

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>HIGHLAND CAPITAL MANAGEMENT LP</u> (Last) (First) (Middle) 13455 NOEL ROAD SUITE 800 (Street) DALLAS TX 75240 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>GRAY TELEVISION INC [GTN]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) 07/09/2007	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	07/09/2007		P		10,400	A	\$9.26	5,483,986 ⁽⁶⁾	I	See Footnote ⁽¹⁾⁽²⁾⁽³⁾⁽⁷⁾
Common Stock ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	07/10/2007		P		75,000	A	\$9.2108	5,558,986 ⁽⁸⁾	I	See Footnote ⁽¹⁾⁽²⁾⁽³⁾⁽⁷⁾

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					

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)

1. Name and Address of Reporting Person*
DONDERO JAMES D
 (Last) (First) (Middle)
 13455 NOEL ROAD
 SUITE 800
 (Street)
 DALLAS TX 75240
 (City) (State) (Zip)

1. Name and Address of Reporting Person*
Highland Credit Strategies Fund

(Last) (First) (Middle)

13455 NOEL ROAD
SUITE 800

(Street)
DALLAS TX 75240

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[Strand Advisors, Inc.](#)

(Last) (First) (Middle)

13455 NOEL ROAD
SUITE 800

(Street)
DALLAS TX 75240

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[Highland Multi-Strategy Onshore Master
SubFund, L.L.C.](#)

(Last) (First) (Middle)

13455 NOEL ROAD
SUITE 800

(Street)
DALLAS TX 75240

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[Highland Multi-Strategy Master Fund, L.P.](#)

(Last) (First) (Middle)

13455 NOEL ROAD
SUITE 800

(Street)
DALLAS TX 75240

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[Highland Multi-Strategy Fund GP, L.P.](#)

(Last) (First) (Middle)

13455 NOEL ROAD
SUITE 800

(Street)
DALLAS TX 75240

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[Highland Multi-Strategy Fund GP, L.L.C.](#)

(Last) (First) (Middle)

13455 NOEL ROAD
SUITE 800

(Street)
DALLAS TX 75240

(City)

(State)

(Zip)

Explanation of Responses:

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. ("Capital Management"); (vii) Strand Advisors, Inc. ("Strand"); and (viii) James D. Dondero.
2. 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. 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. Capital Management serves as an investment adviser and/or manager to other persons, including Credit Strategies Fund and Multi-Strategy SubFund.
3. 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 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 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.
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 July 9, 2007, Capital Management acquired 10,400 shares. Following the reported transactions, Capital Management beneficially owned 5,483,986 shares, which includes 357,434 shares owned and/or held by and/or for the account and/or benefit of Credit Strategies Fund and includes 1,400 shares owned and/or held by and/or for the account and/or benefit of Multi-Strategy SubFund.
7. Neither Mr. Dondero, Capital Management, nor any other reporting person may bind, obligate or take any action, directly or indirectly, on behalf of Credit Strategies Fund.
8. On July 10, 2007, Capital Management acquired 75,000 shares. Following the reported transactions, Capital Management beneficially owned 5,558,986 shares, which includes 357,434 shares owned and/or held by and/or for the account and/or benefit of Credit Strategies Fund and includes 76,400 shares owned 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 December 18, 2006 by the reporting persons with respect to the issuer)

[Highland Capital Management,
L.P. By: Strand Advisors, Inc., 07/11/2007
its general partner /s/ James D.
Dondero, President](#)

** Signature of Reporting Person Date

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

* 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).

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

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 Number.

JOINT FILER INFORMATION

OTHER REPORTING PERSON(S)

1. HIGHLAND CREDIT STRATEGIES FUND

ITEM INFORMATION

Name: Highland
Credit
Strategies Fund
Address: Two
Galleria Tower
13455 Noel Road,
Ste. 800 Dallas,
Texas 75240
Designated
Filer: Highland
Capital
Management, L.P.
Issuer Name and
Ticker or Gray
Television, Inc
[GTN] Trading
Symbol: Date of
Earliest
Transaction July
9, 2007 Required
to be Reported
(Month/Day/Year):
If Amendment,
Date Original
Not Applicable
Filed
(Month/Day/Year):
Relationship of
Reporting 10%
Owner Person(s)
to Issuer:
Individual or
Joint/Group
Filing: Form
filed by More
than One
Reporting Person
Signature: By:
/s/ James D.
Dondero -----

----- Name:
James D. Dondero
Title: President
Date: July 11,
2007

2. HIGHLAND MULTI-STRATEGY ONSHORE MASTER SUBFUND, L.L.C.

ITEM INFORMATION

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

Address: Two
Galleria Tower
13455 Noel Road,
Ste. 800 Dallas,
Texas 75240

Designated
Filer: Highland
Capital

Management, L.P.
Issuer Name and
Ticker or Gray
Television, Inc

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Relationship of
Reporting 10%
Owner Person(s)
to Issuer:

Individual or
Joint/Group
Filing: Form
filed by More
than One

Reporting Person
Signature: 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

Name: James D.
Dondero Title:
President Date:
July 11, 2007

3. HIGHLAND MULTI-STRATEGY MASTER FUND, L.P.

ITEM INFORMATION

Name: Highland
Multi-Strategy
Master Fund,
L.P. Address:
Two Galleria
Tower 13455 Noel
Road, Ste. 800
Dallas, Texas
75240 Designated
Filer: Highland
Capital
Management, L.P.
Issuer Name and
Ticker or Gray
Television, Inc
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to Issuer:
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Filing: Form
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than One
Reporting Person
Signature: 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

Name: James D.
Dondero Title:
President Date:
July 11, 2007

4. HIGHLAND MULTI-STRATEGY FUND GP, L.P.

ITEM INFORMATION

Name: Highland
Multi-Strategy
Fund GP, L.P.

Address: Two
Galleria Tower
13455 Noel Road,
Ste. 800 Dallas,
Texas 75240

Designated
Filer: Highland
Capital
Management, L.P.

Issuer Name and
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Owner Person(s)
to Issuer:

Individual or
Joint/Group
Filing: Form
filed by More
than One

Reporting Person
Signature: 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

Name: James D.
Dondero Title:
President Date:
July 11, 2007

5. HIGHLAND MULTI-STRATEGY FUND GP, L.L.C.

ITEM INFORMATION

Name: Highland
Multi-Strategy
Fund GP, L.L.C.

Address: Two
Galleria Tower
13455 Noel Road,
Ste. 800 Dallas,
Texas 75240

Designated
Filer: Highland
Capital

Management, L.P.
Issuer Name and
Ticker or Gray
Television, Inc

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to Issuer:
Individual or
Joint/Group

Filing: Form
filed by More
than One

Reporting Person
Signature: By:

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

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

Name: James D.
Dondero Title:
President Date:
July 11, 2007

6. STRAND ADVISORS, INC.

ITEM INFORMATION

Name: Strand
Advisors, Inc.
Address: Two
Galleria Tower
13455 Noel Road,
Ste. 800 Dallas,
Texas 75240

Designated
Filer: Highland
Capital

Management, L.P.

Issuer Name and
Ticker or Gray
Television, Inc
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Reporting 10%
Owner Person(s)

to Issuer:

Individual or
Joint/Group

Filing: Form
filed by More
than One

Reporting Person

Signature: By:

/s/ James D.

Dondero -----

----- Name:

James D. Dondero

Title: President

Date: July 11,
2007

7. JAMES D. DONDERO

ITEM INFORMATION

Name: James D.

Dondero Address:

Two Galleria

Tower 13455 Noel

Road, Ste. 800

Dallas, Texas

75240 Designated

Filer: Highland

Capital

Management, L.P.

Issuer Name and

Ticker or Gray

Television, Inc

[GTN] Trading

Symbol: Date of

Earliest

Transaction July

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(Month/Day/Year):

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Date Original

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(Month/Day/Year):

Relationship of

Reporting 10%

Owner Person(s)

to Issuer:

Individual or

Joint/Group

Filing: Form

filed by More

than One

Reporting Person

Signature: By:

/s/ James D.

Dondero -----

----- Name:

James D. Dondero

Date: July 11,

2007