WATSA V PREM ET AL
Form 4
July 08, 2011

FORM 4

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

STATEMENT OF CHANGES IN 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

OMB APPROVAL
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *
FAIRFAX FINANCIAL HOLDINGS LTD/ CAN

(Last) (First) (Middle)

95 WELLINGTON STREET WEST, SUITE 800

(Street)

TORONTO, ONTARIO, CANADA, M5J 2N7

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
LEVEL 3 COMMUNICATIONS INC [LVLT]

3. Date of Earliest Transaction (Month/Day/Year)
07/06/2011

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
_____ Director
__X__ 10% Owner
_____ Officer (give title below)
_____ Other (specify below)

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 Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, $0.01 par value ("Shares")	07/06/2011		C		55,590,005	A	(1)	193,966,426	I	See Footnote (2)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amou Underlying Secur (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Am Nur Sha
15% Convertible Senior Notes due 2013 (?Notes?)	(3)	07/06/2011		C			$ 100,062,000	12/24/2008	(4)	Common Stock, $0.01 par value	55

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FAIRFAX FINANCIAL HOLDINGS LTD/ CAN 95 WELLINGTON STREET WEST SUITE 800 TORONTO, ONTARIO, CANADA M5J 2N7		X		
WATSA V PREM ET AL 95 WELLINGTON STREET WEST SUITE 800 TORONTO, ONTARIO, CANADA M5J 2N7		X		
1109519 ONTARIO LTD 95 WELLINGTON STREET WEST SUITE 800 TORONTO, ONTARIO, CANADA M5J 2N7		X		
SIXTY TWO INVESTMENT CO LTD 1600 CATHEDRAL PLACE 925 WEST GEORGIA ST. VANCOUVER, BC, CANADA V6C 3L3		X		
810679 ONTARIO LTD 95 WELLINGTON STREET WEST SUITE 800 TORONTO, ONTARIO, CANADA M5J 2N7		X		
NORTH RIVER INSURANCE CO 305 MADISON AVENUE MORRISTOWN, NJ 07962		X		
		X		

Fairfax (Barbados) International Corp. C/O FAIRFAX FINANCIAL HOLDINGS LIMITED 95 WELLINGTON STREET WEST, SUITE 800 TORONTO, ONTARIO, CANADA M5J 2N7		
ODYSSEY AMERICA REINSURANCE CORP 300 FIRST STAMFORD PLACE STAMFORD, CT 06902		X
Falcon Insurance Co (Hong Kong) Ltd 6/F., DCH COMMERCIAL CENTRE 25 WESTLANDS ROAD, QUARRY BAY HONG KONG		X

Signatures

/s/ Paul Rivett, Vice President	07/08/2011
**Signature of Reporting Person	Date
/s/ V. Prem Watsa	07/08/2011
**Signature of Reporting Person	Date
/s/ V. Prem Watsa, President	07/08/2011
**Signature of Reporting Person	Date
/s/ V. Prem Watsa, President	07/08/2011
**Signature of Reporting Person	Date
/s/ V. Prem Watsa, President	07/08/2011
**Signature of Reporting Person	Date
/s/ Paul Bassaline, Vice President	07/08/2011
**Signature of Reporting Person	Date
/s/ Ronald Schokking, Chairman	07/08/2011
**Signature of Reporting Person	Date
/s/ Kirk Reische, Vice President	07/08/2011
**Signature of Reporting Person	Date
/s/ Benjamin Wong, Chief Financial Officer	07/08/2011
**Signature of Reporting Person	Date

Explanation of Responses:

***** If the form is filed by more than one reporting person, *see* Instruction 4(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) Subsidiaries of Fairfax Financial Holdings Limited ("Fairfax") have agreed to convert $100,062,000 aggregate principal amount of Notes. Upon conversion, such subsidiaries will receive an aggregate of 55,590,005 Shares and will also receive an aggregate of approximately $22.5 million in cash, representing interest that would be due from conversion through the maturity date of the Notes.

(2) The Shares are held by subsidiaries of Fairfax.

(3) The Notes were convertible into Shares based on an initial conversion price of $1.80 per Share (equivalent to an initial conversion rate of 555.5556 Shares per $1,000 principal amount of Notes), subject to adjustment under certain circumstances.

(4)

The Notes were convertible into Shares at the option of the holder thereof at any time prior to the close of business on January 15, 2013, the maturity date of the Notes, unless the Notes were earlier purchased by the issuer or automatically converted.

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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