

SUNCOM WIRELESS HOLDINGS, INC.

Form DEFM14A

March 20, 2007

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
(Rule 14a-101)
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

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 Rule 14a-12

SUNCOM WIRELESS HOLDINGS, INC.

(Name of Registrant as Specified In Its Charter)

(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: Suncom Wireless Holdings, Inc.
 - (4) Date Filed:
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March 20, 2007

To the Stockholders of SunCom Wireless Holdings, Inc.:

You are cordially invited to attend a special meeting of stockholders of SunCom Wireless Holdings, Inc. (SunCom , we , us or the Company) to be held on Friday, April 20, 2007 at 10:00 a.m., local time, at the Company s headquarters 1100 Cassatt Road, Berwyn, Pennsylvania 19312. The attached proxy statement provides information regarding the matters to be acted on at the special meeting, including at any adjournment or postponement thereof.

At the special meeting, you will be asked to consider and vote upon a proposal to approve the exchange of an aggregate of 50,572,539 new shares of our Class A common stock, par value \$0.01 per share, for \$321,015,000 outstanding principal amount of 93/8% Senior Subordinated Notes due 2011 and \$390,133,000 outstanding principal amount of 83/4% Senior Subordinated Notes due 2011 of our indirect wholly-owned subsidiary, SunCom Wireless, Inc., as well as the transactions contemplated by such exchange. The holders of approximately 95% of the total outstanding principal amount of the subordinated notes are participating in the exchange. A copy of the exchange agreement setting forth the terms and conditions of the exchange is attached to this proxy statement as Annex A. The total number of shares of Class A common stock that will be issued in the exchange could be increased if additional subordinated notes become subject to the exchange agreement pursuant to the terms thereof.

We are taking this action because our Company has a debt balance that is not sustainable. We currently have more than \$1.7 billion of debt, as well as related annual interest expense of more than \$140 million. The reduction of our heavy debt load and the corresponding increased financial flexibility SunCom will gain through the exchange will give us greater ability to execute our business plans and maximize value for our stockholders. Moreover, the Company views a sale transaction to be a favorable strategic alternative, and this exchange will make the Company more attractive to a potential purchaser.

The exchange will be effected by our direct, wholly-owned subsidiary, SunCom Wireless Investment Company LLC. Immediately prior to the exchange, the Company will contribute the new shares of Class A common stock to SunCom Wireless Investment Company LLC, which will use such Class A common stock to consummate the exchange.

Additionally, at the special meeting you will be asked to consider and vote upon a proposal to adopt an agreement and plan of merger between the Company and SunCom Merger Corp., a Delaware corporation and newly formed wholly-owned subsidiary of the Company. In the merger, which will be effective prior to the exchange described above, each issued and outstanding share of our Class A common stock will be converted into 0.1 share of Class A common stock of the Company, as surviving corporation in the merger, plus the contingent right to receive additional shares of Class A common stock, totaling up to a maximum of 3% of the fully diluted Class A common stock of the Company (after giving effect to the exchange, assuming full participation by the SunCom Wireless subordinated notes) in the aggregate for all such holders immediately prior to the merger, in the event the Company fails to undertake certain actions related to a potential sale of the Company following the exchange and the merger. Additionally, as a result of the merger, the certificate of incorporation of the Company will be amended to (1) eliminate the Class B common stock of the Company and all designations of the Company s preferred stock, none of which Class B common stock or preferred stock is currently outstanding, and (2) eliminate certain other references to series of preferred stock that are no longer outstanding. The merger is being effected, among other reasons, to implement a 1 for 10 reverse stock split and to ensure that we have sufficient authorized shares of Class A common stock to complete the exchange. A copy of the merger agreement is attached as Annex B to the attached proxy statement.

As a result of the exchange, the holders of the outstanding subordinated notes of SunCom Wireless, Inc. participating in the exchange will own approximately 87.5% of our outstanding Class A common stock on a fully-diluted basis in respect of their subordinated notes delivered in the exchange. The existing holders of our Class A common stock will own approximately 12.5% of our Class A common stock on a fully-diluted basis following the exchange.

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After considering all available options our board of directors has unanimously determined that the merger, the merger agreement, the exchange and the transactions contemplated thereby are fair to, advisable to and in the best interests of the existing stockholders of the Company and has approved the terms of the merger agreement, the merger and the exchange and unanimously recommends that you vote FOR (1) the adoption of the merger agreement and (2) the exchange and the transactions contemplated thereby, including the issuance to SunCom Wireless Investment Company LLC of the new shares of Class A common stock necessary to complete the exchange. In making such determination, the board of directors considered a number of factors which are described in the accompanying proxy statement, including the opinion of Lazard Freres & Co. LLC that, as of the date of its opinion, the exchange ratio used in the exchange was fair, from a financial point of view, to the Company. Lazard's opinion is subject to the assumptions, limitations and qualifications set forth in such opinion, which is included as Annex C to the attached proxy statement.

The attached proxy statement provides you with detailed information about the merger, the merger agreement and the exchange. You are urged to read the entire document carefully.

In connection with the exchange, the Company's largest stockholders, J.P. Morgan (23A SBIC), L.P., J.P. Morgan Capital, L.P. and Sixty Wall Street Fund, L.P., which collectively hold 23.9% of our outstanding Class A common stock, have agreed with certain holders of the SunCom Wireless subordinated notes participating in the exchange to vote their shares of Class A common stock in favor of the adoption of the merger agreement and the approval of the exchange. In addition, certain holders of SunCom Wireless subordinated notes that are participating in the exchange hold collectively approximately 16% of additional shares of our Class A common stock and are required by the terms of the exchange agreement to vote those shares in favor of the adoption of the merger agreement and the approval of the exchange.

Regardless of the number of shares you own, your vote is very important. The affirmative vote of the holders of a majority of the outstanding shares of the Class A common stock is required to adopt the merger agreement and to approve the exchange and the transactions contemplated thereby, including the issuance to SunCom Wireless Investment Company LLC of the new shares of Class A common stock necessary to complete the exchange. If you fail to vote to adopt the merger agreement or to approve the exchange and the transactions contemplated thereby, including the issuance to SunCom Wireless Investment Company LLC of the new shares of Class A common stock necessary to complete the exchange, the effect will be the same as a vote against the adoption of the merger agreement and approval of the exchange. The approval of both the merger agreement proposal and the exchange proposal is necessary for the Company and SunCom Wireless Investment Company LLC to consummate the exchange, and neither the merger nor the exchange will be consummated without approval of both proposals by our stockholders. Once you have read the accompanying materials, please take the time to submit a proxy to have your shares voted on the proposals submitted to stockholders at the special meeting. Whether or not you plan to attend the meeting, please sign, date and mail the enclosed proxy card, or you can submit your proxy by telephone or Internet, as per the instructions on your proxy card. If you receive more than one proxy card because you hold shares in multiple accounts, please submit a proxy for each individual account held.

Submitting a proxy will not prevent you from voting your shares in person in the manner described in the attached proxy statement if you subsequently choose to attend the special meeting.

If you have any questions or need assistance submitting a proxy, please call D.F. King & Co., which is assisting us, toll-free at (888) 567-1626.

Sincerely,

/s/ Michael E. Kalogris
Michael E. Kalogris
Chairman and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger, the merger agreement, exchange or the transactions contemplated thereby or passed upon the fairness or merits of the merger, the merger agreement, the exchange or the transactions contemplated thereby, or the adequacy or accuracy of the information contained in the enclosed proxy statement. Any contrary representation is a criminal offense.

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**SUNCOM WIRELESS HOLDINGS, INC.
1100 Cassatt Road
Berwyn, Pennsylvania 19312
(610) 651-5900**

NOTICE OF SPECIAL MEETING

March 20, 2007

Dear Stockholder:

On Friday, April 20, 2007, SunCom Wireless Holdings, Inc. will hold a special meeting of stockholders at the Company's headquarters, 1100 Cassatt Road, Berwyn, Pennsylvania 19312. The meeting will begin at 10:00 a.m., local time.

Only holders of shares of Class A common stock, par value \$0.01 per share, of record at the close of business on March 9, 2007 may vote at this meeting or any adjournments or postponements that may take place. At the meeting we propose to:

approve the exchange (by our direct, wholly-owned subsidiary, SunCom Wireless Investment Company LLC) of an aggregate of 50,572,539 new shares of our Class A common stock, par value \$0.01 per share, for \$321,015,000 outstanding principal amount of the 93/8% Senior Subordinated Notes due 2011 and \$390,133,000 outstanding principal amount of the 83/4% Senior Subordinated Notes due 2011 of our indirect wholly-owned subsidiary, SunCom Wireless, Inc. (which number of shares of Class A common stock may be increased if additional SunCom Wireless subordinated notes become subject to the exchange agreement governing the exchange pursuant to the terms thereof), as well as the transactions contemplated by such exchange, including the issuance to SunCom Wireless Investment Company LLC of the shares of Class A common stock necessary to complete the exchange;

adopt the Agreement and Plan of Merger between SunCom Wireless Holdings, Inc. and SunCom Merger Corp., a newly formed wholly-owned subsidiary of the Company, as it may be amended from time to time;

approve any motion to adjourn the special meeting to a later date to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the foregoing proposals; and

transact such other business as may properly come before the special meeting or any adjournment or postponement of the special meeting.

Your board of directors has unanimously determined that the merger, the merger agreement, the exchange and the transactions contemplated thereby are fair to, advisable to and in the best interests of the existing stockholders of the Company and has approved the terms of the merger agreement, the merger and the exchange and unanimously recommends that you vote FOR the adoption of the merger agreement, FOR the approval of the exchange and the transactions contemplated thereby, including the issuance to SunCom Wireless Investment Company LLC of the new shares of Class A common stock necessary to complete the exchange, and FOR the adjournment proposal, each of which is discussed in more detail in the attached proxy statement.

Regardless of the number of shares you own, your vote is very important. The affirmative vote of the holders of at least a majority of the outstanding shares of the Class A common stock is required to adopt the merger agreement and to approve the exchange and the transactions contemplated thereby, including the issuance to SunCom Wireless Investment Company LLC of the new shares of Class A common stock necessary to complete the exchange. If you

fail to vote to adopt the merger agreement or to approve the exchange and the transactions contemplated thereby, including the issuance to SunCom Wireless Investment Company, LLC of the new shares of Class A common stock necessary to complete the exchange, the effect will be the same as a vote against the adoption of the merger agreement and the approval of the exchange. The approval of both the merger agreement proposal and the exchange proposal is necessary for the Company to and SunCom Wireless Investment Company LLC to consummate the exchange, and neither the merger nor the exchange will be consummated without approval of both proposals by our stockholders. We hope you will be able to attend the meeting, but whether or not you plan to attend, please submit a proxy by (1) signing and returning the enclosed proxy card as soon as possible, (2) calling the toll-free number listed on the proxy card or (3) accessing the Internet as instructed on the proxy card. If your shares are held in registered form, submitting a proxy will not prevent you from voting your shares in person in the manner described in the attached proxy statement if you subsequently choose to attend the special meeting.

This proxy statement is dated March 20, 2007, and it and the proxy card are first being mailed to stockholders on or about March 21, 2007.

By Order of the Board of Directors,

/s/ Eric Haskell
Eric Haskell
Corporate Secretary

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SUMMARY TERM SHEET

*The following summary highlights selected information contained in this proxy statement. It may not contain all of the information that may be important in your consideration of the merger, the merger agreement, the exchange and the transactions contemplated thereby. We encourage you to read carefully this proxy statement and the documents we have incorporated by reference before voting. See *Where You Can Find More Information* beginning on page 67. Where appropriate, we have set forth a section and page reference directing you to a more complete description of the topics described in this summary.*

The Company. SunCom Wireless Holdings, Inc., which we sometimes refer to in this proxy statement as *we*, *our* or the *Company*, provides digital wireless communications services in the southeastern United States, Puerto Rico and the U.S. Virgin Islands. The *Company*'s wireless communications network covers customers in a contiguous geographic area primarily encompassing portions of North Carolina, South Carolina, Tennessee and Georgia. In addition, the *Company* operates a wireless communications network covering customers in Puerto Rico and the U.S. Virgin Islands. The *Company*'s principal offices are located at 1100 Cassatt Road, Berwyn, Pennsylvania 19312, and its telephone number at that address is (610) 651-5900. See *Important Information Regarding The Company* *The Company* beginning on page 51.

The Exchange. Pursuant to an exchange agreement entered into among the *Company*, SunCom Wireless, Inc. (which we refer to in this proxy statement as *SunCom Wireless*), SunCom Wireless Investment Company LLC (which we refer to in this proxy statement as *SunCom Investment*) and the holders of \$321,015,000 outstanding aggregate principal amount of 93/8% Senior Subordinated Notes due 2011 and \$390,133,000 outstanding principal amount of 83/4% Senior Subordinated Notes due 2011 of our indirect, wholly-owned subsidiary, SunCom Wireless, such holders have agreed to exchange all outstanding subordinated notes of SunCom Wireless held by them for an aggregate of 50,572,539 new shares of our Class A common stock, par value \$0.01 per share (*Class A common stock*). The number of shares of Class A common stock issued in the exchange may be increased if additional SunCom Wireless subordinated notes become party to the exchange agreement pursuant to the terms thereof. The exchange will be effected by SunCom Investment. Immediately prior to the exchange, the *Company* will issue and contribute the new shares of Class A common stock to SunCom Investment, which will use such Class A common stock to consummate the exchange. See *The Recapitalization Transactions* *Effects of the Recapitalization Transactions* *The Exchange* beginning on page 21.

The Merger. Pursuant to a merger agreement entered into between the *Company* and SunCom Merger Corp., a Delaware corporation and wholly owned subsidiary of the *Company* (which we refer to in this proxy statement as *Merger Sub*), Merger Sub will be merged with and into the *Company*. In the merger, each issued and outstanding share of Class A common stock of the *Company* will be converted into 0.1 share of Class A common stock of the *Company*, as surviving corporation in the merger, plus the contingent right to receive additional shares of Class A common stock of the *Company*, as the surviving corporation in the merger, totaling up to a maximum of 3% of the fully-diluted Class A common stock of the *Company* (after giving effect to the exchange, assuming full participation by the SunCom Wireless subordinated notes) in the aggregate to all holders immediately prior to the merger, in the event the *Company* fails to undertake certain actions related to a potential sale of the *Company* following the exchange and the merger. Each issued and outstanding share of common stock of Merger Sub will be cancelled in exchange for no consideration. The merger will take place prior to the exchange described above. The merger is being effected, among other reasons, to implement a 1 for 10 reverse stock split and to ensure that we have sufficient authorized shares of Class A common stock to complete the exchange. See *The Recapitalization Transactions* *Effects of the*

Recapitalization Transactions The Merger beginning on page 22.

Effects on our Capitalization. As a result of the exchange and merger, the holders of outstanding subordinated notes of SunCom Wireless participating in the exchange will own approximately 87.5% of our outstanding Class A common stock on a fully diluted basis in respect of their SunCom Wireless subordinated notes delivered in the exchange. The existing holders of our Class A common stock will

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own approximately 12.5% of our Class A common stock on a fully diluted basis following the exchange and merger. The number of shares of Class A common stock issued in the exchange may be increased if additional shares of our Class A common stock become party to the exchange agreement pursuant to the terms thereof. See *The Recapitalization Transactions Effects of the Recapitalization Transactions Effects on our Capitalization* beginning on page 22.

Amendments to the Terms of the Remaining SunCom Wireless Subordinated Notes. As a condition to their participation in the exchange, the holders of the SunCom Wireless subordinated notes have executed, as part of the exchange agreement, exit consents that become effective on the consummation of the exchange and that will remove substantially all of the restrictive covenants from such subordinated notes remaining after the exchange. Certain restrictive covenants that may not be amended without the consent of each holder of SunCom Wireless subordinated notes affected, such as those relating to the payment of principal and accrued interest on the SunCom Wireless subordinated notes, will not be modified by these exit consents. See *The Recapitalization Transactions Effects of the Recapitalization Transactions Amendment of the Terms of the Remaining SunCom Wireless Subordinated Notes* beginning on page 23.

Amendment of Certificate of Incorporation of the Company. In connection with the merger agreement, and as a result of the consummation of the merger, the Company's certificate of incorporation will be amended to (1) eliminate the Class B common stock of the Company and all designations of the Company's preferred stock, none of which Class B common stock or preferred stock is currently outstanding, and (2) eliminate certain other references to series of preferred stock that are no longer outstanding. See *The Recapitalization Transactions Effects of the Recapitalization Transactions Amendment of the Certificate of Incorporation of the Company* beginning on page 24.

Effects on the Board of Directors of the Company. Following the exchange, the size of the board of directors of the Company will be increased to ten members, and the board will be reconstituted to include Michael E. Kalgoris, the Company's Chairman and Chief Executive Officer and Scott I. Anderson, both of whom are current directors of the Company, as well as eight new directors who will be designated by certain of the current holders of SunCom Wireless subordinated notes participating in the exchange or their affiliates. See *The Recapitalization Transactions Effects of the Recapitalization Transactions Composition of Board of Directors* beginning on page 25.

Potential Sale Transaction. The Company has determined, and the exchange agreement contemplates, that the Company will pursue strategic alternatives, including a potential sale transaction. In furtherance of the foregoing and in accordance with the terms of the exchange agreement, the Company has engaged Goldman, Sachs & Co. (who we refer to as Goldman Sachs) as its financial advisor. The Company has agreed in the exchange agreement not to initiate or solicit any potential sale transaction or other acquisition proposal (as defined in *The Recapitalization Transactions Description of the Exchange Agreement Non-Solicitation*), or to provide any information to potential purchasers of the Company, prior to the closing of the exchange and the merger, except that it and its advisors may take certain identified actions, such as the preparation of sales materials and the negotiation of confidentiality agreements with potential purchasers, during such period. Additionally, the Company has the right to respond to unsolicited acquisition proposals (including proposals for a sale transaction) and to terminate the exchange agreement to accept any acquisition proposal that it determines to be a superior proposal (as defined in *The Recapitalization Transactions Effects of the Recapitalization Transactions Potential Sale Transaction*), subject to the Company's obligation to pay each holder of SunCom Wireless subordinated notes party to the exchange agreement a break up fee of 2% of the total outstanding principal amount of the SunCom Wireless subordinated notes held by such holder and subject to the exchange agreement as of the date of the exchange agreement, or approximately \$14.2 million in the aggregate, in such event. See *The Recapitalization Transactions Effects of the Recapitalization Transactions*

Potential Sale Transaction beginning on page 25. Certain information detailing the effects of a potential sale transaction on the amounts to be distributed to the current holders of our Class A common stock at potential valuations for the Company in such sale transaction, assuming both the current capital structure of the Company and the capital structure of the Company

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following the recapitalization transactions, are set forth under **Important Information Regarding the Company Valuation Information** beginning on page 62.

Recommendations. The Company's board of directors has unanimously determined that the merger, the merger agreement, the exchange and the transactions contemplated thereby are fair to, advisable to and in the best interests of the existing stockholders of the Company and has approved the terms of the merger agreement, the merger and the exchange. Accordingly, the board of directors has unanimously recommended that you vote FOR (1) the adoption of the merger agreement and (2) the exchange and the transactions contemplated thereby, including the issuance to SunCom Investment of the new shares of Class A common stock necessary to complete the exchange. The recommendation of the board of directors was based on several factors, including the opinion of Lazard Freres & Co. LLC, which we refer to in this proxy statement as **Lazard**, that, as of the date of its opinion, the exchange ratio used in the exchange was fair, from a financial point of view, to the Company. See **The Recapitalization Transactions Recommendation of the Board of Directors; Reasons for Recommending Approval of the Exchange and the Merger** beginning on page 14.

Opinions of Financial Advisor. The board of directors received an opinion from Lazard to the effect that, as of the date of its opinion, the exchange ratio used in the exchange was fair, from a financial point of view, to the Company. Lazard's opinion is subject to the assumptions, limitations and qualifications set forth in such opinion, which is attached as Annex C to this proxy statement. Lazard's analysis and fairness opinion, dated as of January 29, 2007, were based solely on the information in the section entitled **The Recapitalization Transactions Opinion of Financial Advisor** and did not take into account the Company's later-created March 2007 projections. We encourage you to read carefully this opinion in its entirety and the section entitled **The Recapitalization Transactions Opinion of Financial Advisor** beginning on page 16 for a description of the procedures followed, assumptions made, matters considered and limitations on the review undertaken. **The opinion of Lazard was provided to the Company's board of directors in connection with their evaluation of the exchange, does not address any other aspect of the exchange and does not constitute a recommendation to any stockholder as to how you should vote on any matter at the special meeting.**

Required Vote. The affirmative vote of the holders of a majority of the outstanding shares of the Class A common stock is required to adopt the merger agreement and to approve the exchange and the transactions contemplated thereby, including the issuance to SunCom Investment of the new shares of Class A common stock necessary to complete the exchange. Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of the shares of the Class A common stock present in person or by proxy and entitled to vote at the special meeting on that matter. See **The Special Meeting Quorum; Vote Required** beginning on page 9.

What We Need to Do to Complete the Exchange. We will complete the exchange only if the conditions set forth in the exchange agreement are satisfied or waived by the applicable parties. These conditions include, among others:

the exchange and the merger agreement proposals having been approved by the holders of a majority of the outstanding Class A common stock at the special meeting, and the merger having been consummated;

the receipt of the approval of the Federal Communications Commission to consummate the exchange;

all other required filings and approvals having been obtained, except for those as would not cause a material adverse effect on the Company and its consolidated subsidiaries, taken as a whole (as defined in **The Recapitalization Transactions Description of the Exchange Agreement Representations and Warranties**);

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the absence of any statute, rule, regulation, executive order, decree, injunction or other order (whether temporary or permanent) or any other legal restraint that prohibits, restrains or enjoins the consummation of the exchange or the merger;

at least 91.25% of the outstanding SunCom Wireless subordinated notes being delivered in the exchange;

each of J.P. Morgan Capital, L.P. and Sixty Wall Street Fund, L.P. having converted all of their Class B common stock into Class A common stock prior to the record date for the special meeting and having entered into a lockup and voting agreement whereby such entities agree to vote all of their Class A common stock (including the Class A common stock received upon conversion of their Class B Common stock) in favor of the merger and the exchange proposals (both of which have already occurred);

the accuracy of the representations and warranties of the respective parties to the exchange agreement, and the compliance by such parties of all material obligations required to be performed prior to the closing of the exchange agreement;

the receipt by the holders of the SunCom Wireless subordinated notes participating in the exchange of all accrued but unpaid interest on their subordinated notes through the date of the exchange;

there not having occurred since September 30, 2006, a material adverse effect on the Company and its consolidated subsidiaries, taken as a whole (as defined in The Recapitalization Transactions Description of the Exchange Agreement Representations and Warranties); and

supplemental indentures effecting the contemplated amendments to the indentures governing the SunCom Wireless subordinated notes having been executed and delivered.

See The Recapitalization Transactions Description of the Exchange Agreement Conditions to the Exchange Agreement beginning on page 35.

Termination of the Exchange. The exchange agreement may be terminated and the exchange may be abandoned at any time prior to the consummation of the exchange, whether prior to or after the Company's stockholders approve the exchange and the transactions contemplated thereby:

by mutual written consent of the holders of at least 85% of the SunCom Wireless subordinated notes subject to the exchange agreement (whom we refer to as the requisite noteholders) and the Company, SunCom Investment, and SunCom Wireless;

by either the requisite noteholders or the Company, SunCom Investment and SunCom Wireless if the delivery of the proxy statement to the Company's stockholders does not take place prior to April 30, 2007;

by either the requisite noteholders or the Company, SunCom Investment and SunCom Wireless if the recapitalization is not substantially consummated by May 31, 2007;

by either the requisite noteholders or the Company, SunCom Investment and SunCom Wireless if there is issued an order, decree or injunction having the effect of making the exchange or the merger illegal or permanently prohibiting the consummation of the exchange or the merger, and such order, decree or injunction shall have become final and nonappealable;

by the requisite noteholders, if either the Company, SunCom Investment or SunCom Wireless has breached any material provision of the exchange agreement, and such breach remains uncured for a period of five days after written notice of such breach, specifically identifying the nature of such breach and the intent of the requisite noteholders to terminate the exchange agreement, is delivered by the requisite noteholders to the Company, SunCom Investment and SunCom Wireless;

by the Company, SunCom Investment and SunCom Wireless, if any of the holders of SunCom Wireless subordinated notes party to the exchange agreement has breached any material provision of the exchange agreement, and such breach remains uncured for a period of five days after written

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notice of such breach, specifically identifying the nature of such breach and the intent of the Company, SunCom Investment and SunCom Wireless to terminate the exchange agreement, is delivered by the Company, SunCom Investment and SunCom Wireless to the holders of SunCom Wireless subordinated notes party to the exchange agreement;

the Company, if the board of directors elects to terminate the exchange agreement to accept a superior proposal;

by the requisite noteholders, if the board of directors of the Company fails to recommend the exchange agreement and/or the merger agreement to its stockholders or withdraws such recommendation; or

by either the requisite noteholders or the Company, SunCom Investment and SunCom Wireless, if the stockholder vote for approval of the exchange and/or the merger agreement is not obtained.

See The Recapitalization Transactions Description of the Exchange Agreement Termination of the Exchange Agreement beginning on page 36.

Break-Up Fee and Expenses. In the event that the exchange agreement is terminated in certain circumstances, the Company is required to pay to each holder of the SunCom Wireless subordinated notes that is a party to the exchange agreement a break-up fee equal to 2% of the total outstanding principal amount of the SunCom Wireless subordinated notes held by such holder and subject to the exchange agreement as of the date of the agreement, or approximately \$14.2 million in the aggregate. Whether or not the exchange is consummated, the Company is obligated to pay the reasonable fees and expenses of counsel to the holders of the SunCom Wireless subordinated notes participating in the exchange, up to \$1,000,000 in the aggregate. See The Recapitalization Transactions Description of the Exchange Agreement Break-Up Fee and Expenses beginning on page 37.

Lock-up and Voting Agreement. In connection with the exchange, each of J.P. Morgan (23A SBIC), L.P., J.P. Morgan Capital, L.P. and Sixty Wall Street Fund, L.P., which collectively hold 23.9% of our outstanding Class A common stock, have entered into a lock-up and voting agreement with certain holders of the SunCom Wireless subordinated notes whereby such entities have agreed to vote all of their shares of Class A common in favor of the adoption of the merger agreement and the approval of the exchange and the transactions contemplated thereby, including the issuance to SunCom Investment of the new shares of Class A common stock necessary to complete the exchange. See The Recapitalization Transactions Lock-up and Voting Agreement beginning on page 38. Additionally, as described under The Recapitalization Transactions Description of Exchange Agreement Lockup of Consenting Noteholders beginning on page 27, the holders of the SunCom Wireless subordinated notes party to the exchange agreement have agreed to vote all shares of Class A common stock held by them, which includes the Class A common stock owned by Pardus European Special Opportunities Master Fund L.P. and Goldman, Sachs & Co., who collectively hold approximately 16% of our Class A common stock, in favor of the adoption of the merger agreement and the approval of the exchange and the transactions contemplated thereby, including the issuance to SunCom Investment of the shares of Class A common stock necessary to complete the exchange.

Registration Rights. In connection with the exchange, the Company and the holders of the SunCom Wireless subordinated notes participating in the exchange will execute a registration rights agreement that gives the holders of the SunCom Wireless subordinated notes participating in the exchange certain rights with respect to their shares of Class A common stock. Specifically, the Company has agreed to put into place a shelf registration statement covering such Class A common stock and to keep such shelf registration statement in effect until the earlier of three years following the exchange or the date upon which all securities received by

the participating holders of SunCom Wireless subordinated notes in the exchange may be resold without restriction under Rule 144(k) promulgated under the Securities Act of 1933, as amended. Additionally, the holders of at least 15% of the Class A common stock received by the holders of the SunCom Wireless subordinated notes in the exchange may require the

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Company to amend the shelf registration statement or to file a prospectus supplement and certain other actions necessary to permit an underwritten offering of the Class A common stock held by such holders. See *The Recapitalization Transactions Registration Rights Agreement* beginning on page 38.

Material U.S. Federal Income Tax Consequences. In general, a holder of Class A common stock of the Company should not recognize gain or loss upon the merger (other than in respect of any cash received in lieu of fractional shares) or as a result of the exchange. For a discussion of certain material U.S. federal income tax consequences of to stockholders and the Company, see *The Recapitalization Transactions Certain United States Federal Income Tax Consequences of the Merger and Exchange* beginning on page 42.

Accounting Treatment of the Exchange. A gain or loss will be recognized on the exchange transaction based upon the difference between the carrying value of the SunCom Wireless subordinated notes exchanged and the market value of the Class A common stock at the date the shares are issued to the holders of the SunCom Wireless subordinated notes participating in the exchange. The gain will be offset by, or the loss increased, by direct costs of the exchange transaction. See *The Recapitalization Transactions Accounting Treatment of the Transaction* beginning on page 45.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This proxy statement contains forward-looking statements that involve substantial risks and uncertainties. You can identify these statements by forward-looking words such as anticipate, believe, could, estimate, expect, intend, should, will and would or similar words. You should read statements that contain these words carefully because they discuss our future expectations, contain projections of our future results of operations or of our financial position or state other forward-looking information. We believe that it is important to communicate our future expectations to our investors. However, there may be events in the future that we are not able to accurately predict or control. The risk factors listed in our Annual Report on Form 10-K for the year ended December 31, 2006, as well as any other cautionary language contained or incorporated by reference in this proxy statement, provide examples of risks, uncertainties and events that may cause our actual results or matters related to the exchange to differ materially from the expectations we describe in forward-looking statements. You should be aware that the occurrence of the events described in those risk factors and any other cautionary language in this proxy statement could have a material adverse effect on our business, operating results and financial condition or the merger, the merger agreement, exchange or the transactions contemplated thereby.

The risks reflected in our documents incorporated by reference in this proxy statement should not be construed to be exhaustive. We believe the forward-looking statements in this proxy statement are reasonable; however, there is no assurance that the actions, events or results of the forward-looking statements will occur or, if any of them do, what impact they will have on our results of operations or financial condition or on the exchange. In view of these uncertainties, you should not place undue reliance on any forward-looking statements, which are based on our current expectations. Further, forward-looking statements speak only as of the date they are made, and, other than as required by applicable law, we undertake no obligation to update publicly any of them in light of new information or future events.

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THE SPECIAL MEETING

Date, Time and Place

The special meeting of the Company's stockholders will be held at 10:00 a.m., local time, on Friday, April 20, 2007, at the Company's headquarters, 1100 Cassatt Road, Berwyn, Pennsylvania 19312. We are sending this proxy statement to you in connection with the solicitation of proxies by the Company's board of directors for use at the special meeting and any adjournments or postponements of the special meeting.

Purpose

At the special meeting, you will be asked to:

approve the exchange, by SunCom Investment, of 50,572,539 new shares of our Class A common stock, par value \$0.01 per share, for \$321,015,000 outstanding principal amount of 93/8% Senior Subordinated Notes due 2011 and \$390,133,000 outstanding principal amount of 83/4% Senior Subordinated Notes due 2011 of SunCom Wireless (which number of shares of Class A common stock may be increased if additional SunCom Wireless subordinated notes become subject to the exchange agreement governing the exchange pursuant to the terms thereof), as well as the transactions contemplated by such exchange, including the issuance to SunCom Investment of the new shares of Class A common stock necessary to complete the exchange;

adopt the Agreement and Plan of Merger between SunCom Wireless Holdings, Inc. and SunCom Merger Corp., a newly formed wholly-owned subsidiary of the Company, as it may be amended from time to time, for the purpose of, among other things, effecting a 1 for 10 reverse stock split and amending the certificate of incorporation SunCom Wireless Holdings, Inc.; and

approve any motion to adjourn the special meeting to a later date to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the foregoing proposals.

The Company's stockholders also may be asked to transact such other business as may properly come before the special meeting or any adjournments or postponements of the special meeting.

Board Recommendation

The Company's board of directors has unanimously determined that the merger, the merger agreement, the exchange and the transactions contemplated thereby are fair to, advisable to and in the best interests of the existing stockholders of the Company and has approved the terms of the merger agreement, the merger and the exchange. Accordingly, the Company's board of directors unanimously recommends that you vote FOR the adoption of the merger agreement, FOR the approval of the exchange and the transactions contemplated thereby, including the issuance to SunCom Investment of the new shares of Class A common stock necessary to complete the exchange, and FOR the adjournment proposal.

Record Date, Outstanding Shares and Voting Rights

The Company's board of directors has fixed the close of business on March 9, 2007 as the record date for the special meeting. Only holders of record of shares of Class A common stock on the record date are entitled to notice of and to vote at the special meeting or any adjournment or postponement of the special meeting. As of the record date, there

were 71,252,459 outstanding shares of Class A common stock held by approximately 6,958 holders of record. At the special meeting, each share of Class A common stock will be entitled to one vote on all matters. Votes may be cast at the special meeting in person or by proxy.

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Quorum; Vote Required

The presence, in person or by proxy, of the holders of a majority of the shares of Class A common stock issued and outstanding and entitled to vote at the special meeting is necessary to constitute a quorum at the special meeting. Shares of Class A common stock represented in person or by proxy will be counted for the purposes of determining whether a quorum is present at the special meeting. Shares that abstain from voting with respect to the adoption of the merger agreement and the approval of the exchange and the transactions contemplated thereby, including the issuance to SunCom Investment of the new shares of Class A common stock necessary to complete the exchange, will be treated as shares that are present and entitled to vote at the special meeting for purposes of determining whether a quorum exists, but will have the same effect as a vote against the adoption of the merger agreement and the approval of the exchange and the transactions contemplated thereby, including the issuance to SunCom Investment of the new shares of Class A common stock necessary to complete the exchange.

If a broker or nominee holding shares of record for a customer indicates that it does not have discretionary authority to vote as to a particular matter, those shares, which are referred to as broker non-votes, will be treated as present and entitled to vote at the special meeting for purposes of determining whether a quorum exists. Brokers or nominees holding shares of record for customers who do not have discretionary authority to vote on a particular proposal will not be entitled to vote on the adoption of the merger agreement or the approval of the exchange and the transactions contemplated thereby, including the issuance to SunCom Investment of the new shares of Class A common stock necessary to complete the exchange, unless they receive voting instructions from their customers. Accordingly, broker non-votes will not be voted in favor of the adoption of the merger agreement or the approval of the exchange and the transactions contemplated thereby, including the issuance to SunCom Investment of the new shares of Class A common stock necessary to complete the exchange, meaning that shares constituting broker non-votes will have the same effect as shares voted against the adoption of the merger agreement and the approval of the exchange and the transactions contemplated thereby, including the issuance to SunCom Investment of the shares of Class A common stock necessary to complete the exchange.

Adoption of the merger agreement and the approval of the exchange and the transactions contemplated thereby, including the issuance to SunCom Investment of the new shares of Class A common stock necessary to complete the exchange, requires the affirmative vote of the holders of a majority of all of the outstanding shares of Class A common stock. If a quorum is present, approval of an adjournment of the special meeting would require only the affirmative vote of the holders of a majority of the shares of Class A common stock present and entitled to vote on this proposal at the special meeting and broker non-votes would have no effect on the outcome of voting on this proposal.

In order for your shares of Class A common stock to be included in the vote, you must submit your proxy by returning the enclosed proxy, signed and dated, in the postage prepaid envelope provided, or you can submit a proxy by telephone or through the Internet, as per the instructions on the proxy card. If you plan to vote in person at the meeting and your shares are held in the name of a bank or broker, it will be necessary to request a legal proxy in order for your shares to be counted. If your shares are held in registered form, you may vote in person at the special meeting.

In connection with the exchange, each of J.P. Morgan (23A SBIC), L.P., J.P. Morgan Capital, L.P. and Sixty Wall Street Fund, L.P., who collectively hold 23.9% of our outstanding Class A common stock, have entered into a lock-up and voting agreement with certain holders of the SunCom Wireless subordinated notes whereby such entities have agreed to vote all of their shares of Class A common in favor of the adoption of the merger agreement, and the approval of the exchange and the transactions contemplated thereby, including the issuance to SunCom Investment of the new shares of Class A common stock necessary to complete the exchange. Additionally, as described under [The Recapitalization Transactions](#) [Description of the Exchange Agreement](#) [Lockup of Consenting Noteholders](#) the holders of the SunCom Wireless subordinated notes party to the exchange agreement have agreed to vote all shares of

Class A common stock held by them, which includes the Class A common stock owned by Pardus European Special Opportunities Master Fund L.P. and

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Goldman, Sachs & Co., who collectively hold approximately 16% of our Class A common stock, in favor of the adoption of the merger agreement and the approval of the exchange and the transactions contemplated thereby, including the issuance to SunCom Investment of the shares of Class A common stock necessary to complete the exchange.

Voting of Proxies

All shares of Class A common stock that are entitled to vote and are represented at the special meeting by properly-executed proxies received prior to or at the meeting, and not revoked, will be voted in accordance with the instructions indicated on the proxies. If no instructions are indicated on your properly-executed and returned proxy, such proxy will be voted FOR the adoption of the merger agreement and FOR the approval of the exchange and the transactions contemplated thereby, including the issuance to SunCom Investment of the shares of Class A common stock necessary to complete the exchange. You may also submit your proxy by telephone or Internet by following the instructions on the enclosed proxy card.

If your shares are held in street name through a broker or bank, you may vote by completing and returning the voting form provided by your broker or bank. If you plan to attend the special meeting, you will need a legal proxy from your broker or bank in order to vote your shares in person. You may also submit a proxy by telephone or Internet by following the instructions on the enclosed voting form.

The Company's board of directors does not know of any matters other than those described in the notice of the special meeting that are expected to come before the special meeting. However, if any other matters are properly presented at the special meeting for consideration, the persons named in the proxy card and acting thereunder generally will have discretion to vote on such matters in accordance with their best judgment unless authority is specifically withheld.

Revocation of Proxies

You may revoke any proxy given pursuant to this solicitation at any time before it is voted, subject to the limitation described below. Proxies may be revoked by:

filing with the secretary of the Company, at or before the taking of the vote at the special meeting, a written notice of revocation bearing a date later than the proxy to be voted;

duly executing a later-dated proxy relating to the same shares and delivering it to the secretary of the Company before the taking of the vote at the special meeting or submitting a later-dated proxy using the telephone or Internet voting procedures so long as you do so before the deadline of 11:59 p.m. on April 19, 2007; or

attending the special meeting and voting in person, although attendance at the special meeting will not by itself constitute a revocation of a proxy.

You should send any written notice of revocation or subsequent proxy to SunCom Wireless Holdings, Inc., 1100 Cassatt Road, Berwyn, Pennsylvania 19312, 610-651-5900, Attention: Corporate Secretary, or hand deliver it to the secretary of the Company at or before the taking of the vote at the special meeting.

If your shares of Class A common stock are held through a broker or other nominee, you should follow the instructions of your broker or nominee regarding the revocation of proxies. If your broker or nominee allows you to submit a proxy by telephone or the Internet, you may be able to change your vote by submitting a proxy again by the telephone or the Internet.

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Solicitation of Proxies; Expenses

IN CONNECTION WITH THE SPECIAL MEETING, PROXIES ARE BEING SOLICITED BY, AND ON BEHALF OF, THE COMPANY'S BOARD OF DIRECTORS. THE COMPANY WILL BEAR THE COST OF SOLICITING PROXIES FROM ITS STOCKHOLDERS. IN ADDITION TO SOLICITATION BY MAIL, PROXIES MAY BE SOLICITED FROM THE COMPANY'S STOCKHOLDERS BY DIRECTORS, OFFICERS AND EMPLOYEES OF THE COMPANY IN PERSON OR BY TELEPHONE, FACSIMILE OR OTHER MEANS OF COMMUNICATION. THESE DIRECTORS, OFFICERS AND EMPLOYEES WILL NOT BE ADDITIONALLY COMPENSATED, BUT MAY BE REIMBURSED FOR REASONABLE OUT-OF-POCKET EXPENSES IN CONNECTION WITH THE SOLICITATION. IN ADDITION, THE COMPANY HAS RETAINED D.F. KING AND CO., INC., A PROXY SOLICITATION FIRM, TO ASSIST THE COMPANY IN THE SOLICITATION OF PROXIES FROM STOCKHOLDERS FOR THE SPECIAL MEETING FOR A FEE OF UP TO \$15,000 PLUS REIMBURSEMENT OF REASONABLE OUT-OF-POCKET EXPENSES. ARRANGEMENTS WILL BE MADE WITH BROKERAGE HOUSES, CUSTODIANS, NOMINEES AND FIDUCIARIES FOR THE FORWARDING OF PROXY SOLICITATION MATERIALS TO BENEFICIAL OWNERS OF CLASS A COMMON STOCK, AND THE COMPANY WILL REIMBURSE THEM FOR THEIR REASONABLE EXPENSES INCURRED IN FORWARDING THESE MATERIALS.

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THE RECAPITALIZATION TRANSACTIONS

Background of the Recapitalization Transactions

During a period ranging from 2001 to 2005, SunCom Wireless incurred substantial indebtedness in order to finance capital expenditures consistent with the Company's business strategy, including the construction of a new wireless network using global system for mobile technology, or GSM, technology. In June 2005, following the termination of the Company's strategic partnership with AT&T Wireless (now Cingular Wireless), the Company, faced with significant interest expense on the existing debt at SunCom Wireless, significant required capital expenditures to maintain its current network, as well as the likelihood that the Company would be required to significantly increase its capital expenditures in coming years to upgrade its network to implement new technologies, decided to review restructuring alternatives to improve its financial position and maximize value for its stockholders. In June 2005, the Company retained Lazard as a financial advisor for this purpose.

The Company at the time was forecasting earnings growth in 2006 and 2007, driven in part by the addition of T-Mobile USA as a strategic partner for the Company (offsetting in part the revenue lost by the termination of the Company's relationship with AT&T Wireless), and this forecast indicated that the Company could pursue a stay the course strategy despite its significant interest and capital expenditure requirements. The Company was also advised, however, that deleveraging, through either repurchasing debt at a discount or completing a debt-for-equity exchange, could significantly mitigate downside risk for its stockholders were the Company to underperform on its business plan. The Company's board of directors met with Lazard on several occasions in July and August 2005 to discuss proposed restructuring alternatives further. Additionally, during such time, Lazard held informal conversations with key bondholders to explore their interest in pursuing a debt for equity exchange transaction. At the conclusion of these meetings and discussions, the Company's board concluded that, given the Company's liquidity and expected improvement in its 2006 and 2007 operating results, it would only authorize the Company to repurchase the SunCom Wireless subordinated notes at a discount but not to pursue an exchange offer.

In January 2006, the Company made a significant downward revision to its expected 2005 financial results and, at that time, reassessed its future growth expectations. Based on this reassessment, the Company's board decided to renew its consideration of restructuring alternatives. On March 2, 2006, at a regularly scheduled meeting of the Company's board of directors, Lazard presented an analysis of the Company's strategic alternatives and financial condition. At such meeting, the board focused primarily on exchange alternatives whereby SunCom Investment would agree to contribute approximately \$189 million in unrestricted cash to SunCom Wireless, the obligor under the SunCom Wireless subordinated notes, as part of a recapitalization in which the Company's stockholders would maintain a meaningful ownership stake in the Company following a complete exchange of the subordinated notes for common equity. The Company and SunCom Investment, with the assistance of Lazard, began a formal dialogue with the financial advisor for the subordinated noteholders in March 2006. Such negotiations were initially unproductive, as the subordinated noteholders took the position that the unrestricted cash was the property of a restricted subsidiary of the Company and was removed by way of a distribution in violation of the restricted payment covenants in the indentures governing the subordinated notes. As a result, the subordinated noteholders argued that, in a debt for equity exchange of the subordinated notes, the Company's stockholders should receive only a very small pro forma ownership interest.

In April 2006, legal counsel for certain holders of the 8 1/2% senior notes of SunCom Wireless delivered a letter to SunCom Wireless alleging that the approximately \$189 million of unrestricted cash held by SunCom Investment was the result of a distribution in violation of the restricted payment covenant in the indenture governing the SunCom Wireless senior notes. SunCom Wireless and these senior noteholders had discussions regarding the dividend and

purported default throughout April 2006. In May 2006, after reviewing the totality of the facts and circumstances concerning the dividend, the Company determined that facts existed that supported the noteholders' arguments that the dividend was not properly paid. Accordingly, SunCom Investment contributed the dividend plus an additional \$5.4 million to the capital of SunCom Wireless on May 2, 2006.

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Following such contribution, the Company and SunCom Investment, unable to pursue the exchange alternatives originally pursued with the holders of the SunCom Wireless subordinated notes, discussed with the holders of the subordinated notes and their advisors a variety of other recapitalization alternatives using preferred securities, warrants or other securities designed to preserve more upside for the Company's stockholders in exchange for providing the subordinated noteholders with downside protection. Throughout such discussions, the subordinated noteholders continued to insist on a debt for equity exchange that would provide the Company's existing stockholders with no more than an approximately 10% pro forma ownership interest, plus an indeterminate amount of additional upside that would be available under certain of the proposed transaction structures.

Throughout the board's and SunCom Investment's discussions with the holders of the SunCom Wireless subordinated notes, the board also evaluated whether other alternatives would result in greater value for the Company's existing stockholders. While no formal sales or strategic alternatives process was initiated, the Company had preliminary discussions with several potential strategic and financial purchasers or investors throughout 2006 and early 2007 to gauge their interest in pursuing an acquisition, investment or other strategic alliance with the Company. Such discussions indicated that attempting to undertake a sale, investment or other strategic transaction prior to a recapitalization of the Company's subordinated debt would likely result in little to no value for the Company's current stockholders with the Company's current debt structure in place.

On June 2, 2006, at a special meeting of the Company's board of directors, the board received an update as to the status of negotiations with certain holders of the subordinated notes regarding a potential debt-for-equity exchange. The board of directors determined that the terms suggested by certain holders of the subordinated notes were not acceptable, particularly the insistence of the holders of the subordinated notes that the Company's existing stockholders receive no more than an approximately 10% pro forma ownership interest in any post-exchange Company (plus an indeterminate amount of additional upside that would be available under certain of the proposed transaction structures), and concluded that it would not be productive to continue negotiations until such terms were improved. On June 14, 2006, at a special meeting of the Company's board of directors, the Company's advisors informed the board that negotiations with certain holders of the subordinated notes with respect to a potential debt-for-equity exchange were at a standstill.

In September 2006, members of management of the Company and SunCom Investment contacted certain holders of the subordinated notes to discuss the circumstances under which it might be productive to resume negotiations with respect to a potential debt-for-equity exchange with SunCom Investment. On September 11, 2006, the Company and SunCom Investment received a proposal from these noteholders summarizing proposed terms for the debt-for-equity exchange. On September 20, 2006 and September 27, 2006, at special meetings of the Company's board of directors, the board discussed the terms of a debt-for-equity exchange proposed by certain holders of the subordinated notes. After considering the revised terms proposed by the noteholders, the board instructed the Company's management to continue the negotiations.