opportunities Fund

By: /s/ James D. Dondero

James D. Dondero, President

Highland Multi-Strategy Onshore Master SubFund, L.L.C.

By: Highland Multi-Strategy Master Fund, L.P., its managing member

By: Highland Multi-Strategy Fund GP, L.P., its general partner

By: Highland Multi-Strategy Fund GP, L.L.C., its general partner

By: Highland Capital Management, L.P., its sole member

By: Strand Advisors, Inc., its general partner

By: /s/ James D. Dondero

James D. Dondero, President

Highland Multi-Strategy Master Fund, L.P.

By: Highland Multi-Strategy Fund GP, L.P., its general partner

By: Highland Multi-Strategy Fund GP, L.L.C., its general partner

By: Highland Capital Management, L.P., its sole member

By: Strand Advisors, Inc., its general partner

By: /s/ James D. Dondero

James D. Dondero, President

Highland Capital Management, L.P.

By: Strand Advisors, Inc., its general partner

By: /s/ James D. Dondero

James D. Dondero, President

Strand Advisors, Inc.

By: /s/ James D. Dondero

James D. Dondero, President

James D. Dondero

/s/ James D. Dondero