

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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ARCH WIRELESS INC

CIK: **915390** | IRS No.: **311358569** | State of Incorporation: **DE** | Fiscal Year End: **1231**
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SIC: **4812** Radiotelephone communications

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): May 14, 2002

Arch Wireless, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware

000-23232/001-14248

31-1358569

(State or Other Jurisdiction
of Incorporation)

(Commission
File Numbers)

(I.R.S. Employer
Identification No.)

1800 West Park Drive, Suite 250
Westborough, MA

01581

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (508) 870-6700

ITEM 3. BANKRUPTCY OR RECEIVERSHIP.

As previously reported in Current Reports on Form 8-K filed with the Securities and Exchange Commission, certain holders of 12-3/4% Senior Notes due 2007 of Arch Wireless Communications, Inc. ("AWCI"), a wholly-owned subsidiary of Arch Wireless, Inc. (the "Registrant"), filed an involuntary petition against AWCI on November 9, 2001 under chapter 11 of the U.S. Bankruptcy Code (the "Bankruptcy Code") in United States Bankruptcy Court for the District of Massachusetts, Western Division (the "Bankruptcy Court"). On December 6, 2001, AWCI consented to the involuntary petition and the Bankruptcy Court entered an order for relief with respect to AWCI under Chapter 11 of the Bankruptcy Code. Also on December 6, 2001, the Registrant and 19 of the Registrant's other

wholly-owned, domestic subsidiaries filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code with the Bankruptcy Court. These cases are being jointly administered under the docket for Arch Wireless, Inc., et al., Case No. 01-47330-HJB. The Registrant and its domestic subsidiaries are operating their businesses and managing their property as debtors in possession under the Bankruptcy Code.

The Registrant and its domestic subsidiaries filed a Joint Plan of Reorganization with the Bankruptcy Court on January 15, 2002, and filed a Disclosure Statement with respect to the Joint Plan of Reorganization with the Bankruptcy Court on January 18, 2002. On March 13, 2002, the Registrant and its domestic subsidiaries filed a First Amended Joint Plan of Reorganization and a Disclosure Statement to the First Amended Joint Plan of Reorganization with the Bankruptcy Court. On May 8, 2002, the Registrant and its domestic subsidiaries filed a First Modification to First Amended Joint Plan of Reorganization with the Bankruptcy Court.

On May 14, 2002, the Registrant and its domestic subsidiaries filed a Second Modification to First Amended Joint Plan of Reorganization (the "Second Modification") with the Bankruptcy Court. The Second Modification is attached to this Current Report on Form 8-K as Exhibit 2.1, and the information contained in the Second Modification is incorporated herein by reference.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) Exhibits.

EXHIBIT NO.	DESCRIPTION
2.1	Debtors' Second Modification to First Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code, dated May 14, 2002.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 14, 2002

ARCH WIRELESS, INC.

By: /s/ George W. Hale

Name: George W. Hale

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
2.1	Debtors' Second Modification to First Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code, dated May 14, 2002.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS
(WESTERN DIVISION)

In re:		Chapter 11
ARCH WIRELESS, INC., et. al.,		Case No. 01-47330-HJB
Debtors.		(Jointly Administered)

SECOND MODIFICATION TO FIRST AMENDED
JOINT PLAN OF REORGANIZATION

The Debtors in the above-captioned cases hereby further modify their First Amended Joint Plan of Reorganization dated March 13, 2002, as previously modified by the First Modification to First Amended Joint Plan of Reorganization, dated May 8, 2002 (as so modified, and further modified hereby the "Plan"), pursuant to Article XII C. thereof. All capitalized terms used herein that are not defined herein shall have the meanings ascribed to such terms in the Plan.

1. Article I is amended by adding the following new defined terms:

- (i) "AWCI Unsecured Note Claim" means an Unsecured Claim for which AWCI or its assets are liable other than Bank Unsecured Claims and USAM Unsecured Note Claims.
- (ii) "AWCI Unsecured Note Claim Special Dividend" means a pro rata share of 234,244 shares of New Common Stock. The AWCI Unsecured Note Claim Special Dividend shall be comprised of 210,032 shares of New Common Stock issued by the Debtors, and 24,212 shares of New Common Stock otherwise issuable to the USAM Contributors with respect to which they shall instead receive the USAM Contributors Allocated Amount.
- (iii) "Recovered Shares" means the number of shares of New Common

Stock by which the aggregate distributions to Holders of Bank Unsecured Claims are incrementally increased by the reduction of AWHI Unsecured Trade Claims from \$120 million to the aggregate amount in which AWHI Unsecured Trade Claims are ultimately Allowed.

- (iv) "Management Allocated Amount" means 36% of the Recovered Shares not to exceed 50,000 shares of New Common Stock.
- (v) "USAM Contributors" means one or more members of the Informal Noteholders Committee who have agreed to contribute New Common Stock that they would otherwise receive on account of their Allowed USAM Secured Note Claims to the AWCI Unsecured Note Claim Special Dividend.
- (vi) "USAM Contributor Allocated Amount" means (a) 3.2% of the Recovered Shares less (b) the number of shares of New Common Stock by which the aggregate distributions to the USAM Contributors are incrementally increased by the reduction of AWHI Unsecured Trade Claims from \$120 million to the aggregate amount in which AWHI Unsecured Trade Claims are ultimately Allowed.

2. Article V of the Plan is amended by adding a new Section M as follows:

"The Debtors shall distribute the AWCI Unsecured Note Claim Special Dividend to the Holders of Allowed AWCI Unsecured Note Claims. Distribution of the AWCI Unsecured Note Claim Special Dividend shall be made at the times and in the manner governing distribution of New Common Stock to holders of Unsecured Claims as provided for in Article VII."

3. Article III.B.2(a) is amended by deleting the reference contained in clause (iv) thereof to "13,486,252 shares of Common Stock", and substituting therefore "13,326,220 shares of Common Stock subject to a reserve in accordance with the last three sentence of Article III.B.2(a)" and by adding the following to the end of such section:

The Debtors shall reserve 50,000 shares of New Common Stock toward the Management Allocated Amount and 10,000 shares of New Common Stock toward the USAM Contributors Allocated Amount, from New Common Stock otherwise distributable under clause (iv) above, pending the final determination of the Management Allocated Amount and the USAM Contributors Allocated Amount. Upon the determination of the Management Allocated Amount and the USAM Contributors Allocated Amount, the Management Allocated Amount will be credited to the Management Stock Plan, the USAM Contributors Allocated Amount will be issued ratably to the USAM Contributors and the remainder of the reserved New Common Stock shall be distributed to Holders of Allowed Bank Secured Claims. Such determination shall be made upon the final

allowance or disallowance of all AWHI Unsecured Trade Claims, provided, however, that the Debtors shall periodically make interim credits and distributions of the Management Allocated Amount and the USAM Contributors Allocated Amount, respectively, at such time as

there is any material amount of the Allocated Amount to make such credit and distribution practicable.

4. Article V.J. is amended by amending and restating it in its entirety as follows:

On the Effective Date, the Reorganized Debtors shall adopt the Management Stock Plan which shall provide for 900,000 shares of the New Common Stock plus the Management Allocated Amount to be issued pursuant to the Plan (the "Management Stock"), for issuance at a nominal price to certain members of the continuing management of the Reorganized Debtors to vest 317,000 shares on the first anniversary of the Effective Date, 317,000 shares on the second anniversary of the Effective Date and 266,000 plus the Management Allocated Amount on the third anniversary of the Effective Date subject to adjustment. The Management Stock Plan shall provide that the USAM Secured Creditor Swing Shares shall not be issued to management. The Management Stock Plan shall be substantially in the form submitted in the Plan Supplement, as amended by any supplement thereto. Any unvested New Common Stock granted under the Management Stock Plan shall not vest if the employment of an employee entitled to such grant is terminated for any reason.

5. The Unsecured Noteholder Subcommittee shall, upon the Confirmation of the First Amended Joint Plan of Reorganization, dismiss with prejudice its adversary proceeding against Toronto Dominion (Texas), Inc. Barclays Bank, PLC, Royal Bank of Canada, Fleet National Bank, the Bank of New York and John Doe(s), Adv. Pro. 02-4145, and shall, upon the execution of this modification, withdraw its objection to the confirmation of the First Amended Joint Plan of Reorganization, provided that all parties to the pending appeal from the Order directing the United States Trustee to appoint an Unsecured Noteholders Committee or Subcommittee shall stipulate to and/or jointly move for the dismissal of such appeal with prejudice, all parties to bear their own costs.

6. Article XII.A. is amended by adding the following sentence:

Notwithstanding the foregoing, the Committees shall remain in existence as constituted on the Confirmation Date, and their then existing professionals shall remain employed, solely for the purpose of monitoring the Debtors' objections to Claims and shall have standing with respect to the objection or Allowance of any Claims (except that the Unsecured Noteholders Subcommittee shall have such power, duty and standing only with respect to Claims against AWCI which are not Bank Unsecured Claims or USAM Note Claims).

7. Except as specifically modified hereby, the First Amended Joint Plan of Reorganization dated March 13, 2002 is not modified, amended or supplemented in any respect and as modified hereby shall be referred to as the "Modified Joint Plan of Reorganization."

Dated: May 8, 2002

ARCH WIRELESS, INC.
ARCH WIRELESS COMMUNICATIONS, INC.
ARCH WIRELESS HOLDINGS, INC.
PAGING NETWORK, INC.
PAGENET SMR SUB, INC.
PAGING NETWORK CANADIAN HOLDINGS, INC.
PAGENET, INC.
PAGING NETWORK FINANCING CORP.
PAGING NETWORK OF AMERICA, INC.
PAGING NETWORK OF COLORADO, INC.
PAGING NETWORK OF MICHIGAN, INC.
PAGING NETWORK OF NORTHERN CALIFORNIA, INC.
PAGING NETWORK OF SAN FRANCISCO, INC.
PAGING NETWORK INTERNATIONAL, INC.
ARCHTEL, INC.
ARCH COMMUNICATIONS ENTERPRISES LLC
ARCH CONNECTICUT VALLEY, INC.
BENBOW INVESTMENTS, INC.
MOBILEMEDIA COMMUNICATIONS, INC.
MOBILE COMMUNICATIONS CORPORATION OF AMERICA
MOBILEMEDIA LICENSE CO. LLC

Debtors and Debtors In Possession

By: /S/ J. ROY POTTLE

Name: J. Roy Pottle

Title: Executive Vice President and Chief
Financial Officer

Assented To:

Steering Committee

Official Committee of Unsecured
Creditors

By: /S/ PETER SPIELMAN

By: ILLEGIBLE

Peter Spielman

Unofficial Noteholders Subcommittee

By: /S/ STEPHEN F. GORDON

Stephen F. Gordon, Counsel