

MHR INSTITUTIONAL PARTNERS LP
 Form 4
 March 01, 2007

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

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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 *
 RACHESKY MARK H MD

2. Issuer Name and Ticker or Trading Symbol
 LORAL SPACE & COMMUNICATIONS INC. [LORL]

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

(Last) (First) (Middle)
 40 WEST 57TH STREET, 24TH FLOOR
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 02/27/2007

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

NEW YORK, NY 10019

(City) (State) (Zip)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	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)

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)				
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Series A-1 Preferred Stock <u>(1)</u>	\$ 30.1504	02/27/2007	P		15,643		02/27/2007	<u>(10)</u>	Common Stock	156,430
Series A-1 Preferred Stock <u>(1)</u>	\$ 30.1504	02/27/2007	P		1,809		02/27/2007	<u>(10)</u>	Common Stock	18,090
Series A-1 Preferred Stock <u>(1)</u>	\$ 30.1504	02/27/2007	P		7,759		02/27/2007	<u>(10)</u>	Common Stock	77,590
Series A-1 Preferred Stock <u>(1)</u>	\$ 30.1504	02/27/2007	P		19,547		02/27/2007	<u>(10)</u>	Common Stock	195,470
Series A-1 Preferred Stock <u>(1)</u>	\$ 30.1504	02/27/2007	P		91,768		02/27/2007	<u>(10)</u>	Common Stock	917,680
Series B-1 Preferred Stock <u>(2)</u>	\$ 30.1504	02/27/2007	P		98,362		<u>(8)</u>	<u>(10)</u>	Common Stock <u>(9)</u>	983,620
Series B-1 Preferred Stock <u>(2)</u>	\$ 30.1504	02/27/2007	P		11,372		<u>(8)</u>	<u>(10)</u>	Common Stock <u>(9)</u>	113,720
Series B-1 Preferred Stock <u>(2)</u>	\$ 30.1504	02/27/2007	P		48,787		<u>(8)</u>	<u>(10)</u>	Common Stock <u>(9)</u>	487,870
Series B-1 Preferred Stock <u>(2)</u>	\$ 30.1504	02/27/2007	P		122,910		<u>(8)</u>	<u>(10)</u>	Common Stock <u>(9)</u>	1,229,100
Series B-1 Preferred	\$ 30.1504	02/27/2007	P		577,055		<u>(8)</u>	<u>(10)</u>	Common Stock <u>(9)</u>	5,770,550

Stock ⁽²⁾**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
RACHESKY MARK H MD 40 WEST 57TH STREET 24TH FLOOR NEW YORK, NY 10019	X	X		
MHR Capital Partners Master Account LP 40 WEST 57TH STREET 24TH FLOOR NEW YORK, NY 10019		X		
MHR ADVISORS LLC 40 WEST 57TH STREET 24TH FLOOR NEW YORK, NY 10019		X		
MHR INSTITUTIONAL PARTNERS LP 40 WEST 57TH STREET 24TH FLOOR NEW YORK, NY 10019		X		
MHR Institutional Advisors LLC 40 WEST 57TH STREET 24TH FLOOR NEW YORK, NY 10019		X		
MHR Institutional Partners IIA LP 40 WEST 57TH STREET 24TH FLOOR NEW YORK, NY 10019		X		
MHR Institutional Advisors II LLC 40 WEST 57TH STREET 24TH FLOOR NEW YORK, NY 10019		X		
MHR Institutional Partners III LP 40 WEST 57TH STREET 24TH FLOOR NEW YORK, NY 10019		X		
MHR Institutional Advisors III LLC 40 WEST 57TH STREET 24TH FLOOR NEW YORK, NY 10019		X		
MHR FUND MANAGEMENT LLC 40 WEST 57TH STREET		X		

24TH FLOOR
NEW YORK, NY 10019

Signatures

/s/ Mark H.
Rachesky

03/01/2007

**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) These shares of Series A-1 Cumulative 7.50% Convertible Preferred Stock, par value \$0.01 per share, of Loral Space & Communications Inc. (the "Issuer") were issued pursuant to the Securities Purchase Agreement, dated as of October 17, 2006, as amended and restated on February 27, 2007, by and between the Issuer and MHR Fund Management LLC, a Delaware limited liability company ("Fund Management") (as so amended and restated, the "Securities Purchase Agreement"), as described further in the Schedule 13D/A filed with the Securities and Exchange Commission by the Reporting Persons on February 28, 2007 (the "Schedule 13D/A").
- (2) These shares of Series B-1 Cumulative 7.50% Convertible Preferred Stock, par value \$0.01 per share, of the Issuer (the "Series B-1 Preferred Stock") were issued pursuant to the Securities Purchase Agreement, as described further in the Schedule 13D/A.
- (3) These shares are held for the account of MHR Capital Partners Master Account LP, an Anguilla, British West Indies limited partnership ("Master Account"). MHR Advisors LLC, a Delaware limited liability company ("Advisors"), is the general partner of Master Account. Mark H. Rachesky, M.D. ("Dr. Rachesky") is the managing member of Advisors. In such capacity, Dr. Rachesky may be deemed to be the beneficial owner of the shares held for the account of Master Account. Fund Management has an investment management agreement with Master Account pursuant to which it has the power to vote or direct the vote and to dispose or to direct the disposition of the shares held for the account of Master Account and, accordingly, Fund Management may be deemed to beneficially own the shares held for the account of Master Account.
- (4) These shares are held for the account of MHR Capital Partners (100) LP, a Delaware limited partnership ("Capital Partners (100)"). Advisors is the general partner of Capital Partners (100). Dr. Rachesky is the managing member of Advisors. In such capacity, Dr. Rachesky may be deemed to be the beneficial owner of the shares held for the account of Capital Partners (100). Fund Management has an investment management agreement with Capital Partners (100) pursuant to which it has the power to vote or direct the vote and to dispose or to direct the disposition of the shares held for the account of Capital Partners (100) and, accordingly, Fund Management may be deemed to beneficially own the shares held for the account of Capital Partners (100).
- (5) These shares are held for the account of MHR Institutional Partners II LP, a Delaware limited partnership ("Institutional Partners II"). MHR Institutional Advisors II LLC, a Delaware limited liability company ("Institutional Advisors II"), is the general partner of Institutional Partners II. Dr. Rachesky is the managing member of Institutional Advisors II. In such capacity, Dr. Rachesky may be deemed to be the beneficial owner of the shares held for the account of Institutional Partners II. Fund Management has an investment management agreement with Institutional Partners II pursuant to which it has the power to vote or direct the vote and to dispose or to direct the disposition of the shares held for the account of Institutional Partners II and, accordingly, Fund Management may be deemed to beneficially own the shares held for the account of Institutional Partners II.
- (6) These shares are held for the account of MHR Institutional Partners IIA LP, a Delaware limited partnership ("Institutional Partners IIA"). Institutional Advisors II is the general partner of Institutional Partners IIA. Dr. Rachesky is the managing member of Institutional Advisors II. In such capacity, Dr. Rachesky may be deemed to be the beneficial owner of the shares held for the account of Institutional Partners IIA. Fund Management has an investment management agreement with Institutional Partners IIA pursuant to which it has the power to vote or direct the vote and to dispose or to direct the disposition of the shares held for the account of Institutional Partners IIA and, accordingly, Fund Management may be deemed to beneficially own the shares held for the account of Institutional Partners IIA.
- (7) These shares are held for the account of MHR Institutional Partners III LP, a Delaware limited partnership ("Institutional Partners III"). MHR Institutional Advisors III LLC, a Delaware limited liability company ("Institutional Advisors III") is the general partner of Institutional Partners III. Dr. Rachesky is the managing member of Institutional Advisors III. In such capacity, Dr. Rachesky may be deemed to be the beneficial owner of the shares held for the account of Institutional Partners III. Fund Management has an investment management agreement with Institutional Partners III pursuant to which it has the power to vote or direct the vote and to dispose or to direct the disposition of the shares held for the account of Institutional Partners III and, accordingly, Fund Management may be deemed to beneficially own the shares held for the account of Institutional Partners III.

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- (8) The shares of Series B-1 Preferred Stock are convertible into shares of Common Stock only upon the date that either the Reporting Persons or an unrelated third party beneficially owns more than 50% of the shares of Common Stock, as described further in the Schedule 13D/A (the "Majority Ownership Date").

- (9) Prior to the Majority Ownership Date, the shares of Series B-1 Preferred Stock are only convertible into shares of Class B-1 Non-Voting Common Stock, par value \$0.01, of the Issuer (the "Class B-1 Non-Voting Stock"), provided that the Issuer has filed an amendment to its Certificate of Incorporation authorizing the issuance of the Class B-1 Non-Voting Stock (the "Class B Non-Voting Stock Authorization"). Prior to the Class B Non-Voting Stock Authorization, the shares of Series B-1 Preferred Stock are not convertible into any other securities of the Issuer.

- (10) None

Remarks:

The filing of this statement shall not be deemed an admission that any of the Reporting Persons is the beneficial owner of any

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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