

LEAP WIRELESS INTERNATIONAL INC
 Form 4
 March 18, 2014

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

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

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 *
HUTCHESON STEWART D

2. Issuer Name and Ticker or Trading Symbol
LEAP WIRELESS INTERNATIONAL INC [LEAP]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 03/13/2014

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

C/O LEAP WIRELESS INTERNATIONAL, INC., 5887 COPLEY DRIVE

(Street)

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

SAN DIEGO, CA 92111

(City) (State) (Zip)

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------|
| | | | | Code V | Amount | (A) or (D) | Price |
| Common Stock | 03/13/2014 | | D | | 30,000 | D | \$ 15 (1) |
| Common Stock | 03/13/2014 | | D | | 874 | D | \$ 15 (1) |
| Common Stock | 03/13/2014 | | D | | 332,772 | D | \$ 15 (1) |
| | | | | | | I | by Trust |

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

Persons who respond to the collection of information contained in this form are not

SEC 1474 (9-02)

required to respond unless the form displays a currently valid OMB control number.

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 Underlying (Instr. 3 and 4) | |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|------------------------------------------|--------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title |
| Non-Qualified Stock Option (right to buy) | \$ 8.09 | 03/13/2014 | | D | 41,687 | <u>(2)</u> | 11/02/2021 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 10.1 | 03/13/2014 | | D | 208,500 | <u>(4)</u> | 03/16/2022 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 12 | 03/13/2014 | | D | 20,844 | <u>(2)</u> | 11/02/2021 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 15 | 03/13/2014 | | D | 20,844 | <u>(2)</u> | 11/02/2021 | Common Stock |
| Performance-Based Share Units | \$ 0 | 03/13/2014 | | D | 91,500 | 03/13/2014 | 03/16/2015 | Common Stock |
| Performance-Based Share Units | \$ 0 | 03/13/2014 | | D | 250,000 | 03/13/2014 | 12/31/2016 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|----------------------------------------------------------------------------------------------------------|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| HUTCHESON STEWART D C/O LEAP WIRELESS INTERNATIONAL, INC. 5887 COPLEY DRIVE SAN DIEGO, CA 92111 | X | | CEO | |

Signatures

By: Barbara J. Olson, Attorney-in-Fact For: Stewart Douglas Hutcheson

03/18/2014

__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) Leap Wireless International, Inc. (the "Issuer") was acquired (the "Merger") pursuant to that certain Agreement and Plan of Merger (the "Merger Agreement"), by and among the Issuer, AT&T Inc. ("AT&T"), Laser, Inc. and Mariner Acquisition Sub Inc., a wholly owned subsidiary of AT&T ("Merger Sub"). All shares of the Issuer's Common stock, were exchanged for merger consideration consisting of (i) \$15.00 in cash per share of Common Stock (the "Per Share Cash Merger Consideration"), and (ii) one non-transferable contingent value right (a "CVR"), without interest. Each CVR represents the right to a pro rata share of the proceeds, if any, resulting from the sale of the license granted to the Issuer by the Federal Communications Commission having the call sign WQJQ707.

(2) The option originally vested in four equal annual installments on November 2, 2012, November 2, 2013, November 2, 2014 and November 2, 2015, respectively.

(3) Pursuant to the Merger Agreement, each outstanding option of the Reporting Person, whether vested or unvested, that was granted under one of the Issuer's stock plans and that has an exercise price equal to or below the Per Share Cash Merger Consideration was cancelled and converted into the right to receive (i) cash equal to the product of the total number of shares underlying the option multiplied by the difference, if any, of the Per Share Cash Merger Consideration and the exercise price per share underlying each option, less any applicable withholding taxes and (ii) one CVR for each share underlying the option.

(4) The option originally vested in four equal installments on March 16, 2013, March 16, 2014, March 16, 2015 and March 16, 2016, respectively.

(5) On March 16, 2012, the reporting person was granted an option (the "PSU") to purchase 183,000 shares of Common Stock, of which 91,500 units remained outstanding immediately prior to the Merger. The option originally was to become eligible to vest based on the Issuer's results as measured against performance levels for each of Fiscal Year 2012 and 2013, but pursuant to the Merger Agreement, the performance condition was deemed to have been met, resulting in treating the option as if it had vested with regard to the remaining 91,500 shares of Common Stock. The PSU was cancelled and entitled the reporting person to receive (i) an amount in cash equal to the product of (x) the number of shares covered by the PSU (in this case, the 91,500 shares) multiplied by the (y) Per Share Merger Consideration, less applicable withholding taxes and (ii) one CVR for each share covered by the PSU.

(6) On May 14, 2013, the reporting person was granted an option (the "PSU") to purchase 250,000 shares of Common Stock. The option originally was to become eligible to vest based on the Issuer's results as measured against performance levels for each of Fiscal Year 2013 and 2014, but pursuant to the Merger Agreement, the performance condition was deemed to have been met, resulting in treating the option as if it had vested with regard to the 250,000 shares of Common Stock. The PSU was cancelled and entitled the reporting person to receive (i) an amount in cash equal to the product of (x) the number of shares covered by the PSU (in this case, the 250,000 shares) multiplied by the (y) Per Share Merger Consideration, less applicable withholding taxes and (ii) one CVR for each share covered by the PSU.

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

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.