

Second License Application Corp

Form S-4/A

May 03, 2007

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As filed with the Securities and Exchange Commission on May 3, 2007

Registration No. 333-142012

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**AMENDMENT NO. 1**

**TO**

**FORM S-4**

**REGISTRATION STATEMENT**

*UNDER*

*THE SECURITIES ACT OF 1933*

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**IDEARC INC.**

(Exact name of registrant issuer as specified in its charter)

(See table of additional registrants on following page)

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**Delaware**

(State or other jurisdiction of incorporation or organization)

**2741**

(Primary Standard Industrial Classification Code Number)

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20-5095175

(I.R.S. Employer Identification Number)

2200 West Airfield Drive

P.O. Box 619810

DFW Airport, Texas 75261

(972) 453-7000

(Address, including ZIP Code, and telephone number, including area code, of registrants principal executive offices)

---

William G. Mundy

Executive Vice President, General Counsel and Secretary

Idearc Inc.

P.O. Box 619810

2200 West Airfield Drive

DFW Airport, Texas 75261 (972) 453-7000

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

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*With a copy to:*

Glen J. Hettinger

Fulbright & Jaworski L.L.P.

2200 Ross Avenue, Suite 2800

Dallas, Texas 75201

(214) 855-8000

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Approximate date of commencement of proposed sale to the public: **As soon as practicable after this Registration Statement becomes effective.**

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities of an offering pursuant to Rule 462(b) 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. "

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If this Form is a post-effective amendment filed pursuant to Rule 462(b) 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. "

**The registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the registrants shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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<b>Exact Name of Additional Registrant as Specified in its Charter/Constituent Documents*</b>	<b>State or Other Jurisdiction of Incorporation or Organization</b>	<b>Primary Standard Industrial Classification Code Number</b>	<b>I.R.S. Employer Identification Number</b>
Idearc Information Services LLC	Delaware	2741	36-2242454
Idearc Media Corp.	Delaware	2741	75-2666092
Idearc Media Sales East Co.	Maryland	2741	23-2462664
Idearc Media Sales East LLC	Delaware	2741	30-0376804
Idearc Media Sales West Inc.	Delaware	2741	36-3254411
Idearc Media Services West Inc.	Delaware	2741	36-3052834
Idearc Media Services East Inc.	Delaware	2741	23-2864773
License Application Corporation	Delaware	2741	84-1716917
Second License Application Corporation	Delaware	2741	84-1716918

\* The address for each of the additional registrants is c/o Idearc Inc., P.O. Box 619810, 2200 West Airfield Drive, DFW Airport, Texas 75261, telephone (972) 453-7000. The name and address, including zip code, of the agent for service for each additional registrant is William G. Mundy, Executive Vice President, General Counsel and Secretary of Idearc Inc., P.O. Box 619810, 2200 West Airfield Drive, DFW Airport, Texas 75261, telephone (972) 453-7000.

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**The information in this prospectus is not complete and may be changed. We may not complete the exchange offer or issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED MAY 3, 2007**

PROSPECTUS

## **Idearc Inc.**

### **Offer to Exchange**

**\$2,850,000,000 Outstanding 8% Senior Notes due 2016**

**for \$2,850,000,000 Registered 8% Senior Notes due 2016**

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*The New Notes:*

The terms of the new notes offered in the exchange offer are substantially identical to the terms of the old notes, except that the new notes are registered under the Securities Act of 1933 and will not contain restrictions on transfer or provisions relating to additional interest, will bear a different CUSIP or ISIN number from the old notes and will not entitle their holders to registration rights.

**Investing in the new notes involves risks. You should carefully review the risk factors beginning on page 13 of this prospectus before participating in the exchange offer.**

*The Exchange Offer:*

Our offer to exchange old notes for new notes will be open until 5:00 p.m., New York City time, on \_\_\_\_\_, 2007, unless extended.

No public market currently exists for the notes.

*The Guarantees:*

Each of our material domestic subsidiaries that guarantees our obligations under our senior credit facilities will guarantee the new notes on an unsecured senior basis.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

The date of this prospectus is \_\_\_\_\_, 2007.

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We have not authorized anyone to give you any information or to make any representations about the transactions we discuss in this prospectus other than those contained in the prospectus. If you are given any information or representation about these matters that is not discussed in this prospectus, you must not rely on that information. This prospectus is not an offer to sell or a solicitation of an offer to buy securities anywhere or to anyone where or to whom we are not permitted to offer to sell securities under applicable law.

In making an investment decision, investors must rely on their own examination of the issuer, the guarantors, and the terms of the offer, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

In connection with the exchange offer, we have filed with the U.S. Securities and Exchange Commission a registration statement on Form S-4, under the Securities Act of 1933, relating to the new notes to be issued in the exchange offer. As permitted by Securities and Exchange Commission rules, this prospectus omits certain information included in the registration statement. For a more complete understanding of the exchange offer, please refer to the registration statement, including its exhibits.

The public may read and copy any reports or other information that we file with the Securities and Exchange Commission. Such filings are available to the public over the Internet at the Securities and Exchange Commission's website at <http://www.sec.gov>. The Securities and Exchange Commission's website is included in this prospectus as an inactive textual reference only. You may also read and copy any document that we file with

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the Securities and Exchange Commission at its public reference room at 100 F Street, N.E., Room 1580, Washington D.C. 20549. You may obtain information on the operation of the public reference room by calling the Securities and Exchange Commission at 1-800-SEC-0330. You may also obtain a copy of the registration statement relating to the exchange offer and other information that we file with the Securities and Exchange Commission at no cost by calling us or writing to us at the following address:

Idearc Inc.  
P.O. Box 619810  
2200 West Airfield Drive  
DFW Airport, Texas 75261  
Attn: Investor Relations  
  
(972) 453-7000

**In order to obtain timely delivery of such materials, you must request documents from us no later than five business days before you make your investment decision or at the latest by , 2007.**

**THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO PURCHASE NOTES IN ANY JURISDICTION IN WHICH, OR TO OR FROM ANY PERSON TO OR FROM WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER UNDER APPLICABLE SECURITIES OR BLUE SKY LAWS.**

The delivery of this prospectus shall not under any circumstances create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in any attachments hereto or in the affairs of Idearc Inc. or any of its subsidiaries or affiliates since the date hereof.

**NOTICES TO CERTAIN NON-U.S. RESIDENTS**

**European Economic Area Investors**

In any member state of the European Economic Area that has implemented the Prospectus Directive 2003/71/EC, this communication is only addressed to and is only directed at qualified investors in such member state of the European Economic Area within the meaning of the Prospectus Directive. This prospectus has been prepared on the basis that all offers of new notes will be made pursuant to an exemption under such Prospectus Directive, as implemented in such member state of the European Economic Area, from the requirement to produce a prospectus for offers of new notes. Accordingly, any person making or intending to make any offer within the European Economic Area of new notes that are the subject of the placement contemplated in this prospectus should only do so in circumstances in which no obligation arises for the issuer or the guarantors of the new notes to produce or supplement a prospectus for such offer. Neither the issuer nor the guarantors of the new notes have authorized, nor do they authorize, the making of any offer of new notes through any financial intermediary. The offering of the new notes by the issuer constitutes the final placement of the new notes contemplated by this prospectus.

**UK Investors**

This document is only being distributed to and is only directed at (1) persons who are outside the United Kingdom or (2) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or the Order, or (3) high net worth companies, and other persons to whom it may lawfully be communicated falling within Article 49(2) (a) to (d) of the Order (all such persons together being referred to as relevant persons ). The new notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such new notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents. Relevant persons referred to in clauses (2) and (3) above who are also qualified investors in a member state of the European Economic Area, are referred to as UK Eligible Investors.





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**Certain Representations and Warranties**

Any person acquiring the new notes will be required in any acceptance of any offer of new notes to represent and warrant, and by accepting any new notes will be deemed to have represented and warranted, as follows:

*EEA Investors*

If it is located or resident in any member state of the European Economic Area, it is a qualified investor in such member state of the European Economic Area, and in the case of any new notes that may be acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive 2003/71/EC as implemented in such member state of the European Economic Area:

(1) it will not have acquired the new notes on behalf of, or with a view to offering or reselling the new notes to, persons in any member state of the European Economic Area other than a qualified investor in such member state of the European Economic Area; or

(2) where new notes may be acquired by it on behalf of persons in any member state of the European Economic Area other than a qualified investor in such member state of the European Economic Area, the offer of those new notes to it would not be treated under the Prospectus Directive 2003/71/EC as implemented in such member state of the European Economic Area as having been made to such other persons.

The expression an offer in relation to any new notes in any member state of the European Economic Area means the communication in any form and by any means of sufficient information on the terms of the offer and any new notes to be offered so as to enable an investor to decide to purchase or subscribe for the new notes, as the same may be varied in that member state of the European Economic Area by any measure implementing the Prospectus Directive 2003/71/EC in that member state of the European Economic Area and the term offering will have a correlative meaning.

*U.K. Investors*

If it is located or resident in the United Kingdom, it is a UK Eligible Investor referred to above under Notices to Certain Non-U.S. Residents UK Investors.

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**TERMS USED IN THIS PROSPECTUS**

Unless otherwise noted or indicated by the context, in this prospectus, the following terms have the meanings indicated:

we, our, us, Company and Idearc refer to Idearc Inc. and its subsidiaries where applicable. When the context so requires, we use these terms to refer to our historical businesses prior to the spin-off.

Idearc Information Services and IIS refer to Idearc Information Services LLC.

Verizon refers to Verizon Communications Inc.

the spin-off and the spin-off transactions refer to the transactions related to the separation of our business from Verizon, as described in the section Management's Discussion and Analysis of Financial Condition and Results of Operations Overview Spin-Off from Verizon.

New notes refers to the new series of notes offered hereby having terms identical to the old notes, except that the new notes will be registered under the Securities Act of 1933 and therefore will not be subject to restrictions on transfer; will not be subject to provisions relating to additional interest; will bear a different CUSIP or ISIN number from the old notes; will not entitle their holders to registration rights; and will be subject to terms relating to book-entry procedures and administrative terms relating to transfers that differ from those of the old notes.

Notes refers to both the old notes and the new notes.

Old notes refers to the currently outstanding \$2,850,000,000 principal amount 8% Senior Notes due 2016 that we issued in the spin-off transactions.

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**SUMMARY**

*This summary highlights information contained elsewhere in this prospectus. Because this is only a summary, it does not contain all of the information that may be important to you. For a more complete understanding of this exchange offer, we encourage you to read the entire prospectus, including the consolidated financial statements and the related notes included elsewhere in this prospectus and the section entitled Risk Factors beginning on page 13 of this prospectus.*

**Our Company**

Our multi-platform portfolio strongly positions us in our market space. We are the second largest yellow pages directories publisher in the United States as measured by revenues, and we believe that we have the nation's leading Internet yellow pages directory. Our products include print yellow pages, print white pages, Superpages.com® (our Internet yellow pages directory) and an information directory for wireless subscribers, Superpages Mobile<sup>SM</sup>. We are the exclusive official publisher of Verizon print directories in the markets in which Verizon is currently the incumbent local exchange carrier, which we refer to as our incumbent markets. We use the Verizon brand on our print directories in our incumbent markets, as well as in our current markets in which Verizon is not the incumbent, which we refer to as our independent markets.

We, together with our predecessors, have more than 125 years of experience in the print directory business. We believe that we have consistently held a leading market position in our incumbent markets. We publish our directories in approximately 360 markets in 35 states across the United States and the District of Columbia, providing a geographically diversified revenue base. In 2006, we published more than 1,200 distinct directory titles, including more than 1,100 directory titles in our incumbent markets and more than 100 directory titles in our independent markets, and distributed approximately 130 million copies of these directories to businesses and residences in the United States. In addition, in 1996, we launched Superpages.com, which includes approximately 18 million business listings and tens of millions of residential listings in the United States. In 2006, Superpages.com had more than 2.8 billion network searches. We believe that we have an opportunity to increase the revenues from our independent print and Internet yellow pages directories businesses over the next several years.

We derive our revenues primarily through the sale of print directory advertising. Approximately 93% of our revenues for 2006 came from the sale of advertising in print directories. The remaining 7% came from our Internet business, which includes Superpages.com. In 2006, we generated revenues of \$3,221 million and operating income of \$1,323 million.

Our strategy is to continue to connect our advertising customers with buyers through our multi-platform suite of products that include print and Internet yellow pages directories and other complementary products.

We believe that businesses choose our products and services because they value the return on investment they achieve when advertising through our products and services relative to other media, the fact that a large number of consumers who consult yellow pages directories actually make a purchase, the broad and diverse demographic and geographic base of consumers who use our products and services, including our advanced Internet products and relationships with several search engines, and the quality of our client service and support.

We completed our spin-off from Verizon on November 17, 2006. In connection with the spin-off, we issued approximately 146 million shares of our common stock and \$9,115 million in debt. In addition, we entered into various agreements with Verizon, including a 30-year publishing agreement pursuant to which we are the official publisher of Verizon print directories with rights to publish yellow pages under the Verizon brand in both our incumbent and current independent markets.

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#### **Competitive Strengths**

We believe that our multi-platform portfolio possesses the following strengths that will enable us to continue to compete successfully in the local advertising market:

**Leading market position.** We are the second largest yellow pages directories publisher in the United States as measured by revenues, and we believe that we have the nation's leading Internet yellow pages directory. In connection with the spin-off, we entered into a 30-year publishing agreement with Verizon, under which we are the exclusive official print directory publisher of Verizon Yellow Pages in our incumbent markets. Pursuant to our branding agreement with Verizon, we use the Verizon brand on our print directories in our incumbent and current independent markets. We believe our position as the official publisher of Verizon print directories in our incumbent markets drives consumer awareness and usage of our directories. In addition, we believe that the Verizon brand and Verizon's long-term presence as the incumbent local exchange carrier have positioned us as a preferred directory for both consumers and local advertisers in our incumbent markets and provide us immediate credibility as we expand into independent markets.

**Diverse and attractive markets.** We currently publish our directories in approximately 320 incumbent markets and more than 40 independent markets. We operate in 35 states across the United States and the District of Columbia. We believe our markets are attractive for local and national advertisers due to high concentrations of well-educated and affluent residents and consumer spending that tends to be higher than the national average. We select independent markets by assessing potential for sustained growth, ability to make a meaningful positive contribution to our profitability within two to three years of entry, ability to enhance our Superpages.com content, ability to expand our print footprint to attract national advertisers, the current competitive landscape and the proximity to our existing sales force. In 2006, our top ten directories, as measured by revenues, accounted for only 11% of our revenues and no single directory accounted for more than 2% of our revenues.

**Superior value proposition for our advertisers.** We believe directory advertising provides our advertisers with a greater value proposition than other media because it targets consumers at the key time when they are actively seeking information to make a purchase. We believe that our directory advertising generally provides a competitive cost per reference. Cost per reference is a measure of an advertiser's cost per contact (e.g., a telephone call or consumer visit) generated from advertising through our products and services. We also believe that our directory advertising provides a higher return on investment than many other local advertising alternatives, including newspapers, television and radio. We offer our customers an array of complementary products in which they can advertise, including smaller-sized portable Verizon Yellow Pages Companion Directories, community directories in specific neighborhoods, Superpages.com, Superpages Mobile and Solutions Direct and Solutions at Hand products that extend our customers' reach into other media categories.

**Large locally based sales force.** As of December 31, 2006, we had more than 3,000 sales representatives, including sales management, operating throughout the United States. The majority of our sales force is locally based, operates from 56 regional offices and consists of premise sales representatives who generally focus on high-revenue customers. We believe the size, local presence and local market knowledge of our sales force is a competitive advantage that enables us to develop and maintain long-standing relationships with our advertisers. Our local print customer renewal rate (which excludes the loss of customers that did not renew because they are no longer in business) has remained above 85% over the past three years and exceeds 90% for our highest value customers. In addition, we have well-established training programs, practices and procedures to manage the productivity and effectiveness of our sales force. See Business Sales and Marketing.

**Leading Internet yellow pages directory.** We view Superpages.com as a natural extension of, and complement to, our print directories, enabling us to deliver additional high-quality leads for our customers. We

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believe that Superpages.com, which includes approximately 18 million business listings and tens of millions of residential listings in the United States, is the nation's leading Internet yellow pages directory. For instance, Superpages.com was the first Internet yellow pages directory to offer both fixed-fee and performance-based advertising product (PBAP) options. In addition, it has a wide range of enhancements, including user reviews, links to web-based shopping information, self- and full-service fulfillment options, website design and hosting services and an accompanying search engine marketing option for businesses that do not have the capabilities or resources to navigate Internet marketing. Under agreements with several major search engines, we place local advertising content on the search engines' websites, providing us with higher traffic volume while retaining the customer relationship. We believe that even as those search engines develop their own local search capabilities, they will continue to find these agreements beneficial because our local sales force provides them access to local advertising content without having to invest in their own local sales force.

***Product innovation and product adaptation.*** We offer a broad product portfolio that provides our customers additional high-quality leads. In addition to our print directories, we offer print extensions, such as Solutions at Hand magazines and Solutions Direct advertising postcard packages, to enable us to capture revenue in the \$56 billion direct mail industry and \$13 billion magazine industry, as well as Superpages.com, our Superpages Mobile service for wireless phone subscribers and a broad and well-established distribution platform. We believe we are adept at both developing innovative products and adapting quickly to consumer preferences, thus enabling us to maintain our strong position in the directories market. For instance, in 1996, we launched Superpages.com to enter into the Internet yellow pages directory business and to complement and support our print yellow pages base. Since then, we have further developed Superpages.com to adapt to market demands and advances in technology and to effectively compete against or partner with other online information providers. In addition, in 2005, we introduced Verizon Yellow Pages Companion Directories, which are convenient, smaller-sized directories that are distributed in conjunction with the full-size Verizon Yellow Pages. Advertising in the companion directories is available only to businesses that maintain or increase their programs in the core directory. Within a year of introducing our smaller-sized directories, we became the largest publisher of smaller-sized companion directories. We also publish more than 60 Hispanic directories, which we believe is substantially more than any of our competitors.

***Diverse customer base.*** We generate our revenues from our large base of customers, which was approximately 850,000 as of December 31, 2006. As of December 31, 2005, we had approximately 880,000 customers. The 3.5% decline in customers from 2005 to 2006 was primarily due to the loss of small customers with entry level programs. We do not depend to any significant extent on the sale of advertising to a particular industry or to a particular advertiser and our customer renewal rates (which exclude the loss of customers that did not renew because they are no longer in business) have been over 85% for the past three years and over 90% for our highest value customers. In 2006, no single customer accounted for more than 0.06% of our revenues, with our top ten customers representing less than 0.5% of our revenues.

***Resilient business model.*** A substantial reduction in our sales force in 2003 from a management voluntary separation program offered to all of Verizon's non-union and certain union employees resulted in a decline in revenue of approximately 4.0% from 2004 to 2005 and approximately 4.5% from 2005 to 2006. Despite this decline, we maintained operating income margins of 46% in 2004, 49% in 2005 and 41% in 2006.

***Favorable cash flow characteristics.*** Our business benefits from strong revenue visibility, low capital requirements and significant cash flow generation. The pre-sold nature of directory advertising provides significant revenue and cash flow visibility because advertisers generally pay on a monthly basis over the life of a print directory, which is typically one year, and over the term of Internet advertising, which is also typically one year. The capital expenditure requirements of our business are modest and amounted to \$64 million, \$78 million and \$85 million in 2006, 2005 and 2004, respectively, in each case representing less than 2.5% of total operating revenue. As a result, we generate strong free cash flow.

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**Experienced management team.** We have a strong and experienced senior management team across all areas of our organization, including sales, finance, operations, marketing and customer service. Our senior management team has an average of more than 25 years of experience in the telecommunications and directory publishing industries.

### **Business Strategy**

Our strategy is to continue to connect our advertising customers with buyers through a variety of cost-effective products that include print and Internet yellow pages directories and other complementary products. In order to execute our strategy, we will continue to rely on our core strengths, including our leading market position in our incumbent markets, our large locally based sales force, the Verizon brand, our diverse and attractive markets, our leading position in the Internet yellow pages directory market and our focused product innovation.

The principal elements of our business strategy include:

**Invest in our print business and related growth initiatives.** We are investing in our sales force, products, distribution and advertising and continue to selectively expand into additional markets.

**Enhance advertiser value.** To further improve advertisers' return on investment, we continue to implement and refine programs that align each advertiser's costs with the value of the advertising program purchased. In addition, we will introduce and market new products that provide our advertisers with additional opportunities to reach consumers and further enhance their cost per reference.

**Leverage the Verizon brand and promote our new Idearc brand.** We use the Verizon brand on our print directories in our incumbent and current independent markets. We believe the Verizon brand has positioned us as a preferred directory for both consumers and local advertisers in our incumbent markets and provides us immediate credibility as we expand into independent markets. In addition, we invest in brand awareness campaigns that introduce our new Idearc brand by reinforcing the benefits we offer consumers and advertisers.

**Continue to leverage and invest in our large locally based sales force.** We are recruiting, hiring and training additional sales representatives to ensure that we can take full advantage of market opportunities. We invest in and develop training programs to enhance our sales force productivity and to effectively manage our customer relationships. We employ a number of sales representatives slightly above necessary levels to maintain an adequate number of trained, professional sales representatives. We believe that our sales force will further penetrate the markets we currently serve and increase our sales volume. Furthermore, we offer an incentive-based compensation plan, which we believe results in increased productivity and lower employee turnover.

**Further develop our Internet yellow pages directory service and continue to establish relationships with Internet companies.** We are continuing to enhance Superpages.com, as well as pursue additional relationships with major search engines and Internet content providers. We will take advantage of our local sales force infrastructure and broad customer base to further develop relationships with Internet companies. We believe that our full-service offerings and relationships with Internet companies will continue to differentiate us from our competitors.

**Continue to implement market-specific strategies.** We intend to continue to implement market-specific strategies to stabilize print product revenues in certain densely populated urban areas. Examples of these strategies include continued investment in the local sales force, adjusting the geographic reach of specific directories to reflect changing demographics and shopping patterns, adjusting the timing and method of directory distribution and expanding our product line to attract new



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spending from our customer base. In our other regions of the country that are realizing higher business formation, we intend to continue to invest in sales resources, distribution and products that capture customer growth and enhance revenue performance. In addition to our business strategies listed above, we may from time to time in the future seek to grow our business by making acquisitions or entering into partnerships and joint ventures.

**The Spin-Off Transactions**

**The Spin-Off**

The separation of Idearc from Verizon was structured as a spin-off. Verizon transferred to Idearc all of its ownership interest in Idearc Information Services, which was converted into a limited liability company prior to such contribution, and other assets, liabilities, businesses and employees primarily related to Verizon's domestic print and Internet yellow pages directories publishing operations, which we refer to collectively as the contribution.

In connection with the spin-off, we entered into credit facilities, which we refer to as the credit facilities, providing for an aggregate amount of \$6,515 million, consisting of (i) a senior secured revolving credit facility in the principal amount of \$250 million and (ii) a senior secured term loan facility in an aggregate principal amount of \$6,265 million consisting of (a) a tranche A term loan facility of \$1,515 million (the tranche A facility) and (b) a tranche B term loan facility of \$4,750 million (the tranche B facility) (we refer to the tranche B facility, and together with the tranche A facility, as the term loan facilities).

In exchange for the contribution, Idearc (i) issued to Verizon additional shares of Idearc common stock, which Verizon distributed to Verizon's stockholders pro rata in the spin-off, (ii) issued to Verizon the old notes and a portion of the loans under the tranche B facility, which we collectively refer to as the Idearc debt obligations, and (iii) transferred to Verizon \$2,429 million from cash on hand, from the proceeds of the loans under the tranche A facility and from the proceeds from the remaining portion of the loans under the tranche B facility. See Description of Other Indebtedness.

After the contribution, Verizon spun-off Idearc to the stockholders of Verizon by distributing all its shares of Idearc common stock to Verizon stockholders on a pro rata basis.

As a result of the spin-off, Idearc became an independent public company, although Idearc continues to have a number of significant commercial arrangements with Verizon. Idearc common stock is listed on the New York Stock Exchange under the symbol IAR.

**The Debt Exchange**

Following the spin-off, Verizon exchanged the Idearc debt obligations for certain outstanding Verizon debt, thereby reducing Verizon's outstanding indebtedness.

**Relationship with Verizon After the Spin-Off** In connection with the spin-off, we entered into agreements with Verizon to define the initial relationship between Verizon and us with





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respect to a number of services that will be provided. These agreements became effective immediately after the consummation of the spin-off. In particular, we entered into the following agreements with Verizon:

a transition services agreement under which Verizon provides us with services on an interim basis,

a publishing agreement,

a non-competition agreement,

a branding agreement,

a listings license agreement,

a billing and collection agreement,

an employee matters agreement,

an intellectual property agreement, and

an agreement providing for the sharing of taxes incurred before and after the spin-off, indemnification rights with respect to tax matters and restrictions to preserve the tax-free status of the spin-off.

**Debt** After giving effect to the issuance of the old notes, the borrowing under the credit facilities and certain expenses related to the transactions, we have \$9,115 million (including \$2,850 million of the notes) of indebtedness. Immediately following the spin-off, we had combined cash and equivalents of approximately \$100 million and available liquidity under the revolving credit facility of approximately \$249 million (net of \$1 million of letters of credit issued). See Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources and Description of Other Indebtedness.

**Additional Information**

Idearc Inc. is a Delaware corporation. Our principal executive offices are located at 2200 West Airfield Drive, DFW Airport, Texas 75261, and our telephone number there is (972) 453-7000. Our website address is www.idearc.com. The information on our website is not deemed part of this prospectus.

**Summary of the Terms of the Exchange Offer**

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On November 17, 2006, we completed an offering of \$2,850 million aggregate principal amount of 8% Senior Notes due 2016, or the old notes. The offering of the old notes was made only to qualified institutional buyers under Rule 144A and to persons outside the United States under Regulation S, and accordingly was exempt from registration under the Securities Act of 1933.

### **Securities Offered**

Up to \$2,850 million aggregate principal amount of our 8% Senior Notes due 2016, which we refer to as the new notes, which have been registered under the Securities Act of 1933.

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The terms of the new notes offered in the exchange offer are identical in all material respects to those of the old notes, except that the new notes will:

be registered under the Securities Act of 1933 and therefore will not be subject to restrictions on transfer;

not be subject to provisions relating to additional interest;

bear a different CUSIP or ISIN number from the old notes;

not entitle their holders to registration rights; and

be subject to terms relating to book-entry procedures and administrative terms relating to transfers that differ from those of the old notes.

**The Exchange Offer**

You may exchange old notes for new notes. Subject to the satisfaction or waiver of specified conditions, we will issue the new notes for all old notes that are validly tendered and not validly withdrawn prior to the expiration of the exchange offer. We will cause the exchange to be effected promptly after the expiration of the exchange offer.

**Resale of the New Notes**

We believe the new notes that will be issued in the exchange offer may be resold by most investors without compliance with the registration and prospectus delivery provisions of the Securities Act of 1933, subject to some conditions. You should read the discussion under the heading **The Exchange Offer** for further information regarding the exchange offer and resale of the new notes.

**Registration Rights Agreement**

We have undertaken this exchange offer pursuant to the terms of a registration rights agreement entered into with the initial purchasers of the old notes. We have agreed to use our commercially reasonable efforts to cause the registration statement of which this prospectus is a part to become effective within 270 days after the date of issuance of the old notes. We have further agreed to commence the exchange offer promptly after the registration statement of which this prospectus is a part becomes effective and to hold the offer open for the period required by applicable law (including pursuant to any applicable interpretation by the staff of the Securities and Exchange Commission), but in any event for at least 20 business days. See **The Exchange Offer**.

**Consequences of Failure to Exchange the Old Notes** You will continue to hold the old notes that remain subject to their existing transfer restrictions if you:

do not tender your old notes; or

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tender your old notes and they are not accepted for exchange.

We will have no obligation to register the old notes after we consummate the exchange offer. See [The Exchange Offer](#) [Terms of the Exchange Offer](#) and [Risk Factors](#) [Risks Related to the Notes](#).

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Upon completion of the exchange offer, there may be no market for the old notes that remain outstanding and you may have difficulty selling them.

**Expiration Date**

The exchange offer will expire at 5:00 p.m., New York City time, on \_\_\_\_\_, 2007, or the expiration date, unless we extend either or both of them, in which case expiration date means the latest date and time to which the exchange offer has been extended.

**Interest on the New Notes**

The new notes will accrue interest from the most recent date to which interest has been paid or provided for on the old notes or, if no interest has been paid on the old notes, from the date of original issue of the old notes.

**Conditions to the Exchange Offer**

The exchange offer is subject to several customary conditions. We will not be required to accept for exchange, or to issue new notes in exchange for, any old notes and may terminate or amend the exchange offer if we determine in our reasonable judgment that the exchange offer violates applicable law, any applicable interpretation of the Securities and Exchange Commission or its staff or any action or proceeding has been instituted or threatened in any court or by any governmental agency that might materially impair our ability to proceed with the exchange offer, or any material adverse development has occurred in any existing action or proceeding with respect to us. The foregoing conditions are for our sole benefit and may be waived by us. In addition, we will not accept for exchange any old notes tendered, and no new notes will be issued in exchange for any such old notes if:

at any time any stop order is threatened or in effect with respect to the registration statement of which this prospectus is a part; or

at any time any stop order is threatened or in effect with respect to the qualification of the indenture governing the notes under the Trust Indenture Act of 1939.

See The Exchange Offer Conditions. We reserve the right to terminate or amend the exchange offer at any time prior to the expiration date upon the occurrence of any of the foregoing events.

**Procedures for Tendering Old Notes**

If you wish to participate in the exchange offer, you must submit required documentation and tender your old notes pursuant to the procedures for book-entry transfer (or other applicable procedures), all in accordance with the instructions described in this prospectus and in the letter of transmittal or electronic acceptance instruction. See The Exchange Offer Procedures for Tendering Old Notes, Book-Entry Transfer and Guaranteed Delivery Procedures.

**Guaranteed Delivery Procedures**

If you wish to tender your old notes, but cannot properly do so prior to the expiration date, you may tender your old notes according to the guaranteed delivery procedures set forth in The Exchange Offer Guaranteed Delivery Procedures.



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**Withdrawal Rights**

Tenders of old notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the expiration date. To withdraw a tender of old notes, a written or facsimile transmission notice of withdrawal must be received by the exchange agent at its address set forth in The Exchange Offer Exchange Agent prior to 5:00 p.m., New York City time, on the expiration date.

**Acceptance of Old Notes and Delivery of New Notes**

Except in some circumstances, any and all old notes that are validly tendered in the exchange offer prior to 5:00 p.m., New York City time, on the expiration date will be accepted for exchange. The new notes issued pursuant to the exchange offer will be delivered promptly following the expiration date. We may reject any and all old notes that we determine have not been properly tendered or any old notes the acceptance of which would, in the opinion of our counsel, be unlawful. We may waive any irregularities in the tender of the old notes. See The Exchange Offer Procedures for Tendering Old Notes, Book-Entry Transfer, and Guaranteed Delivery Procedures. We will have no obligation to register the old notes after we consummate the exchange offer.

**Certain U.S. Federal Tax Considerations**

We believe that the exchange of the old notes for the new notes will not constitute a taxable exchange for U.S. federal income tax purposes. See Certain U.S. Federal Tax Considerations.

**Exchange Agent**

U.S. Bank National Association, is serving as the exchange agent.

**Summary of the Terms of the New Notes**

The terms of the new notes offered in the exchange offer are identical in all material respects to the terms of old notes, except that the new notes:

will be registered under the Securities Act of 1933 and, therefore, will not be subject to restrictions on transfer;

will not be subject to provisions relating to additional interest;

will bear a different CUSIP or ISIN number from the old notes;

will not entitle their holders to registration rights; and

will be subject to terms relating to book-entry procedures and administrative terms relating to transfers that differ from those of the old notes.

The summary below describes the principal terms of the notes. Some of the terms and conditions described below are subject to important limitations and exceptions. The Description of Notes section of this prospectus contains more detailed descriptions of the terms and conditions of the new notes.

**Issuer**

Idearc Inc.



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**Maturity Date**

The notes mature on November 15, 2016.

**Interest Payment Dates**

May 15 and November 15, commencing on November 15, 2007. Interest has been accruing on the notes since November 17, 2006.

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**Ranking**

The old notes are and the new notes will be general unsecured obligations of Idearc Inc. and rank:

equal in right of payment to all of our existing and future unsecured indebtedness and other obligations that are not, by their terms, expressly subordinated in right of payment to the notes;

senior in right of payment to any of our future indebtedness and other obligations that are, by their terms, expressly subordinated in right of payment to the notes; and

effectively subordinated to all of our secured indebtedness and other secured obligations to the extent of the value of the assets securing such indebtedness and other obligations and to all indebtedness and other liabilities of our subsidiaries (other than subsidiaries that become subsidiary guarantors).

The old notes are and the new notes will be guaranteed, on a senior basis, by each domestic subsidiary of Idearc that guarantees all or a portion of our indebtedness under the credit facilities. These guarantees are subject to termination under specified circumstances. See Description of Notes Subsidiary Guarantees. The senior note guarantee of each guarantor is an unsecured senior obligation of that guarantor and ranks:

equal in right of payment to all existing and future unsecured indebtedness and other obligations of that guarantor that are not, by their terms, expressly subordinated in right of payment to its senior note guarantee;

senior in right of payment to any future indebtedness and other obligations of that guarantor that are, by their terms, expressly subordinated in right of payment to its senior note guarantee; and

effectively subordinated to all secured indebtedness and other secured obligations of that guarantor to the extent of the value of the assets securing such indebtedness and other obligations.

As of December 31, 2006, we had debt on our consolidated balance sheet of \$9,115 million. Of this debt, \$6,265 million is secured under our credit facilities and structurally senior to the new notes. We may incur additional debt, including secured debt, under the credit facilities and otherwise. See Capitalization and Description of Other Indebtedness.

**Mandatory Sinking Fund**

None.

**Optional Redemption**

We may redeem the notes, in whole or in part, at our option, at any time

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on or after November 15, 2011, at a redemption price equal to 104% of the principal amount, plus accrued and unpaid interest thereon;

on or after November 15, 2012, at a redemption price equal to 102.667% of the principal amount, plus accrued and unpaid interest thereon;

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