

AIRGATE PCS INC /DE/

Form 4

February 16, 2005

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
LEE DENNIS D

(Last) (First) (Middle)

**AIRGATE PCS, INC., 233
PEACHTREE STREET, NE, SUITE
1700**

(Street)

ATLANTA, GA 30303

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
AIRGATE PCS INC /DE/ [PCSA]

3. Date of Earliest Transaction
(Month/Day/Year)
02/15/2005

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
☒ Officer (give title below) ____ Other (specify
below) below)

VP - Human Resources

6. Individual or Joint/Group Filing(Check
Applicable Line)
☒ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code	V	Amount	(A) or (D)	Price	
Common Stock	02/15/2005		D		163	D	<u>11</u> 0	I
								see footnote ⁽²⁾

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of
information contained in this form are not
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SEC 1474
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount Underlying Security (Instr. 3 and 4)	Amount or Number of Shares
Non-qualified Employee Stock Options (right to buy) (3)	\$ 4.4	02/15/2005		D	3,500	(4) 09/17/2012	Common Stock	3,500
Non-qualified Employee Stock Options (right to buy) (5)	\$ 15.93	02/15/2005		D	28,500	(6) 04/08/2014	Common Stock	28,500
Restricted Stock Units	(7)	02/15/2005		D	9,500	(8) (9)	Common Stock	9,500

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LEE DENNIS D AIRGATE PCS, INC. 233 PEACHTREE STREET, NE, SUITE 1700 ATLANTA, GA 30303			VP - Human Resources	

Signatures

/s/ Dennis D.
Lee 02/15/2005

__Signature of
Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Disposed of pursuant to merger agreement between issuer, Alamosa Holdings, Inc. and A-Co. Merger Sub, Inc. in exchange for 2.87 shares of Alamosa common stock per share of AirGate common stock.
- (2) Held in his 401(k) account.
- (3) These Non-Qualified Stock Options were granted on September 17, 2002 pursuant to the terms of the AirGate PCS, Inc. Amended and Restated 2002 Long Term Incentive Plan (the "2002 LTIP").

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(4) These options provided for vesting in the amount of 25% of the total grant on each anniversary of the grant date. On February 7, 2005, the Company's board of directors approved the full acceleration of vesting of these options, effective immediately prior to the closing of the merger on February 15, 2005 between the issuer and A-Co. Merger Sub, Inc., a wholly-owned subsidiary of Alamosa Holdings, Inc. The options were cancelled in the merger in exchange for a cash payment of \$112,770.00, representing the number of shares subject to the option times the difference between the exercise price of the option and the average closing price of Alamosa common stock for the ten trading days prior to the merger multiplied by 2.87 (\$36.62 per share).

(5) These Non-Qualified Stock Options were granted on April 8, 2004 pursuant to the terms of the 2002 LTIP.

These options provided for vesting in the amount of 25% of the total grant on each anniversary of the grant date, beginning April 8, 2005. On February 7, 2005, the Company's board of directors approved the full acceleration of vesting of these options, effective immediately prior to the closing of the merger on February 15, 2005. The options were cancelled in the merger in exchange for a cash payment of \$589,665.00, representing the number of shares subject to the option times the difference between the exercise price of the option and the average closing price of Alamosa common stock for the ten trading days prior to the merger multiplied by 2.87 (\$36.62 per share).

(7) Convertible into the issuer's common stock on a 1-for-1 basis.

These Restricted Stock Units were scheduled to vest on April 8, 2007, subject to the achievement of certain performance objectives as detailed in the 2002 LTIP. On February 7, 2005, the Company's board of directors approved the full acceleration of vesting of the RSUs, effective immediately prior to the closing of the merger on February 15, 2005. The RSUs were cancelled in the merger in exchange for a cash payment of \$347,890.00, representing the number of RSUs times the average closing price of Alamosa common stock for the ten trading days prior to the merger multiplied by 2.87 (\$36.62 per share).

(9) None.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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