

TOUSA INC
Form 3
November 05, 2007

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

INITIAL STATEMENT OF 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 *			2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Â HIGHLAND CAPITAL MANAGEMENT LP			(Month/Day/Year)	TOUSA INC [TOA]	
(Last)	(First)	(Middle)		4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
TWO GALLERIA TOWER,Â 13455 NOEL ROAD, SUITE 800				(Check all applicable)	
(Street)				<input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner	6. Individual or Joint/Group Filing(Check Applicable Line)
DALLAS,Â TXÂ 75240				<input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)	<input type="checkbox"/> Form filed by One Reporting Person
(City)	(State)	(Zip)			<input checked="" type="checkbox"/> Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
---------------------------------	---	--	---

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

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 control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative	5. Ownership Form of Derivative Security	6. Nature of Indirect Beneficial Ownership (Instr. 5)
--	--	---	---	--	---

Edgar Filing: TOUSA INC - Form 3

	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Security	Direct (D) or Indirect (I) (Instr. 5)
8% Series A Convertible Pay-in-Kind Preferred Stock <u>(1)</u> <u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u>	10/26/2007	07/01/2015	Common Stock	18,084,472 <u>(7)</u>	\$ 1.61 <u>(8)</u>	I <u>(1)</u> <u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u> See Footnote <u>(1)</u> <u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u>

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HIGHLAND CAPITAL MANAGEMENT LP TWO GALLERIA TOWER 13455 NOEL ROAD, SUITE 800 DALLAS, TX 75240	Â	Â X	Â	Â
Strand Advisors, Inc. TWO GALLERIA TOWER 13455 NOEL ROAD, SUITE 800 DALLAS, TX 75240	Â	Â X	Â	Â
DONDERO JAMES D TWO GALLERIA TOWER 13455 NOEL ROAD, SUITE 800 DALLAS, TX 75240	Â	Â X	Â	Â

Signatures

Highland Capital Management, L.P. By: Strand Advisors, Inc., its general partner /s/ James D. Dondero, President

11/05/2007

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 5(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) This statement is filed by and on behalf of Highland Capital Management, L.P., Strand Advisors, Inc., and James D. Dondero. Highland Capital serves as an investment adviser and/or manager to other persons. Highland Capital may be deemed to beneficially own securities owned and/or held by and/or for the account and/or benefit of other persons. Strand serves as the general partner of Highland Capital. Strand may be deemed to beneficially own securities owned and/or held by and/or for the account and/or benefit of Highland Capital. Mr. Dondero is the President of and a director of Strand. Mr. Dondero may be deemed to beneficially own securities owned and/or held by and/or for the account and/or benefit of Strand.

(2) Each reporting person 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 reporting person disclaims beneficial ownership of the securities covered by this statement, except to the extent of the pecuniary interest of such person in such securities. Each reporting person 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.

(3) Each reporting person 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

Edgar Filing: TOUSA INC - Form 3

to the issuer or any securities of the issuer.

- (4) On or about July 31, 2007, persons advised and/or managed by Highland Capital acquired 30,899 shares of 8% Series A Convertible Pay-in-Kind Preferred Stock of the issuer pursuant to that certain Settlement and Release Agreement dated June 29, 2007 among such persons, the issuer, and the other parties thereto in consideration for the cancellation, satisfaction, retirement or termination of debt held by such persons and releases by such persons of the issuer and certain other persons from liability.

- (5) The holders of the convertible preferred stock are entitled at any time after the initial establishment of the conversion price and before the mandatory redemption date of July 1, 2015, subject to prior optional redemption or repurchase, to convert any or all of their shares of convertible preferred stock into shares of Common Stock at the conversion price per share pursuant to, and subject to the restrictions, limitations, and other provisions in, the certificate of designation of the convertible preferred stock. The amount of shares of Common Stock to be delivered shall be the accreted value of the shares of convertible preferred stock delivered for conversion divided by the conversion price then in effect.

- (6) The accreted value of the convertible preferred stock is the liquidation preference of the shares being redeemed and any other accrued and unpaid dividends whether or not declared. The liquidation preference of the convertible preferred stock is \$1,000 per share, subject to adjustment. The conversion price of the preferred stock is the 20-trading day average of the Common Stock commencing 60 days immediately after July 31, 2007 multiplied by 1.40, subject to adjustment. The estimated conversion price, the number of common shares which Highland Capital is deemed to beneficially own, and the percentage of such class represented by such ownership first became ascertainable on October 26, 2007 at the expiration of such period.
- (7) Based on an estimated conversion price of \$1.61 per share.
- (8) Estimated.

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.