

LEAP WIRELESS INTERNATIONAL INC

Form PRER14A

June 27, 2011

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

LEAP WIRELESS INTERNATIONAL, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION

**5887 Copley Drive
San Diego, California 92111**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held on July 28, 2011**

To the Stockholders of Leap Wireless International, Inc.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Leap Wireless International, Inc., a Delaware corporation (Leap), will be held at 1:00 p.m. Eastern Daylight Time, on July 28, 2011, at the Kenwood Golf and Country Club, 5601 River Road, Bethesda, Maryland 20816, for the following purposes:

1. To elect the following eight director nominees to hold office until the next Annual Meeting of Stockholders or until their successors have been elected and have qualified:

John D. Harkey, Jr.
S. Douglas Hutcheson
Ronald J. Kramer
Paula Kruger

Robert V. LaPenta
Mark A. Leavitt
Mark H. Rachesky, M.D.
Michael B. Targoff

2. To conduct an advisory vote on executive compensation.

3. To conduct an advisory vote on the frequency of conducting future advisory votes on executive compensation.

4. To approve a stock option exchange program.

5. To ratify the selection of PricewaterhouseCoopers LLP as Leap s independent registered public accounting firm for the fiscal year ending December 31, 2011.

6. To transact such other business as may properly come before the Annual Meeting or any continuation, adjournment or postponement thereof.

The foregoing items of business are more fully described in the Proxy Statement associated with this Notice.

The Board of Directors has fixed the close of business on June 3, 2011 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting and at any continuation, adjournment or postponement thereof.

By Order of the Board of Directors

S. Douglas Hutcheson
President and Chief Executive Officer

San Diego, California
, 2011

ALL STOCKHOLDERS ARE CORDIALLY INVITED TO ATTEND THE MEETING IN PERSON. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY AS PROMPTLY AS POSSIBLE IN ORDER TO ENSURE YOUR REPRESENTATION AT THE MEETING. A RETURN ENVELOPE (WHICH IS POSTAGE PREPAID IF MAILED IN THE UNITED STATES) IS ENCLOSED FOR THAT PURPOSE. EVEN IF YOU HAVE GIVEN YOUR PROXY, YOU MAY STILL VOTE IN PERSON IF YOU ATTEND THE MEETING. PLEASE NOTE, HOWEVER, THAT IF YOUR SHARES ARE HELD OF RECORD BY A BROKER, BANK OR OTHER NOMINEE AND YOU WISH TO VOTE AT THE MEETING, YOU MUST OBTAIN A PROXY ISSUED IN YOUR NAME FROM THE RECORD HOLDER.

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PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION

**5887 Copley Drive
San Diego, California 92111**

PROXY STATEMENT

INFORMATION CONCERNING SOLICITATION AND VOTING

General

The Board of Directors (the **Board**) of Leap Wireless International, Inc., a Delaware corporation (**Leap**), is soliciting the enclosed proxy for use at the Annual Meeting of Stockholders to be held on July 28, 2011, at 1:00 p.m. Eastern Daylight Time (the **Annual Meeting**), or at any continuation, adjournment or postponement thereof, for the purposes set forth herein and in the associated Notice of Annual Meeting of Stockholders. The Annual Meeting will be held at the Kenwood Golf and Country Club, 5601 River Road, Bethesda, Maryland 20816. If you need directions to the location of the Annual Meeting, please contact Leap's Investor Relations department at (858) 882-9876. The approximate date on which this proxy statement is first being furnished or sent to stockholders is _____, 2011. As used in this proxy statement and accompanying appendix, the terms **we**, **us**, **our**, **ours** and the **Company** refer to Leap wholly owned subsidiaries, including Cricket Communications, Inc. (**Cricket**).

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on July 28, 2011.

Pursuant to rules promulgated by the Securities and Exchange Commission (**SEC**), we have elected to provide access to our proxy materials both by sending you this full set of proxy materials, including a proxy card, and by notifying you of the availability of our proxy materials on the Internet. The proxy statement and our 2010 Annual Report are available at www.leapwireless.com/ar2010.

Voting Rights and Outstanding Shares

Stockholders of record at the close of business on June 3, 2011 (the **Record Date**) are entitled to receive notice of and to vote at the Annual Meeting. At the close of business on the Record Date, Leap had 78,595,422 shares of common stock outstanding and entitled to vote. Stockholders of record on such date will be entitled to one vote on all matters to be voted upon for each share of common stock held. If you are a stockholder of record and plan to attend the Annual Meeting and wish to vote in person, you will be given a ballot at the Annual Meeting.

If you are a beneficial owner of shares held by a broker, bank or other nominee, your shares are held in **street name** and the organization holding your shares is considered to be the stockholder of record for purposes of voting at the Annual Meeting. As the beneficial owner, you have the right to direct your broker, bank or other nominee regarding how to vote your shares. However, since you are not the stockholder of record, you may not vote in person at the Annual Meeting unless you bring to the Annual Meeting a legal proxy from the record holder of the shares (your broker, bank or other nominee) authorizing you to vote at the Annual Meeting.

Quorum, Abstentions and Broker Non-Votes

A quorum is necessary for the transaction of business at the Annual Meeting. A quorum exists when holders of a majority of the total number of outstanding shares of common stock entitled to vote at the meeting are present in person or by proxy. At the Annual Meeting, the inspector of election appointed for the Annual Meeting will

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determine the presence of a quorum and tabulate the results of the voting by stockholders. The inspector of election will separately tabulate affirmative and negative votes, abstentions and broker non-votes.

Generally, a broker non-vote occurs when your shares are held by a broker, bank or other nominee and are not voted with respect to a particular proposal because the organization that holds your shares does not have discretionary voting power with respect to that proposal and has not received voting instructions from you. Under the rules of various national and regional securities exchanges, the organization that holds your shares does not have discretionary voting power with respect to any proposal that is subject to a counter-solicitation. **Therefore, unless you provide voting instructions to any broker, bank or other nominee holding shares on your behalf, they will not have discretionary authority to vote your shares on any of the proposals described in this proxy statement.** Please vote your proxy or provide voting instructions to the broker, bank or other nominee holding your shares so your vote on these matters will be counted.

Abstentions and broker non-votes are counted towards a quorum but are not considered as votes cast in determining whether a matter has been approved and will therefore have no effect on the outcome of any proposal.

Revocability of Proxies

Any stockholder giving a proxy pursuant to this solicitation has the power to revoke it at any time before it is voted. Proxies may be revoked by authorizing a new proxy on a later date over the Internet or by telephone (only your latest Internet or telephone proxy submitted prior to the Annual Meeting will be counted) or by filing with the Corporate Secretary of Leap at Leap's principal executive offices, 5887 Copley Drive, San Diego, California 92111, a written notice of revocation or a duly executed proxy bearing a later date. A stockholder of record at the close of business on the Record Date may vote in person if present at the Annual Meeting, whether or not he or she has previously given a proxy. Attendance at the Annual Meeting will not, by itself, revoke a proxy.

Solicitation

We will bear the cost of soliciting proxies for the upcoming Annual Meeting, including the cost of preparing, printing and mailing the proxy statement and any other materials used in our solicitation of proxies. We will ask banks, brokerage houses, fiduciaries and custodians holding stock in their names for others to send proxy materials to and obtain proxies from the beneficial owners of such stock, and we will reimburse them for their reasonable expenses in doing so. As a result of the actions by Pentwater Capital Management, LP and Pentwater Equity Opportunities Fund, Ltd. to attempt to nominate three directors for election at the Annual Meeting (discussed below), we estimate we may incur approximately \$1.5 million of additional expense in furtherance of, and in connection with, the solicitation in excess of that normally spent for an annual meeting (excluding salaries and wages of our regular employees and officers and the fees and expenses to be paid to Innisfree M&A Incorporated (Innisfree)), of which we estimate that approximately \$150,000 of expense has been incurred to date. The actual amount of additional expense we may incur, however, could be materially different from what we currently estimate, depending on possible actions that might be taken by Pentwater Capital Management, LP and Pentwater Equity Opportunities Fund, Ltd. in connection with the proxy contest. We have retained Innisfree to act as a proxy solicitor in conjunction with the Annual Meeting and proxy contest and have agreed to pay that firm a fee of up to \$470,000, plus reasonable expenses, costs and disbursements, for proxy solicitation services, of which approximately \$260,000 has been earned to date. Innisfree expects to use approximately 35 of its employees to assist in the solicitation of proxies. We and our directors, officers and regular employees may supplement the proxy solicitor's solicitation of proxies by mail, personally, by telephone, by press release, by facsimile transmission or by other electronic means. No additional compensation will be paid to our directors, officers or other regular employees for such services.

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PROPOSAL 1

ELECTION OF DIRECTORS

Leap's Board has nominated eight nominees for election at the Annual Meeting. Each of the current members of Leap's Board is standing for re-election by the stockholders, except for John H. Chapple and William A. Roper, Jr., who will be leaving the Board following the Annual Meeting at the conclusion of their current term of service. In addition to the other current members of the Leap Board, Leap's Board has also nominated Paula Kruger and Mark A. Leavitt as nominees for election at the Annual Meeting.

If elected at the Annual Meeting, each of the eight nominees will serve until Leap's next annual meeting of stockholders, in each case until his or her successor is elected and has qualified, or until such director's earlier death, resignation or removal. Each person nominated for election has agreed to serve if elected, and the Board does not believe that any nominee will be unable to serve.

Leap's Amended and Restated Certificate of Incorporation provides that the number of directors that shall constitute the whole Board shall be fixed exclusively by one or more resolutions adopted from time to time by the Board. The authorized number of directors currently is eight.

All of our nominees will bring significant leadership, expertise and diverse backgrounds and perspectives to our Board as a result of their professional experience and service as executives and/or board members of other companies. The process undertaken by the Nominating and Corporate Governance Committee in recommending director candidates is described below under Board of Directors and Board Committees Director Nomination Process. Set forth below is biographical information for each person nominated as a director, including a description of certain experience, qualifications and skills that led our Board to conclude that these individuals should serve as our directors.

Background to the Solicitation

On December 2, 2010, we implemented new advance notice bylaw requirements in our Amended and Restated Bylaws (the Bylaws). These new Bylaws were adopted to ensure that our stockholders are provided with sufficient information regarding relationships, agreements and understandings between a nominating stockholder and the stockholder's proposed nominees. We implemented these Bylaws well in advance of our 2011 Annual Meeting to give our stockholders sufficient time to comply with the requirements prior to making any director nominations.

On March 10, 2011, Pentwater Capital Management, LP and Pentwater Equity Opportunities Fund, Ltd. on behalf of themselves and certain of their affiliates (collectively, Pentwater) issued a press release announcing their intention to nominate directors at our 2011 Annual Meeting. Also on March 10, 2011, the day before the end of the period prescribed by our Bylaws in which stockholders could properly deliver a notice of nominations for our 2011 Annual Meeting, we received notice from Pentwater purporting to nominate three directors for election at the meeting.

On March 31, 2011, we informed Pentwater that the notice it delivered was not in proper form because it did not comply with the Company's Bylaws, including with respect to the following:

Pentwater's notice failed to provide material information concerning relationships, agreements and understandings between Pentwater and its nominees, as required under Article II, Section 8(a)(2)(D)(iv) of the Bylaws. For example, the notice failed to disclose that Aaron Switz, one of Pentwater's principals, was the son of proposed nominee Robert Switz. In addition, the notice failed to disclose the nature of agreements,

arrangements or understandings between Aaron Switz and Pentwater, as well as between nominee Matthew Halbower and Pentwater, that were required to be disclosed.

Pentwater failed to disclose that its ownership position in Leap common stock was substantially hedged by put options it held with respect to our stock, as required by Article II, Section 8(a)(2)(B)(i) of the Bylaws.

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The notice failed to disclose whether Pentwater has formed a group, or intends to form a group, with H Partners Management LLC, BHR Capital, LLC and Altai Capital Management, L.P. in connection with its solicitation activities, as required under Article II, Section 8(a)(2)(B)(v) of the Bylaws. Pentwater and these other activist investors have all recently acquired voting power over a significant percentage of Leap common stock. Any relationship that Pentwater may have with these entities related to their voting of our common shares is material information that should be disclosed to our stockholders.

Finally, Pentwater's notice was deficient in neglecting to disclose whether Pentwater or any of its affiliates have any interest in MetroPCS Communications, Inc. (MetroPCS), as required by Article II, Section 8(a)(2)(D)(iii) of the Bylaws. Pentwater has previously expressed an intention that we enter into a transaction with MetroPCS, stating in a letter to our Board of Directors that we made the incorrect decision to turn away MetroPCS's proposal to merge with [the Company]. Since that time, Pentwater filed a preliminary proxy statement with the SEC on June 20, 2011, in which it continually references our decision not to undergo a strategic transaction with MetroPCS in 2007, making numerous comparisons between our and MetroPCS' relative operating and financial performance.

On April 1, 2011, Pentwater sent a letter to three members of our Board of Directors informing them, among other things, that we had informed Pentwater that its notice of nominations did not comply with our Bylaws. Pentwater also sent us a letter on April 1, 2011, disputing the conclusions we expressed in our March 31, 2011 letter. On April 4, 2011, we responded to Pentwater, reiterating the several ways in which Pentwater's notice failed to comply with our Bylaws. Counsel to Pentwater sent another letter to our counsel on April 7, 2011, again disputing the conclusions in the March 31 and April 4 letters.

In early April, our representatives and representatives of Pentwater engaged in several discussions regarding a potential settlement of the matter. These discussions concluded on April 21, 2011 with the parties unable to reach agreement.

Since April 21, 2011, following conclusion of settlement discussions, neither we nor any of our representatives received any further contact from Pentwater or its representatives regarding this matter and were unaware that Pentwater was pursuing any action relating to its notice of nominations until Pentwater filed its preliminary proxy statement with the SEC on June 20, 2011 and filed suit in the Delaware Chancery Court that same day, challenging the Company's advance notice bylaw requirements.

Between March 10, 2011, the date we received Pentwater's notice of nominations, and June 20, 2011, the date Pentwater filed its preliminary proxy statement with the SEC, Pentwater has sold a significant percentage of its holdings in Leap common stock. According to Pentwater's preliminary proxy statement, Pentwater currently holds 3.08% of our total outstanding shares down from the 4.80% of Leap common stock that Pentwater indicated to us that it held as of March 10, 2011. In addition, according to Pentwater's filings with the SEC, as of March 31, 2011, Pentwater held put options underlying 4.22% of our outstanding shares, substantially hedging its position in Leap common stock.

Related Litigation

On June 20, 2011, Pentwater commenced an action in the Delaware Chancery Court against us and our Board of Directors (the Action). Pentwater's complaint seeks a declaration that Article II, Section 8(a)(2)(D)(iv) of the Company's revised advance notice bylaw is invalid under Delaware law. The Action also alleges that members of the Board of Directors breached their fiduciary duties by adopting the revised advance notice bylaw.

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We believe and our Board of Directors believes that Pentwater's claims are without merit.

Effect of Voting for Pentwater's Nominees

As a result of Pentwater's failure to comply with our Bylaws, absent an order from the Delaware Chancery Court, any shares voted with respect to any nominees of Pentwater will not be counted for the purpose of determining the election of our directors at the Annual Meeting. Our Bylaws provide that directors are elected by a plurality of the votes of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the election of directors. **Therefore, if the shares voted with respect to any nominees of Pentwater are not counted for the purpose of determining the election of our directors at the Annual Meeting, then our director nominees will be elected to the Board of Directors.**

Nominees for Election

John D. Harkey, Jr., 50, has served as a member of our Board since March 2005. Mr. Harkey brings significant operational and financial expertise to our Board through his role as an executive of and investor in companies in diverse and various industries, including retail, hospitality and telecommunications. Since 1998, Mr. Harkey has served as chief executive officer and chairman of Consolidated Restaurant Companies, Inc. From 1992 to 1998, Mr. Harkey was a partner with the law firm Cracken & Harkey, LLP. Mr. Harkey was founder and managing director of Capstone Capital Corporation and Capstone Partners, Inc. from 1989 until 1992. Mr. Harkey also has significant expertise and perspective as a member of the boards of directors of private and public companies in various industries, including telecommunications, energy and pharmaceuticals. He currently serves as chairman of the board of directors of Regency Energy Partners, L.P. (NASDAQ: RGNC) and also serves on the boards of directors and audit committees of Loral Space & Communications Inc. (NASDAQ: LORL), Energy Transfer Equity, L.P. (NYSE: ETE) and Emisphere Technologies, Inc. (NASDAQ: EMIS). Mr. Harkey also previously served as a member of the boards of directors of Energy Transfer Partners, L.P. (NYSE: ETP), Pizza Inn (NASDAQ: PZZI) and Fox & Hound Investment Group (NASDAQ: FOXX) (which was previously named Total Entertainment Restaurant Corp. (NASDAQ: TENT)). Mr. Harkey obtained a B.B.A. in finance and a J.D. from the University of Texas at Austin and an M.B.A. from the Stanford University School of Business.

S. Douglas Hutcheson, 55, has served as our president, chief executive officer, or CEO, and a member of our Board since February 2005. Mr. Hutcheson provides our Board with significant operational and financial expertise in the telecommunications industry, as well as extensive experience with our business operations, having joined us as a member of our founding management team in September 1998. Since September 1998, Mr. Hutcheson has held a number of positions with us, having served as our chief financial officer, or CFO, between August 2002 and February 2005 and again between September 2007 and June 2008, and also having served in a number of vice president roles between September 1998 and January 2004 with responsibility for areas including strategic planning and product and business development. From February 1995 to September 1998, Mr. Hutcheson served as vice president, marketing in the Wireless Infrastructure Division at Qualcomm Incorporated. Mr. Hutcheson holds a B.S. in mechanical engineering from California Polytechnic University and an M.B.A. from the University of California at Irvine.

Ronald J. Kramer, 52, has served as a member of our Board since November 2009. Mr. Kramer brings significant operational and financial expertise to our Board given his background as an executive of companies in various industries, including finance, manufacturing and gaming. Since April 2008, Mr. Kramer has served as chief executive officer of Griffon Corporation (NYSE: GFF), a diversified holding company, and has served as a member of Griffon's board of directors since 1993. From 2002 to 2008, Mr. Kramer served as president and director of Wynn Resorts, Ltd. (NASDAQ: WYNN), a developer, owner and operator of hotel and casino resorts. From 1999 to 2001, Mr. Kramer was a managing director at Dresdner Kleinwort Wasserstein, an investment banking firm, and at its predecessor Wasserstein Perella & Co. Mr. Kramer also has significant expertise and perspective as a member of the boards of

directors of private and public companies in various industries. He formerly served on the boards of directors of Monster Worldwide, Inc. (NYSE: MWW), Sapphire Industrials Corporation (AMEX: FYR.UN), Lakes Entertainment, Inc. (NASDAQ: LACO), Republic Property Trust (formerly NYSE: RPB) and New Valley

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Corporation (NASDAQ: NVAL). Mr. Kramer holds a B.S. in economics from the Wharton School of the University of Pennsylvania and an M.B.A. from New York University.

Paula Kruger, 60, is being nominated to serve as a member of our Board. Ms. Kruger will provide our Board with significant operational expertise due to her experience as an executive of several companies in diverse and various industries, including retail and telecommunications. Since August 2008, Ms. Kruger has served as chief executive officer of Milano Worldwide Corporation, a designer, manufacturer and marketer of souvenir and giftware products. Prior to joining Milano, Ms. Kruger served as executive vice president of the mass markets group of Qwest Communications International Inc. (formerly NYSE: Q) from September 2003 to August 2008. Prior to that, Ms. Kruger served as president of the customer relationship management service line at Electronic Data Systems Corporation (formerly NYSE: EDS) from January 2002 to September 2003. From September 1999 to January 2002, Ms. Kruger was a search consultant for Taylor Winfield and Heidrick & Struggles, both executive search firms. From March 1997 to September 1999, Ms. Kruger served as executive vice president of operations at Excel Communications Inc. (formerly NYSE: ECI). Ms. Kruger also brings significant expertise and perspective through her service as a member of the boards of directors of private companies and non-profit organizations. Ms. Kruger holds a B.A. in economics from Long Island University, C.W. Post Campus and an M.B.A. from the Roth Graduate School of Business of Long Island University, C.W. Post Campus.

Robert V. LaPenta, 65, has served as a member of our Board since March 2005. Mr. LaPenta provides our Board with significant operational and financial expertise as an executive of several companies in diverse and various industries, including telecommunications and defense. Mr. LaPenta is the chairman, president and chief executive officer of L-1 Identity Solutions, Inc. (NYSE: ID), a provider of technology solutions for protecting and securing personal identities and assets. From April 2005 to August 2006, Mr. LaPenta served as the chairman and chief executive officer of L-1 Investment Partners, LLC, an investment firm seeking investments in the biometrics area. Mr. LaPenta served as president, chief financial officer and director of L-3 Communications Holdings, Inc. (NYSE: LLL), a company he co-founded, from April 1997 until his retirement from those positions effective April 1, 2005. From April 1996, when Loral Corporation was acquired by Lockheed Martin Corporation, until April 1997, Mr. LaPenta was a vice president of Lockheed Martin and was vice president and chief financial officer of Lockheed Martin's C3I and Systems Integration Sector. Prior to Lockheed Martin's acquisition of Loral in April 1996, Mr. LaPenta was Loral's senior vice president and controller. Mr. LaPenta previously served in a number of other executive positions with Loral after joining that company in 1972. Mr. LaPenta received a B.B.A. in accounting and an honorary degree in 2000 from Iona College in New York.

Mark A. Leavitt, 52, is being nominated to serve as a member of our Board. Mr. Leavitt will bring significant financial and telecommunications expertise to our Board due to his extensive investment banking experience, primarily with companies in technology, media and communications businesses. Mr. Leavitt joined Piper Jaffray in April 2008 as a managing director and the head of media and telecommunications investment banking and currently heads the firm's global technology, media and telecommunications group. Prior to Piper, he served as a managing director and head of the media and communications group at Jefferies & Company, Inc. from May 2005 to April 2008. Prior to that, Mr. Leavitt held similar positions with several investment banking firms from 1987 to 2005, including Robertson Stephens and Prudential Securities. Mr. Leavitt also brings significant expertise and perspective through his service as a member of the boards of directors of private and public companies in various industries, including telecommunications. Mr. Leavitt holds a B.S. from Trinity College and an M.B.A. from the University of Chicago Graduate School of Business.

Mark H. Rachesky, M.D., 52, has served as a member and Chairman of our Board since August 2004. Dr. Rachesky brings significant corporate finance and business expertise to our Board due to his background as an investor and fund manager. Dr. Rachesky is the co-founder and since 1996 has been president of MHR Fund Management LLC, which is an investment manager of various private investment funds that invest in inefficient market sectors, including

special situation equities and distressed investments. Dr. Rachesky also has significant expertise and perspective as a member of the boards of directors of private and public companies in various industries, including telecommunications, pharmaceuticals and media. Dr. Rachesky serves as a member and chairman of the boards of directors of Loral Space & Communications Inc. (NASDAQ: LORL) and Telesat Canada, and as a member of the boards of directors of Emisphere Technologies, Inc. (NASDAQ: EMIS) and Lions Gate Entertainment Corp. (NYSE: LGF). Dr. Rachesky also serves on the board of directors of NationsHealth, Inc.

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(formerly NASDAQ: NHRX) and previously served as a director of Neose Technologies, Inc. (formerly NASDAQ: NTEC) and Novadel Pharma, Inc. (OTCBB: NVDL). Dr. Rachesky holds a B.S. in molecular aspects of cancer from the University of Pennsylvania, an M.D. from the Stanford University School of Medicine and an M.B.A. from the Stanford University School of Business.

Michael B. Targoff, 66, has served as a member of our Board since September 1998. Mr. Targoff has significant operational and financial expertise as an investor in and executive of telecommunication companies. Since January 2008, Mr. Targoff has served as president of Loral Space & Communications Inc. (NASDAQ: LORL), having been previously appointed as chief executive officer in March 2006 and vice chairman and a member of the board of directors in November 2005. From 1998 to February 2006, Mr. Targoff was founder and principal of Michael B. Targoff & Co., a private investment company focused on telecommunications and related industry early stage companies. From 1996 to 1998, Mr. Targoff was the president and chief operating officer of Loral Space & Communications Ltd., having previously served as senior vice president and secretary of Loral Corporation. Before joining Loral Corporation in 1981, Mr. Targoff was a partner with the law firm of Willkie Farr & Gallagher LLP. Mr. Targoff also has significant expertise and perspective as a member of the boards of directors of private and public companies in various industries, including telecommunications. Mr. Targoff serves as a member of the board of directors of ViaSat, Inc. (NASDAQ: VSAT) and chairman of the board of directors of CPI International, Inc. (NASDAQ: CPII). Mr. Targoff also formerly served on the board of directors of Infocrossing, Inc. (formerly NASDAQ: IFOX). Mr. Targoff holds a B.A. from Brown University and a J.D. from the Columbia University School of Law.

Vote Required

Directors are elected by a plurality of the votes of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the election of directors. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the eight nominees named above. In no event may such shares be voted for the election of more than eight nominees. In the event that any nominee should be unavailable for election as a result of an unexpected occurrence, such shares will be voted for the election of such substitute nominee as the Board may propose.

Voting Recommendation of the Board of Directors

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR
EACH OF LEAP S EIGHT NOMINEES NAMED ABOVE**

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BOARD OF DIRECTORS AND BOARD COMMITTEES

Board Meetings

Leap's Board held ten meetings, including telephonic meetings, during the 2010 fiscal year. During the past fiscal year, each incumbent director attended at least 75% of the total number of meetings of the Board and meetings of committees of the Board on which he served.

Director Attendance at Annual Meetings of Stockholders

Leap's policy is to encourage the members of its Board to attend Leap's annual meetings of stockholders. All of Leap's directors attended the 2010 annual meeting of stockholders held on May 20, 2010.

Communications with Our Board

Any stockholder may communicate with the Board and its committees by addressing his or her communication to the Board, the independent directors, a committee of the Board, or an individual director by sending a communication addressed to the recipient group or individual at:

Leap Wireless International, Inc.
Attn: Board of Directors
c/o Corporate Secretary
5887 Copley Drive
San Diego, CA 92111

Copies of written communications received by the Corporate Secretary will be provided to the relevant director(s) unless such communications are considered, in the reasonable judgment of the Corporate Secretary, to be improper for submission to the intended recipient(s). Examples of stockholder communications that would be considered improper for submission include, without limitation, customer complaints, solicitations, communications that do not relate directly or indirectly to Leap or its business, or communications that relate to improper or irrelevant topics. Any such improper communication will be made available to any non-employee director upon request.

Director and Nominee Independence

The Board has determined that, except for Mr. Hutcheson, all of its current members and proposed nominees are independent directors as defined by the NASDAQ Stock Market listing standards. Mr. Hutcheson is not considered independent because he is employed by us as our president and CEO.

Board Leadership Structure

Our Corporate Governance Guidelines provide that our Chairman is to be selected by our Board in accordance with our Bylaws. The Board considers its leadership structure and the role and responsibilities of its Chairman based upon the needs of the Company, with the objective of providing effective, independent oversight of management. Since 2004, the Board has separated the positions of Chairman and CEO. The Board believes that this leadership structure is appropriate at this time to maximize the effectiveness of its oversight of management and to provide a perspective that is separate and distinct from that of management.

Standing Committees of the Board of Directors

Our Board has an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee.

Audit Committee. Our Audit Committee currently consists of Mr. Targoff (Chairman), Mr. LaPenta and Mr. Roper. Each member of the Audit Committee is an independent director, as defined by the NASDAQ Stock Market listing standards. Our Board has determined that each member of the Audit Committee qualifies as an audit

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committee financial expert as that term is defined in the rules and regulations established by the SEC. The functions of this Committee include:

appointment, compensation, retention and oversight of our independent registered public accounting firm and senior internal audit executive;

pre-approval of audit and non-audit services to be rendered by our independent registered public accounting firm;

review of the independence and quality control procedures of our independent registered public accounting firm and the experience and qualifications of the senior personnel from our independent registered public accounting firm providing audit services to us;

meeting with our management, our independent registered public accounting firm and our senior internal audit executive to discuss: (i) the scope of the audit, the procedures to be followed and the staffing of the audit; (ii) each annual audit, major issues regarding accounting principles and financial statement presentations, complex or unusual transactions and other special financial issues; (iii) analyses prepared by management or the independent registered public accounting firm of significant financial reporting issues and judgments made in connection with the preparation of our financial statements; and (iv) the effect of recent regulatory and professional accounting pronouncements and off-balance sheet structures on our financial statements;

reviewing our financial statements and periodic reports and discussing these statements and reports with our management and our independent registered public accounting firm, and considering whether such statements and reports are complete and consistent with information known to the Audit Committee members;

meeting separately with representatives from the independent registered public accounting firm: (i) regarding any problems or difficulties encountered during the course of the audit work; (ii) to discuss the report the independent registered public accounting firm is required to make to the Audit Committee; and (iii) to discuss the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended;

discussing with management the Company's policies with respect to risk assessment and risk management; and

determining whether to recommend to the Board that the audited financial statements be included in our Annual Report on Form 10-K for the fiscal year subject to the audit.

Representatives from both our independent registered public accounting firm and our internal financial personnel regularly meet privately with the Audit Committee and have unrestricted access to this committee. The Audit Committee held four meetings during the 2010 fiscal year. A copy of the Audit Committee Charter adopted by Leap's Board is posted in the Investor Relations section of Leap's website at www.leapwireless.com. The information on our website is not part of this proxy statement or any other report or registration statement that we furnish to or file with the SEC.

Compensation Committee. Our Compensation Committee currently consists of Mr. Chapple, Dr. Rachesky and Mr. Targoff. All members of the Compensation Committee are independent directors, as defined by the NASDAQ Stock Market listing standards. The functions of this Committee include:

reviewing our compensation philosophy and our employee compensation, pension and welfare benefit plans;

reviewing and approving corporate goals and objectives relating to the compensation of our CEO, and evaluating the performance of, and determining and approving the compensation of, our CEO;

evaluating the performance of our other executive officers, and reviewing and approving, or modifying, the recommendations of our CEO regarding compensation of such executive officers;

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reviewing and approving any employment contracts and special employment arrangements to be entered into by Leap with any executive officer;

granting awards under, and setting and evaluating performance targets under, annual bonus and long-term incentive compensation plans for our executive officers; and

reviewing and approving, as well as reviewing and discussing with our management, the Compensation Discussion and Analysis to be included in our Annual Report on Form 10-K and proxy statement.

The Compensation Committee held four meetings during the 2010 fiscal year. A copy of the Compensation Committee Charter adopted by Leap's Board is posted in the Investor Relations section of Leap's website at www.leapwireless.com. Under the Compensation Committee Charter, the Compensation Committee may delegate any or all of its responsibilities to a subcommittee of the Compensation Committee, and may delegate to one or more officers of Leap any or all of the Committee's responsibilities to grant awards under Leap's stock incentive plans to eligible participants (other than to Leap's executive officers).

Nominating and Corporate Governance Committee. Our Nominating and Corporate Governance Committee currently consists of Dr. Rachesky (Chairman), Mr. Kramer and Mr. Targoff. All members of the Nominating and Corporate Governance Committee are independent directors, as defined by the NASDAQ Stock Market listing standards. The functions of this Committee include:

identifying qualified candidates to become members of our Board;

recommending to the Board candidates for nomination for election as directors at each annual meeting of stockholders (or special meeting of stockholders at which directors are to be elected);

recommending the membership of committees of the Board;

recommending to the Board candidates for appointment to fill vacancies on our Board;

overseeing the annual evaluation of the performance of the Board; and

overseeing our corporate governance guidelines.

The Nominating and Corporate Governance Committee held two meetings during the 2010 fiscal year. A copy of the Nominating and Corporate Governance Committee Charter adopted by Leap's Board is posted in the Investor Relations section of Leap's website at www.leapwireless.com.

Director Nomination Process

Director Qualifications

The Nominating and Corporate Governance Committee's goal is to assemble a Board that brings to our company a variety of perspectives and skills derived from high quality business and professional experience. In evaluating director nominees, the Nominating and Corporate Governance Committee considers the following criteria, among others that the committee deems appropriate:

personal and professional integrity, ethics and values;

experience in corporate management, such as serving as an officer or former officer of a publicly held company, and a general understanding of marketing, finance and other elements relevant to the success of a publicly traded company in today's business environment;

experience in our industry;

experience as a board member of another publicly held company;

academic expertise in an area of our operations; and

practical and mature business judgment, including the ability to make independent analytical inquiries.

The Nominating and Corporate Governance Committee has no stated minimum criteria for director nominees. In evaluating director nominees, in addition to the criteria described above, the Nominating and Corporate

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Governance Committee may consider other factors that it deems to be appropriate and in the best interests of Leap and its stockholders. The Nominating and Corporate Governance Committee considers each nominee in the context of the Board as a whole, with the objective of assembling a group that can best contribute to the success of our business and represent stockholder interests through the exercise of sound judgment, using its diversity of perspectives, skills and experiences.

The Nominating and Corporate Governance Committee also believes it is appropriate for at least one, and preferably several, members of our Board to meet the criteria for an audit committee financial expert as defined by SEC rules, and that a majority of the members of our Board be independent directors, as defined under the NASDAQ Stock Market listing standards. At this time, the Nominating and Corporate Governance Committee also believes it is appropriate for our president and CEO to serve as a member of our Board.

Process for Identification and Evaluation of Nominees for Director

Nominating and Corporate Governance Committee Process. The Nominating and Corporate Governance Committee identifies nominees for director by first evaluating the current members of the Board willing to continue in service. Current members with qualifications and skills that are consistent with the Nominating and Corporate Governance Committee's criteria for Board service and who are willing to continue in service are considered for re-nomination, balancing the value of continuity of service by existing members of the Board with that of obtaining new perspectives. If any member of the Board does not wish to continue in service or if the Board decides not to re-nominate a member for re-election, the Nominating and Corporate Governance Committee identifies the desired skills and experience of a new nominee in light of the criteria above. In such a case, the Nominating and Corporate Governance Committee generally polls the Board and members of management for their recommendations. The Nominating and Corporate Governance Committee may also seek input from industry experts or analysts. Once candidates are identified, the Nominating and Corporate Governance Committee reviews the qualifications, experience and background of the candidates. Final candidates are then interviewed by the Nominating and Corporate Governance Committee and certain other of our independent directors and executive management. In making its determinations, the Nominating and Corporate Governance Committee evaluates each individual in the context of our Board as a whole, with the objective of assembling a group that can best perpetuate our success and represent stockholder interests through the exercise of sound judgment. After review and deliberation of all feedback and data, the Nominating and Corporate Governance Committee makes its recommendation to the Board. From time to time, the Nominating and Corporate Governance Committee has also engaged the services of a professional search firm to assist in identifying and recruiting potential candidates.

As indicated above, Leap's Board has nominated Paula Kruger and Mark A. Leavitt as nominees for election at the Annual Meeting, in addition to six other current members of Leap's Board. These new nominees were identified, among others, as possible Board candidates based upon recommendations by our professional search firm and our non-employee directors. Consistent with the process outlined above, these candidates were interviewed by members of the Nominating and Corporate Governance Committee and other members of our Board, including our CEO. The Nominating and Corporate Governance Committee then recommended that these candidates be nominated for election at the Annual Meeting, in addition to six other current members of Leap's Board, which the Board approved.

Recommendations from Stockholders. The Nominating and Corporate Governance Committee's policy is to consider and evaluate nominees recommended by stockholders in the same manner as it evaluates other nominees. We have not received any director candidate recommendations from our stockholders to date. However, any recommendations received from stockholders will be evaluated in the same manner that potential nominees suggested by Board members, management or other parties are evaluated.

Stockholders wishing to recommend a candidate for nomination for election as a director must do so in writing addressed to the Corporate Secretary of Leap. The stockholder must submit a detailed resume of the candidate and an explanation of the reasons why the stockholder believes this candidate is qualified for service on our Board. The stockholder must also provide such other information about the candidate as would be required by SEC rules to be included in a proxy statement about the candidate. In addition, the stockholder must include the written consent of the candidate and describe any arrangements or undertakings between the stockholder and the candidate regarding

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the recommendation or nomination. In order to give the Nominating and Corporate Governance Committee sufficient time to evaluate a recommended candidate, the recommendation must be received by our Corporate Secretary at our principal executive offices by the deadline for submitting proposals to be included in the proxy statement for the next annual meeting of stockholders, as described below in the section entitled *Stockholder Proposals*. Recommendations received after such date will likely not be timely for consideration in connection with that year's annual meeting of stockholders.

Nominations by Stockholders. Nominations of persons for election to the Board may be made at the Annual Meeting by any stockholder who is entitled to vote at the meeting and who has complied with all of the procedures set forth in Article II, Section 8 of the Bylaws. Generally, these procedures require stockholders to give timely notice in writing and in proper form to the Corporate Secretary of Leap. Any such notice must contain the information about both the nominee and the nominating stockholder required by the Bylaws, as well as the nominee's written consent to being named in the proxy and to serving as a director if elected. Stockholders are encouraged to review the Amended and Restated Bylaws of Leap for a complete description of the procedures. Nominations that do not comply with the requirements set forth in the Amended and Restated Bylaws of Leap will not be considered for presentation at the Annual Meeting. You may contact the Corporate Secretary of Leap for a copy of the relevant bylaw provisions regarding the requirements for nominating persons for election to the Board.

Risk Oversight

The Board has an active role, as a whole and at the committee level, in overseeing management of the Company's risks. The Board is regularly updated regarding risks that we face, including those that may impact our financial and operational performance, our credit and liquidity profile and other elements of our strategic plans. The Audit Committee assists the Board in this function and is charged with oversight of our policies regarding risk assessment and management, including our policies regarding management of financial risk exposure and review of related party transactions. The Board's other standing committees also have responsibilities with respect to risk oversight. The Compensation Committee is responsible for overseeing the management of risks relating to executive compensation plans and arrangements. The Nominating and Corporate Governance Committee manages risks associated with the independence of the Board of Directors and potential conflicts of interest. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board is informed of risks we face through reports from our committees and management.

Table of Contents**EXECUTIVE OFFICERS**

Biographical information for the executive officers of Leap as of the date of this proxy statement (other than Mr. Hutcheson) is set forth below. There are no family relationships between any director or executive officer and any other director or executive officer. Executive officers serve at the discretion of the Board and until their successors have been duly elected and qualified, unless sooner removed by the Board.

Name	Age	Position
Walter Z. Berger	55	Executive Vice President and Chief Financial Officer
Raymond J. Roman	44	Executive Vice President and Chief Operating Officer
Robert A. Young	60	Executive Vice President, Field Operations
William D. Ingram	54	Senior Vice President, Strategy
Robert J. Irving, Jr.	55	Senior Vice President, General Counsel and Secretary
Jeffrey E. Nachbor	46	Senior Vice President, Financial Operations and Chief Accounting Officer
Leonard C. Stephens	54	Senior Vice President, Human Resources

Walter Z. Berger has served as our executive vice president and CFO since June 2008. From 2006 to 2008, Mr. Berger served in senior management roles at CBS Corporation, including as executive vice president and chief financial officer for CBS Radio, a division of CBS Corporation. Prior to joining CBS Radio, Mr. Berger served as executive vice president and chief financial officer and a director of Emmis Communications from 1999 to 2005. From 1996 to 1997, Mr. Berger served as executive vice president and chief financial officer of LG&E Energy Corporation and in 1997 was promoted to group president of the Energy Marketing Division, where he served until 1999. From 1985 to 1996, Mr. Berger held a number of financial and operating management roles in the manufacturing, service and energy fields. Mr. Berger began his career in audit at Arthur Andersen in 1977. Mr. Berger is a certified public accountant and holds a B.A. in business administration from the University of Massachusetts, Amherst.

Raymond J. Roman has served as our executive vice president and chief operating officer since February 2011. Prior to joining us, Mr. Roman served in senior executive positions at Dell Inc. from 2007 to 2011, first as vice president of global service and operations, software and peripherals for the consumer division and then as vice president of sales, operations and service for the mobility division. Prior to Dell, Mr. Roman served in senior management roles at Motorola, Inc. from 2001 to 2007, including as senior vice president, global sales and operations for mobile devices. From 1989 to 2001, Mr. Roman served in a number of senior operating and finance roles at companies including Ameritech Corporation and Kraft Foods, Inc. Mr. Roman holds a B.S. in finance from the University of Illinois and an M.B.A. from the University of Chicago.

Robert A. Young has served as our executive vice president, field operations since January 2011. Prior to joining us, Mr. Young served in senior management positions from 2001 to 2009 with MetroPCS Communications, Inc., including as executive vice president, market operations and senior vice president, northeast markets. From 2000 to 2001, Mr. Young served in senior management roles with Verizon Wireless, including as president of the Great Lakes region and president of Verizon Wireless Messaging Services. Prior to joining Verizon Wireless, Mr. Young held senior management positions with PrimeCo Personal Communications from 1995 to 2000 and with U.S. West, Inc. from 1991 to 1995. Mr. Young holds a B.S. in business management from Florida State University and an M.S. from the University of Miami.

William D. Ingram has served as our senior vice president, strategy since April 2008, having previously served as our senior vice president, financial operations and strategy from February 2008 to April 2008 and as a consultant to us beginning August 2007. Prior to joining us, Mr. Ingram served as vice president and general manager of AudioCodes, Inc., a telecommunications equipment company from July 2006 to March 2007. Prior to that, Mr. Ingram served as the president and chief executive officer of Nuera Communications, Inc., a provider of VoIP infrastructure solutions, from September 1996 until it was acquired by AudioCodes, Inc. in July 2006. Prior to joining Nuera Communications in 1996, Mr. Ingram served as the chief operating officer of the clarity products division of Pacific Communication Sciences, Inc., a provider of wireless data communications products, as president of Ivie Industries, Inc., a computer security and hardware manufacturer, and as president of KevTon, Inc.,

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an electronics manufacturing company. Mr. Ingram holds an A.B. in economics from Stanford University and an M.B.A. from Harvard Business School.

Robert J. Irving, Jr. has served as our senior vice president, general counsel and secretary since May 2003, having previously served as our vice president, legal from August 2002 to May 2003, and as our senior legal counsel from September 1998 to August 2002. Previously, Mr. Irving served as administrative counsel for Rohr, Inc., a corporation that designed and manufactured aerospace products from 1991 to 1998, and prior to that served as vice president, general counsel and secretary for IRT Corporation, a corporation that designed and manufactured x-ray inspection equipment. Before joining IRT Corporation, Mr. Irving was an attorney at Gibson, Dunn & Crutcher LLP. Mr. Irving was admitted to the California Bar Association in 1982. Mr. Irving holds a B.A. from Stanford University, an M.P.P. from the John F. Kennedy School of Government at Harvard University and a J.D. from Harvard Law School.

Jeffrey E. Nachbor has served as our senior vice president, financial operations and chief accounting officer since May 2008, having previously served as our senior vice president, financial operations since April 2008. From September 2005 to March 2008, Mr. Nachbor served as the senior vice president and corporate controller for H&R Block, Inc. Prior to that, Mr. Nachbor served as senior vice president and chief financial officer of Sharper Image Corporation from February 2005 to August 2005 and served as senior vice president, corporate controller of Staples, Inc. from April 2003 to February 2005. Mr. Nachbor served as vice president of finance of Victoria's Secret Direct, a division of Limited Brands, Inc., from December 2000 to April 2003, and as vice president of financial planning and analysis for Limited Brands, Inc. from February 2000 to December 2000. Mr. Nachbor is a certified public accountant and holds an M.B.A. in finance and accounting from the University of Kansas and a B.S. in accounting from Old Dominion University.

Leonard C. Stephens has served as our senior vice president, human resources since our formation in June 1998. From December 1995 to September 1998, Mr. Stephens was vice president, human resources operations for Qualcomm Incorporated. Before joining Qualcomm Incorporated, Mr. Stephens was employed by Pfizer Inc., where he served in a number of human resources positions over a 14-year career. Mr. Stephens holds a B.A. from Howard University.

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis, or CD&A, describes the principles and objectives of our executive compensation program, how we applied those principles in compensating our named executive officers for 2010 and how our compensation programs drive the Company's financial and operational performance.

Our named executive officers for 2010 are:

S. Douglas Hutcheson, our president and CEO;

Walter Z. Berger, our executive vice president and CFO;

Jeffrey E. Nachbor, our senior vice president, financial operations and chief accounting officer;

William D. Ingram, our senior vice president, strategy; and

Albin F. Moschner, our former executive vice president and chief operating officer (who retired in January 2011).

In this CD&A, we first provide an executive summary of our executive compensation program, including compensation earned by our named executive officers for 2010. We then describe the compensation philosophy and

the objectives of our executive compensation program and how the Compensation Committee of our Board of Directors oversees our compensation program. We then discuss the compensation determination process and describe how we determine each element of compensation. We believe that our compensation program in 2010 and in prior years demonstrates that we have closely linked pay to performance.

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Executive Summary

Overview of Our Executive Compensation Program

Our executive compensation program is designed to attract, motivate and retain talented executives who will drive our financial and operational objectives while creating long-term shareholder value. The Company's executive compensation philosophy is that executive officers' pay should be closely aligned to both corporate and individual performance.

Our compensation program is designed to achieve these objectives through a combination of base salary, annual short-term incentive compensation in the form of cash bonuses and long-term incentive compensation, primarily in the form of stock options and restricted stock awards. Base salary is intended to provide a baseline level of compensation for our named executive officers. The remaining types of compensation, which in the aggregate represent the substantial majority of our named executive officers' total compensation opportunity, are tied to corporate and individual performance and the performance of our stock. We also provide health, welfare and financial planning benefits to our named executive officers as well as severance, change in control and retention benefits.

The Compensation Committee strives to provide compensation opportunities to our executive officers that are competitive with the market in which Leap competes for executive talent, and it generally reviews the total compensation opportunity provided to our executive officers by reference to and in the context of compensation levels between the 50th and 75th percentile of compensation awarded to executives at comparable telecommunications and technology companies.

2010 Financial and Operational Performance

Compensation amounts earned by our named executive officers in 2010 were influenced by the Company's financial and operational performance. For the Company, 2010 was a period of continued intense competition within the wireless industry and ongoing transition in our business. The competitive pressures within the wireless telecommunications industry intensified beginning in 2009 due to the attractive growth prospects of the prepaid and pay-in-advance segment in which we operate, with a number of wireless providers offering competitively-priced unlimited prepaid and postpaid service offerings that competed with our Cricket services. In addition, during that year, some of our competitors introduced all-inclusive service plans, which were priced to include regulatory fees and taxes. We took actions in 2009 to address the evolving competitive and economic environment, including revising our service plans to provide additional features previously only available in our higher-priced plans. Although these changes were attractive to new and existing customers, they also resulted in lower average revenue per user, or ARPU, a trend which continued into 2010.

During 2010, we continued to take steps to improve our competitive positioning and introduced a number of significant new business and strategic initiatives, particularly in the second half of 2010. These new initiatives which included launching all-inclusive service plans, eliminating certain late fees we previously charged customers and introducing smartphones and other new handsets and devices led to improved financial and operational performance beginning in the second half of 2010, including higher ARPU and lower customer turnover, or churn, and these positive trends continued into 2011. In addition, we continued to work to update and transition a number of significant, internal business systems, including a new customer billing system that we recently launched. Because many of our new initiatives were largely introduced in the second half of 2010, however, they did not significantly impact our full year 2010 financial and operational results, and we did not experience rates of year-over-year customer and financial growth as high as those we experienced in prior years.

Fiscal Year 2010 Results

New Customers We ended 2010 with approximately 5.52 million customers, up 11% from the number of customers we had at the end of 2009.

Revenues We generated total revenues of \$2,697 million and service revenues of \$2,483 million during fiscal 2010, representing increases of 9% and 11%, respectively, over fiscal 2009.

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Adjusted OIBDA We produced \$525.3 million of adjusted operating income before depreciation and amortization, or OIBDA, during fiscal 2010, an 8% increase over fiscal 2009. We generated an operating loss of \$450.7 million during fiscal 2010, reflecting \$477.3 million of non-cash charges recorded in the third quarter, primarily related to impairment of the Company's goodwill as well as the write-off of certain previously-capitalized network expansion costs relating to network design, site acquisition and capitalized interest. For a definition of adjusted OIBDA and a reconciliation of adjusted OIBDA to operating income (loss), see Appendix A to this proxy statement.

Significant 2010 Business and Strategic Initiatives

Nationwide Roaming and Wholesale Agreements We entered into agreements to provide our customers with unlimited nationwide voice, text and data roaming services, as well as a wholesale agreement to permit us to offer Cricket wireless services outside of our current network footprint. These arrangements enable us to offer enhanced Cricket products and services, continue to strengthen our growing retail presence in our existing markets and further expand our distribution nationwide.

Significant New Product and Service Offerings In the second half of 2010, we significantly revised the features of a number of our Cricket product and service offerings, launching all-inclusive rate plans, eliminating certain late fees we previously charged customers and introducing smartphones and other new handsets and devices.

Management Transition We began to reshape our management team to strengthen the Company's performance, facilitate execution of our new initiatives and better meet the needs of our customers, and this transition continued into 2011. In connection with this process, we made changes to our vice president and senior management teams, including hiring two new executive vice presidents. Ray Roman joined us as our executive vice president and chief operating officer, succeeding Al Moschner who retired in January 2011. In addition, Bob Young joined us as our executive vice president, field operations, and oversees three area presidents with responsibility for Cricket's markets across the country.

Completion of Other Strategic and Business Initiatives We completed a number of other significant new strategic and business initiatives to strengthen our competitive and financial position, including forming a joint venture with Pocket Communications to provide Cricket service in South Texas and acquiring full ownership and control of Cricket markets in greater Chicago, southern Wisconsin and Oregon. We also completed a \$1.2 billion offering of senior notes, using the proceeds to repurchase and redeem \$1.1 billion of existing senior notes, which reduced our annual interest costs by approximately \$10 million and extended the maturity of this indebtedness to 2020. Finally, we announced the launch of Muve Music[™], an innovative unlimited music download service designed specifically for mobile handsets.

2010 Compensation Programs and Decisions

The compensation earned by our named executive officers for 2010 reflected the Compensation Committee's overall pay philosophy, including its objective to provide competitive compensation opportunities and its emphasis on pay for performance:

No Increase to Base Salaries Based on its review of the compensation levels of officers with similar positions at comparable companies, its assessment of the Company's financial and operational performance in 2009 and the recommendation of our CEO, the Compensation Committee did not increase 2010 base salaries for any of our executive officers, including for any of our named executive officers. Similarly, none of our

executive officers received any increase to their base salary as part of the Compensation Committee's recent review of executive compensation for 2011.

No Annual Cash Bonus Award for CEO and Below-Target Awards for Other Officers Targeted amounts for 2010 annual cash bonuses were unchanged from the prior year, again based upon the Compensation Committee's determination that such targets were reasonable and appropriate when compared to target amounts at other companies. Based upon the Company's financial and operational performance in 2010, our CEO recommended that he not be awarded a cash bonus and he did not receive one. The other named

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executive officers generally received bonus awards in amounts well below their target bonus levels, except for Mr. Moschner who retired as our executive vice president and chief operating officer in January 2011 and who did not receive a bonus award. Although the new initiatives we introduced in the second half of 2010 have led to improved financial and operational performance, including higher ARPU and lower churn, the Compensation Committee determined that our financial and operational performance for the full year was not sufficient to warrant payment of bonuses based on corporate performance. As a result, bonus amounts awarded to our named executive officers were generally based on their individual accomplishments in 2010, which included implementing the significant business and strategic initiatives discussed above.

Long-Term Equity Compensation Tied to Leap Stock Performance In order to further align employee and stockholder interests and provide additional retentive value, in the first quarter of 2010 the Compensation Committee granted the named executive officers long-term incentive compensation in the form of restricted stock awards. These awards were granted in part because the total compensation opportunity provided to our executive officers was generally below the 50th percentile of total compensation provided by those companies against which we measured our compensation, largely due to the amount and value of long-term incentive compensation awards then held by our executive officers. Approximately 70% of the new restricted stock awards consisted of performance-vested restricted shares, which vest in annual installments over four years; however, each annual vesting occurs only if the average closing price for Leap common stock is at or above the closing price on the date such shares were originally issued (\$15.75) for the 30-calendar day period preceding the annual vesting date or for a subsequent 30-day period. This additional stock performance condition represents a departure from the vesting terms generally applicable to prior awards and was intended to tie any future compensation benefit to be received with respect to these awards to the performance of our stock, thus further aligning management's interests with those of our stockholders.

Other Benefits During 2010, the named executive officers were also eligible to receive other elements of compensation, including health, welfare and financial planning benefits, as described below under Elements of Executive Compensation Other Benefits. In keeping with the Compensation Committee's philosophy on these other forms of compensation, these arrangements were limited in scope and amount.

We believe that total compensation earned by our named executive officers for 2010 was appropriate when viewed in light of our achievements for the year, as well as their individual contributions.

Compensation Philosophy and Objectives

As described above, our compensation and benefits programs are designed to attract and retain key employees necessary to support our business plans and to create and sustain a competitive advantage for us in the market segment in which we compete. For all of our executive officers, a substantial portion of total compensation is performance-based. We believe that compensation paid to executive officers should be closely aligned with our performance on both a short-term and long-term basis and linked to specific, measurable results intended to create value for stockholders.

In particular, our fundamental compensation philosophies and objectives for executive officers include the following:

Using total compensation to recognize each individual officer's scope of responsibility within the organization, experience, performance and overall contributions to our company.

Providing incentives to accomplish significant strategic, financial and individual performance by linking incentive award opportunities to achievement in these areas.

Using external compensation data from similarly-sized telecommunications and technology companies as part of our due diligence in determining base salary, target bonus amounts and long-term incentive compensation for individual officers at Leap.

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Using long-term equity-based compensation (generally restricted stock and stock options) to align employee and stockholder interests, as well as to attract, motivate and retain employees and enable them to share in our long-term success.

Procedures for Determining Compensation Awards

The Compensation Committee

The Compensation Committee has primary authority to determine and recommend the compensation payable to our executive officers. In fulfilling this oversight responsibility, the Compensation Committee annually reviews the performance of our senior executive management team in light of our compensation philosophies and objectives described above. To aid the Compensation Committee in making its compensation determinations, each year our CEO, assisted by our senior vice president, human resources, provides recommendations to the Compensation Committee regarding the compensation of the other executive officers. Our CEO does not participate in deliberations regarding his own compensation.

In addition, the Compensation Committee has retained Mercer (US), Inc., or Mercer, a consulting firm specializing in executive compensation matters, to assist the committee in evaluating our compensation programs, policies and objectives and to provide advice and recommendations on the amount and form of executive and director compensation. Mercer began providing these services to the Compensation Committee in January 2006. Mercer's fees for providing these services in 2010 were approximately \$150,000.

Comparison of Compensation to Market Data

The Compensation Committee strives to provide compensation opportunities to our executive officers that are competitive with the market in which Leap competes for executive talent. To aid the Compensation Committee in its review of our executive compensation programs, management and/or Mercer periodically prepares a comparison of executive compensation levels at similarly-sized telecommunications and technology companies. This comparison typically includes statistical summaries of compensation information derived from a number of large, third-party studies and surveys, which, for purposes of considering 2010 compensation for our executive officers, included the Radford Executive Survey and the Culpepper U.S. Survey. These summaries and databases contain executive compensation information for telecommunications, wireless and other companies, although the surveys do not provide the particular names of those companies whose pay practices are surveyed with respect to any particular position being reviewed. In addition to this third-party survey information, Mercer also presented comparative compensation information for a select number of other telecommunications companies. As part of its review of compensation for 2010, the Compensation Committee reviewed comparative data prepared by Mercer with respect to executive officer compensation provided by the following companies: American Tower, CenturyTel (now CenturyLink), Crown Castle International, Frontier Communications, MetroPCS Communications, NII Holdings, Telephone and Data Systems, Time Warner Telecommunications, U.S. Cellular and Windstream. This peer group represented a select group of companies in the telecommunications industry against which we compete for executive talent, with revenues of between \$1 billion and \$5 billion and market-capitalization-to-revenue ratios of greater than 0.5. This comparative information, together with the statistical summaries described above, was presented to help the Compensation Committee generally assess comparative compensation levels for positions held by our executive officers. This approach is designed to help us provide executive compensation opportunities that will allow us to remain competitive.

Compensation Determination Process

Based upon the objectives outlined above, our Compensation Committee has historically determined the total compensation opportunity we provide to our executive officers consisting of base salary, annual performance bonus and long-term incentive awards with reference to and in the context of compensation levels between the 50th and 75th percentile of compensation awarded to executives with similar positions at comparable companies. Comparative compensation levels, however, are only one of several factors that our Compensation Committee considers in determining compensation levels for our executive officers, and the individual elements of an executive officer's targeted overall compensation opportunity may be below the 50th percentile, or above the 75th percentile,

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based on other considerations, including the executive officer's experience and tenure in his position, as well as his individual performance, leadership and other skills. As a result, although we intend to continue to strive to provide total compensation opportunities that are competitive, the Compensation Committee may determine not to fully adjust the compensation levels of our executive officers to keep pace with a compensation range between the 50th and 75th percentile of the peer companies against which we measure our compensation. The extent to which actual compensation to be received by an executive may materially deviate from the targeted total compensation opportunity will also depend upon Leap's corporate and operational performance and the individual performance of the relevant officer for the year. This approach is intended to ensure that there is a direct relationship between Leap's overall financial and operational performance and each individual named executive officer's total compensation.

In general, we seek to provide executives who have the greatest influence on our financial and operating success with compensation packages in which their long-term incentive awards could provide a significant portion of their total compensation opportunity. This focus on equity awards is intended to provide meaningful compensation opportunities to executives with the greatest potential influence on our financial and operating performance. Thus, we make the most substantial equity awards to our senior executive management team, comprised of our CEO, executive vice presidents and senior vice presidents. In addition, we seek to provide vice presidents and other employees who have significant influence over our operating and financial success with equity incentives that provide high retention value and alignment of these managers' interests with those of our stockholders. For 2010, a substantial portion of each named executive officer's potential compensation opportunity was comprised of his annual performance bonus and long-term equity incentive awards. We have not, however, adopted any other formal or informal policies or guidelines for allocating compensation between long-term and short-term incentives, between cash and non-cash compensation, or among different forms of non-cash compensation.

Because the compensation levels of our named executive officers reflect, in part, the compensation levels associated with the varying roles and responsibilities of corporate executives in the marketplace, there were significant differentials between the 2010 compensation awarded to our CEO and to our other named executive officers. The difference in Mr. Hutcheson's compensation relative to the other named executive officers, however, is not the result of any internal compensation equity standard but rather reflects the Compensation Committee's review of the compensation of CEOs of other comparable companies as well as its view of the relative importance of Mr. Hutcheson's leadership.

Elements of Executive Compensation

Leap's executive officer compensation program is comprised of three primary components: base salary; annual short-term incentive compensation in the form of cash bonuses; and long-term incentive compensation, primarily in the form of stock options and restricted stock awards. We also provide certain additional employee benefits and retirement programs to our executive officers, as well as severance, change in control and retention benefits.

Base Salary

The base salary for each executive officer is generally established through negotiation at the time the executive is hired, taking into account the executive's qualifications, experience, prior salary and competitive salary information. As discussed above, in determining base salaries for our executive officers, the Compensation Committee considers compensation paid to comparable officers at comparable companies. In addition, each year the Compensation Committee determines whether to approve merit increases to our executive officers' base salaries based upon the Company's prior year performance, the officer's individual performance and the recommendations of our CEO. From time to time, an executive officer's base salary may also be increased to reflect changes in competitive salaries for such executive's position based on the compensation data for comparable companies prepared for our Compensation Committee.

The Compensation Committee did not increase 2010 base salaries for any of our executive officers, including for any of our named executive officers. The Compensation Committee made this determination based on its review of the compensation levels of officers with similar positions at comparable companies, consistent with its philosophy that a substantial percentage of total compensation should be performance based, as well as its

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assessment of the Company's financial and operational performance in 2009 and the recommendation of our CEO. Our named executive officers' base salaries for 2010 are set forth in the table below entitled "Summary Compensation." Similarly, none of our named executive officers received any increase to their base salary as part of the Compensation Committee's recent review of executive compensation for 2011.

Annual Performance Bonus

We provide an annual cash performance bonus opportunity to our executive officers. The purpose of these bonus awards is to provide an incentive to our executive officers to assist us in achieving our principal financial and operating objectives.

Determination of Target Bonus Amounts

Target and maximum bonus amounts payable to our executive officers are established by the Compensation Committee early in the year, generally as a percentage of each individual executive officer's base salary. For 2010, the targeted amounts of the bonuses were unchanged from 2009 levels, again based upon the Compensation Committee's determination that such targets were reasonable and appropriate when compared to target amounts at other companies. The target amounts were set at 100% of base salary for our CEO, 90% for our then-current chief operating officer, or COO, 80% of base salary for our executive vice presidents and 65% of base salary for our senior vice presidents. The actual bonus award payable to the executive officers can range from 0% to 200% of the target bonus amount, based on relative corporate and individual performance, subject to the Compensation Committee's discretion to increase or decrease such amount. These target and maximum bonus amounts are based, in part, on the Compensation Committee's review of cash bonus payments made to similarly-situated executives of other comparable and surveyed companies, as described above.

In 2010, for those executive officers who were direct reports of our CEO, 75% of their target bonus was generally based upon our corporate performance and 25% was generally based upon the officer's individual performance. For other members of senior management, including Mr. Nachbor, 60% of the target bonus was generally based upon our corporate performance (measured for both the first six months and entire year) and 40% was generally based upon the officer's individual performance.

Determination of Actual Bonus Amounts

As indicated above, an important objective of our compensation program is to provide incentives to our executives to accomplish significant strategic, financial and individual performance. As a result, the actual amount of a bonus earned by an executive officer for a given year depends upon corporate and individual performance. Our corporate performance is generally reviewed by reference to two key performance metrics: (i) a financial measure we call adjusted OIBDA, which we define as operating income (loss) less depreciation and amortization, adjusted to exclude the effects of: gain/loss on sale/disposal of assets; impairment of assets; and share-based compensation expense; and (ii) our number of net customer additions. We believe that the achievement of these performance metrics is dependent in many respects upon the efforts and contributions of our named executive officers and their individual performance. When reviewing Leap's annual corporate performance, the Compensation Committee has the ability to consider any significant investments or special projects undertaken during the year which may not have been reflected in the Company's financial or operational results.

Individual performance is determined for our CEO and other executive officers based upon the Compensation Committee's qualitative assessment of their performance for the year. For executive officers other than our CEO, the Compensation Committee also considers ratings assigned to each individual by our CEO in connection with his assessment of such individual's performance during the year.

2010 Performance Bonus Awards

2010 was a year of significant business transition for the Company during which we introduced a number of significant new business and strategic initiatives, particularly in the second half of 2010, to address the evolving industry and economic landscape and to improve our competitive positioning. Because these new initiatives were being developed throughout the year, specific corporate performance goals were not formally adopted during 2010,

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and the Compensation Committee considered corporate performance awards for our executive officers for the year based upon its subjective review of our financial and operational results.

Based upon the Company's 2010 financial and operational results, Mr. Hutcheson recommended that he not be awarded any cash bonus for either corporate or individual performance, and he did not receive one. The other named executive officers generally received bonus awards well below their target bonus levels. Mr. Moschner retired as our executive vice president and chief operating officer in January 2011 and did not receive a bonus award.

None of the named executive officers, except for Mr. Nachbor, received any bonus based upon 2010 corporate performance. Although the new initiatives we introduced in the second half of 2010 have led to improved financial and operational performance, including higher ARPU and lower churn, the Compensation Committee made the subjective determination that our financial and operational performance for the full year was not sufficient to warrant payment of bonuses based on corporate performance. For Mr. Nachbor, consistent with other members of our senior management team who do not report directly to our CEO, corporate performance was also reviewed for the first six months of 2010, and the Compensation Committee awarded him a bonus of \$58,487 for the Company's performance during that period.

With respect to individual performance, the Compensation Committee reviewed the accomplishments of our named executive officers in 2010, which included implementing the significant business and strategic initiatives discussed above. In recognition of the significant efforts required for such initiatives, the Compensation Committee awarded cash bonus awards for 2010 individual contributions as follows: Mr. Berger, \$106,000; Mr. Nachbor, \$106,186; and Mr. Ingram, \$48,746.

Long-Term Incentive Compensation

We generally provide long-term incentive compensation to our executive officers and other selected employees through the Leap Wireless International, Inc. 2004 Stock Option, Restricted Stock and Deferred Stock Unit Plan, as amended, or the 2004 Stock Plan. The 2004 Stock Plan was approved and adopted by the Compensation Committee in 2004 pursuant to authority delegated to it by the Board and is generally administered by the Compensation Committee. See 2004 Stock Option, Restricted Stock and Deferred Stock Unit Plan for additional information regarding the 2004 Stock Plan. In February 2009, we adopted the 2009 Employment Inducement Equity Incentive Plan of Leap Wireless International, Inc., or the 2009 Inducement Plan, which was established to make awards to new employees as an inducement to their commencing employment with us. The 2009 Inducement Plan was approved by the Board and is also administered by the Compensation Committee. See 2009 Employment Inducement Equity Incentive Plan for additional information regarding the 2009 Inducement Plan.

Under these plans, we grant our executive officers and other selected employees non-qualified stock options at an exercise price equal to (or greater than) the fair market value of Leap common stock (as determined under the plans) on the date of grant and restricted stock at a nominal purchase price or for no purchase price in exchange for services previously rendered to Leap or its subsidiaries by the recipient. The size and timing of equity awards is based on a variety of factors, including Leap's overall performance, the recipient's individual performance and competitive compensation information, including the value of awards granted to comparable executive officers as set forth in the statistical summaries of compensation data for comparable companies prepared for the Compensation Committee. We believe that the awards under these plans help us to reduce officer and employee turnover and to retain the knowledge and skills of our key employees.

In October 2008, the Compensation Committee adopted guidelines regarding the granting of equity awards to executive officers, employees or consultants. Under these guidelines, equity awards are generally granted and effective, to the extent practicable, on the 14th calendar day of the month following their approval by the Board or

Compensation Committee (or if that day is not a day on which Leap common stock is actively traded on an exchange, on the next trading day). In addition, the guidelines provide that any stock options for shares of Leap common stock to be awarded to existing or newly-promoted executive officers and other senior vice presidents are generally to be approved and granted, to the extent practicable, during periods when trading in Leap common stock is permitted under our insider trading policy or are to be approved with the grant contingent upon, subject to and effective two trading days after the release of any applicable, material non-public information.

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The Compensation Committee grants awards of stock options and restricted stock to executive officers and other eligible employees when they initially join us. The initial approach of the Compensation Committee, following our adoption of the 2004 Stock Plan, was to grant initial awards which vested in full in three to five years after the date of grant (with no partial time-based vesting for the awards in the interim) but that were subject to accelerated performance-based vesting prior to that time if Leap met certain performance targets. Since mid-2008, the Compensation Committee has granted to executive officers and other eligible employees that join us initial awards that vest over a four year period, with the options vesting in equal 25% annual increments and the shares of restricted stock vesting in 25% increments on the second and third anniversaries of the date of grant and 50% on the fourth anniversary of the date of grant. In addition to the initial stock options and restricted stock awards, the Compensation Committee also makes annual refresher grants of options and/or restricted stock to our executive officers and other eligible employees in order to help us achieve our executive compensation objectives noted above, including the long-term retention of members of our senior management team. These grants generally vest in similar fashion to the initial grants described above.

We do not have any requirements that executive officers hold a specific amount of our common stock or stock options. However, we periodically review executive officer equity-based incentives to ensure that our executives maintain sufficient unvested awards to promote their continued retention.

2010 Long-Term Equity Incentive Awards

As indicated above, the comparative survey data and peer group information presented by Mercer to the Compensation Committee in early 2010 indicated that the amount and value of long-term equity compensation awards then held by our named executive officers was generally below the 50th percentile of total direct compensation provided by those companies against which we measured our compensation, largely due to the amount and value of long-term incentive compensation awards then held by our named executive officers. Due to this disparity, and in order to further align employee and stockholder interests and provide additional retentive value, in March 2010, the Compensation Committee awarded our named executive officers additional long-term incentive compensation, consisting of grants of performance-vested restricted stock and time-vested restricted stock.

The grants of performance-vested restricted stock and time-vested restricted stock were made to our named executive officers pursuant to the 2004 Stock Plan in the amounts set forth in the table under the heading 2010 Grants of Plan-Based Awards. Approximately 70% of the total number of shares comprising the awards consisted of performance-vested restricted shares. The performance-vested restricted stock awards vest in 20% increments on the first, second and third anniversaries of the date of grant and 40% on the fourth anniversary of the date of grant, subject to a named executive officer's continued employment with the Company on each vesting date. However, in order for an installment of shares to vest on an anniversary vesting date, the average of the closing prices of the Company's common stock for the prior 30-calendar day period must be greater than \$15.75, the closing price of the Company's common stock on March 15, 2010 when the award was originally granted; otherwise, the installment of shares will remain unvested until the average of the closing prices of the Company's common stock for any subsequent 30-calendar day period is greater than such amount. This additional stock performance condition represents a departure from the vesting terms generally applicable to prior awards and was intended to tie any future compensation benefit to be received with respect to these awards to the performance of Leap stock, thus further aligning management's interests with those of our stockholders. The time-vested restricted stock awards vest in accordance with the standard vesting schedule for refresher grants discussed above.

In addition to the awards of restricted stock, the Compensation Committee also approved agreements with our named executive officers to pay them cash retention awards in the event of a change in control involving the Company. For more information regarding these agreements, see Severance, Retention and Change-in-Control Arrangements Cash Retention Agreements.

Other Benefits

Leap maintains a 401(k) plan for all employees, and provides a 50% match on employees' contributions, with Leap's matching funds limited to 6% of an employee's base salary. Leap's 401(k) plan allows eligible employees to

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contribute up to 30% of their salary, subject to annual limits. We match a portion of the employee contributions and may, at our discretion, make additional contributions based upon earnings. Our aggregate contributions for all employees for the year ended December 31, 2010 were approximately \$5,366,500.

Our named executive officers are also eligible to participate in all of our employee benefit plans, such as medical, dental, vision, group life and disability insurance, in each case on the same basis as other employees, subject to applicable law. We also provide vacation and other paid holidays to all employees, including our named executive officers. In addition, Leap provides our named executive officers with supplemental health insurance coverage with a maximum benefit of \$750,000 per year per person, the ability to apply for supplemental, company-paid executive disability insurance that provides a benefit of up to \$5,000 per month up to age 65, \$750,000 of supplemental, company-paid executive life insurance, and \$850,000 of executive accidental death and disability insurance. Leap also provides a tax planning reimbursement benefit with the amount of the annual reimbursement grossed up for applicable taxes. We believe that these additional benefits are reasonable in scope and amount and are typically offered by other companies against which we compete for executive talent. We do not maintain any pension plans or plans that provide for the deferral of compensation on a basis that is not tax-qualified.

Policy on Deductibility of Executive Officer Compensation

Section 162(m) of the Internal Revenue Code of 1986, as amended, or the Code, generally disallows a tax deduction to a publicly-held company for compensation in excess of \$1.0 million paid to its principal executive officer, or PEO, and its three most highly compensated executive officers (other than the PEO). Certain compensation arrangements are excluded from this limitation, including the payment of certain performance-based compensation awards tied to the attainment of specific goals, as well as the grant of certain stock options. The Compensation Committee believes that it is advisable, to the extent practicable, for Leap to award our executive officers performance-based cash bonus payments and stock options that qualify as performance-based compensation under Section 162(m) of the Code. As a result, we adopted the Leap Wireless International, Inc. Executive Incentive Bonus Plan, or the Executive Bonus Plan, which enables us to pay cash bonuses to our executive officers based on Leap's achievement of certain predetermined corporate performance goals. In addition, the 2004 Stock Plan allows Leap, among other things, to grant options that are exempt from the limits on deductibility under Section 162(m) of the Code. Stockholders approved the Executive Bonus Plan and the 2004 Stock Plan at our 2007 annual meeting of stockholders.

To the extent possible, the Compensation Committee intends to generally administer these plans in the manner required to make future payments under the Executive Bonus Plan and to grant options under the 2004 Stock Plan that constitute qualified performance-based compensation under Section 162(m). As indicated above, 2010 was a year of significant business transition for the Company during which we introduced a number of significant new business and strategic initiatives, particularly in the second half of 2010, to address the evolving industry and economic landscape and to improve our competitive positioning. Because these new initiatives were being developed throughout the year, specific corporate performance goals were not formally adopted during 2010, and the Compensation Committee considered corporate performance awards for our executive officers for the year based upon its subjective review of our financial and operational results. Although the Compensation Committee determined to award annual performance bonuses to certain named executive officers due to their individual performance during 2010, these bonus amounts will not qualify as performance-based compensation under Section 162(m). The Board and Compensation Committee will continue to retain the discretion to pay discretionary bonuses or other types of compensation outside of the plans which may or may not be tax deductible.

Risk Assessment of Compensation Program

In early 2011, management assessed the Company's compensation program for the purpose of reviewing and considering any risks presented by our compensation policies and practices that are likely to have a material adverse

effect on the Company.

As part of that assessment, management reviewed the primary elements of our compensation program, including base salary, annual short-term incentive compensation, long-term incentive compensation and severance and retention arrangements. Management's risk assessment included a review of the overall design of each primary

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element of our compensation program, and an analysis of the various design features, controls and approval rights in place with respect to compensation paid to management and other employees that mitigate potential risks to the Company that could arise from our compensation program.

Following the assessment, management determined that our compensation policies and practices did not create risks that were reasonably likely to have a material adverse effect on the Company and reported the results of the assessment to the Compensation Committee.

Summary Compensation

The following table sets forth certain information with respect to compensation for the fiscal years ended December 31, 2010, 2009 and 2008 earned by or paid to our CEO, our CFO and our three next most highly compensated executive officers as of the end of fiscal 2010. We refer to these officers collectively as our named executive officers for 2010.

Name and Principal Position	Year	Salary(1)	Bonus(2)	Non-Equity Incentive Plan			All Other Compensation(6)	Total
				Compensation(3)	Stock Awards(4)	Option Awards(5)		
Douglas Hutcheson <i>President, CEO and Director</i>	2010	\$ 750,000			\$ 2,205,000		\$ 71,292	\$ 3,026,292
	2009	\$ 743,699	\$ 355,000		\$ 1,648,500		\$ 63,016	\$ 2,810,215
	2008	\$ 647,609	\$ 332,960	\$ 412,850	\$ 2,451,495	\$ 2,410,240	\$ 29,666	\$ 6,284,760
Robert Z. Berger(7) <i>Executive Vice President and Chief Financial Officer</i>	2010	\$ 530,000	\$ 156,000		\$ 945,000		\$ 48,447	\$ 1,679,447
	2009	\$ 530,000	\$ 270,000				\$ 60,449	\$ 860,449
	2008	\$ 278,795	\$ 174,145	\$ 141,800	\$ 2,255,846	\$ 2,555,490	\$ 6,252	\$ 5,412,288
Gregory E. Nachbor(8) <i>Senior Vice President, Chief Financial Officer and Chief Accounting Officer</i>	2010	\$ 327,264	\$ 230,857	\$ 58,487	\$ 315,000		\$ 47,469	\$ 979,010
	2009	\$ 327,122	\$ 50,000	\$ 122,318			\$ 50,175	\$ 549,615
	2008	\$ 226,434	\$ 161,421	\$ 149,539	\$ 1,081,598	\$ 2,532,354	\$ 19,194	\$ 4,170,546
William D. Ingram(9) <i>Senior Vice President, Chief Financial Officer</i>	2010	\$ 299,974	\$ 73,746		\$ 472,500		\$ 29,498	\$ 875,718
	2009	\$ 299,974	\$ 130,000		\$ 329,700		\$ 17,303	\$ 776,977
	2008	\$ 299,507	\$ 94,885	\$ 124,360	\$ 561,599		\$ 9,948	\$ 1,090,300
John F. Moschner(10) <i>Senior Executive Vice President and COO</i>	2010	\$ 500,000	\$ 30,000		\$ 945,000		\$ 26,409	\$ 1,501,409
	2009	\$ 500,000	\$ 220,000		\$ 824,250		\$ 35,328	\$ 1,579,578
	2008	\$ 444,022	\$ 148,600	\$ 242,500	\$ 2,196,595	\$ 916,660	\$ 40,626	\$ 3,989,403

(1) Represents base salary rate for the applicable year, prorated for any approved changes in base salary during the applicable year. Previously reported base salary amounts for 2009 and 2008 have been conformed to reflect this method of presentation.

(2) Except as otherwise indicated in the footnotes below, represents aggregate cash bonuses awarded to our named executive officers in recognition of their individual performance for the applicable year.

(3) Represents aggregate cash bonuses awarded to our named executive officers in recognition of our corporate performance for the applicable year.

- (4) Represents full grant date fair value for 2010, 2009 or 2008 of restricted stock awards granted to our named executive officers, computed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718, Stock Compensation. For information regarding assumptions made in connection with this valuation, please see Note 12 to our consolidated financial statements found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010.
- (5) Represents full grant date fair value for 2010, 2009 or 2008 of options to purchase Leap common stock granted to our named executive officers, computed in accordance with FASB ASC Topic 718, Stock Compensation. For information regarding assumptions made in connection with this valuation, please see Note 12 to our consolidated financial statements found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

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(6) Includes the other compensation set forth in the table below:

Name	Year	Matching 401(k) Contributions	Executive Benefits Payments	Financial Planning Services	Housing and Other Living Expenses	Sick Leave/Vacation Payout	Total Other Compensation
S. Douglas Hutcheson	2010	\$ 8,250	\$ 9,541	\$ 30,424		\$ 23,077	\$ 71,292
	2009	\$ 7,350	\$ 17,860	\$ 11,845		\$ 25,961	\$ 63,016
	2008	\$ 6,900	\$ 10,266			\$ 12,500	\$ 29,666
Walter Z. Berger	2010	\$ 8,250	\$ 30,005			\$ 10,192	\$ 48,447
	2009	\$ 4,491	\$ 8,978	\$ 36,788		\$ 10,192	\$ 60,449
	2008	\$ 851	\$ 300			\$ 5,101	\$ 6,252
Jeffrey E. Nachbor	2010	\$ 8,250	\$ 6,719	\$ 23,689		\$ 8,811	\$ 47,469
	2009	\$ 7,350	\$ 9,838	\$ 25,435		\$ 7,552	\$ 50,175
	2008		\$ 836	\$ 14,267		\$ 4,091	\$ 19,194
William D. Ingram	2010	\$ 4,984	\$ 9,010	\$ 9,735		\$ 5,769	\$ 29,498
	2009	\$ 5,020	\$ 3,043	\$ 4,625		\$ 4,615	\$ 17,303
	2008	\$ 4,750	\$ 540			\$ 4,658	\$ 9,948
Albin F. Moschner	2010	\$ 8,250	\$ 4,210		\$ 4,334	\$ 9,615	\$ 26,409
	2009	\$ 7,350	\$ 7,971		\$ 10,392	\$ 9,615	\$ 35,328
	2008	\$ 6,899	\$ 12,606		\$ 11,506	\$ 9,615	\$ 40,626

The Company's policy is for its employees to use commercial airline travel to the greatest possible extent. To the extent that an employee's spouse were to accompany him or her on any flight, the employee would pay for the costs of any such companion travel. In certain limited instances, circumstances have required the Company's officers to use chartered airline travel. Mr. Hutcheson's spouse accompanied him on one chartered business flight in 2008 and Mr. Moschner's spouse accompanied him on one chartered business flight in 2009. Because the flights were directly related to the performance of their duties and their spouses used unoccupied seats on the flights, we did not incur any incremental cost in connection with their travel and did not report any compensation related to the flights.

- (7) Mr. Berger joined us as our executive vice president and CFO in June 2008 and his compensation for 2008 is for the partial year. His bonus amount for 2008 includes a \$103,545 sign-on and relocation bonus paid in connection with his joining us. In addition, his bonus amounts for 2009 and 2010 each include a \$50,000 retention bonus we agreed to pay him upon the completion of each of his first, second and third years of employment.
- (8) Mr. Nachbor joined us as our senior vice president, financial operations in April 2008 and his compensation for 2008 is for the partial year. His bonus amounts for 2009 and 2010 each include a \$50,000 retention bonus we agreed to pay him upon the completion of each of his first, second and third years of employment. In addition, his bonus amount for 2010 includes a \$63,171 relocation bonus.
- (9) Mr. Ingram joined us as our senior vice president, financial operations and strategy in February 2008 and was later appointed senior vice president, strategy in April 2008. Prior to joining us as an employee, he served as a

consultant to us beginning August 2007 and his base salary for 2008 reflects compensation that he received as a consultant in January and February 2008. Mr. Ingram's bonus amount for 2008 includes a \$25,000 sign-on bonus paid in connection with his joining us as an employee. His bonus amounts for 2009 and 2010 each include a \$25,000 retention bonus we agreed to pay him upon the completion of each of his first, second and third years of employment.

- (10) Mr. Moschner retired as our executive vice president and chief operating officer, effective January 31, 2011. His bonus amount for 2010 represents a discretionary bonus paid to him in February 2010.

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The following table sets forth certain information with respect to the restricted stock awards made during the fiscal year ended December 31, 2010 to the named executive officers under the 2004 Stock Plan. We did not grant any options to purchase shares of our common stock to our named executive officers during the fiscal year ended December 31, 2010.

Name	Grant Date	Approval Date(1)	Stock Awards: Number of Shares of Stock (#)(2)	Grant Date Fair Value of Stock and Option Awards (3)
S. Douglas Hutcheson	3/15/10	3/4/10	100,000	\$ 1,575,000
<i>Performance-vested restricted stock</i>	3/15/10	3/4/10	40,000	\$ 630,000
<i>Time-vested restricted stock</i>				
Walter Z. Berger	3/15/10	3/4/10	40,000	\$ 630,000
<i>Performance-vested restricted stock</i>	3/15/10	3/4/10	20,000	\$ 315,000
<i>Time-vested restricted stock</i>				
Jeffrey E. Nachbor	3/15/10	3/3/10	20,000	\$ 315,000
<i>Time-vested restricted stock</i>				
William D. Ingram	3/15/10	3/4/10	20,000	\$ 315,000
<i>Performance-vested restricted stock</i>	3/15/10	3/4/10	10,000	\$ 157,500
<i>Time-vested restricted stock</i>				
Albin F. Moschner	3/15/10	3/4/10	40,000	\$ 630,000
<i>Performance-vested restricted stock</i>	3/15/10	3/4/10	20,000	\$ 315,000
<i>Time-vested restricted stock</i>				

- (1) The grants of restricted stock were approved by the Compensation Committee on the dates indicated above and were granted on March 15, 2010 pursuant to our equity grant guidelines.
- (2) The performance-vested restricted stock awards vest in 20% increments on the first, second and third anniversaries of the date of grant and 40% on the fourth anniversary of the date of grant. However, in order for an installment of shares to vest on the dates described above, the average of the closing prices of the Company's common stock for the prior 30-calendar day period must be greater than \$15.75, the closing price of the Company's common stock on March 15, 2010 when the award was originally granted; otherwise, the installment of shares will remain unvested until the average of the closing prices of the Company's common stock for any subsequent 30-calendar day period is greater than such amount.

The time-vested restricted stock vests as follows: 25% of the award vests on the second and third anniversaries of the date of grant and 50% of the award vests on the fourth anniversary of the date of grant.

Each award is also subject to certain accelerated vesting upon a termination of the named executive officer's employment by us without cause or by the executive for good reason within 90 days prior to or 12 months following a change in control, as described under Severance, Retention and Change-in-Control Arrangements

Change-in-Control Vesting of Stock Options and Restricted Stock below.

- (3) Represents the full grant date fair value of each individual equity award (on a grant-by-grant basis) as computed in accordance with FASB ASC Topic 718, Stock Compensation. For information regarding assumptions made in connection with this valuation, please see Note 12 to our consolidated financial statements found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

Discussion of Summary Compensation and Grants of Plan-Based Awards Tables

Our executive compensation policies and practices, pursuant to which the compensation set forth in the tables entitled Summary Compensation and 2010 Grants of Plan-Based Awards was paid or awarded, are described above under Compensation Discussion and Analysis. A summary of certain material terms of our compensation plans and arrangements is set forth below.

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Amended and Restated Executive Employment Agreement with S. Douglas Hutcheson

Effective as of February 25, 2005, Cricket and Leap entered into an Amended and Restated Executive Employment Agreement with S. Douglas Hutcheson in connection with his appointment as our CEO. The Amended and Restated Executive Employment Agreement amends, restates and supersedes the Executive Employment Agreement dated January 10, 2005, as amended, among Mr. Hutcheson, Cricket and Leap. The Amended and Restated Executive Employment Agreement was amended as of June 17, 2005, February 17, 2006 and December 31, 2008. As amended, the agreement is referred to in this proxy statement as the Executive Employment Agreement.

Under the Executive Employment Agreement, Mr. Hutcheson is entitled to receive an annual base salary, subject to adjustment pursuant to periodic reviews by our Board, and an opportunity to earn an annual performance bonus. Mr. Hutcheson's annual base salary is currently \$750,000. His annual target performance bonus is equal to 100% of his base salary, and the amount of any annual performance bonus is determined in accordance with Cricket's prevailing annual performance bonus practices that are generally used to determine annual performance bonuses for Cricket's senior executives. In addition, the Executive Employment Agreement specifies that Mr. Hutcheson is entitled to participate in all insurance and benefit plans generally available to Cricket's executive officers.

Under the terms of the Executive Employment Agreement, if Mr. Hutcheson's employment were terminated as a result of his discharge by Cricket other than for cause or if he resigned with good reason, he would be entitled to receive: (1) any unpaid portion of his salary and accrued benefits earned up to the date of termination; (2) a lump sum payment equal to two times the sum of his then-current annual base salary plus his target performance bonus; and (3) if he elected to receive continued health coverage under COBRA, the premiums for such coverage paid by Cricket for a period of 24 months (or, if earlier, until he was eligible for comparable coverage with a subsequent employer). Mr. Hutcheson would be required to execute a general release as a condition to his receipt of any of these severance benefits.

The Executive Employment Agreement also provides that if Mr. Hutcheson's employment were terminated by reason of his discharge other than for cause or his resignation with good reason, in each case within one year of a change in control of Leap, and he was subject to excise tax pursuant to Section 4999 of the Code as a result of any payments to him, then Cricket would pay him a gross-up payment equal to the sum of the excise tax and all federal, state and local income and employment taxes payable by him with respect to the gross-up payment. This gross-up payment may not exceed \$1.0 million and, if Mr. Hutcheson's employment were terminated by reason of his resignation for good reason, such payment would be conditioned on Mr. Hutcheson's agreement to provide consulting services to Cricket or Leap for up to three days per month for up to a one-year period for a fee of \$1,500 per day.

If Mr. Hutcheson's employment were terminated as a result of his discharge by Cricket for cause or if he resigned without good reason, he would be entitled only to his accrued base salary through the date of termination. If Mr. Hutcheson's employment were terminated as a result of his death or disability, he would be entitled only to his accrued base salary through the date of death or termination, as applicable, and his pro rata share of his target performance bonus for the year in which his death or termination occurs.

2004 Stock Option, Restricted Stock and Deferred Stock Unit Plan

Under the 2004 Stock Plan, Leap grants executive officers and other selected employees non-qualified stock options at an exercise price equal to the fair market value of Leap common stock (as determined under the 2004 Stock Plan) on the date of grant and restricted stock at a purchase price equal to par value or for no purchase price in exchange for services previously rendered to Leap or its subsidiaries by the recipient. The 2004 Stock Plan was adopted by the Compensation Committee of our Board, acting pursuant to a delegation of authority, following our emergence from bankruptcy, as contemplated by Section 5.07 of our plan of reorganization. The 2004 Stock Plan allows Leap to grant

options under the 2004 Stock Plan that constitute qualified performance-based compensation exempt from the limits on deductibility under Section 162(m) of the Code and also allows Leap to grant incentive stock options within the meaning of Section 422 of the Code. The 2004 Stock Plan will be in effect until December 2014, unless our Board terminates the 2004 Stock Plan at an earlier date.

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As of June 20, 2011, the aggregate number of shares of common stock subject to awards granted or available for grant under the 2004 Stock Plan was 9,300,000. As of June 20, 2011, stock options and restricted stock awards for an aggregate of 5,931,672 shares were outstanding under the 2004 Stock Plan, and 999,420 shares (plus any shares that might in the future be returned to the 2004 Stock Plan as a result of cancellations, forfeitures, repurchases or expiration of awards) remained available for future grants. That number may be adjusted for changes in Leap's capitalization and certain corporate transactions, as described below. To the extent that an award expires, terminates or is cancelled without having been exercised in full, any unexercised shares subject to the award will be available for future grant or sale under the 2004 Stock Plan. Shares of restricted stock which are forfeited or repurchased by us pursuant to the 2004 Stock Plan may again be optioned, granted or awarded under the 2004 Stock Plan. In addition, shares of common stock which are delivered by the holder or withheld by us upon the exercise of any award under the 2004 Stock Plan in payment of the exercise or purchase price of such award or tax withholding thereon may again be optioned, granted or awarded under the 2004 Stock Plan. The maximum number of shares that may be subject to awards granted under the 2004 Stock Plan to any individual in any calendar year may not exceed 1,500,000.

The 2004 Stock Plan is generally administered by the Compensation Committee of our Board of Directors. However, the Board determines the terms and conditions of, and interprets and administers, the 2004 Stock Plan for awards granted to our non-employee directors. As appropriate, administration of the 2004 Stock Plan may be revested in our Board. In addition, for administrative convenience, the Board may determine to grant to one or more members of the Board or to one or more officers the authority to make grants to individuals who are not directors or executive officers.

The 2004 Stock Plan authorizes discretionary grants to our employees, consultants and non-employee directors, and to the employees and consultants of our subsidiaries, of stock options, restricted stock and deferred stock units. As of December 31, 2010, outstanding equity awards were held by approximately 320 of our approximately 4,400 employees and our seven non-employee directors.

In the event of certain changes in the capitalization of our company or certain corporate transactions involving our company and certain other events (including a change in control, as defined in the 2004 Stock Plan), the Board or Compensation Committee will make appropriate adjustments to awards under the 2004 Stock Plan and is authorized to provide for the acceleration, cash-out, termination, assumption, substitution or conversion of such awards. We will give award holders 20 days' prior written notice of certain changes in control or other corporate transactions or events (or such lesser notice as is determined appropriate or administratively practicable under the circumstances) and of any actions the Board or Compensation Committee intends to take with respect to outstanding awards in connection with such change in control, transaction or event. Award holders will also have an opportunity to exercise any vested awards prior to the consummation of such changes in control or other corporate transactions or events (and such exercise may be conditioned on the closing of such transactions or events).

2009 Employment Inducement Equity Incentive Plan

In February 2009, we adopted the 2009 Inducement Plan. The 2009 Inducement Plan was adopted without stockholder approval as permitted under the rules and regulations of the NASDAQ Stock Market. The 2009 Inducement Plan currently authorizes the issuance of up to 400,000 shares of common stock and provides for awards consisting of stock options, restricted stock and deferred stock units, or any combination thereof. As of June 20, 2011, stock options and restricted stock awards for an aggregate of 388,625 shares were outstanding under the 2009 Inducement Plan, and 2,675 shares (plus any shares that might in the future be returned to the 2009 Inducement Plan as a result of cancellations, forfeitures, repurchases or expiration of awards) remained available for future grants.

Awards under the 2009 Inducement Plan may only be made to our new employees or new employees of one of our subsidiaries (or following a bona fide period of non-employment) in connection with that employee's commencement

of employment with us or one of our subsidiaries if such grant is an inducement material to that employee's entering into employment with us or one of our subsidiaries.

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The 2009 Inducement Plan is administered by the Compensation Committee of Leap's Board. The change-in-control provisions applicable under the 2009 Inducement Plan are generally consistent with the change-in-control provisions applicable to the 2004 Stock Plan described above. However, under the 2009 Inducement Plan, in the event of a change in control or certain other corporate transactions or events, for reasons of administrative convenience, we, in our sole discretion, may refuse to permit the exercise of any award during a period of 30 days prior to the consummation of any such transaction. The 2009 Inducement Plan will be in effect until February 2019, unless Leap's Board terminates the 2009 Inducement Plan at an earlier date. Leap's Board may terminate the 2009 Inducement Plan at any time with respect to any shares not then subject to an award under the 2009 Inducement Plan.

The Leap Wireless International, Inc. Executive Incentive Bonus Plan

The Executive Bonus Plan is a bonus plan for our executive officers and other eligible members of management which provides for the payment of cash bonuses based on Leap's achievement of certain predetermined corporate performance goals. The Executive Bonus Plan authorizes the Compensation Committee or such other committee as may be appointed by the Board to establish periodic bonus programs based on specified performance objectives. The purpose of the Executive Bonus Plan is to motivate its participants to achieve specified performance objectives and to reward them when those objectives are met with bonuses that are intended to be deductible to the maximum extent possible as performance-based compensation within the meaning of Section 162(m) of the Code. Leap may, from time to time, also pay discretionary bonuses, or other types of compensation, outside the Executive Bonus Plan which may or may not be tax deductible.

The Executive Bonus Plan is administered by the Compensation Committee, or such other committee as may be appointed by the Board consisting solely of two or more directors, each of whom is intended to qualify as an outside director within the meaning of Section 162(m) of the Code. In March 2007, the Board established the Plan Committee, consisting of Dr. Rachesky and Mr. Targoff, to conduct the general administration of the Executive Bonus Plan. The Executive Bonus Plan was approved by Leap's stockholders in May 2007 at the 2007 annual meeting of stockholders.

Under the Executive Bonus Plan, an eligible participant will be eligible to receive awards based upon Leap's performance against the targeted performance objectives established by the Plan Committee. If and to the extent the performance objectives are met, an eligible participant will be eligible to receive a bonus award to be determined by the Plan Committee, which bonus amount may be a specific dollar amount or a specified percentage of such participant's base compensation for the performance period. Participation in the Executive Bonus Plan is limited to those senior vice presidents or more senior officers of Leap or any subsidiary who are selected by the Plan Committee to receive a bonus award under the Executive Bonus Plan.

For each performance period with regard to which one or more eligible participants in the Executive Bonus Plan is selected by the Plan Committee to receive a bonus award, the Plan Committee establishes in writing one or more objectively determinable performance objectives for such bonus award, based upon one or more of the business criteria set forth in the plan, any of which may be measured in absolute terms, as compared to any incremental increase or as compared to the results of a peer group. The performance objectives (including any adjustments) must be established in writing by the Plan Committee no later than the earlier of (i) the ninetieth day following the commencement of the period of service to which the performance goals relate or (ii) the date preceding the date on which 25% of the period of service (as scheduled in good faith at the time the performance objectives are established) has lapsed; provided that the achievement of such goals must be substantially uncertain at the time such goals are established in writing. Performance periods under the Executive Bonus Plan will be specified by the Plan Committee and may be a fiscal year of Leap or one or more fiscal quarters during a fiscal year.

The Plan Committee, in its discretion, may specify different performance objectives for each bonus award granted under the Executive Bonus Plan. Following the end of the performance period in which the performance objectives

are to be achieved, the Plan Committee will, within the time prescribed by Section 162(m) of the Code, determine whether, and to what extent, the specified performance objectives have been achieved for the applicable performance period.

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The maximum aggregate amount of all bonus awards granted to any eligible participant under the Executive Bonus Plan for any fiscal year is \$1,500,000. The Executive Bonus Plan, however, is not the exclusive means for the Compensation Committee to award incentive compensation to those persons who are eligible for bonus awards under the Executive Bonus Plan and does not limit the Compensation Committee from making additional discretionary incentive awards. The Plan Committee, in its discretion, may reduce or eliminate the bonus amount otherwise payable to an eligible participant under the Executive Bonus Plan.

If an eligible participant's employment with Leap or a subsidiary is terminated, including by reason of such participant's death or disability, prior to payment of any bonus award, all of such participant's rights under the Executive Bonus Plan will terminate and such participant will not have any right to receive any further payments from any bonus award granted under the Executive Bonus Plan. The Plan Committee may, in its discretion, determine what portion, if any, of the eligible participant's bonus award under the Executive Bonus Plan should be paid if the termination results from such participant's death or disability.

The Plan Committee or the Board may terminate the Executive Bonus Plan or partially amend or otherwise modify or suspend the Executive Bonus Plan at any time or from time to time, subject to any stockholder approval requirements under Section 162(m) of the Code or other requirements.

Employee Stock Purchase Plan

In September 2005, Leap commenced an Employee Stock Purchase Plan, or the ESP Plan, which allows eligible employees to purchase shares of Leap common stock during a specified offering period. A total of 800,000 shares of common stock were initially reserved for issuance under the ESP Plan. The aggregate number of shares that may be sold pursuant to options granted under the ESP Plan is subject to adjustment for changes in Leap's capitalization and certain corporate transactions. The ESP Plan is a compensatory plan under FASB ASC Topic 718, Stock Compensation and is administered by the Compensation Committee of the Board. The ESP Plan will be in effect until May 25, 2015, unless the Board terminates the ESP Plan at an earlier date.

Our employees and the employees of our designated subsidiary corporations that customarily work more than 20 hours per week and more than five months per calendar year are eligible to participate in the ESP Plan as of the first day of the first offering period after they become eligible to participate in the ESP Plan. However, no employee is eligible to participate in the ESP Plan if, immediately after becoming eligible to participate, such employee would own or be treated as owning stock (including stock such employee may purchase under options granted under the ESP Plan) representing 5% or more of the total combined voting power or value of all classes of Leap's stock or the stock of any of its subsidiary corporations.

Under the ESP Plan, shares of Leap common stock are offered during six-month offering periods commencing on each January 1st and July 1st. On the first day of an offering period, an eligible employee is granted a nontransferable option to purchase shares of Leap common stock on the last day of the offering period.

An eligible employee can participate in the ESP Plan through payroll deductions. An employee may elect payroll deductions in any whole percentage (up to 15%) of base compensation, and may decrease or suspend his or her payroll deductions during the offering period. The employee's cumulative payroll deductions (without interest) can be used to purchase shares of Leap common stock on the last day of the offering period, unless the employee elects to withdraw his or her payroll deductions prior to the end of the period. An employee's cumulative payroll deductions for an offering period may not exceed \$5,000.

The per share purchase price of shares of Leap common stock purchased on the last day of an offering period is 85% of the lower of the fair market value of such stock on the first or last day of the offering period. An employee may

purchase no more than 250 shares of Leap common stock during any offering period. Also, an employee may not purchase shares of Leap common stock during a calendar year with a total fair market value of more than \$25,000.

In the event of certain changes in Leap's capitalization or certain corporate transactions involving Leap, the Compensation Committee will make appropriate adjustments to the number of shares that may be sold pursuant to options granted under the ESP Plan and options outstanding under the ESP Plan. The Compensation Committee is authorized to provide for the termination, cash-out, assumption, substitution or accelerated exercise of such options.

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The following table sets forth certain information with respect to outstanding equity awards held by our named executive officers at December 31, 2010.

Name	Option Awards			Stock Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(1)	Market Value of Shares or Units of Stock That Have Not Vested(2)
S. Douglas					
Hutcheson	68,085	\$ 26.55	01/05/2015	37,500	\$ 459,750
	75,901	\$ 26.35	02/24/2015	50,000	\$ 613,000
	116,000	\$ 60.62	12/20/2016	40,000	\$ 490,400
	50,000	50,000	\$ 51.50	100,000(3)	\$ 1,226,000
Walter Z. Berger	25,000	75,000(4)	\$ 50.13	38,750(4)	\$ 475,075
				20,000	\$ 245,200
				40,000(3)	\$ 490,400
Jeffrey E. Nachbor	11,730	73,270(5)	\$ 54.08	17,240(5)	\$ 211,362
				20,000	\$ 245,200
William D. Ingram	8,970	56,030(5)	\$ 79.00	12,930(5)	\$ 158,522
	11,250	3,750	\$ 51.51	3,750	\$ 45,975
				11,250	\$ 137,925
				10,000	\$ 122,600
				10,000	\$ 122,600
				20,000(3)	\$ 245,200
Albin F. Moschner	120,160	\$ 26.55	01/31/2015	22,500	\$ 275,850
	40,000	\$ 34.37	10/26/2015	15,000	\$ 183,900
	30,000	\$ 60.62	12/20/2016	25,000	\$ 306,500
	9,000	9,000	\$ 51.51	20,000	\$ 245,200
	12,500	12,500	\$ 45.69	40,000(3)	\$ 490,400

(1) Except as otherwise set forth in the table, represents our standard form of stock option or restricted stock award for new hires and for additional grants to individuals with existing equity awards. Each stock option vests in four equal annual installments on each of the first four anniversaries of the date of grant. For each restricted stock award, 25% of the award vests on the second and third anniversary of the date of grant and 50% of the award vests on the fourth anniversary of the date of grant. Each award is also subject to certain accelerated vesting upon a termination of the named executive officer's employment by us without cause or by the executive for good reason within 90 days prior to or 12 months following a change in control, as described under Severance, Retention and Change-in-Control Arrangements Change-in-Control Vesting of Stock Options and Restricted Stock below.

(2) Computed by multiplying the closing market price of Leap common stock on December 31, 2010 (\$12.26) by the number of shares subject to such stock award.

- (3) The performance-vested restricted stock awards vest in 20% increments on the first, second and third anniversaries of the date of grant and 40% on the fourth anniversary of the date of grant. However, in order for an installment of shares to vest on the dates described above, the average of the closing prices of the Company's common stock for the prior 30-calendar day period must be greater than \$15.75, the closing price of the Company's common stock on March 15, 2010 when the award was originally granted; otherwise, the installment of shares will remain unvested until the average of the closing prices of the Company's common stock for any subsequent 30-calendar day period is greater than such amount. On May 12, 2011, the initial 20% installment of the shares vested. Each award is also subject to certain accelerated vesting upon a termination of the named executive officer's employment by us without cause or by the executive for good reason within

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90 days prior to or 12 months following a change in control, as described under Severance, Retention and Change-in-Control Arrangements Change-in-Control Vesting of Stock Options and Restricted Stock below.

- (4) 50,000 of the stock options granted vest in four equal annual installments on each of the first four anniversaries of the date of grant, and the remaining 50,000 options vest in two equal annual installments, with 50% of the options vesting on the third anniversary of the date of grant and 50% of the options vesting on the fourth anniversary of the date of grant. With respect to the restricted stock award, 25,000 of the shares vest over a four-year period, with 25% of the award vesting on the second and third anniversaries of the date of grant and 50% on the fourth anniversary of the date of grant. For the remaining 20,000 shares subject to the restricted stock award, 50% of the shares vest on the third and fourth anniversaries of the date of grant. Each award is also subject to certain accelerated vesting upon a termination of Mr. Berger's employment by us without cause or by the executive for good reason within 90 days prior to or 12 months following a change in control, as described under Severance, Retention and Change-in-Control Arrangements Change-in-Control Vesting of Stock Options and Restricted Stock below.
- (5) Represents our standard form of stock option or restricted stock award for new equity grants to new hires between January 2007 and May 2008. The award vests on the fifth anniversary of the date of grant, subject to performance-based accelerated vesting in increments ranging from 10% to 30% of the applicable award per year if Leap met certain performance targets for our adjusted earnings before interest, taxes, depreciation and amortization, or EBITDA and net customer additions for fiscal 2008, 2009 and 2010.

Based upon adjusted EBITDA and net customer additions achieved by Leap in fiscal 2008, approximately 13.8% of the shares underlying the applicable awards vested on an accelerated basis. For 2008, the performance targets to entitle 20% of the shares underlying the awards to vest on an accelerated basis were: (a) approximately \$425 million of adjusted EBITDA; and (ii) 986,000 net customer additions; and the threshold levels, below which no accelerated performance-based vesting would occur, were: (i) approximately 94% of the adjusted EBITDA target; and (b) approximately 90% of the net customer additions target.

Based upon adjusted EBITDA and net customer additions achieved by Leap in fiscal 2009, there was no additional accelerated vesting for any portion of our stock options and restricted stock. For fiscal 2009, the performance targets to entitle 20% of the shares underlying the awards to vest on an accelerated basis were: (a) approximately \$680 million of adjusted EBITDA; and (ii) 2,316,600 net customer additions; and the threshold levels, below which no accelerated performance-based vesting would occur, were: (i) approximately 80% of the adjusted EBITDA target; and (b) approximately 92% of the net customer additions target.

Based upon adjusted EBITDA and net customer additions achieved by Leap in fiscal 2010, there was no additional accelerated vesting for any portion of our stock options and restricted stock. For fiscal 2010, the performance targets to entitle 20% of the shares underlying the awards to vest on an accelerated basis were: (a) approximately \$1,447 million of adjusted EBITDA; and (ii) 1,466,400 net customer additions; and the threshold levels, below which no accelerated performance-based vesting would occur, were: (i) approximately 85% of the adjusted EBITDA target; and (b) approximately 91% of the net customer additions target.

The award is also subject to certain accelerated vesting upon a change in control, or a termination of the named executive officer's employment by us without cause or by the executive for good reason within 90 days prior to or 12 months following a change in control, as described under Severance, Retention and Change-in-Control Arrangements Change-in-Control Vesting of Stock Options and Restricted Stock below.

Table of Contents**2010 Stock Vested**

The following table provides information on awards of restricted stock held by our named executive officers that vested during the fiscal year ended December 31, 2010. None of our named executive officers exercised any options to purchase shares of our common stock during the fiscal year ended December 31, 2010.

Name	Stock Awards	
	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting(1)
S. Douglas Hutcheson	25,000	\$ 357,373
Walter Z. Berger	6,250	\$ 89,437
Jeffrey E. Nachbor		
William D. Ingram	5,625	\$ 77,118
Albin F. Moschner	29,500	\$ 351,392

- (1) The value realized upon vesting of a restricted stock award is calculated based on the number of shares vesting multiplied by the difference between the fair market value per share of our common stock on the vesting date less the purchase price per share.

Severance, Retention and Change-in-Control Arrangements

We have entered into arrangements with our executives whereby they may receive certain additional benefits in the event that their employment with us were to terminate or in connection with the occurrence of a change in control.

Under our severance arrangements, as described further below, we have agreed to provide our executives with certain benefits in the event that their employment were involuntarily or constructively terminated. These severance benefits are designed to alleviate the financial impact of an involuntary termination through salary, bonus and health benefit continuation and with the intent of providing for a stable work environment. We believe that it is important that we provide reasonable severance benefits to our executive officers because it may be difficult for them to find comparable employment within a short period of time following certain qualifying terminations.

We have also entered into retention arrangements with our executives, as described further below, whereby they may receive certain benefits in connection with the occurrence of a change in control. Under the retention arrangements we have entered into, our executives may receive cash awards in the event that a change in control of our company were to occur on or before March 2012. In addition, all or portions of the stock option and restricted stock awards held by our executives may vest on an accelerated basis in connection with the occurrence of a change in control. We provide these change-in-control arrangements as a means of reinforcing and encouraging the continued attention and dedication of senior management during periods of uncertainty or speculation. We also believe that these benefits help encourage senior management to pursue potential change-in-control transactions that may be in the best interests of Leap's stockholders.

We extend these severance, continuity and change-in-control benefits to senior management because they are essential to help us fulfill our objectives of attracting and retaining key managerial talent. These arrangements are intended to be competitive within our industry and company size and to attract highly qualified individuals and encourage them to

remain with us. These arrangements form an integral part of the total compensation that we provide to these individuals and are considered by the Compensation Committee when determining executive officer compensation. The decision to offer these benefits, however, did not influence the Compensation Committee's determinations concerning other direct compensation or benefit levels.

Severance Arrangements

The terms of our severance arrangement with our CEO, S. Douglas Hutcheson, are set forth in his employment agreement and described above in Discussion of Summary Compensation and Grants of Plan-Based Awards Tables Amended and Restated Executive Employment Agreement with S. Douglas Hutcheson.

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With respect to our other members of senior management, Cricket and Leap has entered into Severance Benefits Agreements with our executive vice presidents and senior vice presidents. The terms of the Severance Benefit Agreements automatically extend for a one-year period each December 31, unless notice of termination is provided to the executive no later than January 1st of the preceding year. Under the agreements, in the event that the executive were to be terminated other than for cause or if he or she were to resign with good reason, he or she would be entitled to receive severance benefits consisting of the following: (1) any unpaid portion of his or her salary and accrued benefits earned up to the date of termination; (2) a lump sum payment equal to his or her then current annual base salary and target bonus, multiplied by 1.5 for executive vice presidents and senior vice presidents who are executive officers; and (3) the cost of continuation health coverage (COBRA) for a period of 18 months for executive vice presidents and senior vice presidents who are executive officers (or, if shorter, until the time when the respective officer is eligible for comparable coverage with a subsequent employer). In consideration for these benefits, the officers would provide a general release to Leap and its operating subsidiary, Cricket, prior to receiving severance benefits, and would agree not to solicit any of our employees and would maintain the confidentiality of our information for three years following their respective termination dates.

For purposes of the Severance Benefit Agreements, *cause* is generally defined to include: (i) the officer's willful neglect of or willful failure substantially to perform his or her duties with Cricket (or its parent or subsidiaries), after written notice and the officer's failure to cure; (ii) the officer's willful neglect of or willful failure substantially to perform the lawful and reasonable directions of the board of directors of Cricket (or of any parent or subsidiary of Cricket which employs the officer or for which the officer serves as an officer) or of the individual to whom the officer reports, after written notice and the officer's failure to cure; (iii) the officer's commission of an act of fraud, embezzlement or dishonesty upon Cricket (or its parent or subsidiaries); (iv) the officer's material breach of his or her confidentiality and inventions assignment agreement or any other agreement between the officer and Cricket (or its parent or subsidiaries), after written notice and the executive's failure to cure; (v) the officer's conviction of, or plea of guilty or nolo contendere to, the commission of a felony or other illegal conduct that is likely to inflict or has inflicted material injury on the business of Cricket (or its parent or subsidiaries); or (vi) the officer's gross misconduct affecting or material violation of any duty of loyalty to Cricket (or its parent or subsidiaries). For purposes of the Severance Benefit Agreements, *good reason* is generally defined to include the occurrence of any of the following circumstances, unless cured within thirty days after Cricket's receipt of written notice of such circumstance from the officer: (i) a material diminution in the officer's authority, duties or responsibilities with Cricket (or its parent or subsidiaries), including the continuous assignment to the officer of any duties materially inconsistent with his or her position, a material negative change in the nature or status of his or her responsibilities or the conditions of his or her employment with Cricket (or its parent or subsidiaries); (ii) a material diminution in the officer's annualized cash and benefits compensation opportunity, including base compensation, annual target bonus opportunity and aggregate employee benefits; (iii) a material change in the geographic location at which the officer must perform his or her duties, including any involuntary relocation of Cricket's offices (or its parent's or subsidiaries' offices) at which the officer is principally employed to a location that is more than 60 miles from such location; or (iv) any other action or inaction that constitutes a material breach by Cricket (or its parent or subsidiaries) of its obligations to the officer under his or her Severance Benefit Agreement.

Cash Retention Arrangements

In March 2010, we entered into retention arrangements with members of senior management, including our named executive officers. In light of the significant public speculation regarding the competitive and strategic landscape in the wireless industry in early 2010, the Compensation Committee determined that it was important to provide senior management with sufficient, future incentives to remain with the Company for a period of time following any change in control to help ensure any orderly transition. The retention awards would be paid only if a change in control occurred before March 8, 2012 and the Board approved the payments, after which one-third of the award would be paid in cash upon the closing of any such change in control and the remaining two-thirds would be paid at the six

month anniversary of the closing. If these conditions were satisfied, cash awards would be made to our named executive officers in the following amounts: Mr. Hutcheson, \$1,125,000; Mr. Berger, \$750,000; Mr. Nachbor, \$327,000; and Mr. Ingram, \$450,000. Mr. Moscher retired as our executive vice president and COO in January 2011 and is no longer eligible to receive a retention award. By tying payment of the awards to the

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consummation of a change of control and requiring approval of our Board, the Compensation Committee intended that the value of any future award would depend upon the closing of a transaction in which our stockholders receive value, thus further aligning management's interests with those of our stockholders.

In order to be eligible to receive a cash award, an executive must continue to be employed by us on the date of each such payment (subject to the accelerated payment provisions described below). If an executive's employment were terminated by us other than for cause or by the executive for good reason within 90 days prior to or six months following a change in control, or if he or she dies or becomes permanently disabled following a change in control, then any unpaid portion of the award would be paid to the executive upon the executive's termination of employment or, if later, within ten days following the change in control. The terms "cause" and "good reason" are defined in the retention agreements and are substantially similar to the definitions of such terms found in the Severance Benefit Agreements, as described above. The term "change in control" generally has the meaning given to such term under the 2004 Stock Plan.

Change-in-Control Vesting of Stock Options and Restricted Stock

The stock option and restricted stock awards granted to our named executive officers will become exercisable and/or vested on an accelerated basis in connection with certain changes in control. The period over which the award vests or becomes exercisable after a change in control varies depending upon the date that the award was granted and the date of the change in control.

Under the forms of stock option and restricted stock award agreements for new equity grants to new hires that we used between October 2005 and May 2008, which generally provide for five-year cliff vesting with possible accelerated vesting based on achievement of adjusted EBITDA and net customer additions performance objectives, in the event of a change in control, one-third of the unvested portion of such award would vest and/or become exercisable on the date of the change in control. In the event the named executive officer were providing services to us as an employee, director or consultant on the first anniversary of the change in control, an additional one-third of the unvested portion of such award (measured as of immediately prior to the change in control) would vest and/or become exercisable on such date. In the event that a named executive officer were providing services to us as an employee, director or consultant on the second anniversary of the change in control, the entire remaining unvested portion of such award would vest and/or become exercisable on such date.

In the case of all of our outstanding stock option and restricted stock award agreements, in the event a named executive officer's employment were terminated by us other than for cause, or if the named executive officer resigned with good reason, during the period commencing 90 days prior to a change in control and ending 12 months after such change in control, each stock option and restricted stock award would automatically accelerate and become exercisable and/or vested as to any remaining unvested shares subject to such stock option or restricted stock award on the later of (i) the date of termination of employment or (ii) the date of the change in control. Under the forms of stock option and restricted stock award agreements that we have generally used for refresher grants since December 2007, this is the only means by which the underlying awards would vest or become exercisable in connection with a change in control.

The terms "cause" and "good reason" are defined in the applicable award agreements and are substantially similar to the definitions of such terms found in the Severance Benefit Agreements, as described above. The term "change in control" is defined in the 2004 Stock Plan.

Except as otherwise described above, a named executive officer would be entitled to accelerated vesting and/or exercisability in the event of a change in control only if he or she were an employee, director or consultant on the effective date of such accelerated vesting and/or exercisability.

Table of Contents**Potential Change-in-Control and Severance Payments**

The following table summarizes potential change-in-control and severance payments that could be made to our named executive officers. The four right-hand columns describe the payments that would apply in four different potential scenarios:

a termination of employment as a result of the named executive officer's voluntary resignation without good reason or his termination by us for cause;

a change in control without a termination of employment;

a termination of employment as a result of the named executive officer's resignation for good reason or termination of employment by us other than for cause, in each case within 90 days before or within a year after a change in control; and

a termination of employment as a result of the named executive officer's resignation for good reason or termination of employment by us other than for cause, in each case not within 90 days before and not within 12 months after a change in control.

The table assumes that the termination or change in control occurred on December 31, 2010 and reflects benefits that were payable under Mr. Hutcheson's employment agreement, our named executive officers' Severance Benefit Agreements and the cash retention arrangements approved by the Compensation Committee in March 2010.

Name	Benefit Type	Cause	Payment in the Case of a Termination Without Change in Control	Payment in the Case of a Termination Other than for Cause or with Good Reason, Not Within 90 Days Prior to and Not Within 12 Months	Payment in the Case of a Termination Other than for Cause or with Good Reason, Not Within 90 Days Prior to or Within 12 Months Following a Change in Control
				Payment in the Case of a Change in Control	Payment in the Case of a Change in Control
S. Douglas Hutcheson	Accrued Salary(1)	\$ 14,423			\$ 14,423
	Accrued PTO(2)	\$ 265,385			\$ 265,385
	Cash Severance(3)				\$ 3,000,000
	COBRA Payments(4)				\$ 50,717

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	Value of Equity Award Acceleration		\$ 2,789,141(5)	
	Excise Tax Gross-Up Payment		\$ 1,000,000(6)	
	Cash Retention Award	\$ 1,125,000 (7)	\$ 1,125,000(7)	
	Total Value:	\$ 279,808	\$ 8,244,666	\$ 3,330,525
Walter Z. Berger	Accrued Salary(1)	\$ 10,192	\$ 10,192	\$ 10,192
	Accrued PTO(2)	\$ 97,782	\$ 97,782	\$ 97,782
	Cash Severance(8)		\$ 1,431,000	\$ 1,431,000
	COBRA Payments(4)		\$ 38,038	\$ 38,038
	Value of Equity Award Acceleration		\$ 1,210,671(5)	
	Cash Retention Award	\$ 750,000 (7)	\$ 750,000(7)	
	Total Value:	\$ 107,974	\$ 3,537,683	\$ 1,577,012
Jeffrey E. Nachbor	Accrued Salary(1)	\$ 6,294	\$ 6,294	\$ 6,294
	Accrued PTO(2)	\$ 52,674	\$ 52,674	\$ 52,674
	Cash Severance(8)		\$ 809,979	\$ 809,979
	COBRA Payments(4)		\$ 38,038	\$ 38,038
	Value of Equity Award Acceleration	\$ 70,441 (9)	\$ 456,545(5)	
	Cash Retention Award	\$ 327,264 (7)	\$ 327,264(7)	
	Total Value:	\$ 58,968	\$ 1,690,794	\$ 906,985
William D. Ingram	Accrued Salary(1)	\$ 5,769	\$ 5,769	\$ 5,769
	Accrued PTO(2)	\$ 24,857	\$ 24,857	\$ 24,857
	Cash Severance(8)		\$ 742,436	\$ 742,436
	COBRA Payments(4)		\$ 38,038	\$ 38,038
	Value of Equity Award Acceleration	\$ 52,835 (9)	\$ 832,819(5)	
	Cash Retention Award	\$ 450,000 (7)	\$ 450,000(7)	
	Total Value:	\$ 30,626	\$ 2,093,919	\$ 811,100

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Name	Benefit Type	Payment in the Case of a Voluntary Termination without Good Reason or Termination for		Payment in the Case of a Termination Other than	Payment in the Case of a Termination Other than
		Cause	Termination Without	for Cause or with Good Reason, if Within 90 Days Prior to or Within 12 Months Following a Change in Control	for Cause or with Good Reason, if Within 90 Days Prior to and Not Within 12 Months Following a Change in Control
Albin F. Moschner	Accrued Salary(1)	\$ 9,615		\$ 9,615	\$ 9,615
	Accrued PTO(2)	\$ 39,010		\$ 39,010	\$ 39,010
	Cash Severance(8)			\$ 1,425,000	\$ 1,425,000
	COBRA Payments(4)			\$ 38,038	\$ 38,038
	Value of Equity Award Acceleration			\$ 1,501,844(5)	
	Cash Retention Award		\$ 750,000 (7)	\$ 750,000(7)	
	Total Value:	\$ 48,625	\$ 750,000	\$ 3,763,507	\$ 1,511,663

(1) Represents earned but unpaid salary as of December 31, 2010.

(2) Represents accrual for paid time off that had not been taken as of December 31, 2010.

(3) Represents two times the sum of (a) Mr. Hutcheson's annual base salary as of December 31, 2010 plus (b) the target amount of his annual bonus for 2010. This amount excludes potential payments of \$1,500 per day that Mr. Hutcheson could receive for providing consulting services at Leap's request after a resignation for good reason.

(4) Amounts shown equal an aggregate of 24 months of COBRA payments for Mr. Hutcheson and 18 months of COBRA payments for the other named executive officers.

(5) Represents the value of those awards that would vest as a result of the executive's termination of employment by us other than for cause or by the named executive officer for good reason within 90 days prior to or within 12 months following a change in control. This value assumes that the change in control and the date of termination occur on December 31, 2010, and therefore that the vesting of such award was not previously accelerated as a result of a change in control. The value of such awards was calculated assuming a price per share of our common stock of \$12.26, which represents the closing market price of our common stock as reported on

the NASDAQ Global Select Market on December 31, 2010.

- (6) Represents the maximum excise tax gross-up payment to which Mr. Hutcheson may be entitled pursuant to his Executive Employment Agreement. The actual amount of any such excise tax gross-up payment may be less than the estimated amount. The excise tax gross-up payment takes into account the severance payments and benefits that would be payable to Mr. Hutcheson upon his termination of employment by Cricket without cause or his resignation with good reason and assumes that such payments would constitute excess parachute payments under Section 280G of the Code, resulting in excise tax liability. See *Severance, Retention and Change-in-Control Arrangements* above. It also assumes that Mr. Hutcheson would continue to provide consulting services to the Company for three days per month for a one-year period after his resignation with good reason, for a fee of \$1,500 per day. Such potential consulting fees are not reflected in the amounts shown in the table above.
- (7) Represents the cash retention award approved by the Compensation Committee on March 4, 2010. If there is a change in control (as defined in the 2004 Stock Plan) at any time before March 8, 2012 and the Board approves the payment of the award upon the completion of such change in control, then one-third of the award will be paid in cash upon such change in control, and two-thirds of the award will be paid upon the six month anniversary of such change in control. In order to be eligible to receive an award, an executive must continue to be employed by the Company on the date of each such payment (subject to the accelerated payment provisions described below.) If an executive's employment is terminated by the Company other than for cause or by the executive for good reason within 90 days prior to or six months following a change in control, then any unpaid portion of the award will be paid to the executive upon the executive's termination of employment. The full potential cash amount for each named executive officer is reflected in this column.

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- (8) Represents one-and-one-half times the sum of (a) the executive's annual base salary as of December 31, 2010 plus (b) the target amount of his annual bonus for 2010.
- (9) Represents the value of those awards that would vest as a result of a change in control occurring on December 31, 2010, without any termination of employment. The value of such awards was calculated assuming a price per share of our common stock of \$12.26, which represents the closing market price of our common stock as reported on the NASDAQ Global Select Market on December 31, 2010.

Director Compensation

Compensation Arrangements

In February 2006, our Board approved an annual compensation package for non-employee directors consisting of a cash component and an equity component. The cash component is paid, and the equity component is awarded, each year following Leap's annual meeting of stockholders.

For the cash component, each of our non-employee directors receives annual cash compensation of \$40,000. The Chairman of the Board receives additional cash compensation of \$20,000; the Chairman of the Audit Committee receives additional cash compensation of \$15,000; and the Chairmen of the Compensation Committee and the Nominating and Corporate Governance Committee each receive additional cash compensation of \$5,000.

For the equity component, each of our non-employee directors receives an annual award of \$100,000 of restricted shares of Leap common stock pursuant to the 2004 Stock Plan. The purchase price for each share of Leap common stock is equal to par value or such share is issued for no purchase price in exchange for services previously rendered to Leap. Each such share is valued at fair market value (as defined in the 2004 Stock Plan) on the date of grant. Each award vests in equal installments on each of the first, second and third anniversaries of the date of grant. All unvested shares under each award will vest upon a change in control (as defined in the 2004 Stock Plan).

From time to time, the Board also pays additional compensation to directors for service on special committees of the Board. We also reimburse directors for reasonable and necessary expenses, including their travel expenses incurred in connection with attendance at Board and committee meetings.

In November 2009, we added three new directors to the Board: John H. Chapple, Ronald J. Kramer and William A. Roper, Jr. In connection with their appointment to the Board, the new directors received the standard annual cash retainer fee (pro-rated for their initial partial year of service). In addition, these new directors received initial grants of \$200,000 of restricted shares of our common stock under our 2004 Stock Plan, with the shares underlying these grants vesting in equal installments on the first, second and third anniversaries of the date of grant and all unvested shares to vest upon a change of control (as defined in the 2004 Stock Plan). Messrs. Chapple and Roper will be leaving the Board following the Annual Meeting at the conclusion of their current term of service. In recognition of their significant contributions to the Board, vesting in their remaining, unvested shares of restricted stock will accelerate at the conclusion of their current term of service. Each of these new directors also received \$80,000 of additional cash fees in 2010 for their service on a special committee of the Board that reviewed and evaluated strategic opportunities.

In April 2010, the Board approved additional compensation for our directors in the form of per-meeting fees. Beginning in January 2010, directors receive a fee of \$1,000 to \$2,000 (depending on the length of the meeting) for each Board meeting they attend in excess of the first four meetings of the year and for each meeting of any standing

committee of the Board they attend in excess of the first four meetings of the year. The per-meeting fee is paid in arrears on a quarterly basis in restricted shares of our common stock pursuant to the 2004 Stock Plan. The shares underlying the grants vest on the first anniversary of the date of grant and all unvested shares will vest upon a change in control (as defined in the 2004 Stock Plan). The shares underlying the grants will also vest if the director is not nominated for reelection at the annual meeting of stockholders following the grant date.

Table of Contents**2010 Director Compensation**

The following table sets forth certain compensation information with respect to each of the members of our Board for the fiscal year ended December 31, 2010, other than Mr. Hutcheson whose compensation relates to his service as president and CEO and who does not receive additional compensation in his capacity as a director.

Name	Fees Earned or Paid		Total
	in Cash	Stock Awards(1)	
John H. Chapple	\$ 120,000	\$ 9,000	\$ 129,000
John D. Harkey, Jr.	\$ 40,000	\$ 113,991	\$ 153,991
Ronald J. Kramer	\$ 120,000	\$ 13,990	\$ 133,990
Robert V. LaPenta	\$ 40,000	\$ 113,991	\$ 153,991
Mark H. Rachesky, M.D.	\$ 65,000	\$ 112,993	\$ 177,993
William A. Roper, Jr.	\$ 120,000	\$ 10,995	\$ 130,995
Michael B. Targoff	\$ 55,000	\$ 118,997	\$ 173,997

- (1) Represents the full grant date fair value of restricted stock awards granted to our non-employee directors in 2010, computed in accordance with FASB ASC Topic 718, Stock Compensation. For information regarding assumptions made in connection with this valuation, please see Note 12 to our consolidated financial statements found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

On May 21, 2010, we granted 6,135 shares of restricted stock to Messrs. Harkey, LaPenta, Rachesky and Targoff following our 2010 annual meeting of stockholders. The full grant date fair value of each of these awards, computed in accordance with FASB ASC Topic 718, was \$100,001. Each award of restricted stock will vest in equal installments on each of the first, second and third anniversaries of the date of grant. All unvested shares of restricted stock under each award will vest upon a change in control (as defined in the 2004 Stock Plan).

In addition, on the following dates during 2010, we granted the following shares of restricted stock to our directors in the form of per-meeting fees (and the full grant date fair value of each award, computed in accordance with FASB ASC Topic 718, is shown in parentheses after each award): (a) April 14, 2010: Dr. Rachesky, 165 shares (\$2,993); Mr. Harkey, 165 shares (\$2,993); Mr. Kramer, 165 shares (\$2,993); Mr. LaPenta, 165 shares (\$2,993); Mr. Roper, 110 shares (\$1,995); and Mr. Targoff, 220 shares (\$3,991); (b) July 14, 2010: Dr. Rachesky, 149 shares (\$1,997); Mr. Chapple, 149 shares (\$1,997); Mr. Harkey, 149 shares (\$1,997); Mr. Kramer, 149 shares (\$1,997); Mr. LaPenta, 149 shares (\$1,997); Mr. Roper, 149 shares (\$1,997); and Mr. Targoff, 299 shares (\$4,007); and (c) October 14, 2010: Dr. Rachesky, 697 shares (\$8,002); Mr. Chapple, 610 shares (\$7,003); Mr. Harkey, 784 shares (\$9,000); Mr. Kramer, 784 shares (\$9,000); Mr. LaPenta, 784 shares (\$9,000); Mr. Roper, 610 shares (\$7,003); and Mr. Targoff, 958 shares (\$10,998). The shares underlying the grants vest on the first anniversary of the date of grant and all unvested shares will vest upon a change in control (as defined in the 2004 Stock Plan). The shares underlying the grants will also vest if the director is not nominated for reelection at the annual meeting of stockholders following the grant date.

The aggregate number of unvested restricted stock awards outstanding at the end of 2010 for each non-employee director were as follows: John H. Chapple, 10,739; John D. Harkey, Jr., 9,521; Ronald J. Kramer, 11,078; Robert V. LaPenta, 9,521; Mark H. Rachesky, M.D., 9,434; William A. Roper, Jr., 10,849; and Michael B. Targoff, 9,900.

No options to purchase shares of our common stock were granted to our directors during the fiscal year ended December 31, 2010. The aggregate number of stock option awards that were outstanding at the end of 2010 for each non-employee director were as follows: John D. Harkey, Jr., 2,500; Robert V. LaPenta, 12,500; Mark H. Rachesky, M.D., 40,200; and Michael B. Targoff, 4,500. These option grants were made to our non-employee directors in March 2005, and there have been no option grants to our non-employee directors since that time.

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COMPENSATION COMMITTEE REPORT*

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management, and based on such review and discussions, recommended to the Board of Directors that the Compensation Discussion and Analysis be included in our Annual Report on Form 10-K for the year ended December 31, 2010 and in our proxy statement for our 2011 Annual Meeting of Stockholders.

COMPENSATION COMMITTEE

John H. Chapple

Mark H. Rachesky, M.D.

Michael B. Targoff

* The material in this report is not soliciting material, is not deemed filed with the SEC, and is not incorporated by reference in any of our filings under the Securities Act or the Securities Exchange Act of 1934, as amended (the Exchange Act), whether made on, before, or after the date of this proxy statement and irrespective of any general incorporation language in such filing.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The current members of Leap's Compensation Committee are Mr. Chapple, Dr. Rachesky and Mr. Targoff. None of these directors has at any time been an officer or employee of Leap or any of its subsidiaries.

In August 2004, we entered into a registration rights agreement with certain holders of Leap common stock, including MHR Institutional Partners II LP and MHR Institutional Partners IIA LP (which entities are affiliated with Dr. Rachesky, Leap's Chairman of the Board), whereby we granted them registration rights with respect to the shares of common stock issued to them on the effective date of Leap's plan of reorganization.

In September 2009, we entered into an amended and restated registration rights agreement (the Amended and Restated Registration Rights Agreement) with MHR Capital Partners Master Account LP, MHR Capital Partners (100) LP, MHR Institutional Partners II LP, MHR Institutional Partners IIA LP and MHR Institutional Partners III LP (collectively, the MHR Entities), pursuant to which the parties amended and restated the original registration rights agreement. Each of the MHR Entities is a shareholder of Leap and an affiliate of Dr. Rachesky. Under the Amended and Restated Registration Rights Agreement, we are required to maintain a resale shelf registration statement, pursuant to which these holders may sell their shares of common stock on a delayed or continuous basis. In addition, the MHR Entities have certain demand registration rights and the right in certain circumstances to include their Registrable Securities (as defined in the Amended and Restated Registration Rights Agreement) in registration statements that we file for public offerings of our common stock. The Amended and Restated Registration Rights Agreement also revised the definition of Additional Holder under the agreement to include affiliates of any Holder under the agreement, amended the definition of Registrable Securities to include shares of our common stock held by any Holder now or from time to time in the future, and required us no later than December 2, 2009 and thereafter upon request, to register the resale on a delayed or continuous basis of Registrable Securities held or acquired by the Holders that are not the subject of an existing resale shelf registration statement. We subsequently filed a registration statement to register the resale of all of the shares of common stock held by the MHR Entities that were not then the subject of an existing resale shelf registration statement. Under the Amended and Restated Registration Rights Agreement, we are obligated to pay all the expenses of registration, other than underwriting fees, discounts and commissions. The Amended and Restated Registration Rights Agreement contains cross-indemnification provisions,

pursuant to which we are obligated to indemnify the selling stockholders in the event of material misstatements or omissions in a registration statement that are attributable to us, and they are obligated to indemnify us for material misstatements or omissions attributable to them.

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PROPOSAL 2

ADVISORY VOTE ON EXECUTIVE COMPENSATION

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, stockholders are entitled to vote at the Annual Meeting to provide advisory approval of the compensation we provided to our named executive officers in 2010, as disclosed above in the section of this proxy statement entitled

Compensation Discussion and Analysis (which we also refer to as our CD&A). Pursuant to the Dodd-Frank Act, the vote on executive compensation is an advisory vote only, and it is not binding on Leap, our Compensation Committee or our Board of Directors. Although the vote is non-binding, our Compensation Committee and Board of Directors value the opinions of our stockholders and will consider the outcome of the vote when making future compensation decisions.

We urge shareholders to read the CD&A section of this proxy statement, which describes in detail the principles and objectives of our executive compensation program, which is designed to attract, motivate and retain talented executives who will drive our financial and operational objectives while creating long-term shareholder value. In particular, in the section of the CD&A entitled Executive Summary on page 15, we review the Company's financial and operational performance in 2010 and discuss how those results influenced the compensation earned by our named executive officers, including discussion of the following:

2010 Year of Continued Competition and Company Transition For the Company, 2010 was a period of continued intense competition within the wireless industry and ongoing transition in our business in which we continued to take steps to improve our competitive positioning and introduced a number of significant new business and strategic initiatives. Because many of these new initiatives were largely introduced in the second half of 2010, they did not significantly impact our full year 2010 financial and operational results but have since led to improved financial and operational performance, including higher ARPU and lower churn.

Reasonable 2010 Compensation for CEO The 2010 compensation earned by our CEO, S. Douglas Hutcheson, was reasonable in light of our 2010 financial and operational performance:

In 2010, Mr. Hutcheson did not receive any increase to his base salary of \$750,000 or to the amount of his annual target bonus, which were both below the 50th percentile amounts of base salaries and target bonuses provided by those companies against which we measured our compensation. In addition, the Compensation Committee did not increase his base salary or target bonus amount as part of its recent review of executive compensation for 2011.

Based upon the Company's financial and operational performance in 2010, Mr. Hutcheson recommended that he not be awarded a cash bonus and he did not receive one.

More than two-thirds of Mr. Hutcheson's total compensation for 2010 (as reported in the CD&A in the table entitled Summary Compensation) was attributable to long-term equity compensation awards, which consisted primarily of performance-vested restricted shares which vest in annual installments only if the average closing price for Leap common stock is at or above the closing price on the date such shares were originally issued for the 30-calendar day period preceding the annual vesting date or for a subsequent 30-day period.

Reasonable 2010 Compensation for Other Named Executive Officers Like Mr. Hutcheson, the other named executive officers earned reasonable compensation amounts in 2010. The Compensation Committee did not increase 2010 base salaries for any of our named executive officers. The other named executive officers received 2010 cash bonus awards in amounts well below their target bonus levels and, like Mr. Hutcheson, their equity compensation for 2010 consisted primarily of performance-vested restricted shares.

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In addition to discussing 2010 compensation, our CD&A also discusses some of the following governance and compensation practices that our stockholders should consider:

Independent Compensation Committee Compensation amounts provided to our executive officers are determined by our Compensation Committee, which is comprised solely of independent directors, as defined by the Nasdaq Stock Market listing standards.

Substantial Performance-Based Compensation To link compensation to corporate and individual performance, a substantial portion of each executive officer's potential compensation opportunity is comprised of his annual performance