RingCentral Inc
Form SC 13G/A
December 10, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13G

Under the Securities exchange Act of 1934

(Amendment No. 2)*

RINGCENTRAL INC

(NAME OF ISSUER)

COM NEW

(TITLE OF CLASS OF SECURITIES)

76680R206

(CUSIP NUMBER)

November 30, 2014

(Date of event which requires filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

X Rule 13d-1(b)
Rule 13d-1(c)
Rule 13d-1(d)

* 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 the disclosures provided in a prior cover page.

The information required in 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).

(CONTINUED ON FOLLOWING PAGE(S))

1. NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

AllianceBernstein LP 13-3434400

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP * (A) [ ]
(B) [X]

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION
State of Delaware

NUMBER OF SHARES BENEFICIALLY	5. SOLE VOTING POWER	2,340,129
OWNED AS OF November 30, 2014	6. SHARED VOTING POWER	0
BY EACH REPORTING	7. SOLE DISPOSITIVE POWER	2,692,193
PERSON WITH:	8. SHARED DISPOSITIVE POWER	113,193

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,805,386
(Not to be construed as an admission of beneficial ownership)

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES * [X]

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 5.6%

12. TYPE OF REPORTING PERSON *
IA

* SEE INSTRUCTIONS BEFORE FILLING OUT!

Item 1(a) Name of Issuer:
RINGCENTRAL INC

Item 1(b) Address of Issuer's Principal Executive Offices:
1400 FASHION ISLAND BLVD, SUITE 700
San Mateo, CA 94404

Item 2(a) and (b)
Name of Person Filing and Address of Principal Business Office:

AllianceBernstein L.P
1345 Avenue of the Americas
NewYork, N.Y. 10105

(All media outlets, please contact Andrea Prochniak at AllianceBernstein (212-756-4542) with any questions. All other questions can be directed to Section13USFilings@alliancebernstein.com.)

Item 2(c) Citizenship:
Delaware

Item 2(d) Title of Class of Securities: COM NEW

Item 2(e) Cusip Number: 76680R206

Item 3. Type of Reporting Person: Registered Investment Advisor

Item 4. Ownership as of 11/30/2014

(a) Amount Beneficially Owned: 2,805,386 shares of common stock acquired solely for investment purposes on behalf of client discretionary investment advisory accounts*

(b) Percent of Class: 5.6%

(c) Deemed Voting Power and Disposition Power:

	(i) Deemed to have Sole Power to Vote or to Direct the Vote	(ii) Deemed to have Shared Power to Vote or to Direct the Vote	(iii) Deemed to have Sole Power to Dispose or to Direct the Disposition	(iv) Deemed to have Shared Power to Dispose or to Direct the Disposition
AllianceBernstein	2,340,129	0	2,692,193	113,193

*AllianceBernstein L.P. is a majority owned subsidiary of AXA Financial, Inc. and an indirect majority owned subsidiary of AXA SA. AllianceBernstein operates under independent management and makes independent decisions from AXA and AXA Financial and their respective subsidiaries and AXA and AXA Financial calculate and report beneficial ownership separately from AllianceBernstein pursuant to guidance provided by the Securities and Exchange Commission in Release Number 34-39538 (January 12, 1998).

AllianceBernstein may be deemed to share beneficial ownership with AXA reporting persons by virtue of 113,193 shares of common stock acquired on behalf of the general and special accounts of the affiliated entities for which AllianceBernstein serves as a subadvisor. Each of AllianceBernstein and the AXA entities reporting herein acquired their shares of common stock for investment purposes in the ordinary course of their investment management and insurance businesses.

Item 5. Ownership of Five Percent or Less of a Class:
If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following.

[]

Item 6. Ownership of More than Five Percent on behalf of Another Person. N/A

Item 7. Identification and Classification of the Subsidiary which Acquired the Security Being Reporting on by the Parent Holding Company: N/A

Item 8. Identification and Classification of Members of the Group. N/A

Item 9. Notice of Dissolution of Group: N/A

Item 10. Certification:

By signing below I certify that to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purposes or effect.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: December 10, 2014, ALLIANCEBERNSTEIN L.P.

/s/ Laurence Bertan

Name: Laurence Bertan
Title: SVP and Head of Regulatory Reporting

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	Successor Registrant Nine Months Ended September 30, 2006	Predecessor Registrant Nine Months Ended September 30, 2005	% Increase/ (Decrease)
	(In millions)		
Revenues from Satellite Manufacturing	$ 494	$ 330	50%
Eliminations	(26)	(11)	139%
Revenues from Satellite Manufacturing as reported	$ 468	$ 319	47%

Revenues from Satellite Manufacturing before eliminations increased by $164 million for the nine months ended September 30, 2006 as compared to 2005, primarily as a result of increased bookings from satellite awards in 2005 and 2006. Eliminations consist of revenues from satellites under construction by SS/L for Satellite Services. As a result, revenues from Satellite Manufacturing as reported increased $149 million for the nine months ended September 30, 2006 as compared to 2005.

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Cost of Satellite Services

	Successor Registrant Nine Months Ended September 30, 2006	Predecessor Registrant Nine Months Ended September 30, 2005	% Increase/ (Decrease)
	(In millions)		
Cost of Satellite Services includes:			
Cost of Satellite Services before depreciation and amortization	$ 40	$ 45	(13)%
Depreciation and amortization	33	49	(32)%
Total cost of Satellite Services as reported	$ 73	$ 94	(23)%
Cost of Satellite Services as a % of Satellite Services revenues as reported	59%	85%	

Cost of Satellite Services as reported decreased $21 million for the nine months ended September 30, 2006 as compared to 2005. This decrease was primarily due to a reduction of depreciation and amortization expense of $16 million in 2006 as compared to 2005, primarily resulting from the net effect of the amortization of fair value adjustments in connection with the adoption of fresh-start accounting on October 1, 2005, other cost reductions of $6 million, primarily for third party capacity, ground segment support and in-orbit insurance. These reductions were partially offset by a charge of $1 million related to the buyout of a customer lease (see Notes 11 and 13 to the financial statements).

Cost of Satellite Manufacturing

	Successor Registrant Nine Months Ended September 30, 2006	Predecessor Registrant Nine Months Ended September 30, 2005	% Increase/ (Decrease)
	(In millions)		
Cost of Satellite Manufacturing includes:			
Cost of Satellite Manufacturing before the following specific identified charges	$ 400	$ 269	48%
Accrued warranty obligations	8	10	(20)%
Depreciation and amortization	18	12	53%
Total cost of Satellite Manufacturing as reported	$ 426	$ 291	46%

Cost of Satellite Manufacturing as a % of Satellite Manufacturing revenues as reported	91%	91%

Cost of Satellite Manufacturing as reported increased $135 million for the nine months ended September 30, 2006 as compared to 2005. Cost of Satellite Manufacturing before the specific identified charges shown above increased $131 million for the nine months ended September 30, 2006 as compared to 2005, primarily due to the increased sales and the related costs of new satellites under construction. Cost of Satellite Manufacturing also increased as a result of an increase in depreciation and amortization expense of $6 million, primarily resulting from the net effect of the amortization of fair value adjustments in connection with the adoption of fresh-start accounting on October 1, 2005, partially offset by a warranty expense accrual of $8 million recorded in 2006 as compared with $10 million in 2005, based upon an analysis of the status of satellites in-orbit.

Gain on Litigation Settlement

Represents a $9 million recovery of launch vehicle deposits in connection with a claim against a supplier for the wrongful termination of launch service agreements (see Note 11 to the financial statements).

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Selling, General and Administrative Expenses

	Successor Registrant Nine Months Ended September 30, 2006	Predecessor Registrant Nine Months Ended September 30, 2005	% Increase/ (Decrease)
	(In millions)		
Selling, general and administrative expenses	$ 87	$ 80	10%
Continuing expenses related to remaining bankruptcy matters	4		
Selling, general and administrative expenses	$ 91	$ 80	15%
% of revenues as reported	15%	19%	

Selling, general and administrative expenses increased $11 million for the nine months ended September 30, 2006 as compared to 2005. The increase was attributable to higher research and development costs of $3 million at SS/L, bad debt recoveries of $2 million at Satellite Services in 2005 and after the adoption of fresh-start accounting, continuing expenses related to the remaining bankruptcy matters are recorded in general and administrative expenses and totaled $4 million for the nine months ended September 30, 2006, amortization of stock option compensation of $2 million and higher costs at SS/L of $1 million related to expanding its direct workforce, partially offset by lower bid and proposal costs of $2 million.

Reorganization Expenses Due to Bankruptcy

	Successor Registrant Nine Months Ended September 30, 2006	Predecessor Registrant Nine Months Ended September 30, 2005
	(In millions)	
Reorganization expenses due to bankruptcy	$	$ 31

Reorganization expenses due to bankruptcy decreased $31 million for the nine months ended September 30, 2006 as compared to 2005 as a result of the adoption of fresh-start accounting on October 1, 2005. After the adoption of fresh-start accounting, continuing expenses related to the remaining bankruptcy matters are recorded in general and administrative expenses. See Note 2 to the financial statements for a description of the components of reorganization expenses due to bankruptcy for the nine months ended September 30, 2005.

Interest and Investment Income

	Successor Registrant Nine Months Ended September 30, 2006	Predecessor Registrant Nine Months Ended September 30, 2005
	(In millions)	
Interest and investment income	$ 16	$ 6

The interest income increase of $10 million for the nine months ended September 30, 2006 as compared to 2005, is primarily due to higher cash balances and higher short-term interest rates earned in 2006 over 2005 including an increase at SS/L of $10 million due to collections on satellite manufacturing programs, partially offset by lower SS/L interest income on vendor financing and orbital incentives of $3 million.

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Interest Expense

	Successor Registrant Nine Months Ended September 30, 2006	Predecessor Registrant Nine Months Ended September 30, 2005
	(In millions)	
Interest cost before capitalized interest	$ 20	$ 4
Capitalized interest	(1)	
Interest expense	$ 19	$ 4

Interest cost increased $15 million for the nine months ended September 30, 2006 as compared to 2005, primarily due to $13 million of interest expense recognized on the Loral Skynet 14% senior secured notes issued in connection with our Plan of Reorganization and Satellite Manufacturing interest accrual of $4 million related to a warranty obligation, partially offset by capitalized interest of $1 million incurred due to higher construction in process balances.

Other Income (Expense)

Other income (expense) represents gains and (losses) on foreign currency transactions and the gain recorded on the disposition of an orbital slot.

Income Tax Provision

During 2006 and 2005, we continued to maintain the 100% valuation allowance against our net deferred tax assets. However, upon emergence from bankruptcy in 2005, we reversed our valuation allowance related to $2.0 million of deferred tax assets for AMT credit carryforwards. We will continue to maintain the valuation allowance until sufficient positive evidence exists to support its reversal. If, in the future, we were to determine that we will be able to realize all or a portion of the benefit from our deferred tax assets, a reduction to the valuation allowance as of October 1, 2005 will first reduce goodwill, then other intangible assets with any excess treated as an increase to paid-in-capital.

The income tax provision was $11.4 million for the nine months ended September 30, 2006 as compared to $4.6 million for 2005 on a pre-tax income of $9.6 million for 2006 and a pre-tax loss of $65.6 million for 2005. The increase to our provision for 2006 was primarily attributable to federal and foreign income taxes accrued on the pre-tax income for the current period and additional tax contingency reserves.

Equity Income (Losses) in Affiliates

	Successor Registrant Nine Months	Predecessor Registrant Nine Months

	Ended September 30, 2006	Ended September 30, 2005
	(In millions)	
XTAR	$ (6)	$ (3)

XTAR commenced commercial operations in 2005 with the launch of its satellite in February 2005. The increase in equity losses in XTAR in the nine months ended September 30, 2006 represents our share of higher XTAR losses incurred in connection with its start-up (see Note 8 to the financial statements).

Minority Interest

Minority interest increased for the nine months ended September 30, 2006 as compared to the nine months ended September 30, 2005, as a result of the $18 million dividend accrual for the Loral Skynet Series A preferred stock issued in connection with our Plan of Reorganization (see Note 3 to the financial statements).

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Backlog

Consolidated

Consolidated backlog was $1.359 billion at September 30, 2006 and $1.248 billion at December 31, 2005.

Satellite Services

At September 30, 2006, Satellite Services backlog totaled approximately $358 million, including intercompany backlog of approximately $18 million. As of December 31, 2005, backlog was $453 million, including intercompany backlog of $20 million. Backlog at September 30, 2006 was reduced by $37 million as a result of Boeing s termination of services on our Estrela do Sul satellite (see Note 11 to the financial statements).

Satellite Manufacturing

As of September 30, 2006, backlog for SS/L was approximately $1.167 billion, including intercompany backlog of approximately $147 million. Backlog at December 31, 2005 was $815 million, including intercompany backlog of $0.3 million.

Liquidity and Capital Resources

Cash and Available Credit

As of September 30, 2006, the Company had $331.2 million of cash, short-term investments and restricted cash, of which $118.7 is in the form of short-term investments and $10 million is in the form of restricted cash ($3 million included in other current assets and $7 million included in other assets on our condensed consolidated balance sheet). During the next 12 months, we expect to use a significant portion of our available cash for capital expenditures, including the continued construction of Telstar 11N and facilities expansion for the Satellite Manufacturing segment, and for working capital requirements. We believe that cash as of September 30, 2006 and net cash provided by operating activities will be adequate to meet our expected cash requirement for activities in the normal course of business through at least the next 12 months.

While operating during bankruptcy, the Company was restricted in its investment options by the U.S. Trustee, resulting in Loral being able to invest only in an approved money market fund for its excess cash. Since emerging from bankruptcy, the Company has reviewed its investment options and has developed an investment program that increases return while maintaining an acceptable risk profile. The Company adopted an investment policy statement that establishes policies relating to and governing the investment of its surplus cash. The investment policy does not permit the Company to engage in speculative or leveraged transactions, nor does it permit the Company to hold or issue financial instruments for trading purposes. The investment policy was designed to preserve capital and safeguard principal, to meet all liquidity requirements of the Company and to provide a competitive rate of return. The investment policy addresses dealer qualifications, lists approved securities, establishes minimum acceptable credit ratings, sets concentration limits, defines a maturity structure, requires all firms to safe keep securities on our behalf, requires certain mandatory reporting activity and discusses review of the portfolio. The Company operates its investment program under the guidelines of its investment policy.

On October 17, 2006, the Company entered into an agreement under which affiliates of MHR Fund Management LLC (MHR), our largest shareholder, would purchase $300 million of convertible perpetual preferred stock (see Note 14 to the financial statements). On October 27, 2006, in response to certain shareholders recent expressions of interest in participating in the Company s financing plans, the Company requested that MHR consider proposing an alternative to the Purchase Agreement that would include the participation of all interested shareholders. The Company plans to use the proceeds from this financing, together with its existing resources, to meet some or all of the following needs: (a) funding the long-term growth of our businesses by constructing satellites for our Satellite Services business and by expanding our Satellite Manufacturing business (including both facilities expansion and working capital requirements); and (b) equipping us to respond quickly to strategic transactions or alliances and other growth opportunities. It is possible, however, that we will further access the financial markets to meet these objectives or to better position our capital structure.

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Approximately $4 million in the aggregate is required to pay the remaining claims from the Plan of Reorganization and the expenses associated with completing the reorganization activity and will be paid from existing cash on hand.

Annual receipts from the Satellite Services business are fairly predictable because they are primarily derived from an established base of long-term customer contracts and high contract renewal rates. We believe that the Satellite Services cash flow from operations will be sufficient to provide for its maintenance capital requirements and to fund any cash portion of its interest and preferred dividend obligations. Cash required for the construction of the Telstar 11N satellite and other satellite acquisition opportunities will be funded from some or all of the following: cash and short-term investments, expected proceeds from the sale of convertible perpetual preferred stock, cash flow from operations, or through additional financing activity.

Cash requirements at Satellite Manufacturing are driven primarily by working capital requirements to fund long-term receivables associated with satellite contracts and capital spending required to maintain and expand the manufacturing facility. We believe that the Satellite Manufacturing cash flow from operations is sufficient to fund the capital required to maintain the current manufacturing operations and working capital associated with typical satellite contracts. Capital requirements to expand the manufacturing facility beyond its current capabilities, and offer customer financing terms beyond standard terms, will be funded from some or all of the following: cash and short-term investments, expected proceeds from the sale of convertible perpetual preferred stock, cash flow from operations, or through additional financing activity.

On November 21, 2005, Loral Skynet completed the sale of $126 million of Senior Secured Notes (the Loral Skynet Notes). The Loral Skynet Notes mature on November 15, 2015 and bear interest at 14% payable semi-annually beginning July 15, 2006. No principal payments prior to the maturity date are required. On July 17, 2006 Loral Skynet paid $11.5 million in accrued interest. The Loral Skynet Notes are guaranteed by certain of Loral Skynet s subsidiaries. The obligations of Loral Skynet and the subsidiary guarantors are secured by a first priority lien on certain specified assets of Loral Skynet and the guarantors pursuant to the security agreements entered into on November 21, 2005. The related indenture contains restrictive covenants that limit, subject to certain exceptions, Loral Skynet s and its subsidiaries ability to take certain actions, including restricted payments, as defined, incurrence of debt, incurrence of liens, payment of certain dividends or distributions, issuance or sale of capital stock of subsidiaries, sale of assets, affiliate transactions and sale/leaseback and merger transactions. These restrictions may limit our flexibility in planning for and reacting to changes in our business and the industry in which we operate. Our ability to redeem these notes in the near-term is limited. During the first four years after the Effective Date, we may redeem the notes at a redemption price of 110% plus accrued and unpaid interest, but only if we do not receive an objection notice from holders of two-thirds of the principal amount of the notes. After this four-year period, the notes are redeemable at our option at a redemption price of 110%, declining over time to 100% in 2014, plus accrued and unpaid interest.

Proceeds from the sale of the Loral Skynet Notes were used to acquire certain satellite services assets from Old Loral and certain of its subsidiaries and to fund certain cash claims in accordance with the Plan of Reorganization (see Note 10 to the financial statements).

On November 21, 2005 SS/L entered into an amended and restated $20 million Letter of Credit Reimbursement Agreement with JP Morgan Chase Bank. As of September 30, 2006, $1.2 million in letters of credit were issued and outstanding. This facility was amended on October 31, 2006 extending the maturity to December 31, 2007 and reducing the facility amount to $15 million.

On June 7, 2006, SS/L entered into a Customer Credit Agreement (the Credit Agreement) with Sirius Satellite Radio Inc. (Sirius), effective as of May 31, 2006. Under the Credit Agreement, SS/L has agreed, if requested, to make loans to Sirius in an aggregate principal amount of up to $100,000,000 to finance the purchase of the Sirius FM-5 Satellite (the Satellite), including to reimburse Sirius for certain payments made by it under the satellite purchase agreement with SS/L dated May 31, 2006 (the Purchase Agreement). Any loans made under the Credit Agreement will be secured by Sirius rights under the Purchase Agreement, including its rights to the Satellite. The loans also will be guaranteed by Satellite CD Radio, a subsidiary of Sirius Inc., and, subject to certain exceptions, will be guaranteed by any future material subsidiary that may be formed by Sirius thereafter. The maturity date of any loans will be the earliest to occur of (i) April 6, 2009, (ii) 90 days after the Satellite becomes

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available for shipment and (iii) 30 days prior to the scheduled launch of the Satellite. Loans made under the Credit Agreement generally bear interest at a variable rate equal to three-month LIBOR plus a margin. The Credit Agreement permits Sirius to prepay all or a portion of the loans outstanding without penalty. As of September 30, 2006, Sirius had made the required milestone payments to SS/L under the Purchase Agreement and, accordingly, no loans were outstanding under the Credit Agreement. As of September 30, 2006, Sirius was eligible to borrow $30 million under the Credit Agreement.

Contractual Obligations

There have not been any significant changes to the Contractual Obligations as previously disclosed in our latest Annual Report on Form 10-K filed with the SEC.

Net Cash Provided by (Used in) Operating Activities

Net cash provided by operating activities for the nine months ended September 30, 2006 was $84 million. This was primarily due to an increase in customer advances of $62 million primarily from new satellite program receipts and the net loss adjusted for non-cash items of $65 million. These increases were partially offset by a reduction in accounts payable and accrued expenses and other current liabilities of $31 million primarily due to payment of claims from the Plan of Reorganization and the expenses associated with completing the reorganization activity, and a reduction of $18 million in pension and other postretirement liabilities due to a minimum required contribution of $2 million and an additional voluntary contribution of $25 million made in the third quarter (see Note 3 to the financial statements).

Net cash used in operating activities in the nine months ended September 30, 2005 was $144 million. This was primarily due to a decrease in customer advances of $62 million and an increase in contracts-in-process of $76 million, primarily due to continued progress on new satellite programs.

Net Cash (Used in) Provided by Investing Activities

Net cash used in investing activities for the nine months ended September 30, 2006 was $155 million, resulting from the Company s purchase of short-term investments of $119 million and capital expenditures of $44 million, partially offset by proceeds received from the disposition of an orbital slot of $6 million and a reduction in restricted cash in escrow of $2 million.

Net cash provided by investing activities was $195 million in the nine months ended September 30, 2005. This was primarily due to the collection of the Telstar 14/Estrela do Sul-1 insurance proceeds of $205 million, partially offset by investments in and advances to affiliates of $7 million for XTAR.

Net Cash (Used in) Financing Activities

Net cash used in financing activities for the nine months ended September 30, 2006 was $1 million, resulting from the cash dividend payment on the Loral Skynet preferred stock made in the third quarter.

Affiliate Matters

Loral has made certain investments in joint ventures in the Satellite Services business that are accounted for under the equity method of accounting. See Note 8 to the financial statements for further information on affiliate matters.

Commitments and Contingencies

Our business and operations are subject to a number of significant risks, the most significant of which are summarized below in Item 1A Risk Factors and also in Notes 8 and 11 to the financial statements.

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Other Matters

Accounting Pronouncements

FIN 48

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109* (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in a company s financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. The interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 will be effective for the Company beginning in the first quarter of 2007. We are currently evaluating the impact of adopting FIN 48.

SFAS 157

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements,* (SFAS 157), to define fair value, establish a framework for measuring fair value in accordance with generally accepted accounting principles (GAAP) and expand disclosures about fair value measurements. SFAS 157 requires quantitative disclosures using a tabular format in all periods (interim and annual) and qualitative disclosures about the valuation techniques used to measure fair value in all annual periods. We are required to adopt the provisions of this Statement as of January 1, 2008. We currently are evaluating the impact of adopting SFAS 157.

SFAS 158

In September 2006, the FASB issued SFAS No. 158, *Employers Accounting for Defined Benefit Pensions and Other Postretirement Plans,* (SFAS 158), SFAS 158 requires an employer to recognize the overfunded or underfunded status of a defined benefit postretirement plan (other than a multiemployer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income of a business entity or changes in unrestricted net assets of a not-for-profit organization. SFAS 158 also requires an employer to measure the funded status of a plan as of the date of its year-end statement of financial position, with limited exceptions. We are required to adopt the provisions of this statement as of December 31, 2006. We currently are evaluating the impact of adopting SFAS 158.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

Foreign Currency

While we were under Chapter 11, SS/L s hedges with counterparties (primarily yen denominated forward contracts) were cancelled, leaving SS/L subject to foreign currency fluctuations in the future. The absence of forward contracts exposed SS/L s future revenues, costs and cash associated with anticipated yen and EURO denominated receipts and payments to currency fluctuations. As of September 30, 2006, SS/L had the following amounts denominated in Japanese Yen (which have been translated into U.S. dollars based on the September 30, 2006 exchange rate) that were unhedged (in millions):

	Japanese Yen	U.S. $
Future revenues	¥ 139	$ 1.2

Future expenditures	3,100	26.3

At September 30, 2006, SS/L also had future expenditures in EUROs of 7.5 million ($9.5 million U.S.) that were unhedged.

Loral does not enter into foreign currency transactions for trading or speculative purposes.

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Interest

The Company issued long-term fixed rate debt at its Loral Skynet Corporation subsidiary upon emergence from bankruptcy. Since all of these instruments are at a fixed rate, the Company does not have any exposure to changes in interest rates. Accordingly, the Company does not actively manage its interest rate risk through the use of derivatives or other financial instruments.

As of September 30, 2006, the Company held $138 million in marketable securities consisting of corporate bonds, Euro dollar bonds, certificates of deposits, commercial paper, Federal Agency notes and auction rate securities. We invest in marketable securities with the intent to hold them to maturity and classify them accordingly except for the auction rate securities which we classify as available for sale. At September 30, 2006, the longest maturity date for one of our investments was 137 days and the weighted average maturity of our marketable securities was less than 60 days. Due to the short-term maturity of our investments and our intent to hold them to maturity, we believe that our exposure to interest rate risk is not significant. A hypothetical 1% movement in market interest rates on $138 million for 60 days would equate to a $230 thousand interest adjustment.

Item 4. ***Disclosure Controls and Procedures***

(a) *Disclosure controls and procedures.* Our chief executive officer and our chief financial officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of September 30, 2006, have concluded that our disclosure controls and procedures were effective and designed to ensure that information relating to Loral and its consolidated subsidiaries required to be disclosed in our filings under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities Exchange Commission rules and forms.

(b) *Internal control over financial reporting.* There were no changes in our internal control over financial reporting (as defined in the Securities and Exchange Act of 1934 Rules 13a-15(f) and 15-d-15(f)) during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II.
OTHER INFORMATION

Item 1. ***Legal Proceedings***

We discuss certain legal proceedings pending against the Company in the notes to the financial statements and refer the reader to that discussion for important information concerning those legal proceedings, including the basis for such actions and relief sought. See Note 11 to the financial statements of this Quarterly Report on Form 10-Q for this discussion.

Item 1A. ***Risk Factors***

Our business and operations are subject to a significant number of risks. The most significant of these risks are summarized in, and the reader s attention is directed to, the section of our Annual Report on Form 10-K for the year ended December 31, 2005 in Item 1A. Risk Factors. There are no material changes to those risk factors except as set forth in this report under Management s Discussion and Analysis of Financial Condition and Results of Operations and in Note 11 (Commitments and Contingencies) of the financial statements contained in this report, and the reader is specifically directed to those sections. The risks described in our Annual Report on Form 10-K, as updated by this report, are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

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Item 5. ***Other Information***

We currently intend to hold our next Annual Meeting of Stockholders on or about May 22, 2007. Any stockholder who wishes to have a proposal considered for inclusion in our proxy materials for presentation at the 2007 Annual Meeting of Stockholders pursuant to SEC rules or who wishes to nominate persons for election to the Board of Directors or present a proposal for consideration by the stockholders at the Annual Meeting without inclusion in the proxy materials should submit a notice to the attention of the Secretary, Loral Space & Communications Inc., 600 Third Avenue, New York, New York 10016. As set forth in our Bylaws, any such notice must be delivered to the Secretary at the principal executive offices of the Company not earlier than the close of business on the day that is 120 days prior to such annual meeting and not later than the close of business on the day that is the later of 90 days prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made by the Company. The requirements for such notice are set forth in the Bylaws, a copy of which can be found as an exhibit the to the Company s Current Report on Form 8-K filed on November 23, 2005.

Item 6. ***Exhibits***

The following exhibits are filed as part of this report:

Exhibit 10.1 Securities Purchase Agreement by and between Loral Space & Communications Inc. and MHR Fund Management LLC, dated October 17, 2006 (Incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed by the Company on October 19, 2006).

Exhibit 14.1 Code of Conduct, Revised as of August 1, 2006 (Incorporated by reference to Exhibit 14.1 of the Quarterly Report on Form 10Q filed by the Company on August 7, 2006).

Exhibit 31.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 31.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002.

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SIGNATURES

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 thereunto duly authorized.

Registrant

Loral Space & Communications Inc.

/s/ Richard J. Townsend
Richard J. Townsend
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)
and Registrant s Authorized Officer

Date: November 13, 2006

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EXHIBIT INDEX

Exhibit No.	Description
Exhibit 10.1	Securities Purchase Agreement by and between Loral Space & Communications Inc. and MHR Fund Management LLC, dated October 17, 2006 (Incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed by the Company on October 19, 2006).
Exhibit 14.1	Code of Conduct, Revised as of August 1, 2006 (Incorporated by reference to Exhibit 14.1 of the Quarterly Report on Form 10Q filed by the Company on August 7, 2006).
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