

LORAL SPACE & COMMUNICATIONS INC.

Form SC 13D/A

March 17, 2011

Table of Contents

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

[RULE 13D-101]

**INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO § 240.13d-1(a) AND
AMENDMENTS THERETO FILED PURSUANT TO § 240.13d-2(a)**

(Amendment No. 18)*

Loral Space & Communications Inc.

(Name of Issuer)

Common Stock, Par Value \$.01 Per Share

(Title of Class of Securities)

543881106

(CUSIP Number)

Doron Lipshitz, Esq.

O Melveny & Myers LLP

7 Times Square

New York, New York 10036

(212) 326-2000

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

March 15, 2011

(Date of Event which Requires Filing
of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box o.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

Continued on following pages

(Page 1 of 17 Pages)

* 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 disclosures provided in a prior cover page.

The information required on 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).

Table of Contents

CUSIP No.
543881106

13D

Page 2 of 17
Pages

NAMES OF REPORTING PERSONS

1 MHR CAPITAL PARTNERS MASTER ACCOUNT LP

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

2
(a) ☐
(b) ☐

3 SEC USE ONLY

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)

N/A

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

☐

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Anguilla, British West Indies

7 SOLE VOTING POWER

NUMBER OF 1,115,347

SHARES
BENEFICIALLY OWNED BY **8** SHARED VOTING POWER
0

EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER
		1,115,347

WITH	10	SHARED DISPOSITIVE POWER
		0

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
	1,115,347

12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)
	0

13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
	5.3%

14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
	PN

Table of Contents

CUSIP No.
543881106

13D

Page 3 of 17
Pages

NAMES OF REPORTING PERSONS

1 MHR ADVISORS LLC

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

2
(a) ☐
(b) ☐

3 SEC USE ONLY

4 SOURCE OF FUNDS (SEE INSTRUCTIONS):

N/A

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

☐

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

NUMBER OF 1,264,606

SHARES
BENEFICIALLY OWNED BY **8** SHARED VOTING POWER
0

EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER
		1,264,606

WITH	10	SHARED DISPOSITIVE POWER
		0

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
	1,264,606

12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)
	o

13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
	6.0%

14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
	OO

Table of Contents

CUSIP No.
543881106

13D

Page 4 of 17
Pages

NAMES OF REPORTING PERSONS

1 MHR INSTITUTIONAL PARTNERS LP

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

2
(a) ☐
(b) ☐

3 SEC USE ONLY

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)

N/A

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

☐

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

NUMBER OF 2,123,874

SHARES
BENEFICIALLY OWNED BY **8** SHARED VOTING POWER
0

EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER
		2,123,874

WITH	10	SHARED DISPOSITIVE POWER
		0

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
	2,123,874

12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)
	0

13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
	10.0%

14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
	PN

Table of Contents

CUSIP No.
543881106

13D

Page 5 of 17
Pages

NAMES OF REPORTING PERSONS

1 MHR INSTITUTIONAL ADVISORS LLC

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

2
(a) ☐
(b) ☐

3 SEC USE ONLY

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)
N/A

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)
☐

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

7 SOLE VOTING POWER

NUMBER OF 2,634,891

SHARES
BENEFICIALLY OWNED BY **8** SHARED VOTING POWER
0

EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER
		2,634,891

WITH	10	SHARED DISPOSITIVE POWER
		0

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
	2,634,891

12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)
	o

13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
	12.5%

14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
	OO

Table of Contents

CUSIP No. 543881106	13D	Page 6 of 17 Pages
NAMES OF REPORTING PERSONS		
1	MHR INSTITUTIONAL PARTNERS IIA LP	
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)		
2	(a) o (b) p	
3	SEC USE ONLY	
4	SOURCE OF FUNDS (SEE INSTRUCTIONS) N/A	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) o	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
7	SOLE VOTING POWER	
NUMBER OF	2,418,660	
8	SHARED VOTING POWER	
OWNED BY	0	

EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER
		2,418,660

WITH	10	SHARED DISPOSITIVE POWER
		0

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
	2,418,660

12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)
	0

13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
	11.4%

14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
	PN

Table of Contents

CUSIP No.
543881106

13D

Page 7 of 17
Pages

NAMES OF REPORTING PERSONS

1 MHR INSTITUTIONAL ADVISORS II LLC

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

2
(a) ☐
(b) ☐

3 SEC USE ONLY

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)
N/A

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)
☐

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

7 SOLE VOTING POWER

NUMBER OF 3,378,693

SHARES
BENEFICIALLY OWNED BY **8** SHARED VOTING POWER
0

EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER
		3,378,693

WITH	10	SHARED DISPOSITIVE POWER
		0

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
	3,378,693

12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)
	o

13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
	16.0%

14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
	OO

Table of Contents

CUSIP No.
543881106

13D

Page 8 of 17
Pages

NAMES OF REPORTING PERSONS

1

MHR FUND MANAGEMENT LLC

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

2

(a) ☐

(b) ☐

3

SEC USE ONLY

4

SOURCE OF FUNDS (SEE INSTRUCTIONS)

N/A

5

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

☐

6

CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7

SOLE VOTING POWER

NUMBER OF

8,129,719

SHARES BENEFICIALLY OWNED BY

8

SHARED VOTING POWER

0

EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER
		8,129,719

WITH	10	SHARED DISPOSITIVE POWER
		0

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
	8,129,719

12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)
	o

13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
	38.4%

14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
	OO

Table of Contents

CUSIP No.
543881106

13D

Page 9 of 17
Pages

NAMES OF REPORTING PERSONS

1 MARK H. RACHESKY, M.D.

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

2
(a) ☐
(b) ☐

SEC USE ONLY

3

SOURCE OF FUNDS (SEE INSTRUCTIONS)

4
N/A

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2(d) OR 2(e)

5
☐

CITIZENSHIP OR PLACE OF ORGANIZATION

6
United States of America

SOLE VOTING POWER

7

NUMBER OF 8,154,719

SHARES SHARED VOTING POWER
BENEFICIALLY **8**
OWNED BY 0

EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER
		8,154,719

WITH	10	SHARED DISPOSITIVE POWER
		0

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
	8,154,719

12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)
	o

13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
	38.6%

14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
	IN; HC

TABLE OF CONTENTS

Item 5. Interest in Securities of the Issuer.

SIGNATURES

Table of Contents

Page 10 of 17 Pages

This statement on Schedule 13D (this Statement) further amends and supplements, as Amendment No. 18, the Schedule 13D filed on November 30, 2005 (the Original 13D), which was amended on October 19, 2006 by Amendment No. 1 to the Original 13D (Amendment No. 1), on October 30, 2006 by Amendment No. 2 to the Original 13D (Amendment No. 2), on February 28, 2007 by Amendment No. 3 to the Original 13D (Amendment No. 3), on March 23, 2007 by Amendment No. 4 to the Original 13D (Amendment No. 4), on August 9, 2007 by Amendment No. 5 to the Original 13D (Amendment No. 5), on August 31, 2007 by Amendment No. 6 to the Original 13D (Amendment No. 6), on November 2, 2007 by Amendment No. 7 to the Original 13D (Amendment No. 7), on July 17, 2008 by Amendment No. 8 to the Original 13D (Amendment No. 8), on October 22, 2008 by Amendment No. 9 to the Original 13D (Amendment No. 9), on November 12, 2008 by Amendment No. 10 to the Original 13D (Amendment No. 10), on November 24, 2008 by Amendment No. 11 to the Original 13D (Amendment No. 11), on December 4, 2008 by Amendment No. 12 to the Original 13D (Amendment No. 12), on December 5, 2008 by Amendment No. 13 to the Original 13D (Amendment No. 13), on December 8, 2008 by Amendment No. 14 to the Original 13D (Amendment No. 14), on December 24, 2008 by Amendment No. 15 to the Original 13D (Amendment No. 15), on March 20, 2009 by Amendment No. 16 to the Original 13D (Amendment No. 16), and on July 2, 2009 by Amendment No. 17 to the Original 13D (Amendment No. 17) and, together with the Original 13D, Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, Amendment No. 5, Amendment No. 6, Amendment No. 7, Amendment No. 8, Amendment No. 9, Amendment No. 10, Amendment No. 11, Amendment No. 12, Amendment No. 13, Amendment No. 14, Amendment No. 15 and Amendment No. 16, the Schedule 13D), and relates to the common stock, par value \$0.01 per share (the Common Stock), of Loral Space & Communications Inc. (the Issuer). Capitalized terms used in this Statement but not defined herein shall have the respective meanings given to such terms in Amendment No. 17.

This Statement is being filed by Master Account, Advisors, Institutional Partners, Institutional Advisors, Institutional Partners IIA, Institutional Advisors II, Fund Management and Dr. Rachesky (the Reporting Persons) to report a decrease in the percentage of outstanding shares of Common Stock beneficially owned by the Reporting Persons resulting solely from an increase in the number of shares of Common Stock of the Issuer reported to be issued and outstanding, as disclosed in the Issuer's Annual Report on Form 10-K, filed March 15, 2011 (the Form 10-K).

Table of Contents

Page 11 of 18 Pages

Item 5. Interest in Securities of the Issuer.

Item 5 is hereby amended by deleting such Item in its entirety and replacing it with the following:

The percentages set forth below are calculated based on information contained in the Form 10-K, which disclosed that there were 21,149,598 shares of Common Stock outstanding as of March 1, 2011.

All references to percentage beneficial ownership in Item 1 and this Item 5(a) are calculated by reference only to the shares of Common Stock and without reference to the beneficial ownership of any shares of Non-Voting Common Stock, which are not a class of an equity security as defined by Rule 13d-1(i) of the Act. Reference to the Non-Voting Common Stock in the footnotes to this Item 5(a) are made supplementally and for informational purposes only.

(a) (i) Master Account may be deemed the beneficial owner of 1,115,347¹ shares of Common Stock held for its own account (approximately 5.3% of the total number of shares of Common Stock outstanding, calculated in accordance with Rule 13d-3(d)(1)(i) under the Act).

(ii) Capital Partners (100) may be deemed the beneficial owner of 149,259² shares of Common Stock held for its own account (approximately 0.7% of the total number of shares of Common Stock outstanding, calculated in accordance with Rule 13d-3(d)(1)(i) under the Act).

(iii) Advisors may be deemed the beneficial owner of 1,264,606³ shares of Common Stock (approximately 6.0% of the total number of shares of Common Stock outstanding, calculated in accordance with Rule 13d-3(d)(1)(i) under the Act). This number consists of (A) 1,115,347 shares of Common Stock held for the account of Master Account and (B) 149,259 shares of Common Stock held for the account of Capital Partners (100).

(iv) Institutional Partners may be deemed the beneficial owner of 2,123,874 shares of Common Stock held for its own account (approximately 10.0% of the total number of shares of Common Stock outstanding calculated in accordance with Rule 13d-3(d)(1)(i) under the Act).

Table of Contents

Page 12 of 17 Pages

(v) MHRA may be deemed the beneficial owner of 205,476 shares of Common Stock held for its own account (approximately 1.0% of the total number of shares of Common Stock outstanding calculated in accordance with Rule 13d-3(d)(1)(i) under the Act).

(vi) MHRM may be deemed the beneficial owner of 305,541 shares of Common Stock held for its own account (approximately 1.4% of the total number of shares of Common Stock outstanding calculated in accordance with Rule 13d-3(d)(1)(i) under the Act).

(vii) Institutional Advisors may be deemed the beneficial owner of 2,634,891 shares of Common Stock (approximately 12.5% of the total number of shares of Common Stock outstanding calculated in accordance with Rule 13d-3(d)(1)(i) under the Act). This number consists of (A) 2,123,874 shares of Common Stock held for the account of Institutional Partners, (B) 205,476 shares of Common Stock held for the account of MHRA and (C) 305,541 shares of Common Stock held for the account of MHRM.

(viii) Institutional Partners II may be deemed the beneficial owner of 960,033⁴ shares of Common Stock held for its own account (approximately 4.5% of the total number of shares of Common Stock outstanding, calculated in accordance with Rule 13d-3(d)(1)(i) under the Act).

(ix) Institutional Partners IIA may be deemed the beneficial owner of 2,418,660⁵ shares of Common Stock held for its own account (approximately 11.4% of the total number of shares of Common Stock outstanding calculated in accordance with Rule 13d-3(d)(1)(i) under the Act).

(x) Institutional Advisors II may be deemed the beneficial owner of 3,378,693⁶ shares of Common Stock (approximately 16.0% of the total number of shares of Common Stock outstanding calculated in accordance with Rule 13d-3(d)(1)(i) under the Act). This number consists of (A) 960,033 shares of Common Stock held for the account of Institutional Partners II, and (B) 2,418,660 shares of Common Stock held for the account of Institutional Partners IIA.

(xi) Institutional Partners III may be deemed the beneficial owner of 851,529⁷ shares of Common Stock held for its own account (approximately 4.0% of the total number of shares of Common Stock outstanding calculated in accordance with Rule 13d-3(d)(1)(i) under the Act).

Table of Contents

Page 13 of 17 Pages

(xii) Institutional Advisors III may be deemed the beneficial owner of 851,529⁸ shares of Common Stock (approximately 4.0% of the total number of shares of Common Stock outstanding calculated in accordance with Rule 13d-3(d)(1)(i) under the Act). This number consists of 851,529 shares of Common Stock held for the account of Institutional Partners III.

(xiii) Fund Management may be deemed the beneficial owner of 8,129,719⁹ shares of Common Stock (approximately 38.4% of the total number of shares of Common Stock outstanding, calculated in accordance with Rule 13d-3(d)(1)(i) under the Act). This number consists of all of the shares of Common Stock otherwise described in this Item 5(a) by virtue of Fund Management's investment management agreement with Master Account, Capital Partners (100), Institutional Partners, MHRA, MHRM, Institutional Partners II, Institutional Partners IIA and Institutional Partners III.

(xiv) Dr. Rachesky may be deemed the beneficial owner of 8,154,719¹⁰ shares of Common Stock (approximately 38.6% of the total number of shares of Common Stock outstanding, calculated in accordance with Rule 13d-3(d)(1)(i) under the Act). This number consists of (a) all of the shares of Common Stock otherwise described in this Item 5(a) by virtue of Dr. Rachesky's position as the managing member of each of Fund Management, Advisors, Institutional Advisors, Institutional Advisors II and Institutional Advisors III, and (b) 25,000 restricted shares of Common Stock, 2,500 of which vested on May 22, 2007, 5,000 of which vested on May 22, 2008, 2,500 of which vested on May 20, 2009, 2,500 of which vested on May 22, 2009, 2,500 of which vested on May 19, 2010, 2,500 of which vested on May 20, 2010, 2,500 of which will vest on May 18, 2011, 2,500 of which will vest on May 19, 2011, and 2,500 of which will vest on May 18, 2012.

(b) (i) Master Account may be deemed to have (x) the sole power to direct the disposition of 1,115,347 shares of Common Stock which may be deemed to be beneficially owned by Master Account as described above, and (y) the sole power to direct the voting of 1,115,347 shares of Common Stock which may be deemed to be beneficially owned by Master Account as described above.

(ii) Capital Partners (100) may be deemed to have (x) the sole power to direct the disposition of 149,259 shares of Common Stock which may be deemed to be beneficially owned by Capital Partners (100) as described above, and (y) the sole power to direct the voting of 149,259 shares of Common Stock which may be deemed to be beneficially owned by Capital Partners (100) as described above.

(iii) Advisors may be deemed to have (x) the sole power to direct the disposition of 1,264,606 shares of Common Stock which may be deemed to be beneficially owned by Advisors as described above, and (y) the sole power to direct the voting of 1,264,606 shares of Common Stock which may be deemed to be beneficially owned by Advisors as described above.

Table of Contents

Page 14 of 17 Pages

(iv) Institutional Partners may be deemed to have (x) the sole power to direct the disposition of 2,123,874 shares of Common Stock which may be deemed to be beneficially owned by Institutional Partners as described above, and (y) the sole power to direct the voting of 2,123,874 shares of Common Stock which may be deemed to be beneficially owned by Institutional Partners as described above.

(v) MHRA may be deemed to have (x) the sole power to direct the disposition of 205,476 shares of Common Stock which may be deemed to be beneficially owned by MHRA as described above, and (y) the sole power to direct the voting of 205,476 shares of Common Stock which may be deemed to be beneficially owned by MHRA as described above.

(vi) MHRM may be deemed to have (x) the sole power to direct the disposition of 305,541 shares of Common Stock which may be deemed to be beneficially owned by MHRM as described above, and (y) the sole power to direct the voting of 305,541 shares of Common Stock which may be deemed to be beneficially owned by MHRM as described above.

(vii) Institutional Advisors may be deemed to have (x) the sole power to direct the disposition of 2,634,891 shares of Common Stock which may be deemed to be beneficially owned by Institutional Advisors as described above, and (y) the sole power to direct the voting of 2,634,891 shares of Common Stock which may be deemed to be beneficially owned by Institutional Advisors as described above.

(viii) Institutional Partners II may be deemed to have (x) the sole power to direct the disposition of 960,033 shares of Common Stock which may be deemed to be beneficially owned by Institutional Partners II as described above, and (y) the sole power to direct the voting of 960,033 shares of Common Stock which may be deemed to be beneficially owned by Institutional Partners II as described above.

(ix) Institutional Partners IIA may be deemed to have (x) the sole power to direct the disposition of 2,418,660 shares of Common Stock which may be deemed to be beneficially owned by Institutional Partners IIA as described above, and (y) the sole power to direct the voting of 2,418,660 shares of Common Stock which may be deemed to be beneficially owned by Institutional Partners IIA as described above.

(x) Institutional Advisors II may be deemed to have (x) the sole power to direct the disposition of 3,378,693 shares of Common Stock which may be deemed to be beneficially owned by Institutional Advisors II as described above, and (y) the sole power to direct the voting of 3,378,693 shares of Common Stock which may be deemed to be beneficially owned by Institutional Advisors II as described above.

(xi) Institutional Partners III may be deemed to have (x) the sole power to direct the disposition of 851,529 shares of Common Stock which may be deemed to be beneficially owned by Institutional Partners III as described above, and (y) the sole power to direct the voting of 851,529 shares of Common Stock which may be deemed to be beneficially owned by Institutional Partners III as described above.

(xii) Institutional Advisors III may be deemed to have (x) the sole power to direct the disposition of 851,529 shares of Common Stock which may be deemed to be beneficially

Table of Contents

Page 15 of 17 Pages

owned by Institutional Advisors III as described above, and (y) the sole power to direct the voting of 851,529 shares of Common Stock which may be deemed to be beneficially owned by Institutional Advisors III as described above.

(xiii) Fund Management may be deemed to have (x) the sole power to direct the disposition of the 8,129,719 shares of Common Stock which may be deemed to be beneficially owned by Fund Management as described above, and (y) the sole power to direct the voting of 8,129,719 shares of Common Stock which may be deemed to be beneficially owned by Fund Management as described above.

(xiv) Dr. Rachesky may be deemed to have (x) the sole power to direct the disposition of the 8,154,719 shares of Common Stock which may be deemed to be beneficially owned by Dr. Rachesky as described above, and (y) the sole power to direct the voting of 8,154,719 shares of Common Stock which may be deemed to be beneficially owned by Dr. Rachesky as described above.

(c) Not applicable.

(d) (i) The partners of Master Account, including Advisors, have the right to participate in the receipt of dividends from, or proceeds from the sale of, the securities held for the account of Master Account in accordance with their partnership interests in Master Account.

(ii) The partners of Capital Partners (100), including Advisors, have the right to participate in the receipt of dividends from, or proceeds from the sale of, the securities held for the account of Capital Partners (100) in accordance with their partnership interests in Capital Partners (100).

(iii) The partners of Institutional Partners, including Institutional Advisors, have the right to participate in the receipt of dividends from, or proceeds from the sale of, the securities held for the account of Institutional Partners in accordance with their partnership interests in Institutional Partners.

(iv) The partners of MHRA, including Institutional Advisors, have the right to participate in the receipt of dividends from, or proceeds from the sale of, the securities held for the account of MHRA in accordance with their partnership interests in MHRA.

(v) The partners of MHRM, including Institutional Advisors, have the right to participate in the receipt of dividends from, or proceeds from the sale of, the securities held for the account of MHRM in accordance with their partnership interests in MHRM.

(vi) The partners of Institutional Partners II, including Institutional Advisors II, have the right to participate in the receipt of dividends from, or proceeds from the sale of, the securities held for the account of Institutional Partners II in accordance with their partnership interests in Institutional Partners II.

(vii) The partners of Institutional Partners IIA, including Institutional Advisors II, have the right to participate in the receipt of dividends from, or proceeds from the sale of, the securities held for the account of Institutional Partners IIA in accordance with their partnership interests in Institutional Partners IIA.

Table of Contents

Page 16 of 17 Pages

(viii) The partners of Institutional Partners III, including Institutional Advisors III, have the right to participate in the receipt of dividends from, or proceeds from the sale of, the securities held for the account of Institutional Partners III in accordance with their partnership interests in Institutional Partners III.

(e) Not applicable.

¹ In addition, Master Account may be deemed the beneficial owner of 1,089,120 shares of Non-Voting Common Stock held for its own account.

² In addition, Capital Partners (100) may be deemed the beneficial owner of 125,922 shares of Non-Voting Common Stock held for its own account.

³ In addition, Advisors may be deemed the beneficial owner of 1,215,042 shares of Non-Voting Common Stock held for the accounts of Master Account and Capital Partners (100).

⁴ In addition, Institutional Partners II may be deemed the beneficial owner of 540,200 shares of Non-Voting Common Stock held for its own account.

⁵ In addition, Institutional Partners IIA may be deemed the beneficial owner of 1,360,934 shares of Non-Voting Common Stock held for its own account.

⁶ In addition, Institutional Advisors II may be deemed the beneficial owner of 1,901,134 shares of Non-Voting Common Stock held for the accounts of Institutional Partners II and Institutional Partners IIA.

⁷ In addition, Institutional Partners III may be deemed the beneficial owner of 6,389,497 shares of Non-Voting Common Stock held for its own account.

⁸ In addition, Institutional Advisors III may be deemed the beneficial owner of 6,389,497 shares of Non-Voting Common Stock held for the account of Institutional Partners III.

⁹ In addition, Fund Management may be deemed the beneficial owner of all of the shares of Non-Voting Common Stock otherwise described in the footnotes to this Item 5(a) by virtue of Fund Management's investment management agreement with Master Account, Capital Partners (100), Institutional Partners II, Institutional Partners IIA and Institutional Partners III.

¹⁰ In addition, Dr. Rachesky may be deemed the beneficial owner of all of the shares of Non-Voting Common Stock otherwise described in the footnotes to this Item 5(a) by virtue of Dr. Rachesky's position as the managing member of each of Fund Management, Advisors, Institutional Advisors II and Institutional Advisors III.

Table of Contents

Page 17 of 17 Pages

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, the undersigned certifies that the information set forth in this Statement is true, complete and correct.

Date: March 17, 2011

MHR CAPITAL PARTNERS MASTER
ACCOUNT LP

By: MHR Advisors LLC,
its General Partner

By: /s/ Hal Goldstein

Name: Hal Goldstein
Title: Vice President

MHR ADVISORS LLC

By: /s/ Hal Goldstein

Name: Hal Goldstein
Title: Vice President

MHR INSTITUTIONAL PARTNERS LP

By: MHR Institutional Advisors LLC,
its General Partner

By: /s/ Hal Goldstein

Name: Hal Goldstein
Title: Vice President

MHR INSTITUTIONAL ADVISORS LLC

By: /s/ Hal Goldstein

Name: Hal Goldstein
Title: Vice President

MHR INSTITUTIONAL PARTNERS IIA LP

By: MHR Institutional Advisors II LLC,
its General Partner

By: /s/ Hal Goldstein

Name: Hal Goldstein
Title: Vice President

MHR INSTITUTIONAL ADVISORS II LLC

By: /s/ Hal Goldstein

Name: Hal Goldstein

Title: Vice President

MHR FUND MANAGEMENT LLC

By: /s/ Hal Goldstein

Name: Hal Goldstein

Title: Managing Principal

MARK H. RACHESKY, M.D.

By: /s/ Hal Goldstein, Attorney in Fact