

VALOR COMMUNICATIONS GROUP INC

Form S-4/A

May 23, 2006

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**Subject to completion, as filed with the Securities and Exchange Commission on May 23, 2006**

**Registration No. 333-132073**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Amendment No. 3**

**to**

**Form S-4**

**REGISTRATION STATEMENT**

**UNDER**

**THE SECURITIES ACT OF 1933**

**VALOR COMMUNICATIONS GROUP, INC.**

*(To be renamed Windstream Corporation )*

*(Exact Name of Registrant as Specified in Its Charter)*

**Delaware**

*(State or Other Jurisdiction of  
Incorporation or Organization)*

**4813**

*(Primary Standard Industrial  
Classification Code Number)*

**20-0792300**

*(I.R.S. Employer  
Identification Number)*

**201 E. John Carpenter Freeway, Suite 200**

**Irving, Texas 75062**

*(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive  
Offices)*

**William M. Ojile, Jr., Esq.**

**Senior Vice President,**

**Chief Legal Officer and Secretary**

**Valor Communications Group, Inc.**

**201 E. John Carpenter Freeway, Suite 200**

**Irving, Texas 75062**

**(972) 373-1000**

*(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)*

**COPIES TO:**

**Joshua N. Korff, Esq.**  
**Kirkland & Ellis LLP**  
**Citigroup Center**  
**153 East 53<sup>rd</sup> Street**  
**New York, NY 10022**  
**Tel. (212) 446-4800**  
**Fax (212) 446-4900**

**Richard N.**  
**Massey, Esq.**  
**Executive Vice**  
**President**  
**and Secretary**  
**Alltel Corporation**  
**One Allied Drive**  
**Little Rock, Arkansas**  
**72202**  
**Tel. (501) 905-0625**  
**Fax (501) 905-0962**

**John P. Fletcher, Esq.**  
**Executive Vice**  
**President**  
**and General Counsel**  
**Alltel Holding Corp.**  
**4001 Rodney Parham**  
**Road**  
**Little Rock, AR 72212**  
**Tel. (501) 748-7900**  
**Fax (501) 748-7400**

**Daniel L. Heard, Esq.**  
**Kutak Rock LLP**  
**425 W. Capitol Avenue**  
**Suite 1100**  
**Little Rock, AR 72201**  
**Tel. (501) 975-3000**  
**Fax (501) 975-3001**

**Approximate date of commencement of proposed sale to public:** As soon as practicable following the effective date of this Registration Statement and the date on which all other conditions to the merger of Alltel Holding Corp. with and into Valor Communications Group, Inc. pursuant to the merger agreement described in the enclosed

document have been satisfied or waived.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

#### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price per Share	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)
Common Stock, par value \$0.0001 per share	404,651,478	N/A	\$3,500,235,284.70	\$374,525.18

(1) This Registration Statement relates to shares of common stock, par value \$0.0001 per share, of Valor Communications Group, Inc. issuable to holders of common stock, par value \$0.01, of Alltel Holding Corp. ( Spinco ) pursuant to the proposed merger of Spinco with and into Valor. The amount of Valor common stock to be registered represents the maximum number of shares of common stock that Valor will issue to holders of common stock of Spinco upon consummation of the merger based on a formula set forth in the merger agreement, which requires that Valor issue a number of shares of its common stock equal to the aggregate number of shares of Valor common stock issued and outstanding, on a fully diluted basis, as of the effective time of the merger, multiplied by 5.667. Because it is not possible to accurately state the number of shares of Valor common stock that will be outstanding as of the effective time of the merger, this calculation is based on 71,096,887 shares of Valor common stock outstanding as of April 28, 2006, plus 307,997 shares of common stock that remain available for issuance under Valor's 2005 Long-Term Incentive Plan (which represents all the shares that may be issued under any Valor equity incentive plan). Other than grants of equity incentive awards in the ordinary course of business, Valor has no plans to issue any shares of common stock prior to the effective time of the merger.

(2) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(f)(2) of the Securities Act, based on the book value (computed as of March 31, 2006, the most recent date for which such information is available) of the common stock of Spinco to be exchanged in the merger.

(3) Computed in accordance with Rule 457(f) and Section 6(b) under the Securities Act of 1933 by multiplying (A) the proposed maximum aggregate offering price for all securities to be registered by (B) 0.000107. Filing fee has been previously paid by the registrant.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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The information in this proxy statement/ prospectus-information statement is not complete and may be changed. Valor Communications Group, Inc. may not distribute or issue the shares of Valor common stock being registered pursuant to this registration statement until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/ prospectus-information statement is not an offer to distribute these securities and Valor Communications Group, Inc. is not soliciting offers to receive these securities in any state where such offer or distribution is not permitted.

**SUBJECT TO COMPLETION DATED MAY 23, 2006**

[ ], 2006

To the Stockholders of Valor Communications Group, Inc.:

As previously announced, the Board of Directors of Valor Communications Group, Inc. has unanimously approved a strategic merger that will combine Valor and the wireline telecommunications business of Alltel Corporation. Pursuant to the Agreement and Plan of Merger Valor entered into on December 8, 2005, as amended on May 18, 2006, with Alltel Corporation and Alltel Holding Corp. (which we refer to as Spinco), Spinco will merge with and into Valor and Valor will survive as a stand-alone company and will hold and conduct the combined business operations of Valor and Spinco. Following completion of the merger, the separate existence of Spinco will cease. The merger will take place immediately after Alltel contributes the assets making up its wireline telecommunications business to Spinco and distributes the common stock of Spinco to a third-party exchange agent for the benefit of its stockholders. As a result of the transactions, Alltel will receive approximately \$4.2 billion of combined cash proceeds and debt reduction (on a consolidated basis). Immediately following the merger, Valor will change its name to Windstream Corporation and its common stock will be quoted on the New York Stock Exchange and will be traded under the ticker symbol WIN.

Valor will issue an aggregate number of shares of common stock to Alltel stockholders pursuant to the merger such that when the merger is completed, Alltel stockholders will collectively own approximately 85%, and Valor's stockholders will collectively own approximately 15%, of the shares of common stock of Windstream Corporation on a fully diluted basis. To achieve this result, the aggregate number of shares of Valor common stock that will be issued in the merger will be equal to 5.667 multiplied by the aggregate number of shares of Valor common stock outstanding on a fully diluted basis immediately prior to the effective time. **Therefore, this number and the value of the per share merger consideration Alltel Stockholders will receive will not be known until the effective time of the merger.** Although, based on its current shares outstanding, Valor expects to issue approximately 405,000,000 shares of common stock to Alltel stockholders in the aggregate, or approximately 1.04 shares of common stock per each share of Alltel common stock held by Alltel stockholders, pursuant to the merger, any increase or decrease in the number of shares of Valor common stock outstanding that occurs for any reason prior to the effective time of the merger would cause these numbers to change. Therefore, we cannot provide a minimum or maximum number of shares that will be issued in the merger, however, we expect that the number of shares of Valor common stock will not change significantly as Valor currently has no plans to issue any shares of its common stock prior to the effective time of the merger other than pursuant to grants of equity incentive awards in the ordinary course of business. In all cases, however, the amount of shares to be issued will yield the 85/15 relative post-merger ownership percentage described above. Based on the closing price of Valor common stock on May 22, 2006 of \$12.78, as reported by the New York Stock Exchange, the approximate value Alltel stockholders will receive in the merger will equal \$13.29 per each share of Alltel common stock they own on the record date for the spin-off. However, any change in the market value of Valor common stock prior to the effective time of the merger would cause the estimated per share value Alltel stockholders will receive to also change. The number of shares of Valor common stock to be issued to Alltel stockholders in the merger will not be adjusted as a result of fluctuations in the market price of Valor common stock. For a more complete discussion of the calculation of the number of shares of Valor common stock to be issued pursuant to the merger, see the section titled The Transactions Calculation of Merger Consideration on page [ ] of

the accompanying proxy statement/ prospectus-information statement. Before Valor may issue these shares the Valor certificate of incorporation must be amended to increase the authorized shares of Valor common stock from 200,000,000 to 1,000,000,000. Existing shares of Valor common stock will remain outstanding.

We cordially invite you to attend the annual meeting of Valor stockholders to be held on Tuesday, June 27, 2006 at the Sheraton New York Hotel & Towers, 811 Seventh Avenue, New York, New York 10019, at 2:00 p.m., local time. At the annual meeting, we will ask you to consider and vote on proposals to adopt and approve the merger agreement and the transactions contemplated thereby. You will also be asked to elect directors and act on other matters normally considered at Valor's annual meeting. **The Board of Directors of Valor has unanimously approved the merger agreement and unanimously recommends that the Valor stockholders vote FOR the proposals to (i) adopt the merger agreement, (ii) approve the increase of the authorized number of shares of Valor common stock pursuant to the merger, and (iii) approve the issuance of Valor common stock pursuant to the merger, each of which is necessary to effect the merger, as well as FOR the adoption of the 2006 Equity Incentive Plan (which is conditioned upon stockholder approval of the merger proposals), the Board's nominees for director and the ratification of Valor's independent auditors.**

**Your vote is very important.** We cannot complete the merger unless the proposals relating to the adoption of the merger agreement, the amendment to Valor's certificate of incorporation and bylaws pursuant to the merger and the issuance of Valor stock pursuant to the merger are adopted by the affirmative vote of the holders of a majority of the voting power of the outstanding shares of Valor common stock entitled to vote at the annual meeting. Only stockholders who owned shares of Valor common stock at the close of business on May 5, 2006 will be entitled to vote at the annual meeting. **Whether or not you plan to be present at the annual meeting, please complete, sign, date and return your proxy card in the enclosed envelope, or authorize the individuals named on your proxy card to vote shares by calling the toll-free telephone number or by using the Internet as described in the instructions included with your proxy card.** If you hold your shares in street name, you should instruct your broker how to vote in accordance with your voting instruction form. If you do not submit your proxy, instruct your broker how to vote your shares, or vote in person at the annual meeting, it will have the same effect as a vote against adoption of the merger agreement.

**You should be aware that certain stockholders have already agreed with Alltel to vote or cause to be voted all of the Valor shares they own in favor of the adoption of the merger agreement, the amendment of the Valor organizational documents in their entirety pursuant to the merger increasing the authorized shares of Valor common stock and the issuance of Valor common stock pursuant to the merger. Further, you should also be aware that our directors and executive officers have either entered into this agreement with Alltel or otherwise indicated that they intend to vote their Valor common shares FOR the merger proposals. These stockholders and our executive officers and directors together hold an aggregate of approximately 42% of the aggregate number of votes entitled to be cast.**

The accompanying proxy statement/ prospectus-information statement explains the merger, the merger agreement and the transactions contemplated thereby and provides specific information concerning the annual meeting. **Please review this document carefully. You should consider the matters discussed under the heading Risk Factors Risks Relating to the Spin-Off and the Merger on page 23 of the accompanying proxy statement/ prospectus-information statement before voting.**

On behalf of our Board of Directors, I thank you for your support and appreciate your consideration of this matter.  
Sincerely,

John J. Mueller  
President and Chief Executive Officer  
Member of the Board of Directors

**Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved the merger described in this proxy statement/ prospectus-information statement or the Valor Communications Group, Inc. common stock to be issued in connection with the spin-off and merger, or determined if this proxy statement/ prospectus-information statement is accurate or adequate. Any representation to the contrary is a criminal offense.**

This proxy statement/ prospectus-information statement is dated [ ], 2006,



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**ALLTEL CORPORATION**  
**One Allied Drive Little Rock, Arkansas 72202**  
**Telephone (501) 905-8000**  
**www.alltel.com**

[ ], 2006

To the Stockholders of Alltel Corporation:

On December 9, 2005, we announced that we would spin-off for the benefit of our stockholders shares of Alltel Holding Corp. (which we refer to as Spinco), a subsidiary of Alltel Corporation into which we will contribute our wireline telecommunications business, and that Spinco would then merge with Valor Communications Group, Inc. After the spin-off and merger, Valor, which will be renamed Windstream Corporation, will be a separately traded public company that will own and operate the combined businesses of Spinco and Valor. The new company's common stock will be listed on the New York Stock Exchange under the trading symbol WIN.

It is presently estimated that approximately 1.04 shares of Valor common stock will be issued to Alltel stockholders for each share of Spinco common stock they are entitled to receive on the distribution date. However, this amount will be calculated based on the fully diluted number of shares of Valor common stock outstanding immediately prior to the effective time of the merger and Alltel common stock outstanding on the record date for the spin-off, which Alltel will publicly announce prior to the expected completion of the spin-off and merger, and therefore will not be finally determined until the effective time. As a result, the estimated ratio of 1.04 shares of Valor common stock for each share of Alltel common stock would change to the extent the number of shares of Alltel common stock or Valor common stock outstanding changes for any reason prior to these times, however, we expect that the number of shares of Valor common stock will not change significantly as Valor currently has no plans to issue any shares of its common stock prior to the effective time of the merger other than pursuant to grants of equity incentive awards in the ordinary course of business. In all cases, however, when the merger is completed, Alltel's stockholders will collectively own approximately 85%, and Valor's stockholders will collectively own approximately 15%, of the shares of common stock of Windstream Corporation on a diluted basis. Based on the closing price of Valor common stock on May 22, 2006 of \$12.78, as reported by the New York Stock Exchange, the approximate value Alltel stockholders will receive in the merger will equal \$13.29 per each share of Alltel common stock they own on the record date for the spin-off. However, any change in the market value of Valor common stock prior to the effective time of the merger would cause the estimated per share value Alltel stockholders will receive in the merger to also change. A more complete discussion of the calculation of the number of shares of Valor common stock to be issued pursuant to the merger is contained in the accompanying proxy statement/prospectus-information statement. You and all other holders of Alltel common stock will not be required to pay for the shares of Valor common stock you receive and you will also retain all of your shares of Alltel common stock.

This transaction represents a significant strategic step that will sharpen Alltel's focus on its higher growth wireless telecommunications business. The spin-off will also allow Alltel stockholders to benefit from the success and upside potential of the new company.

Alltel Corporation's Board of Directors has determined that the spin-off of the wireline business and the combination with Valor is advisable and in the best interests of Alltel and its stockholders, and has approved the proposed transaction. You need not take any action to participate in the spin-off or the merger. **No vote of Alltel Corporation stockholders is required in connection with this transaction.**

The following document contains important information describing the terms of the spin-off and the merger. We encourage you to read it carefully.

We look forward to completing the spin-off and merger and to the exciting opportunities it presents for our stockholders.

Sincerely,

Scott T. Ford  
President and Chief Executive Officer



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**Valor Communications Group, Inc.**  
**201 E. John Carpenter Freeway, Suite 200, Irving, Texas 75062**  
**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**  
**TO BE HELD [     ], 2006**

To the Stockholders of Valor Communications Group, Inc.:

The annual meeting of stockholders of Valor Communications Group, Inc. will be held on Tuesday, June 27, 2006 at the Sheraton New York Hotel & Towers, 811 Seventh Avenue, New York, New York 10019, at 2:00 p.m., local time. The annual meeting is being held for the following purposes:

1. to adopt the Agreement and Plan of Merger, dated as of December 8, 2005 and amended on May 18, 2006, as such may be further amended from time to time (the Merger Agreement ), by and among Alltel Corporation, Alltel Holding Corp. ( Spinco ) and Valor Communications Group, Inc., pursuant to which (i) Spinco will merge with and into Valor, after which Valor will survive as a stand-alone company and will hold and conduct the combined business operations of Valor and Spinco and (ii) Valor will issue an aggregate number of shares in the merger equal to 5.667 multiplied by Valor 's total number of shares of common stock outstanding on a fully diluted basis immediately prior to the merger, which we expect to equal approximately 405,000,000 shares;
2. to approve the amendment of the certificate of incorporation of Valor pursuant to the merger to increase the authorized number of shares of Valor common stock from 200,000,000 to 1,000,000,000;
3. to approve the issuance of up to 405,000,000 shares of Valor common stock to Alltel stockholders in accordance with the terms of the Merger Agreement;
4. to adopt and approve the 2006 Equity Incentive Plan, a copy of which is attached as Annex G to this proxy statement/ prospectus-information statement;
5. to elect eleven (11) directors to serve until the 2007 Annual Meeting of Stockholders or until their successors are duly elected and qualified or until their earlier removal, resignation or death;
6. to ratify the appointment of Deloitte & Touche LLP as Valor 's independent registered public accounting firm for the fiscal year ending December 31, 2006 or until their earlier removal or termination;
7. to adjourn the annual meeting, if necessary, to solicit additional proxies for the adoption of the merger agreement, approval of the amendment to the Certificate of Incorporation and Bylaws of Valor pursuant to the merger or approval of the issuance of shares of Valor common stock pursuant to the merger; and
8. to transact any and all other business that may properly come before the annual meeting or any adjourned session of the annual meeting.

**THE PROPOSALS SET FORTH IN ITEMS ONE THROUGH THREE ABOVE ARE CONDITIONED ON THE OTHER TWO AND APPROVAL OF EACH IS REQUIRED FOR COMPLETION OF THE MERGER.** The proposal set forth in item four is conditioned upon the approval of the first three items. Furthermore, you should be aware that if the merger is completed, then by virtue of the merger the persons elected at the annual meeting to serve as directors shall be replaced by the persons who serve as directors of Spinco immediately prior to the merger. It is currently anticipated that Valor 's post-merger Board of Directors will consist of the following nine persons: Jeffery R. Gardner (who most recently served as Alltel 's Executive Vice President Chief Financial Officer), Francis X. Frantz (who most recently served as Alltel 's Executive Vice President External Affairs, General Counsel and Secretary), Anthony J. de Nicola (the current Chairman of Valor 's Board of Directors) and six directors designated by Alltel. You should also be aware that if the merger is completed, PricewaterhouseCoopers LLP will become Valor 's post-merger independent registered public accounting firm for the fiscal year ending December 31, 2006.

Only stockholders who owned shares of Valor common stock at the close of business on May 5, 2006, the record date for the annual meeting, are entitled to notice of, and to vote at, the annual meeting and any adjournment or postponement of it. A stockholders list will be available for inspection by any stockholder entitled to vote at the annual meeting during ordinary business hours at Valor's principal offices for ten days prior to the annual meeting as well as at the location of the annual meeting for the entire time of the annual meeting.

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The merger agreement and the merger, along with the other transactions which would be effected in connection with the merger, are described more fully in the attached proxy statement/ prospectus-information statement, and we urge you to read it carefully. Valor stockholders have no appraisal rights under Delaware law in connection with the merger.

**THE VALOR COMMUNICATIONS GROUP, INC. BOARD OF DIRECTORS HAS UNANIMOUSLY APPROVED THE MERGER AGREEMENT AND THE MERGER AND UNANIMOUSLY RECOMMENDS THAT VALOR STOCKHOLDERS VOTE FOR THE PROPOSALS TO ADOPT THE MERGER AGREEMENT, TO APPROVE THE INCREASE OF THE NUMBER OF AUTHORIZED SHARES OF VALOR COMMON STOCK PURSUANT TO THE MERGER, AND TO APPROVE THE ISSUANCE OF VALOR COMMON STOCK PURSUANT TO THE MERGER, EACH OF WHICH IS NECESSARY TO EFFECT THE MERGER, AS WELL AS FOR THE ADOPTION OF THE 2006 EQUITY INCENTIVE PLAN (WHICH IS CONDITIONED UPON STOCKHOLDER APPROVAL OF THE MERGER PROPOSALS), THE BOARD'S NOMINEES FOR DIRECTOR AND FOR THE RATIFICATION OF VALOR'S INDEPENDENT AUDITORS AND, IF NECESSARY, THE ADJOURNMENT OF THE ANNUAL MEETING TO SOLICIT ADDITIONAL PROXIES FOR THE MERGER PROPOSALS.**

To ensure that your shares of Valor common stock are represented at the annual meeting, please complete, date and sign the enclosed proxy card and mail it promptly in the envelope provided. Any executed but unmarked proxy cards will be voted in accordance with the recommendations of the Valor Board of Directors, including FOR adoption of the merger agreement and FOR the election of Board of Director's nominees for director. Valor stockholders may revoke their proxy in the manner described in the accompanying proxy statement/ prospectus-information statement before it has been voted at the annual meeting.

By Order of the Board of Directors,

Irving, Texas

[ ], 2006

**YOUR VOTE IS VERY IMPORTANT**

**Whether or not you plan to be present at the annual meeting, please promptly complete, sign, date and return your proxy card in the enclosed envelope, or authorize the individuals named on your proxy card to vote shares by calling the toll-free telephone number or by submitting a proxy via the Internet as described in the instructions included with your proxy card or voting information form.**

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**REFERENCES TO ADDITIONAL INFORMATION**

This proxy statement/ prospectus-information statement incorporates important business and financial information about Valor Communications Group, Inc. from documents previously filed with the Securities and Exchange Commission that are not included in or delivered with this proxy statement/ prospectus-information statement. This information is available to you without charge upon your written or oral request. You can obtain documents incorporated by reference in this proxy statement/ prospectus-information statement by requesting them in writing, by telephone or by e-mail from Valor with the following contact information or on Valor's website at [www.valortelecom.com](http://www.valortelecom.com):

Valor Communications Group, Inc.  
201 E. John Carpenter Freeway, Suite 200  
Irving, Texas 75062  
Attn: Investor Relations  
Tel: (866) 779-1296  
Email: [investorrelations@valortelecom.com](mailto:investorrelations@valortelecom.com)

If you would like to request any documents, please do so by June 16, 2006 in order to receive them before the annual meeting.

See "Where You Can Find Additional Information" for more information about the documents referred to in this proxy statement/ prospectus-information statement.

In addition, if you have questions about the merger you may contact:

17 State Street, 10<sup>th</sup> Floor  
New York, NY 10004  
Call toll free: (888) 206-1124

ALL INFORMATION CONTAINED IN THIS PROXY STATEMENT/ PROSPECTUS-INFORMATION STATEMENT WITH RESPECT TO ALLTEL OR SPINCO AND THEIR SUBSIDIARIES HAS BEEN PROVIDED BY ALLTEL. ALL INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROXY STATEMENT/ PROSPECTUS-INFORMATION STATEMENT WITH RESPECT TO VALOR (INCLUDING THE FINANCIAL ADVISORS TO VALOR) AND ITS SUBSIDIARIES HAS BEEN PROVIDED BY VALOR.

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