

LORAL SPACE & COMMUNICATIONS INC.  
Form SC 13G  
January 11, 2006

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

Schedule 13G

Under the Securities Exchange Act of 1934

(RULE 13d-102)

Information to be included in statements filed  
pursuant to Rule 13d-1 (b) (c) and (d) and Amendments thereto  
filed pursuant to Rule 13d-2 (b).

Loral Space & Communications Ltd.  
(Name of Issuer)

Common Stock, \$0.01 Par Value  
(Title of Class of Securities)

543881106  
(CUSIP Number)

December 31, 2005  
(Date of Event which Requires Filing of this Statement)

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

- 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).

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SCHEDULE 13G

Issuer: Loral Space & Communications Ltd CUSIP No.: 543881106

1 NAMES OF REPORTING PERSONS I.R.S. MacKay Shields LLC  
IDENTIFICATION NOS. OF ABOVE PERSONS Tax ID #13-4080466

2 CHECK THE APPROPRIATE BOX IF A MEMBER  
OF A GROUP  
(a)  
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware (United States)

NUMBER OF SHARES	5	SOLE VOTING POWER - 1,500,122
BENEFICIALLY	6	SHARED VOTING POWER - 0
OWNED BY EACH	7	SOLE DISPOSITIVE POWER - 1,500,122
REPORTING PERSON	8	SHARED DISPOSITIVE POWER - 0

WITH:

9 AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON  
1,500,122

10 CHECK IF THE AGGREGATE AMOUNT IN  
ROW (11) EXCLUDES CERTAIN SHARES  
Not Applicable

11 PERCENT OF CLASS REPRESENTED BY AMOUNT  
IN ROW 11: 7.50%

12 TYPE OF REPORTING PERSON  
IA

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SCHEDULE 13G

Issuer: Loral Space & Communications Ltd. CUSIP No.: 543881106

ITEM 1

- (a) Name of Issuer:  
Loral Space & Communications Ltd.
  
- (b) Address of Issuer's Principal Executive Offices:  
600 Third Avenue  
New York, NY 10016

ITEM 2

- (a) Name of Person Filing:  
MacKay Shields LLC
  
- (b) Address of Principal Business Office:  
9 West 57th Street  
New York, NY 10019
  
- (c) Citizenship:  
United States
  
- (d) Title of Class of Securities:  
Common Stock, \$0.01 Par Value
  
- (e) CUSIP Number:  
543881106

ITEM 3

If this statement is filed pursuant to Sections 240.13d-1(b), or 240.13d-2(b) or (c), check whether the person filing is a:

- (a)  [ ] Broker or dealer registered under Section 15 of the Act (15 U.S.C. 78o);
  
- (b)  [ ] Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);

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- (c) [ ] Insurance Company as defined in section 3(a)(19) of the Act (15 U.S.C. 78C);
- (d) [ ] Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);
- (e) [ X ] An investment adviser in accordance with Section 240.13d-1(b)(1)(ii)(E);
- (f) [ ] An employee benefit plan or endowment fund in accordance with Section 240.13d-1(b)(1)(ii)(F);
- (g) [ ] A parent holding company or control person in accordance with Section 240.13d-1(b)(1)(ii)(G);
- (h) [ ] A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) [ ] A church plan that is excluded from the definition of an insurance company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) [ ] Group, in accordance with section 240.13d-1(b)(1)(ii)(J).

SCHEDULE 13G

Issuer: Loral Space & Communications Ltd. CUSIP No.: 543881106

ITEM 4. Ownership.

MacKay Shields LLC, an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, is deemed to be the beneficial owner of 1,500,122 shares or 7.50% of the common stock believed to be outstanding as a result of acting as investment adviser to various clients.

ITEM 5. Ownership of Five Percent or Less of a Class.  
Not Applicable

ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON  
Not Applicable

ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY OR CONTROL PERSON.  
Not Applicable

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ITEM 8. Identification and Classification of Members of the Group.  
Not Applicable

ITEM 9. Notice of Dissolution of Group  
Not Applicable

ITEM 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of such securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose of 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: January 11, 2006

Signature: /s/ Rene A. Bustamante

Name/Title: Rene A. Bustamante  
Chief Compliance Officer