

ALLTEL CORP
Form PREM14A
June 13, 2007

**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**

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

x Preliminary Proxy Statement

o **Confidential, for Use of the Commission**

Only (as permitted by Rule 14a-6(e)(2))

o Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to § 240.14a-12

ALLTEL CORPORATION

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

o No fee required.

x 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:

Common Stock of Alltel Corporation, par value \$1.00 per share; \$2.06 No Par Cumulative Convertible Preferred Stock, Series C of Alltel Corporation; \$2.25 No Par Cumulative Convertible Preferred Stock, Series D of Alltel Corporation.

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(2) Aggregate number of securities to which transaction applies:
343,852,797 shares of Common Stock; 16,525,416 options to purchase Alltel Corporation Common Stock; 85,360 shares of Alltel Corporation Common Stock related to other rights to receive Alltel Corporation Common Stock; 10,127 shares of \$2.06 No Par Cumulative Convertible Preferred Stock, Series C of Alltel Corporation; 26,073 shares of \$2.25 No Par Cumulative Convertible Preferred Stock, Series D of Alltel Corporation.

(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):

Calculated solely for the purpose of determining the filing fee. The transaction valuation is determined based upon the sum of (A) 343,852,797 shares of Common Stock multiplied by \$71.50 per share; (B) an aggregate of \$384,741,075 expected to be paid upon the cancellation of outstanding options having an exercise price less than \$71.50; (C) 85,360 shares of Common Stock related to other rights to receive Alltel Corporation Common Stock multiplied by \$71.50 per share; (D) 10,127 shares of \$2.06 No Par Cumulative Convertible Preferred Stock, Series C multiplied by \$523.22 per share; and (E) 26,073 shares of \$2.25 No Par Cumulative Convertible Preferred Stock, Series D multiplied by \$481.37 per share. In accordance with Section 14(g) of the Securities Exchange Act of 1934, as amended, the filing fee was determined by multiplying 0.00003070 by the sum calculated in the preceding sentence.

(4) Proposed maximum aggregate value of transaction:
\$24,994,168,710

(5) Total fee paid:
\$767,321

- 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.

Amount Previously Paid:

(1)

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

(3) Filing Party:

Date Filed:

(4)

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

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[], 2007

Dear Fellow Stockholder:

You are cordially invited to attend a special meeting of Alltel Corporation stockholders to be held on [____], 2007, starting at [] a.m., local time, at [].

At the special meeting, you will be asked to consider and vote upon a proposal to adopt a merger agreement under which Alltel Corporation would be acquired by Atlantis Holdings LLC, an entity controlled by private investment funds affiliated with TPG Partners V, L.P. and GS Capital Partners VI Fund, L.P. We entered into this merger agreement on May 20, 2007. If the merger is completed, you, as a holder of Alltel common stock, will be entitled to receive \$71.50 in cash, without interest, for each share of Alltel Corporation common stock owned by you at completion of the merger, as more fully described in the enclosed proxy statement. In addition, if you are a holder of Alltel Corporation's \$2.06 No Par Cumulative Convertible Preferred Stock, Series C or a holder of Alltel Corporation's \$2.25 No Par Cumulative Convertible Preferred Stock, Series D, you will be entitled to receive \$523.22 and \$481.37 in cash, per share, respectively, without interest, as more fully described in the enclosed proxy statement.

Alltel Corporation's board of directors has unanimously approved and declared advisable the merger agreement and the transactions contemplated by the merger agreement, determined that the transactions contemplated by the merger agreement are in the best interests of Alltel Corporation and its stockholders and resolved to recommend that Alltel Corporation's stockholders vote in favor of the adoption and approval of the merger agreement.

Accordingly, our board of directors unanimously recommends that you vote "FOR" the adoption of the merger agreement and "FOR" the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies.

Your vote is very important, regardless of the number of shares of common stock you own. We cannot complete the merger unless the merger agreement is approved by the affirmative vote of the holders of outstanding shares of our common stock representing at least a majority of all of the votes entitled to vote at the special meeting. **Therefore, the failure of any stockholder holding Alltel common stock to vote on the proposal to adopt the merger agreement will have the same effect as a vote by that stockholder against the adoption of the merger agreement.** Whether or not you plan to attend the special meeting, please complete, date, sign and return, as promptly as possible, the enclosed proxy card in the accompanying reply envelope, or submit your proxy by telephone or the Internet. If you have Internet access, we

encourage you to record your vote via the Internet. If you attend the special meeting and vote in person, your vote by ballot will revoke any proxy previously submitted.

The attached proxy statement provides you with detailed information about the special meeting, the merger agreement and the merger. A copy of the merger agreement is attached as Annex A to this document. We encourage you to read this document and the merger agreement carefully and in their entirety. You may also obtain more information about Alltel Corporation from documents we have filed with the Securities and Exchange Commission.

Thank you in advance for your continued support and your consideration of this matter.

Sincerely,

Scott T. Ford

President and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the merger, passed upon the merits or fairness of the merger or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

The proxy statement is dated [___], 2007, and is first being mailed to stockholders on or about [], 2007.

ALLTEL CORPORATION
One Allied Drive • Little Rock, Arkansas 72202
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NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held On [], 2007

To the Stockholders of Alltel Corporation:

A special meeting of stockholders of Alltel Corporation, a Delaware corporation, will be held on [], 2007, starting at [] a.m., local time, at [], for the following purposes:

1. To consider and vote on a proposal to adopt the Agreement and Plan of Merger (the “merger agreement”), dated as of May 20, 2007, by and among Alltel Corporation, a Delaware corporation (“Alltel”), Atlantis Holdings LLC, a Delaware limited liability company (“Parent”) and Atlantis Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Parent (“Merger Sub”), as it may be amended from time to time. A copy of the merger agreement is attached as Annex A to the accompanying proxy statement. Pursuant to the terms of the merger agreement, Merger Sub will merge with and into Alltel (the “merger”) and upon the merger becoming effective each outstanding share (other than any shares held by any wholly owned subsidiary of the Company, shares owned by Parent or Merger Sub or held by Alltel and shares owned by stockholders who perfect their appraisal rights under Delaware law) of Alltel’s (i) common stock, par value \$1.00 per share, will be converted into the right to receive \$71.50 in cash, without interest, and (ii) \$2.06 No Par Cumulative Convertible Preferred Stock, Series C will be converted into the right to receive \$523.22 in cash, without interest, and (iii) \$2.25 No Par Cumulative Convertible Preferred Stock, Series D will be converted into the right to receive \$481.37 in cash, without interest, as more fully described in the accompanying proxy statement.

2. To consider and vote on any proposal to adjourn or postpone the special meeting to a later date or time, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger agreement if there are insufficient votes at the time of such adjournment or postponement to approve the merger agreement.

3. To consider and vote on such other business as may properly come before the special meeting or any adjournments or postponements thereof.

Our board of directors has specified [], 2007, as the record date for the purpose of determining the stockholders who are entitled to receive notice of, and to vote at, the special meeting. All stockholders of record at the close of business on the record date are entitled to notice of and to attend the special meeting and any adjournment or postponement thereof. However, only holders of record of our common stock at the close of business on the record date are entitled to vote at the special meeting and at any adjournment or postponement thereof. The vote of our preferred stockholders is not required to approve the merger and the merger agreement and is not being solicited.

Under Delaware law, Alltel stockholders who do not vote in favor of the merger agreement will have the right to seek appraisal of the fair value of their shares as determined by the Delaware Court of Chancery if the merger is completed, but only if they submit a written demand for such an appraisal prior to the vote on the merger agreement and comply with the other Delaware law procedures explained in the accompanying proxy statement.

Our board of directors has unanimously approved and declared advisable the merger agreement and the transactions contemplated by the merger agreement, determined that the transactions contemplated by the merger agreement are advisable and in the best interests of Alltel and its stockholders and resolved to recommend that Alltel's stockholders vote in favor of the adoption of the merger agreement and the transactions contemplated by the merger agreement, including the merger.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE ADOPTION OF THE MERGER AGREEMENT AND "FOR" THE ADJOURNMENT OR POSTPONEMENT OF THE SPECIAL MEETING, IF NECESSARY OR APPROPRIATE, TO SOLICIT ADDITIONAL PROXIES.

Your vote is important. The adoption of the merger agreement requires the affirmative vote of the holders of outstanding shares of our common stock representing at least a majority of all the votes entitled to vote at the special meeting. Therefore, your failure to vote in person at the special meeting or to submit a signed proxy card will have the same effect as a vote by you "AGAINST" the approval of the merger agreement. Properly executed proxy cards with no instructions indicated on the proxy card will be voted "**FOR**" the adoption of the merger agreement and "**FOR**" the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies. Even if you plan to attend the special meeting in person, we request that you complete, sign, date and return the enclosed proxy or submit your proxy by telephone or the Internet prior to the special meeting to ensure that your shares will be represented at the special meeting if you are unable to attend. If you have Internet access, we encourage you to record your vote via the Internet. If you fail to return your proxy card or fail to submit your proxy by phone or the Internet and you fail to attend the special meeting, your shares will not be counted for purposes of determining whether a quorum is present at the meeting, but will not affect the outcome of the vote regarding the adjournment proposal, if necessary. If you hold your shares through a bank, broker or other custodian, you must obtain a legal proxy from such custodian in order to vote in person at the special meeting. If you attend the special meeting, you may revoke your proxy and vote in person if you wish, even if you have previously returned your proxy card. Your prompt attention is greatly appreciated.

Please note that space limitations make it necessary to limit attendance at the special meeting to stockholders as of the record date (or their authorized representatives). If you attend, please note that you may be asked to present valid photo identification. If your shares are held by a bank or broker, please bring to the special meeting your statement evidencing your beneficial ownership of common stock. The list of stockholders entitled to vote at the special meeting will be available for inspection at our principal executive offices at One Allied Drive, Little Rock, Arkansas 72202, at least 10 days prior to the date of the special meeting and continuing through the special meeting for any purpose germane to the meeting; the list will also be available at the meeting for inspection by any stockholder present at the meeting.

By Order of the Board of Directors,

Richard N. Massey

Secretary

Little Rock, Arkansas
[___], 2007

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SUMMARY TERM SHEET

The following summary highlights selected information in this proxy statement and may not contain all the information that may be important to you. Accordingly, we encourage you to read carefully this entire proxy statement, its annexes and the documents referred to or incorporated by reference in this proxy statement. Each item in this summary includes a page reference directing you to a more complete description of that topic. See “Where You Can Find More Information” beginning on page []. We sometimes make reference to Alltel Corporation and its subsidiaries in this proxy statement by using the terms “Alltel,” the “Company,” “we,” “our” or “us.”

The Merger (Page [])

The Agreement and Plan of Merger, dated as of May 20, 2007, which we refer to as the merger agreement, by and among Alltel, Atlantis Holdings LLC, a Delaware limited liability company (which we refer to as Parent), and Atlantis Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Parent (which we refer to as Merger Sub), provides that Merger Sub, which is controlled through Parent by TPG Partners V, L.P. and GS Capital Partners VI Fund, L.P. (which we collectively refer to as the Sponsors) will merge with and into Alltel. As a result of the merger, Alltel will become a private company, controlled by the Sponsors. Alltel will be the surviving corporation in the merger (which we refer to as the surviving corporation) and, following the merger, will continue to do business as “Alltel Corporation.” As a private company, the registration of Alltel’s common stock and Alltel’s \$2.06 No Par Cumulative Convertible Preferred Stock (which we refer to as the Series C Preferred) and its reporting obligations with respect to such stock under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), will be terminated upon application to the Securities and Exchange Commission (the “SEC”). In addition, upon completion of the proposed merger, shares of Alltel’s common stock and the Series C Preferred will no longer be listed on any stock exchange or quotation system, including the New York Stock Exchange (“NYSE”).

Effects of the Merger (Page [])

If the merger is completed, each outstanding share of Alltel common stock will be converted into the right to receive \$71.50 in cash, without interest. We refer to this amount in this proxy statement as the common stock merger consideration. As a stockholder, you will be entitled to receive the common stock merger consideration for each share of our common stock owned by you. In addition, if the merger is completed, each share of the Series C Preferred will be converted into the right to receive \$523.22, in cash, without interest. We refer to this amount as the Series C merger consideration. Similarly, each share of Alltel’s \$2.25 No Par Cumulative Convertible Preferred Stock, Series D (which we refer to as the Series D Preferred) will be converted into the right to receive \$481.37, in cash, without interest. We refer to this amount as the Series D merger consideration. We refer to the common stock merger consideration, the Series C merger consideration and the Series D merger consideration, collectively, as the merger consideration. Following the merger, you will no longer own any shares of the surviving corporation and Alltel will cease to be a publicly traded company. If the merger agreement is not adopted, Alltel will remain an independent public company and our common stock and the Series C Preferred will continue to be listed and traded on the NYSE.

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Completion of the Merger (Page [])

We are working toward completing the merger as quickly as possible, and we currently anticipate that it will be completed in the fourth quarter of 2007 or the first quarter of 2008. However, we cannot predict the exact timing of the completion of the merger and whether the merger will be completed. In order to complete the merger, we must obtain stockholder approval and the other closing conditions under the merger agreement, including receipt of certain regulatory approvals, must be satisfied or, to the extent legally permitted, waived. In addition, Parent is not obligated to complete the merger until the final day of a 20-calendar day "Marketing Period" beginning after the receipt of stockholder approval and such regulatory approvals and during which certain required information is provided that it may use to complete its financing for the merger. The Marketing Period may recommence in certain circumstances.

The Parties to the Merger (Page [])

Alltel Corporation. Alltel provides wireless voice and data communications services to 12 million wireless customers in 35 states. In terms of both the number of customers served and revenues earned, Alltel is the fifth largest provider of wireless services in the United States.

Atlantis Holdings LLC. Atlantis Holdings LLC is a Delaware limited liability company and is controlled by the Sponsors. Atlantis Holdings LLC was formed solely for the purpose of acquiring Alltel and has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the merger agreement.

Atlantis Merger Sub, Inc. Atlantis Merger Sub, Inc. is a Delaware corporation and a wholly owned subsidiary of Parent. Merger Sub was formed solely for the purpose of facilitating Parent's acquisition of Alltel. Merger Sub has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the merger agreement. Upon consummation of the proposed merger, Merger Sub will merge with and into Alltel and will cease to exist, with Alltel continuing as the surviving corporation.

The Special Meeting (Page [])

Date, Time and Place. The special meeting will be held on [], 2007, starting at [], at [].

Purpose. You will be asked to consider and vote upon (1) the adoption of the merger agreement, (2) the adjournment or postponement of the special meeting to a later date, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger agreement if there are insufficient votes at the time of the meeting to approve the merger agreement and (3) such other business as may properly come before the special meeting or any adjournments or postponements thereof.

Record Date and Quorum. You are entitled to vote at the special meeting if you owned shares of our common stock at the close of business on [], 2007, the record date for the special meeting. You will have one vote for each share of our common stock that you owned on the

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record date. As of the record date, there were [] shares of our common stock issued and outstanding and entitled to vote. A majority of our common stock issued, outstanding and entitled to vote at the special meeting constitutes a quorum for the purpose of considering the proposals. In the event that a quorum is not present at the special