

# FIRST AVENUE NETWORKS INC

## FORM 8-K (Unscheduled Material Events)

Filed 5/15/2006 For Period Ending 5/15/2006

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Industry	Communications Services
Sector	Services
Fiscal Year	12/31

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**UNITED STATES**  
**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 15, 2006**

**FIRST AVENUE NETWORKS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**000-21091**  
(Commission File  
Number)

**52-1869023**  
(I.R.S. Employer  
Identification No.)

**7925 Jones Branch Drive**  
**Suite 3300**  
**McLean, Virginia**  
(Address of principal executive offices)

**22102**  
(Zip Code)

Registrant's telephone number, including area code: **(703) 873-4165**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01 Regulation FD Disclosure.**

On May 15, 2006, First Avenue Networks, Inc. (the “Company”) issued a press release announcing that it had entered into an Agreement and Plan of Merger, dated May 14, 2006, with FiberTower Corporation and Marlin Acquisition Corporation, a wholly-owned subsidiary of the Company. A copy of the press release is furnished and attached as Exhibit 99.1 hereto and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information in Exhibit 99.1 attached hereto is being furnished and is not deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not otherwise subject to the liabilities of that section. Accordingly, the information in Exhibit 99.1 attached hereto will not be incorporated by reference into any filing made by First Avenue under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, unless specifically identified therein as being incorporated therein by reference.

**Item 9.01. Financial Statements and Exhibits.**

**(d) Exhibits**

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release of First Avenue Networks, Inc., dated May 15, 2006.

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## SIGNATURES

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 15, 2006

FIRST AVENUE NETWORKS, INC.

By: /s/ Thomas A. Scott  
Name: Thomas A. Scott  
Title: Chief Financial Officer, Secretary and  
Treasurer

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EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release of First Avenue Networks, Inc., dated May 15, 2006.

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**FOR IMMEDIATE RELEASE**

**FiberTower Corporation and First Avenue Networks  
Announce Merger Agreement**

**Creates Nation's Leading Provider of Fixed Wireless Services**

**SAN FRANCISCO and MCLEAN Va., May 15, 2006** — FiberTower Corporation, a national provider of wireless backhaul, and First Avenue Networks Inc. (Nasdaq: FRNS), a nationwide provider of fixed wireless transport services, today announced that they have entered into a definitive merger agreement to combine the two companies in an all-stock transaction valued at approximately \$1.5 billion.

Under the terms of the agreement, First Avenue will issue approximately 73.7 million of its common shares, subject to adjustment, to the FiberTower shareholders. As a result, FiberTower shareholders will own 51 percent of the combined entity on a fully diluted basis.

The combined company will be named FiberTower Corporation and will be listed on the Nasdaq Stock Market. It will emerge as one of the nation's largest operators of wireless transport services. Both companies today operate networks to provide backhaul — transport from cell site to switch — for wireless carriers. The new company will have an installed base in 12 markets with more than 1000 sites. The two companies' networks and operations are complementary and once combined will have minimal overlap.

“Since our founding five years ago, we have been focused on delivering mission-critical backhaul to our customers,” said Scott Brady, CEO, FiberTower. “We have five of the leading wireless carriers live on our network and have built a sizable customer backlog based on the success of our networks. Combining First Avenue’s spectrum assets with our operational expertise, customer contracts and relationships with leading tower companies, positions the merged company to increase its speed to market and have a larger impact for our customers. This will enable us to go deeper in our existing markets and broaden our reach to new markets.”

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“This merger is about accelerating business growth and minimizing the associated business risks,” said Michael Gallagher, President and CEO, First Avenue Networks. “The market is aggressively implementing high capacity applications, and wireless transport is ideal for backhauling these services. This deal puts us on the fast track to scale the combined company on a nationwide basis. By combining the passion, experience and assets of two leading-edge companies, we will be able to accelerate our market impact with faster deployments and increased market coverage. I am confident that given the strength and balance of our combined management team we have the leadership in place to accomplish these objectives.”

Together, the two entities will have a singular focus on solving an important business problem — backhaul. According to Craig M. Clausen, Senior Vice President and COO, *New Paradigm Resources Group, Inc.*, “During the next few years a critical mass of cell sites, enterprises and government facilities will begin migrating to high capacity services. The movement to support enhanced network services — via wired or wireless connectivity — is already underway.”

Upon close of the merger, Michael Gallagher will become CEO of the new entity. He brought over 22 years of telecommunications, networking, and wireless industry experience to First Avenue Networks when he took the helm as president and CEO in early September 2005. The newly merged company’s board of directors is to consist of five members selected by FiberTower and three members selected by First Avenue in addition to CEO Michael Gallagher.

Closing is subject to customary conditions, including receipt of applicable regulatory approvals. The transaction is expected to close by the end of the third quarter of 2006. As a result of the foregoing uncertainties, there can be no assurance that the transaction will be completed.

#### **Conference Call**

The management teams of both companies will host a financial analyst and investor conference call today, May 15 at 1:00 p.m. ET (10:00 a.m. PT). The call can be accessed at 1-800-860-2442 (U.S.) or 1-412-858-4600 (outside U.S.). A live Webcast of the call will also be provided at [www.firstavenet.com](http://www.firstavenet.com). For those unable to listen to the live conference call, a telephone replay will be available at 1-877-344-7529 (U.S.) or 412-317-0088 (outside U.S.). Please enter 390741 when prompted for the account number followed by the # sign. The telephone replay will be available beginning May 16, 2006 at 8:00 a.m. ET through May 23, 2006 at 4:00 p.m. ET. A Webcast archive will also be available on First Avenue’s investor relations Web site.

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### **Additional Information and Where to Find It.**

In connection with First Avenue's proposed business combination with FiberTower, First Avenue intends to file relevant materials with the SEC, including an information statement on Schedule 14C. Investors and security holders are urged to read these when they become available because they will contain important information about First Avenue, FiberTower and the proposed transaction. The information statement and other relevant materials (when they become available), and any other documents filed by First Avenue with the SEC, may be obtained free of charge at the SEC's web site at [www.sec.gov](http://www.sec.gov). In addition, investors and security holders may obtain free copies of the documents filed with the SEC by contacting First Avenue by directing a written request to: First Avenue Networks, Inc., 7925 Jones Branch Drive, Suite 3300, McLean, Virginia 22102, Attention: Investor Relations.

### **No Offer or Solicitation.**

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification, or obtaining an exemption to such registration or qualification, under the securities laws of any such jurisdiction.

### **About FiberTower Corporation**

FiberTower Corporation, [www.fibertower.com](http://www.fibertower.com), is the first company to recognize and treat wireless backhaul as part of a mission critical network by delivering a service that promotes growth, scalability and service quality in wireless networks. FiberTower delivers groundbreaking improvements in backhaul performance and opens new market opportunities. Wireless carriers, who recognize that their network is the heart of their differentiation and success, now have an alternative backhaul provider enabling them to protect and enhance their brands and reputations built on a superior network.

### **About First Avenue Networks**

First Avenue Networks (NASDAQ: FRNS) is a leader in delivering wireless transport services to cellular carriers, service providers and government suppliers and agencies. First Avenue provides wireless backhaul and Carrier Ethernet services over its licensed spectrum footprint, which includes nationwide 24 GHz and 39 GHz holdings. For further details, visit [www.firstavenet.com](http://www.firstavenet.com) or call (703) 864 4165.

### **Forward Looking Statements**

Statements included in this news release which are not historical in nature are "forward-looking statements" within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934 and the U.S. Private Securities Litigation Reform Act of 1995. Forward looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. These include, without limitation, statements regarding expected benefits and value of the contemplated merger, increased demand for the services, strategy, forecasts of revenues, earnings estimates, statements regarding contracts, work or revenue opportunities that may be secured in the future, and related information, all of which are based on current factual information and certain assumptions about future events which management believes to be reasonable at this time.

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There are many risks, uncertainties and other factors that can prevent the achievement of goals or cause results to differ materially from those expressed or implied by these forward-looking statements including, without limitation, the proposed transaction not being consummated, anticipated synergies from the proposed transaction not being achieved, inherent risks of integrating two companies, changes in demand for services from external factors including general economic conditions or changes in wireless demand or technology affecting network expansion strategies at and financing opportunities for wireless carriers and other customers, delays in the award of new work, the termination or reduction of existing projects due to changes in the financial condition or business strategies of the wireless carriers and other customers, dependence on hiring and retaining professional staff and key personnel, fluctuations in quarterly results from a variety of internal and external factors including changes in the estimates with respect to the completion of fixed-price contracts, lengthy sales cycles especially with respect to larger contracts that may account for a significant portion of the anticipated revenues, intense competition in the marketplace especially from competitors with greater financial resources and financing capabilities, and those risk factors described in First Avenue's filings with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

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