

TOUSA INC
Form 3
November 05, 2007

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

OMB APPROVAL

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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 *
HIGHLAND CAPITAL
MANAGEMENT LP

(Last) (First) (Middle)

TWO GALLERIA
TOWER, 13455 NOEL ROAD,
SUITE 800

(Street)

DALLAS, TX 75240

(City) (State) (Zip)

2. Date of Event Requiring Statement
(Month/Day/Year)
10/26/2007

3. Issuer Name and Ticker or Trading Symbol
TOUSA INC [TOA]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

5. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
X 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)

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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.

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