STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

1. Name and Address of Reporting Person
HIGHLAND CAPITAL MANAGEMENT LP

2. Issuer Name and Ticker or Trading Symbol
GRAY TELEVISION INC [ GTN ]

5. Relationship of Reporting Person(s) to Issuer
(Other (specify below))

3. Date of Earliest Transaction (Month/Day/Year)
07/31/2007

4. If Amendment, Date of Original Filed

6. Individual or Joint/Group Filing (Check Applicable Line)
Form filed by One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)
Common Stock

2. Transaction Date (Month/Day/Year)
07/31/2007

3A. Deemed Execution Date, if any (Month/Day/Year)
P

4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)
A

5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)
44,000

6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)
D

7. Nature of Indirect Beneficial Ownership (Instr. 4)
See Footnote

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)
07/31/2007

4. Transaction Code (Instr. 8)
P

5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)
4,000

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)

1. Name and Address of Reporting Person
DONDERO JAMES D

2. Conversion or Exercise Price of Derivative Security

3. Transaction Date (Month/Day/Year)
07/31/2007

4. Transaction Code (Instr. 8)
P

5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)
4,000

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)
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., its general partner /s/ James D. Dondero, President 08/02/2007

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).


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 Filed Not Applicable 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
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 Owner Person(s) to Issuer:
10% Individual or Joint/Group Filing: Form filed by More than One Reporting Person
Signature: By:
/s/ James D. Dondero
Date: August 2, 2007