

VALOR COMMUNICATIONS GROUP INC

Form 8-K

June 30, 2006

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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): June 28, 2006**

**VALOR COMMUNICATIONS GROUP, INC.
(Exact name of Registrant as specified in its charter)**

**Delaware
(State or other jurisdiction of incorporation)**

**001-32422
(Commission File Number)**

**20-0792300
(IRS Employer Identification No.)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 Other Events.

As previously announced, on December 8, 2005, Valor Communications Group, Inc. (Valor) entered into an Agreement and Plan of Merger (the Merger Agreement) with Alltel Corporation (Alltel) and a wholly-owned subsidiary of Alltel, Alltel Holding Corp. (Spinco), pursuant to which Spinco will merge with and into Valor (the Merger). Prior to the Merger, Alltel will contribute its wireline business to Spinco pursuant to a Distribution Agreement that Alltel and Spinco entered into on December 8, 2005 (the Distribution Agreement).

On June 28, 2006, in connection with the transactions contemplated by Merger Agreement and the Distribution Agreement, Spinco entered into a Purchase Agreement regarding the private placement to qualified institutional buyers and non-U.S. persons outside the United States in reliance on exemptions from the registration requirements of the Securities Act of 1933, as amended, of \$800,000,000 principal amount of Senior Notes due 2013 (the 2013 Notes) and \$1,746,000,000 principal amount of Senior Notes due 2016 (the 2016 Notes and, together with the 2013 Notes, the Notes), that will be consummated at the time of the closing of the merger.

Spinco will issue the 2016 Notes to Alltel at the time Alltel contributes its wireline business to Spinco. Thereafter, Alltel expects to exchange the 2016 Notes with certain creditors for outstanding Alltel debt securities, and the 2016 Notes will be sold in the offering by such creditors as selling securityholders. Following the Merger, the surviving corporation, which will be renamed Windstream Corporation, will assume all of the obligations under the 2016 Notes and will issue the 2013 Notes simultaneously with the sale of the 2016 Notes by the selling securityholders. Neither Valor, Spinco, nor the surviving corporation of the Merger will receive any proceeds from the sale of the 2016 Notes by the selling securityholders.

The 2013 Notes will mature on August 1, 2013 and will accrue interest at a rate of 8 1/8% per annum. The 2013 Notes will be issued at a price equal to 100% of the principal amount thereof. The 2016 Notes will mature on August 1, 2016 and will accrue interest at a rate of 8 5/8% per annum. The 2016 Notes will be issued at a price equal to 97.547% of the principal amount thereof. The consummation of the offering of the Notes will be subject to customary closing conditions

Furthermore, on June 28, 2006, Alltel and Spinco, with the consent of Valor, entered into an amendment (the Amendment) to the Distribution Agreement. The Amendment reduces the aggregate amount of transaction expenses to be borne by Spinco from \$115.0 million to \$75.7 million. The Amendment was effected, in part, to offset the discount attributable to the 2016 Notes being issued at a price that is less than 100% of the principal amount of such notes. As a result, subject to the terms and conditions set forth in the Distribution Agreement, including certain limitations contained therein, Alltel will pay any transaction expenses of Alltel and Spinco in excess of \$75.7 million. This report does not constitute an offer to sell or the solicitation of an offer to buy securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful. The Notes have not been registered under the Securities Act of 1933 or applicable state securities laws and, unless so registered, may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 30, 2006

**VALOR COMMUNICATIONS GROUP,
INC.**

By: /s/ William M. Ojile, Jr.
William M. Ojile, Jr.
*Senior Vice President,
Chief Legal Officer and Secretary*