

WINDSTREAM CORP  
Form S-3ASR  
December 19, 2011  
Table of Contents

As filed with the Securities and Exchange Commission on December 19, 2011

Registration No. 333-

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

**FORM S-3**  
**REGISTRATION STATEMENT**  
*UNDER*  
*THE SECURITIES ACT OF 1933*

**WINDSTREAM CORPORATION**

(Exact name of registrant as specified in its charter)

Delaware

20-0792300

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(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification Number)

**4001 Rodney Parham Road**

**Little Rock, Arkansas 72212-2442**

**(501) 748-7000**

(Address, including zip code and telephone number, including area code, of registrant's principal executive offices)

**John P. Fletcher, Esq.**

**Executive Vice President and General Counsel**

**Windstream Corporation**

**4001 Rodney Parham Road**

**Little Rock, Arkansas 72212-2442**

**(501) 748-7000**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*Copy to:*

**Daniel L. Heard**

**Kutak Rock LLP**

**124 W. Capitol Ave., Suite 2000**

**Little Rock, Arkansas 72201-3706**

**(501) 975-3000**

Approximate date of commencement of proposed sale of the securities to the public: From time to time, after the effective date of this Registration Statement.

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If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, 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, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this Form is a post-effective amendment filed pursuant to Rule 462(c) 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 registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
 Non-accelerated filer  (do not check if a smaller reporting company) Smaller reporting company

### CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock, \$0.0001 par value	69,049(1)	\$8.40(2)	\$580,011.60(2)	\$66.47
Common Stock, \$0.0001 par value	64,400(3)	\$6.29(4)	\$405,076(4)	\$46.42

- (1) Pursuant to Rule 416 under the Securities Act of 1933, as amended (the Securities Act), this Registration Statement covers, in addition to the number of shares of common stock, par value \$0.0001 per share of the Registrant ( Common Stock ) shown in the table above and issuable upon the exercise of warrants issued under the PaeTec Communications, Inc. Agent Incentive Plan (the 1999 Agent Plan ) and outstanding as of the date hereof, an indeterminate number of shares of Common Stock which, by reason of certain events specified in the 1999 Agent Plan, may become issuable for no consideration.
- (2) Calculated in accordance with Rule 457(g) under the Securities Act, based on the highest price at which any of the 1999 Agent Plan warrants may be exercised (\$8.40), solely for the purpose of computing the registration fee.
- (3) Pursuant to Rule 416 under the Securities Act, this Registration Statement covers, in addition to the number of shares of Common Stock shown in the table above and issuable upon the exercise of warrants issued under the PAETEC Holding Corp. 2009 Agent Incentive Plan (the 2009 Agent Plan ) and outstanding as of the date hereof, an indeterminate number of shares of Common Stock which, by reason of certain events specified in the 2009 Agent Plan, may become issuable for no consideration.
- (4) Calculated in accordance with Rule 457(g) under the Securities Act, based on the exercise price of \$6.29 per share of Common Stock at which any of the 2009 Agent Plan warrants may be exercised, solely for the purpose of computing the registration fee.

**Table of Contents**

**PROSPECTUS**

**WINDSTREAM CORPORATION**

**133,449 SHARES OF COMMON STOCK**

This prospectus relates to our offer and sale of the following equity securities:

up to 69,049 shares of common stock issuable upon the exercise of warrants outstanding under the PaeTec Communications, Inc. Agent Incentive Plan (the 1999 Agent Plan ); and

up to 64,400 shares of common stock issuable upon the exercise of warrants outstanding under the PAETEC Holding Corp. 2009 Agent Incentive Plan (the 2009 Agent Plan ).

We assumed the warrants on November 30, 2011 in connection with an Agreement and Plan of Merger (the Merger Agreement ) among us, Peach Merger Sub, Inc., a Delaware corporation ( Merger Sub ) and our wholly-owned subsidiary, and PAETEC Holding Corp., a Delaware corporation ( PAETEC ), pursuant to which Merger Sub merged with and into PAETEC, with PAETEC surviving the merger as our wholly-owned subsidiary. Each warrant was converted in the merger transaction into a right to purchase our common stock for the adjusted number of shares and at the adjusted exercise price determined on the basis of the merger exchange ratio.

The warrants outstanding under the 1999 Agent Plan are exercisable through the tenth anniversary of their respective issue dates at exercise prices ranging from \$4.03 to \$8.40.

The warrants outstanding under the 2009 Agent Plan are exercisable through the tenth anniversary of their respective issue dates at an exercise price of \$6.29.

We will receive proceeds from payments in cash of the exercise price of any warrants. If all of the warrants outstanding under the 1999 Agent Plan and the 2009 Agent Plan are exercised for cash, we will receive total proceeds of approximately \$580,000 under the 1999 Agent Plan and approximately \$406,000 under the 2009 Agent Plan.

Our common stock is listed on the NASDAQ Global Select Market under the symbol WIN. The last reported sale price of our common stock on December 16, 2011 was \$11.58 per share.

***An investment in our common stock involves risks. See the Risk Factors section of our latest Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ( SEC ) and any updates to those risk factors or new risk factors contained in our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC, all of which we incorporate by reference herein.***

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this prospectus is December 19, 2011.

**Table of Contents**

**TABLE OF CONTENTS**

<u>PROSPECTUS SUMMARY</u>	1
<u>QUESTIONS AND ANSWERS ABOUT THE EXERCISE OF YOUR WARRANTS</u>	3
<u>RISK FACTORS</u>	6
<u>USE OF PROCEEDS</u>	6
<u>DETERMINATION OF OFFERING PRICE</u>	6
<u>DESCRIPTION OF THE 1999 AGENT PLAN WARRANTS</u>	6
<u>DESCRIPTION OF THE 2009 AGENT PLAN WARRANTS</u>	11
<u>DESCRIPTION OF OUR COMMON STOCK</u>	17
<u>MATERIAL CHANGES</u>	20
<u>PLAN OF DISTRIBUTION</u>	20
<u>LEGAL MATTERS</u>	20
<u>EXPERTS</u>	20
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	21

**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the U.S. Securities and Exchange Commission (the "SEC"). This prospectus does not contain all of the information included in the registration statement. For a more complete understanding of the offering of the shares, you should refer to the registration statement, including its exhibits. A prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with the additional information described under the heading "Where You Can Find More Information" below.

We have not authorized anyone to give any information or to make any representation other than those contained or incorporated by reference in this prospectus or any applicable prospectus supplement. You must not rely upon any information or representation not contained or incorporated by reference in this prospectus or any applicable prospectus supplement. The information contained in this prospectus or a prospectus supplement or amendment, or incorporated herein or therein by reference, is accurate only as of the date of this prospectus or prospectus supplement or amendment, as applicable, regardless of the time of delivery of this prospectus or prospectus supplement or amendment, as applicable, or of any sale of the shares and you should not assume otherwise.

Unless otherwise indicated or unless the context otherwise requires, all references in this prospectus to "we," "our," "us," "Windstream," "the Company" or similar references refer to Windstream Corporation and its consolidated subsidiaries.

**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

The statements contained in or incorporated by reference in this prospectus or any prospectus supplement include certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements contained in this prospectus, any prospectus supplement or incorporated by reference that are not historical facts are identified as "forward-looking statements" for the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 27A of the Securities Act. Forward-looking statements include, but are not limited to, statements about plans to achieve future growth in business and total revenues, expected levels of support from universal service funds or other government programs, expected rates of loss of voice lines or intercarrier compensation, expected increases in high-speed Internet and business data connections, our expected ability to fund operations, capital expenditures and certain debt maturities from cash flows from operations, expected synergies and other benefits from completed acquisitions, the expected timing and amount of contributions to our pension plan, expected effective federal income tax rates and forecasted capital expenditure amounts. Forward-looking statements are subject to uncertainties that could cause actual future events and results to differ materially from those expressed in the forward-looking statements. These forward-looking statements are based on estimates, projections, beliefs, and assumptions that we believe are reasonable but are not guarantees of future events and results. Words such as "expects,"

**Table of Contents**

anticipates, intends, plans, believes, seeks, estimates, and should, and variations of these words and similar expressions, are intended to describe forward-looking statements. Actual future events and our results may differ materially from those expressed in these forward-looking statements as a result of a number of important factors.

Factors that could cause actual results to differ materially from those contemplated in our forward-looking statements include, among others:

further adverse changes in economic conditions in the markets served by us;

the extent, timing and overall effects of competition in the communications business;

the risks associated with the integration of acquired businesses or the ability to realize anticipated synergies, cost savings and growth opportunities;

continued voice line loss;

the impact of new, emerging or competing technologies;

the adoption of inter-carrier compensation and/or universal service reform proposals by the Federal Communications Commission or Congress that results in a significant loss of our revenue;

for our competitive local exchange carrier (CLEC) operations, adverse effects on the availability, quality of service and price of facilities and services provided by other incumbent local exchange carriers on which our CLEC services depend;

the availability and cost of financing in the corporate debt markets;

the potential for adverse changes in the ratings given to our debt securities by nationally accredited ratings organizations;

the effects of federal and state legislation, and rules and regulations governing the communications industry;

material changes in the communications industry that could adversely affect vendor relationships with equipment and network suppliers and customer relationships with wholesale customers;

unfavorable results of litigation;

unfavorable rulings by state public service commissions in proceedings regarding universal service funds, inter-carrier compensation or other matters that could reduce revenues or increase expenses;



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the effects of work stoppages;

the impact of equipment failure, natural disasters or terrorist acts;

earnings on pension plan investments significantly below our expected long term rate of return for plan assets; and

the factors set forth under **Risk Factors** in this prospectus and other factors described in our filings with the SEC, including under the section **Management's Discussion and Analysis of Financial Condition and Results of Operations** in our Form 10-K for the fiscal year December 31, 2010, which is incorporated by reference herein.

We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

**Table of Contents**

**PROSPECTUS SUMMARY**

*This summary highlights information contained elsewhere or incorporated by reference into this prospectus. Because it is a summary, it does not contain all of the information that you should consider before investing in our securities. You should read this entire prospectus carefully, including the section entitled Risk Factors, and the documents that we incorporate by reference into this prospectus, before making an investment decision.*

**Business Overview**

We are an S&P 500 company and a leading provider of advanced network communications, including cloud computing and managed services, to businesses nationwide. We also offer broadband, phone and digital TV services to consumers primarily in rural areas. Our business solutions include IP-based voice and data services, multiprotocol label switching networking, data center and managed services, hosting services and communications systems. We provide high-speed Internet, voice and digital television services to residential customers nationwide. We deliver our services over an extensive local and long-haul fiber network, which we also use to provide wholesale services to other carriers.

We are incorporated in Delaware. Our principal executive offices are located at 4001 Rodney Parham Road, Little Rock, Arkansas 72212, and our telephone number is (501) 748-7000. Our website is located at [www.windstream.com](http://www.windstream.com). Information on our website is not incorporated into, and does not otherwise form a part of, this prospectus.

**Recent Developments**

On November 30, 2011, we completed our previously announced acquisition of PAETEC Holding Corp. In the transaction, we issued shares, and assumed equity awards, representing approximately 73.4 million shares of our common stock valued at approximately \$863 million, based on the closing price for our common stock on November 30, 2011. We also assumed PAETEC's net debt of approximately \$1.4 billion.

PAETEC is a competitive local exchange carrier and provides telecommunications services primarily to business customers in 46 states and the District of Columbia. PAETEC operates seven data centers in the U.S. and owns approximately 36,700 route miles of fiber in portions of 39 states and the District of Columbia. The combined company has a nationwide network with a deep fiber footprint to offer enhanced capabilities in strategic growth areas, including IP-based services, data centers, cloud computing and managed services. For the nine months ended September 30, 2011 and 2010, PAETEC achieved revenues of \$1,538.9 million and \$1,194.6 million, respectively.

**Additional Information**

For a further discussion of our business, we urge you to read our Form 10-K for the year ended December 31, 2010, which is incorporated by reference into this prospectus. See [Where You Can Find More Information](#) below for information on how you can view this report.

**Table of Contents**

THE OFFERING

Common Stock:	Up to 69,049 shares of common stock issuable upon the exercise of warrants outstanding under 1999 Agent Plan.
	Up to 64,400 shares of common stock issuable upon the exercise of warrants outstanding under the 2009 Agent Plan.
Warrant exercise terms and procedures:	See <a href="#">Questions and Answers About Exercise of Your Warrants</a> in this summary below for information about the terms on which, and the manner in which, you may exercise your warrants under the 1999 Agent Plan and the 2009 Agent Plan.
Use of proceeds:	We will receive proceeds from payments in cash of the exercise price of any warrants. We intend to use the net proceeds of such exercises for working capital and other general corporate purposes.
Risk factors:	An investment in our common stock involves risks. You should carefully review the <a href="#">Risk Factors</a> section of this prospectus, as well as the other documents incorporated by reference into this prospectus.
Listing:	Our common stock is listed on the NASDAQ Global Select Market under the symbol <a href="#">WIN</a> .

**Table of Contents**

**QUESTIONS AND ANSWERS ABOUT THE EXERCISE OF YOUR WARRANTS**

The following questions and answers provide information about how to exercise warrants outstanding under the 1999 Agent Plan and the 2009 Agent Plan.

**Q. Whom should I contact with questions about my warrants and how to exercise them?**

A. You may direct any questions concerning your warrants and requests for assistance in connection with the tender of your warrants for exercise to Windstream's Legal Department at (501) 748-7000. We will notify you in writing of any changes to this contact information.

**Q. How many shares of common stock will I receive if I exercise my warrants in full?**

A. You will be entitled to receive the number of shares of common stock for which your warrants are vested as of the exercise date, as adjusted by the exchange ratio of 0.460 (the Exchange Ratio) as provided in the Merger Agreement. Your warrant certificate contains the vesting provisions.

**Q. What is the exercise price of my warrants?**

A. The exercise price of your warrants, which is the price per share of our common stock you must pay upon exercise, is equal to the exercise price set forth in your warrant certificate divided by the Exchange Ratio.

**Q. How do I pay for the shares I purchase upon any exercise of my warrants?**

A. You may pay the warrant exercise price in one of two ways:

1. by delivery of a certified or bank check to the Company's offices as indicated below; or

2. by a cashless exercise, in which you will pay the exercise price by authorizing the Company to withhold from the shares otherwise issuable to you the number of shares which has an exercise date value equal to the total exercise price.

Refer to your warrant certificate for a description of the cashless exercise formula that will be used to calculate the number of shares that will be issued to you and withheld by the Company if you choose the cashless exercise payment method. This formula will be adjusted to reflect the Exchange Ratio.

**Q. When does the exercise period for my warrants expire?**

A. The exercise period expires at 5:00 p.m., New York time, on the tenth anniversary of the date on which your warrants were originally issued. Your warrant certificate states the original issue date of your warrants.

**Q. What will happen to my warrants if I do not exercise them?**

- A. All warrants that you do not exercise before the expiration of the exercise period will be void, and your right under the warrants to purchase our common stock will cease.

**Q. When may I exercise my warrants during the exercise period?**

- A. You may exercise your warrants on any business day in accordance with the procedures described below.

**Q. Will I have to exercise all of my warrants at the same time?**

- A. No, but the terms of the 1999 Agent Plan warrants limit you to a maximum of two exercises. In addition, the 2009 Agent Plan warrants contain limitations regarding the minimum number of shares for which the warrants may be exercised. For information about these limitations, see [Description of the 2009 Agent Plan Warrants Exercisability](#) beginning on page 12. If you do not exercise all of your warrants on an exercise date, we will issue to you a new warrant certificate representing your remaining, unexercised warrants.

**Table of Contents**

**Q. How do I deliver my warrants for exercise?**

- A. To exercise your warrants, you must deliver the following items by first-class mail, overnight courier or hand to Windstream's Legal Department at 4001 Rodney Parham Road, Little Rock, Arkansas 72212 or any other contact person or address we designate to you in writing:

the Exercise Form attached as an exhibit to your warrant certificate, completed and executed as indicated in the form;

unless you indicate in the Exercise Form that you wish to pay by a cashless exercise of your warrants, a certified or bank check, payable to the order of Windstream Corporation, in payment of the total exercise price for the shares issuable upon the exercise, plus the amount, if any, of federal and other taxes which the Company may, in its judgment, be required to withhold with respect to the exercise;

your original, manually executed warrant certificate; and

such other documents, if any, as we may specify.

The method of delivery of these items is at your option. If you use the mail, however, we recommend that you use registered mail, with return receipt requested, and properly insure the warrant certificate as a precaution against loss. We may waive in our discretion minor irregularities in any documents tendered.

**Q. Will I be charged a fee if I exercise my warrants?**

- A. We will not charge you any fee for exercising your warrants. As explained below, you will be responsible for the costs associated with the requirement to furnish an indemnity bond if your warrant certificate has been lost, destroyed or stolen.

**Q. When will I become a Windstream stockholder after I exercise my warrants?**

- A. If you have properly delivered to us the required documents and payment in connection with your warrant exercise, we will consider the exercise completed and will treat you as a holder of Windstream shares on the day we receive your documents and payment. If, however, the registration statement of which this prospectus forms a part is not effective or this prospectus is not current at the time you deliver warrants for exercise, we will consider the exercise completed and issue the Windstream shares to you as of the second business day after our registration statement is again effective and a current prospectus has been delivered.

**Q. If I deliver my warrants for exercise, when will I receive my shares of Windstream common stock?**

- A. Promptly after the date on which your warrants are exercised, Windstream's transfer agent will record in your name in book-entry form the number of shares of Windstream common stock issuable upon exercise of your warrants, and will deliver to you a Direct Registration System, or DRS, Statement.

**Q. Will I receive fractional shares of Windstream common stock if I exercise my warrants?**

**A.** No. If a fractional share is otherwise issuable to you, we either will round the fractional share up to the nearest whole share of common stock or will pay cash in an amount equal to the same fraction of the fair market value per share of our common stock on the exercise date.

**Q. What should I do if my warrant certificate has been lost, destroyed or stolen?**

**A.** If your warrant certificate has been lost, destroyed or stolen, you should immediately notify Windstream's Legal Department at (501) 748-7000 or any other contact reference we designate to you in writing. We will provide you with all necessary forms and instructions, including an affidavit of loss, to replace your warrant certificate. You may be required to provide a bond as indemnity against any claim that may be made with respect to the warrant certificate alleged to have been lost, destroyed or stolen. The expiration date of your warrant exercise period will not be extended because of a lost, stolen or destroyed warrant certificate.

**Q. Whom should I contact regarding the tax consequences of exercising my warrants?**

**A.** You should contact your own tax adviser regarding the tax consequences of exercising your warrants. For more information about the federal income tax consequences of warrant exercises, see [Description of the 1999 Agent Plan Warrants Federal Income Tax Consequences](#) beginning on page 10 if you hold 1999 Agent Plan warrants and [Description of the 2009 Agent Plan Warrants Federal Income Tax Consequences](#) beginning on page 16 if you hold 2009 Agent Plan warrants.

**Table of Contents**

**Q: May I transfer my warrants?**

- A.** No. You may not assign, transfer, pledge or otherwise dispose of your warrant certificate or the rights evidenced by your warrant certificate to any person without the prior written consent of Windstream.

**Q. Will I be able to resell the Windstream shares I receive upon exercise of my warrants?**

- A.** Yes. The Windstream shares you receive will be eligible for sale by you in the public market without restriction under the Securities Act, except that if you are an affiliate of Windstream (as that term is defined in Rule 144 under the Securities Act), your Windstream shares will be subject to the resale limitations of Rule 144.



**Table of Contents**

**RISK FACTORS**

Investing in our securities involves risks. You should carefully consider the risks described under "Risk Factors" in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2010, and in the other documents incorporated by reference into this prospectus (which risk factors are incorporated by reference herein), as well as the other information contained or incorporated by reference in this prospectus or in any prospectus supplement hereto before making a decision to invest in our securities. See "Where You Can Find More Information" below.

**USE OF PROCEEDS**

We will use for working capital and other general corporate purposes any net proceeds we receive from the sale of common stock upon payments in cash of the warrant exercise price of any warrants. If all of the shares of common stock offered by this prospectus and issuable upon the exercise of the outstanding 1999 Agent Plan warrants and the outstanding 2009 Agent Plan warrants are sold for cash pursuant to the exercise of all such warrants, we will receive total proceeds of approximately \$580,000 under the 1999 Agent Plan and approximately \$406,000 under the 2009 Agent Plan.

Warrant holders may elect to pay the warrant exercise price under cashless exercise provisions of their warrants instead of paying the exercise price in cash.

We estimate that we will incur expenses of approximately \$70,513 in connection with our offering of the securities covered by this prospectus.

**DETERMINATION OF OFFERING PRICE**

**1999 Agent Plan Warrants**

The offering price of the shares of common stock issuable upon the exercise of any 1999 Agent Plan warrant is the exercise prices of such warrant. The exercise prices of the 1999 Agent Plan warrants range from \$4.03 to \$8.40 per share of our common stock.

**2009 Agent Plan Warrants**

The offering price of the shares of common stock issuable upon the exercise of the 2009 Agent Plan warrants is the exercise price of such warrants, which is \$6.29 per share of our common stock.

**DESCRIPTION OF THE 1999 AGENT PLAN WARRANTS**

The following is a summary of the material terms of the warrants outstanding under the 1999 Agent Plan. This summary is not complete and is qualified in its entirety by reference to the 1999 Agent Plan and the form of warrant certificate evidencing the 1999 Agent Plan warrants. You may obtain copies of these documents as described under "Where You Can Find More Information."

**General**

This prospectus in part relates to our offer and sale of up to a total of 69,049 shares of common stock of Windstream Corporation issuable under warrants issued to independent sales agents and other persons under the 1999 Agent Plan. The warrants were issued from 1999 through 2005 and previously represented a right to purchase common stock of PAETEC.

Windstream Corporation assumed the warrants on November 30, 2011 under the Merger Agreement, pursuant to which PAETEC became our wholly-owned subsidiary. Under the Merger Agreement, each outstanding share of common stock of PAETEC was converted into the right to receive 0.460 shares of the common stock of Windstream Corporation. In addition, each outstanding warrant to acquire common stock of PAETEC, whether or not vested or exercisable at that time, was assumed by Windstream Corporation and converted into a warrant to purchase Windstream Corporation common stock generally on the same terms and conditions that were applicable to such warrant in effect before the merger, except that the number of shares subject to, and the per share exercise price of, the warrant were adjusted based on the 0.460 Exchange Ratio.

## **Table of Contents**

All references in this prospectus to numbers of Windstream shares subject to or issuable upon the exercise of the 1999 Agent Plan warrants and to warrant exercise prices give effect to the foregoing adjustments.

### **Number of Outstanding 1999 Agent Plan Warrants**

The warrants outstanding under the 1999 Agent Plan as of the date of this prospectus entitle the holders thereof, subject to compliance with vesting provisions, to purchase up to a total of 69,049 shares of common stock. Each warrant evidences the right to purchase one share of common stock. We will not make any new warrant awards under the 1999 Agent Plan.

### **Exercisability**

**Exercise Price.** Each warrant evidenced by the warrant certificate issued to a holder represents the right to purchase one share of our common stock at the exercise price and during the exercise period specified in the warrant certificate, as adjusted by the Exchange Ratio. The outstanding warrants may be exercised at exercise prices ranging from \$4.03 to \$8.40 per share of our common stock. As of the date of this prospectus, the warrants had a weighted average exercise price of approximately \$6.01.

**Exercise Period.** Each outstanding warrant may be exercised until 5:00 p.m., New York time, on the day that is the tenth anniversary of the warrant's issue date. Accordingly, the exercise periods of the warrants will expire at various dates through 2015. Any warrant that is not exercised before its expiration date will be null and without further force or effect, and all rights of the holder under the warrant to purchase our common stock will cease.

**Vesting.** The warrants evidenced by each warrant certificate may be exercised only to the extent that such warrants have vested. The vesting of such warrants is based on the holder's attainment and maintenance of specified revenue performance targets as set forth in the holder's warrant certificate and in the 1999 Agent Plan. As of the date of this prospectus, all outstanding 1999 Agent Plan warrants were fully vested.

**Securities Act Registration.** Holders of 1999 Agent Plan warrants are entitled to exercise their warrants only if a registration statement relating to the exercise of the warrants and issuance of the shares underlying the warrants is then effective under the Securities Act and the prospectus which forms a part of such registration statement is then current.

**Payment of Exercise Price.** To exercise any warrants, in addition to submitting required documentation, the holder is required to pay Windstream the exercise price for the number of shares of common stock in respect of which such warrants are exercised.

Holders may pay the exercise price in cash or by a cashless exercise. In a cashless exercise, the holder must pay the exercise price by authorizing Windstream to withhold from the shares otherwise issuable to the holder the number of shares which has an exercise date value equal to the total exercise price. If a holder elects to effect a cashless exercise, the holder will be entitled to receive upon exercise the number of shares computed in accordance with the formula specified in the warrant certificate as of the date on which Windstream receives from the holder the properly completed Exercise Form, which is attached as an exhibit to the holder's warrant certificate, along with the warrant certificate and other required documents. Windstream may require the agent to make a cash payment to the company in the amount, if any, of federal or other taxes which Windstream may, in its judgment, be required to withhold with respect to an award, or Windstream may, in its sole discretion, make an adjustment to the number of shares delivered pursuant to the cashless exercise formula to account for any such amount.

**Exercise Terms and Procedures.** To exercise the 1999 Agent Plan warrants, the holder must deliver the following items by first-class mail, overnight courier or hand to Windstream's Legal Department at 4001 Rodney Parham Road, Little Rock, Arkansas 72212 or any other contact person or address Windstream designates to the holder in writing:

the Exercise Form attached as an exhibit to the holder's warrant certificate, completed and executed as indicated in the form;

unless the holder indicates in the Exercise Form that the holder wishes to pay by a cashless exercise of the warrants, a certified or bank check, payable to the order of Windstream Corporation, in payment of

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**Table of Contents**

the total exercise price for the shares issuable upon the exercise, plus the amount, if any, of federal and other taxes which Windstream may, in its judgment, be required to withhold with respect to the exercise;

the original, manually executed warrant certificate; and

such other documents, if any, as Windstream may specify.

The method of delivery of these items is at the holder's option. If the holder uses the mail, however, Windstream recommends that the holder use registered mail, with return receipt requested, and properly insure the warrant certificate as a precaution against loss.

Windstream may waive in its discretion irregularities in any documents delivered and compliance with the warrant exercise procedures described in this prospectus. All questions as to validity, form and eligibility of any surrender of warrant certificates will be determined by Windstream, and such determination will be final and binding on the holder.

Warrants may be exercised in a maximum of two installments. If fewer than all of the warrants evidenced by a holder's warrant certificate are exercised, Windstream will issue the holder a new warrant certificate for the number of warrants that remain outstanding after such exercise.

Upon the exercise of any warrants in accordance with the warrant certificate, Windstream's transfer agent will record in the name of the holder in book-entry form the number of shares of Windstream common stock issuable upon exercise of the warrants tendered by such holder for exercise, and will deliver to the holder a Direct Registration System, or DRS, Statement. If the holder has properly tendered the required documents and payment in connection with the warrant exercise, Windstream will consider the exercise completed and will treat the holder as a Windstream stockholder on the day it receives the documents and payment. If, however, the registration statement of which this prospectus forms a part is not effective or this prospectus is not current at the time the holder tenders warrants for exercise, Windstream will consider the exercise completed and issue the Windstream shares to the holder as of the second business day after the registration statement is again effective and a current prospectus has been delivered.

All shares of common stock issuable by Windstream upon exercise of the warrants will be validly issued, fully paid and nonassessable, and not subject to preemptive rights.

Windstream will not issue fractional shares of common stock upon the exercise of warrants. If any fraction of a share of common stock would be issuable upon the exercise of any warrants, Windstream, in its sole discretion, either will round the fractional share up to the nearest whole share of common stock or will pay cash in an amount equal to the same fraction of the fair market value per share of its common stock on the date of exercise. Fair market value for these purposes generally means the closing price of the common stock on the warrant exercise date as reported on the NASDAQ Stock Market or any other established stock exchange that trades the largest volume of shares on such date.

Windstream will not pay any tax or charge that may be payable in respect of any transfer involved in the issuance of any shares of common stock in a name other than that of the registered holder of the warrant certificate surrendered upon the exercise of a warrant. In this event, Windstream will not issue or deliver such shares unless or until the person requesting the issuance of the shares has paid to Windstream the amount of such tax or charge or has established to Windstream's satisfaction that such tax or charge has been paid. Windstream may require the holder to make a cash payment to the Company in the amount, if any, of federal and other taxes which Windstream may, in its judgment, be required to withhold under U.S. Treasury regulations with respect to an award. Alternatively, Windstream may, in its sole discretion, make an adjustment to the number of shares of common stock delivered pursuant to the cashless exercise formula to account for any such amount. Matters related to backup withholding are discussed below under Federal Income Tax Consequences Information Reporting and Backup Withholding.

**Dilution**

The exercise prices of the 1999 Agent Plan warrants are substantially higher than the net tangible book value per share of Windstream's common stock as of September 30, 2011. Accordingly, if you purchase shares of Windstream's common stock pursuant to the exercise of the warrants, you will incur immediate and

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## **Table of Contents**

substantial dilution of the net tangible book value per share of the common stock you purchase. As of September 30, 2011, the net tangible book value per share of Windstream's common stock was \$1.59. After giving effect to the exercise of all outstanding 1999 Agent Plan warrants at a weighted average exercise price of \$6.01 per share less the estimated offering expenses payable by us, our pro forma net tangible book value as of September 30, 2011 would have been \$1.60 per share of our common stock. On a pro forma basis, this amount would represent an increase of \$0.01 per share in net tangible book value attributable to the cash payments made by agents exercising their 1999 Agent Plan warrants, and would result in dilution of \$4.41 per share to such agents.

### **Reservation of 1999 Agent Plan Warrant Shares**

Windstream is required at all times to reserve and keep available, free from preemptive rights, out of its authorized but unissued common stock or its authorized and issued common stock held in its treasury, the maximum number of shares of common stock that may be issuable by it from time to time upon the exercise of all outstanding warrants.

### **Listing of 1999 Agent Plan Warrant Shares**

The shares of common stock issued upon exercise of warrants will be listed for trading on the same securities exchange, if any, as our common stock is then listed. As of the date of this prospectus, the common stock is listed on the NASDAQ Global Select Market of the NASDAQ Stock Market.

### **Adjustments to Exercise Price and Number of 1999 Agent Plan Warrant Shares**

The exercise price of the warrants and the number of shares of common stock issuable upon the exercise of the warrants will be subject to adjustment upon the occurrence of the events described below.

The number and kind of securities issuable upon the exercise of the warrants will be proportionately adjusted beginning on the record date for any distribution described below or the effective date of any subdivision, combination, reclassification or recapitalization, described below if Windstream:

effects a distribution payable in shares of common stock to all holders of the outstanding common stock;

subdivides the outstanding shares of common stock;

combines the outstanding shares of common stock into a smaller number of shares of common stock; or

issues any Windstream securities in a reclassification or recapitalization of the common stock.

In such an event, the holder of the warrants exercised after such time will be entitled to receive the aggregate number and kind of securities which, if such warrants had been exercised in full immediately before such record date or effective date, the holder would have owned upon such exercise and been entitled to receive by virtue of the distribution, subdivision, combination, reclassification or recapitalization. This adjustment will be made successively whenever any event listed above occurs. Upon each adjustment of the number or kind of shares for which the warrants are exercisable as described above, the per share exercise price payable upon the exercise of the warrants will be adjusted by multiplying the exercise price immediately before the adjustment by a fraction, the numerator of which is the number of shares of common stock covered by the warrants immediately before the adjustment, and the denominator of which is the number of shares covered by the warrants immediately after the adjustment.

If Windstream is involved in any reorganization, merger, consolidation or similar transaction, the number and kind of securities issuable upon exercise of the warrants will be adjusted so that the holder would be entitled to receive the number and kind of securities that the holder would have received pursuant to such transaction if the securities subject to the warrants had been issued immediately before the transaction. If Windstream is not the issuer of the securities that the holder would have received pursuant to such reorganization, merger, consolidation or similar transaction, provision for such an adjustment must be made in writing in connection with the transaction for the assumption of the 1999 Agent Plan and all then-outstanding warrants by the corporation or entity that is the issuer of the securities. From and after any such assumption,

the

## **Table of Contents**

provisions of the 1999 Agent Plan and the warrants will be interpreted so as to maintain the interests of the holder intended by the 1999 Agent Plan and by the warrant certificates. Upon each adjustment of the number or kind of securities for which the warrants are exercisable, the per share exercise price payable upon exercise of the warrants will be appropriately and proportionately adjusted.

### **Non-Transferability of 1999 Agent Plan Warrants**

You may not assign, transfer, pledge or otherwise dispose of your warrant certificate or the rights evidenced by the warrant certificate to any person, except as specifically provided in the 1999 Agent Plan and with the prior written consent of Windstream. Windstream may provide or withhold such consent in its sole discretion.

### **Transferability of 1999 Agent Plan Warrant Shares**

The shares of Windstream common stock received by you upon any exercise of the 1999 Agent Plan warrants will be eligible for sale by you in the public market without restriction under the Securities Act, except that if you are an affiliate of Windstream (as that term is defined in Rule 144 under the Securities Act), your Windstream shares will be subject to the resale limitations of Rule 144.

### **No Rights as Stockholder**

The holders of unexercised warrants are not entitled, as such, to any rights of a stockholder of Windstream, including, without limitation, the right to vote or to consent to any action of the stockholders, to receive dividends or other distributions, to exercise any preemptive right or to receive any notice of meetings of stockholders.

### **Federal Income Tax Consequences**

The following discussion is a summary of the material U.S. federal income tax considerations that relate to the exercise of the 1999 Agent Plan warrants.

The information in this section is based on the Internal Revenue Code of 1986, as amended, regulations of the Treasury Department in effect on the date hereof, current administrative interpretations and positions of the Internal Revenue Service and existing court decisions. We cannot assure you that future legislation, regulations, administrative interpretations and court decisions will not significantly change, perhaps retroactively, the law on which the following discussion is based.

The information in this section does not purport to be a comprehensive description of all of the tax considerations that may be relevant to each person's decision to exercise the 1999 Agent Plan warrants. This information does not address all aspects of U.S. federal income taxation that may be relevant to any particular holder based on such holder's individual circumstances. *You should consult your own tax adviser as to any federal, state, local, foreign or other tax consequences associated with the exercise of the warrants, in light of your personal circumstances.*

**Exercise of Warrants.** When you exercise a 1999 Agent Plan warrant, you will recognize ordinary income in an amount equal to the difference between the warrant exercise price and the fair market value of the shares of common stock at the time of exercise, including any cash you receive in lieu of a fractional share.

Because you are not an employee or former employee of Windstream, the ordinary income amount is not subject to withholding for federal income taxes, except to the extent of backup withholding, but will be included in your income for purposes of determining your obligation to pay estimated taxes. If you are a natural person, limited liability company, partnership or trust, each of which we refer to as a non-corporate person, Windstream will report the income from any exercise of your warrants to you on IRS Form 1099. Windstream will be entitled to a business expense deduction in the same amount and at the same time as you recognize any ordinary income upon exercise.

In general, your basis in the shares of common stock you acquire by exercising a warrant will be equal to the fair market value of the shares at the time of exercise. When you subsequently sell or exchange shares of common stock acquired by exercising a warrant, you will have a taxable gain or loss, measured by the difference between the sale proceeds and the tax basis of the shares of common stock acquired upon exercise. Such gain or loss will be long-term capital gain or loss if at the time of the sale you have held the stock received upon exercise of the warrant for more than one year from the date of exercise of the warrant.



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**Table of Contents**

**Information Reporting and Backup Withholding.** Under the Internal Revenue Code and corresponding U.S. Treasury regulations, we must report to the Internal Revenue Service gain realized on exercise of the warrants by any non-corporate person, regardless of whether withholding was required.

The shares of common stock delivered to a holder that is a non-corporate generally will be reduced by backup withholding at the applicable rate, which is 28% as of the date of this prospectus, in the following situations:

Failure to furnish the appropriate certification (IRS Form W-9 or substantially similar form) containing such person's taxpayer identification number;

Providing an incorrect taxpayer identification number and the IRS notifies us of such incorrect taxpayer identification number;

Notification from the IRS that the non-corporate person is subject to withholding as a result of underreported reportable payments; or

Such person fails to certify, under penalties of perjury, that he or she has furnished a correct taxpayer identification number and has not been notified by the IRS that he or she is subject to backup withholding for underreporting.

Information reporting and possible backup withholding also generally apply to the proceeds of a disposition of our common stock or warrants by holders that are non-corporate persons.

Backup withholding is not an additional tax. Amounts that we withhold under the backup withholding rules may be refunded or credited against the holder's U.S. federal income tax liability, if any, if required information is furnished to the Internal Revenue Service in a timely manner. If you are a non-corporate person, you should consult your own tax adviser regarding the application of backup withholding in your particular circumstance and the availability of a procedure for obtaining an exemption from backup withholding under current U.S. Treasury regulations.

#### **DESCRIPTION OF THE 2009 AGENT PLAN WARRANTS**

The following is a summary of the material terms of the warrants issued under 2009 Agent Plan. This summary is not complete and is qualified in its entirety by reference to the 2009 Agent Plan and the form of warrant certificate evidencing the 2009 Agent Plan warrants. You may obtain copies of these documents as described under [Where You Can Find More Information](#).

#### **General**

This prospectus in part relates to our offer and sale of up to a total of 64,400 shares of common stock of Windstream Corporation issuable under warrants issued to independent sales agents and other persons under the 2009 Agent Plan. The warrants were issued in 2009 and previously represented a right to purchase common stock of PAETEC.

Windstream Corporation assumed the warrants on November 30, 2011 under the Merger Agreement, pursuant to which PAETEC became our wholly-owned subsidiary. Under the Merger Agreement, each outstanding share of common stock of PAETEC was converted into the right to receive 0.460 shares of the common stock of Windstream Corporation. In addition, each outstanding warrant to acquire common stock of PAETEC, whether or not vested or exercisable at that time, was assumed by Windstream Corporation and converted into a warrant to purchase Windstream Corporation common stock generally on the same terms and conditions that were applicable to such warrant in effect before the Merger, except that the number of shares subject to, and the per share exercise price of, the warrant were adjusted based on the 0.460 Exchange Ratio.

All references in this prospectus to numbers of Windstream shares subject to or issuable