

LEAP WIRELESS INTERNATIONAL INC

Form 8-K

October 18, 2006

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**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**FORM 8-K
CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): **October 17, 2006**

LEAP WIRELESS INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware

000-29752

33-0811062

(State or other jurisdiction of
incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

10307 Pacific Center Court

San Diego, California 92121

(Address of Principal Executive Offices)

(858) 882-6000

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant; Item 8.01 Other Events.

As previously disclosed, on August 8, 2006, Leap Wireless International, Inc. (Leap or the Company) (as guarantor) and its wholly owned subsidiary Cricket Communications, Inc (Cricket) (as borrower), entered into a Bridge Credit Agreement by and among Cricket, Leap, the lenders party thereto and Citicorp North America, Inc., as administrative agent (the Bridge Credit Agreement). The Company filed a Current Report on Form 8-K on August 10, 2006 describing the material terms of the Bridge Credit Agreement, which description is incorporated herein by reference. Copies of the Bridge Credit Agreement and related guarantees are attached as exhibits to such report.

On October 17, 2006, Cricket made an initial borrowing under the Bridge Credit Agreement in the principal amount of \$570 million. After payment of funding fees and certain expenses, Cricket received aggregate cash proceeds of approximately \$565.6 million. The Company will use the proceeds from the borrowing (1) to fund a portion of the final balance that its wholly owned subsidiary owes to the FCC for the licenses for which it was the winning bidder in the FCC s Auction #66, and (2) to fund an additional loan by Cricket to Denali Spectrum License, LLC in the principal amount of \$182.6 million to permit Denali Spectrum License, LLC to pay the final balance it owes to the FCC for the license for which it was the winning bidder in the FCC s Auction #66 (which loan was funded on October 17, 2006). The final balances owed to the FCC by winning bidders for Auction #66 licenses are due and payable on October 19, 2006.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This Current Report on Form 8-K contains forward-looking statements as defined by federal securities laws, with respect to our business and our expectations or beliefs concerning future events. Such forward-looking statements include discussions of our business strategies and expectations concerning future operations, liquidity and capital resources. In addition, in certain portions of this Current Report on Form 8-K, the words: anticipate, believe, estimate, seek, expect, plan, intend, and similar expressions, as they relate to us and our management, are intended to identify forward-looking statements. Although we believe that such forward-looking statements are reasonable, we cannot assure you that any forward-looking statements will prove to be correct. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and assumptions include, among others:

our ability to attract and retain customers in an extremely competitive marketplace;

changes in economic conditions that could adversely affect the market for wireless services;

the impact of competitors initiatives;

our ability to successfully implement product offerings and execute market expansion plans;

failure of the FCC to approve the transfers to Denali Spectrum License, LLC and to our wholly owned subsidiary Cricket Licensee (Reauction), Inc. of the wireless licenses for which they were named winning bidders in Auction #66;

our ability to attract, motivate and retain an experienced workforce;

our ability to comply with the covenants in our senior secured credit agreement, our bridge loan facility and in any future credit agreement, indenture or similar instrument;

failure of network or information technology systems to perform according to expectations; and

other factors detailed in the section entitled Risk Factors included in our Quarterly Report on Form 10-Q for the three months ended June 30, 2006, and in our other filings with the Securities and Exchange Commission.

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All future written and oral forward-looking statements attributable to us or any persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained in this Current Report on Form 8-K. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this Current Report on Form 8-K may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. Accordingly, you are cautioned not to place undue reliance on the forward-looking statements.

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Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LEAP WIRELESS INTERNATIONAL, INC.

Date: October 17, 2006

By /s/ ROBERT J. IRVING, JR.
Name: Robert J. Irving, Jr.
Title: Senior Vice President & General
Counsel