

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 | |
|--|-----------|
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| | | |
|---|---|--|
| 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) 07/31/2007 | |
| 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⁾⁽⁶⁾ | 07/31/2007 | | P | | 44,000 | A | \$8 | 5,707,586 | I | See Footnote ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁷⁾ |
| Common Stock ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ | 08/01/2007 | | P | | 39,800 | A | \$7.8238 | 5,747,386 | I | See Footnote ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽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) |
|--|--|--------------------------------------|--|--------------------------------|--|--|-----------------|---|--|--|---|--|
| | | | | | | Date Exercisable | Expiration Date | | | | | |
| | | | | | | | | | | | | |

| |
|---|
| 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) |
| 1. Name and Address of Reporting Person* <u>DONDERO JAMES D</u> (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)

Explanation of Responses:

1. This statement is filed by and on behalf of: (i) Highland Capital Management, L.P. ("Capital Management"); (ii) Strand Advisors, Inc. ("Strand"); and (iii) James D. Dondero.
2. Capital Management serves as investment adviser and/or manager to other persons, including Highland Credit Strategies Fund ("Credit Fund"), Restoration Opportunities Fund ("Restoration Fund"), and Highland Multi-Strategy Onshore Master SubFund ("SubFund"). 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 Fund, Restoration Fund and SubFund.
3. 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.
4. 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.
5. 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.
6. 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.
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 Fund or Restoration Fund.

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., 08/02/2007
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.

1. 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
[GTN] Trading
Symbol: Date of
Earliest
Transaction July
31, 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: August 2,
2007

2. 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

31, 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

Date: August 2,

2007