

METROPCS COMMUNICATIONS INC
Form DFAN14A
March 18, 2013

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 under §240.14a-12

MetroPCS Communications, Inc.
(Name of Registrant as Specified In Its Charter)

P. Schoenfeld Asset Management LP

P. Schoenfeld Asset Management GP LLC

Peter M. Schoenfeld
(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:
- Fee paid previously with preliminary materials.
- 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:

On March 12, 2013, P. Schoenfeld Asset Management LP, P. Schoenfeld Asset Management GP LLC and Peter M. Schoenfeld (collectively, the PSAM Group) filed with the Securities and Exchange Commission (the SEC) a definitive proxy statement (the Definitive Proxy Statement) relating to the solicitation of proxies by the PSAM Group from stockholders of MetroPCS Communications, Inc. (MetroPCS) in connection with the special meeting of stockholders to be held on April 12, 2013 to vote upon matters relating to the proposed combination of MetroPCS with T-Mobile USA, Inc. STOCKHOLDERS OF METROPCS ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT AND OTHER DOCUMENTS FILED WITH THE SEC RELATING TO SUCH SOLICITATION CAREFULLY IN THEIR ENTIRETY BECAUSE THEY CONTAIN IMPORTANT INFORMATION, INCLUDING INFORMATION RELATING TO THE PARTICIPANTS IN SUCH SOLICITATION. The Definitive Proxy Statement and form of WHITE proxy card will be furnished to some or all of the stockholders of MetroPCS and will, along with other relevant documents filed with the SEC, be available free of charge at the SEC s website at <http://www.sec.gov>. In addition, the PSAM Group will provide copies of the Definitive Proxy Statement and accompanying WHITE proxy card without charge upon request.

On March 18, 2013, P. Schoenfeld Asset Management LP issued a press release announcing that it has issued a white paper in connection with the proposed transaction between MetroPCS Communications, Inc. and T-Mobile USA, Inc. A copy of the press release and the white paper are included below.

P. SCHOENFELD ASSET MANAGEMENT ISSUES

WHITE PAPER ON METROPCS/T-MOBILE TRANSACTION

NEW YORK, March 18, 2013/PRNewswire/ - P. Schoenfeld Asset Management LP (PSAM) issued a white paper today that provides detailed analysis of the proposed MetroPCS Communications, Inc. (PCS) and T-Mobile USA, Inc. (T-Mobile) transaction (the Proposed T-Mobile Transaction), and outlines for all MetroPCS shareholders an overwhelming case for why it is in the best interests of PCS shareholders to vote against the Proposed T-Mobile Transaction. PSAM 's white paper will be filed with the Securities and Exchange Commission (SEC) later today.

Following are excerpts from the PSAM white paper. To read PSAM 's white paper in its entirety and a more detailed description of the arguments below, please go to the following link: www.innisfreema.com/pcs.

PROPOSED T-MOBILE TRANSACTION DOES NOT PROVIDE FULL AND FAIR VALUE TO PCS SHAREHOLDERS

A Standalone PCS is a viable and attractive alternative to the Proposed T-Mobile Transaction

- The standalone alternative yields superior value to PCS shareholders, even without a revised offer from Deutsche Telekom AG (DT) or another buyer surfacing. Standalone does not mean standstill.
- Analysts agree that PCS is worth more as a standalone company than combined with T-Mobile.

Equity split does not reflect PCS 's strong recent performance and does not provide the value PCS shareholders deserve

- The proposed equity split, allocating 26% of the proposed combined PCS/T-Mobile post transaction (the Combined Company) to PCS shareholders, is patently unfair to PCS shareholders, does not reflect recent exceptionally strong performance by PCS, and is based on stale and overly conservative PCS projections, according to

PCS's own proxy statement; and

- Limited discussions occurred with third parties and potential acquirors over an extended period of time, and no coordinated process has occurred in the present M&A, financing and industry environment to assure PCS shareholders that the Proposed T-Mobile Transaction maximizes PCS shareholder value.

Deal unfairly favors Deutsche Telekom, creates serious conflicts of interest and violates good corporate governance

- The transaction unfairly favors DT, offering unequal downside protection with their \$15 billion creditor position, 74% of the equity of the Combined Company, and control of the Combined Company's Board and management representing, as a whole, serious conflicts of interest and violations of good corporate
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governance; and

- The transaction process conducted by PCS was not designed to obtain the highest value for all PCS shareholders and the terms of the Proposed T-Mobile transaction do not provide any control premium to PCS shareholders despite an unequivocal sale of control to DT.

\$1.5 billion spectrum acquisition deduction charged to PCS is not appropriate

- A \$1.5 billion spectrum acquisition deduction charged to PCS is not appropriate or consistent for the contribution analysis, and no details have been provided by PCS regarding this significant capital expenditure.

THE DEAL IS IRRESPONSIBLY AND INEFFICIENTLY STRUCTURED

Proposed capital structure of the Combined Company transfers value from PCS shareholders to DT and places excess risk on PCS shareholders

- The proposed capital structure is neither appropriate nor fair to PCS shareholders. It transfers value from PCS shareholders to DT and places excess ongoing risk on PCS shareholders;
- There are multiple hidden transfers of significant value to DT, including above market interest rates on the \$15 billion of intercompany debt to be issued by the Combined Company to DT (the DT Notes); and
- A capital structure with no secured debt is not remotely optimal, is highly expensive and unfairly favors the Combined Company's largest creditor, DT.

Combined Company will be over leveraged

- Significantly enhanced operating flexibility would result from less leverage and a market-based capital structure; and

- The DT notes have onerous call provisions and a substantial make-whole premium on the Combined Company and, as a result, limit future refinancing options.

Tremendous lack of transparency regarding the Proposed T-Mobile Transaction

- Among many other issues detailed in our analysis, there has been no clarity regarding the suggested \$1.5 billion PCS spectrum investment and its impact on the equity split, the source and rationale for the synergies valued at \$6-\$7 billion, the identity of 8 of the 11 directors of the Combined Company Board post-closing, and various other material items; and
- This pervasive lack of transparency places PCS shareholders at a significant disadvantage in objectively evaluating the merits of the transaction.

THE ALTERNATIVES TO THE PROPOSED T-MOBILE TRANSACTION ARE MORE ATTRACTIVE AND OFFER BETTER DOWNSIDE PROTECTION

- The value of PCS's spectrum portfolio and the alternative of operating as a mobile virtual network provide downside protection.
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The market is clearly and strongly voting against the transaction and so should you

- PCS's stock price is down more than 24% since the announcement of the proposed transaction on October 3, 2012, and is trading at a significant discount to the PCS standalone values presented by PCS and its own financial advisors. The market is clearly voting AGAINST the proposed T-Mobile transaction.

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About PSAM

P. Schoenfeld Asset Management LP (together with its affiliates, PSAM) was founded by Peter M. Schoenfeld and has been providing investment advisory services since 1997. PSAM invests on behalf of its clients in both equity and credit securities in global event driven opportunities, including: international consolidations, corporate restructurings, spin-offs, divestitures, and stressed and distressed credits. PSAM has offices in New York and London, which are registered with the SEC and authorised and regulated by the FSA, respectively.

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