

VERIZON COMMUNICATIONS INC

Form S-4/A

July 05, 2005

Table of Contents

As filed with the Securities and Exchange Commission on July 5, 2005

Registration No. 333-124008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

PRE-EFFECTIVE AMENDMENT NO. 3

TO

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Verizon Communications Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction

of incorporation)

4813
(Primary Standard Industrial

Classification Code Number)
1095 Avenue of the Americas

New York, New York 10036

23-2259884
(I.R.S. Employer

Identification Number)

Edgar Filing: VERIZON COMMUNICATIONS INC - Form S-4/A

(212) 395-2121

(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

Marianne Drost, Esq.

Senior Vice President, Deputy General Counsel and Corporate Secretary

Verizon Communications Inc.

1095 Avenue of the Americas

New York, New York 10036

(212) 395-2121

(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)

With copies to:

Jeffrey J. Rosen, Esq.

Anastasia D. Kelly, Esq.

Phillip R. Mills, Esq.

William D. Regner, Esq.

General Counsel

Michael Kaplan, Esq.

Debevoise & Plimpton LLP

MCI, Inc.

Davis Polk & Wardwell

919 Third Avenue

22001 Loudoun County Parkway

450 Lexington Avenue

New York, New York 10022

Ashburn, Virginia 20147

New York, New York 10017

(212) 909-6000

(703) 886-5600

(212) 450-4000

Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and at the closing of the merger of MCI, Inc. with and into Eli Acquisition, LLC, a Delaware limited liability company and a direct, wholly owned subsidiary of Verizon Communications Inc. (or at the closing of the alternative merger of a direct and wholly owned subsidiary of Verizon with and into MCI, if either Verizon or MCI fails to receive, from its respective counsel, a tax opinion to the effect that the merger will qualify as a reorganization for tax purposes, or if certain other conditions are not satisfied), sometimes referred to as the merger, as described in the Agreement and Plan of Merger, dated as of February 14, 2005, as amended as of March 4, 2005, March 29, 2005 and May 1, 2005, included as Annex A to the enclosed proxy statement and prospectus forming a part of this Registration Statement.

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 for an offering pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) 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 REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT 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, AS AMENDED, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATES AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

Table of Contents

The information in this proxy statement and prospectus is not complete and may be changed. The securities being offered by the use of this proxy statement and prospectus may not be issued until the registration statement filed with the Securities and Exchange Commission, of which this proxy statement and prospectus is a part, is declared effective. This proxy statement and prospectus is not an offer to sell these securities nor a solicitation of any offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROXY STATEMENT AND PROSPECTUS (SUBJECT TO COMPLETION DATED JULY 5, 2005)

SPECIAL MEETING OF STOCKHOLDERS OF MCI, INC.

Dear MCI Stockholder:

[],
2005

After careful consideration, MCI's board of directors has unanimously approved the Agreement and Plan of Merger, dated as of February 14, 2005, among Verizon, Eli Acquisition LLC and MCI, Inc., as amended as of March 4, 2005, March 29, 2005 and May 1, 2005, and as may be amended from time to time, sometimes referred to collectively as the merger agreement, and declared that the merger and the other transactions contemplated by the merger agreement, including the special cash dividend, are advisable.

MCI's Board of Directors unanimously recommends that you vote FOR the adoption of the merger agreement and approval of the merger, FOR authorizing MCI's board of directors to act in its discretion with respect to any other business as may properly come before the special meeting and FOR authorizing MCI's board of directors to act in its discretion with respect to any adjournments or postponements of the special meeting to permit further solicitation of proxies for the merger at the special meeting of stockholders to be held on [], 2005, beginning at [] local time.

When the merger closes you will receive merger consideration worth at least \$20.40 per share, which may be increased by up to \$5.60 per share to the extent a special cash dividend has not been previously paid in full and may be decreased if there is an adjustment based on the amounts required to satisfy certain liabilities. More particularly:

The merger agreement provides that after MCI's stockholders approve the merger, MCI will declare and pay a special cash dividend of up to \$5.60 per share (reduced by the amount of any other dividends declared by MCI from the date of this proxy statement and prospectus until the payment of the special cash dividend). If MCI pays less than the full amount, the remainder will be paid out by Verizon as cash merger consideration, without interest, at the closing of the merger. If Verizon pays any shortfall in the special cash dividend, stockholders will receive that amount later than if MCI paid the special cash dividend in full.

In addition, at the closing of the merger, each share of MCI common stock that you hold will be converted into the right to receive 0.5743 shares of Verizon common stock. If the average trading price for Verizon's common stock is less than \$35.52 over the 20 trading days ending on the third trading day prior to closing, you will receive additional Verizon common stock or cash (at Verizon's option) in an amount sufficient to assure that the merger consideration is at least \$20.40 per share.

The consideration you will receive is subject to a potential downward purchase price adjustment based upon the amount of certain liabilities of MCI, which include MCI bankruptcy claims, including tax claims, as well as certain international tax liabilities. For a description of these bankruptcy claims and international tax liabilities, see "The Merger Agreement Potential Downward Purchase Price Adjustment for Specified Liabilities" on page 106. Under the purchase price adjustment mechanism, the full amount of the merger consideration is at risk.

If there is no downward purchase price adjustment and Verizon chooses not to issue additional shares in the event that Verizon's average stock price during the measurement period is less than \$35.52 per share, then Verizon will issue approximately 164.4 million shares of common stock in connection with the merger for a total value to MCI's stockholders (not including shares beneficially owned by Verizon), including the special cash dividend, of approximately \$7.4 billion and, after the merger, MCI's former stockholders (not including shares beneficially owned by Verizon) will own approximately 5.6% of Verizon's outstanding common stock.

We cannot determine now, and, at the time of the MCI stockholders' meeting, we will not be able to determine, the value of the aggregate merger consideration, the number of Verizon shares you will receive in the merger and the ratio of stock to cash you will receive in the merger, because:

The special cash dividend will not be paid until after the MCI stockholders approve the merger at the MCI stockholders' meeting;

Edgar Filing: VERIZON COMMUNICATIONS INC - Form S-4/A

The average of the trading prices for Verizon's common stock over the measurement period cannot be determined until the third business day before the closing of the merger; and
The estimated amount of the liabilities which will determine whether there will be a downward purchase price adjustment will not finally be determined until the closing of the merger.

The accompanying document describes the special meeting of MCI stockholders, the merger, the documents related to the merger and other related matters. **Please read this entire document carefully, including the section discussing risk factors beginning on page 24 for a discussion of the risks related to the merger.** You can also obtain information about MCI and Verizon from documents that each company has filed with the SEC.

Sincerely,

Michael D. Capellas

Chief Executive Officer

MCI, Inc.

MCI common stock is quoted on NASDAQ under the symbol MCIP. Verizon common stock is quoted on the NYSE under the symbol VZ.

Neither the SEC nor any state securities commission has approved or disapproved of the merger described in this proxy statement and prospectus or the securities to be issued pursuant to the merger under this proxy statement and prospectus or determined that this proxy statement and prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This proxy statement and prospectus is dated [], 2005, and is expected to be first mailed to MCI stockholders on or about [], 2005.

Table of Contents

MCI, INC.

22001 Loudoun County Parkway

Ashburn, Virginia 20147

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held On [], 2005

To the Stockholders of MCI, Inc.:

NOTICE IS HEREBY GIVEN that the special meeting of stockholders of MCI, Inc., a Delaware corporation, will be held at [] on [], 2005, at [], Eastern Daylight Time, to consider and vote upon the proposal to adopt the Agreement and Plan of Merger, dated as of February 14, 2005, among Verizon Communications Inc., Eli Acquisition, LLC and MCI, Inc., as amended as of March 4, 2005, March 29, 2005 and May 1, 2005 and as it may be amended from time to time, and to approve the merger contemplated by the merger agreement.

MCI's board of directors unanimously recommends that you vote **FOR** the adoption of the merger agreement and approval of the merger, **FOR** authorizing MCI's board of directors to act in its discretion with respect to any other business as may properly come before the special meeting and **FOR** authorizing MCI's board of directors to act in its discretion with respect to any adjournments or postponements of the special meeting to permit further solicitation of proxies for the merger.

We have fixed the close of business on [], 2005 as the record date for the special meeting of MCI stockholders. Only holders of record of our common stock on that date will be entitled to notice of and to vote at the special meeting of MCI stockholders or any adjournments or postponements of the special meeting of MCI stockholders.

The accompanying document describes the proposed merger in more detail. We encourage you to read the entire document carefully, including the merger agreement which is included as Annex A to the document.

Whether or not you expect to attend the special meeting of MCI stockholders, to ensure that your shares are represented at the special meeting of MCI stockholders, please complete, date, sign and return the enclosed proxy card in the envelope that has been provided or vote your shares by

Edgar Filing: VERIZON COMMUNICATIONS INC - Form S-4/A

using a touch-tone telephone or through the Internet, as explained in the proxy voting instructions attached to the proxy card. No postage is required for mailing in the United States. Voting by mail, by telephone or through the Internet will not prevent you from voting in person at the meeting. If you are able to attend the meeting, you may revoke your proxy and vote your shares in person even if you have previously completed and returned the enclosed proxy card or voted by telephone or through the Internet. Thank you for acting promptly.

Michael D. Capellas

Chief Executive Officer

[], 2005

Ashburn, Virginia

Table of Contents

THIS PROXY STATEMENT AND PROSPECTUS INCORPORATES ADDITIONAL INFORMATION

This proxy statement and prospectus incorporates important business and financial information about Verizon Communications Inc., sometimes referred to as Verizon, and MCI, Inc., sometimes referred to as MCI, from documents that are not included in or delivered with this proxy statement and prospectus. This information is available to you without charge upon request. You can obtain the documents incorporated by reference in this proxy statement and prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Verizon Communications Inc.

1095 Avenue of the Americas

New York, New York 10036

Attention: Investor Relations

Telephone: (212) 395-2121

MCI, Inc.

22001 Loudoun County Parkway

Ashburn, Virginia 20147

Attention: Investor Relations

Telephone: (703) 886-5600

Investors may also consult Verizon's or MCI's respective Web sites for more information concerning the merger described in this proxy statement and prospectus, which is sometimes referred to as the merger. Verizon's Web site is www.verizon.com. MCI's Web site is www.mci.com. Information included on either Web site is not incorporated by reference in this proxy statement and prospectus.

Please note that copies of the documents to be provided to you will not include exhibits, unless the exhibits are specifically incorporated by reference into the documents or into this proxy statement and prospectus.

PLEASE CONTACT VERIZON OR MCI, AS APPLICABLE, NO LATER THAN [], 2005 IN ORDER TO RECEIVE TIMELY DELIVERY OF THE DOCUMENTS BEFORE THE SPECIAL MEETING OF MCI STOCKHOLDERS.

Also see **Where You Can Find More Information** beginning on page 149.

ABOUT THIS PROXY STATEMENT AND PROSPECTUS

This document, which forms part of a registration statement on Form S-4 filed with the SEC by Verizon, constitutes a prospectus of Verizon under Section 5 of the Securities Act of 1933, as amended, which is sometimes referred to as the Securities Act, with respect to the shares of Verizon common stock to be issued to MCI stockholders in connection with the merger. This document also constitutes a proxy statement of MCI under Section 14(a) of the Securities Exchange Act of 1934, as amended, which is sometimes referred to as the Exchange Act, and the rules thereunder, and a notice of meeting with respect to the special meeting of stockholders of MCI, Inc. to consider and vote upon the proposal to adopt the merger agreement and approve the merger.

Table of Contents

Table of Contents

	Page
<u>SUMMARY</u>	1
<u>The Companies</u>	1
<u>Verizon</u>	1
<u>MCI</u>	1
<u>The Special Meeting of MCI Stockholders</u>	2
<u>Recommendation of MCI's Board of Directors</u>	2
<u>The Merger</u>	2
<u>Structure of the Merger</u>	3
<u>Merger Consideration and Conversion of MCI Common Stock</u>	3
<u>Special Cash Dividend</u>	4
<u>Potential Downward Purchase Price Adjustment for Specified Liabilities</u>	4
<u>No Solicitation by MCI</u>	6
<u>Changes in MCI's Recommendation</u>	6
<u>Conditions to the Closing of the Merger</u>	7
<u>Termination of the Merger Agreement</u>	9
<u>Reasons for the Merger</u>	9
<u>Risks Associated with the Merger</u>	10
<u>Opinions of MCI's Financial Advisors</u>	11
<u>Regulatory Approvals Required for the Merger</u>	12
<u>Accounting Treatment of the Merger</u>	12
<u>Material United States Federal Income Tax Considerations</u>	12
<u>Senior Notes</u>	13
<u>Interests of MCI Directors and Executive Officers in the Merger</u>	13
<u>Treatment of Restricted Shares and Other Equity-Based Awards</u>	14
<u>Verizon's Purchase of 13.4% of MCI's Outstanding Shares</u>	14
<u>Appraisal Rights</u>	15
<u>Selected Historical Financial Information</u>	16
<u>Verizon Selected Historical Financial Information</u>	17
<u>MCI Selected Historical Financial Information</u>	18
<u>Summary Selected Unaudited Condensed Consolidated Pro Forma Financial Information</u>	20
<u>Selected Unaudited Condensed Consolidated Pro Forma Financial Information</u>	20
<u>Unaudited Comparative Per Share Information</u>	21
<u>Comparative Per Share Market Price and Dividend Information</u>	22
<u>Recent Closing Prices</u>	23
<u>Dividend Information</u>	23
<u>RISK FACTORS RELATING TO THE MERGER</u>	24
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	30
<u>THE MERGER</u>	32
<u>Background of the Merger</u>	32
<u>Verizon's Reasons for the Merger</u>	56
<u>MCI's Reasons for the Merger</u>	61
<u>Recommendation of MCI's Board of Directors</u>	69
<u>Analyses of MCI's Financial Advisors</u>	69
<u>Interests of MCI Directors and Executive Officers in the Merger</u>	88
<u>Effect of the Merger on MCI Stock Plans</u>	91
<u>Closing of the Merger</u>	91
<u>Board of Directors Following the Merger</u>	91
<u>Consideration to be Received in Connection with the Merger</u>	91

Table of Contents

	<u>Page</u>
<u>Procedures for Exchange of Certificates</u>	91
<u>Listing of Verizon Common Stock</u>	91
<u>Delisting and Deregistration of MCI Common Stock</u>	91
<u>Regulatory Approvals Required for the Merger</u>	91
<u>Material United States Federal Income Tax Considerations</u>	92
<u>Accounting Treatment of the Merger</u>	92
<u>Senior Notes</u>	93
<u>Restrictions on Payments of Dividends Under Applicable Law</u>	93
<u>Restrictions on Sales of Shares of Verizon Common Stock Received in Connection with the Merger</u>	93
<u>Certificate of Formation and Limited Liability Company Agreement of Eli Acquisition</u>	94
<u>Verizon's Purchase of 13.4% of MCI's Outstanding Shares</u>	94
<u>Appraisal Rights</u>	95
<u>MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS</u>	99
<u>U.S. Holders</u>	99
<u>Non-U.S. Holders</u>	102
<u>Information Reporting and Backup Withholding</u>	104
<u>THE MERGER AGREEMENT</u>	105
<u>Structure of the Merger</u>	105
<u>Closing of the Merger</u>	105
<u>Merger Consideration and Conversion of MCI Common Stock</u>	105
<u>No Issuance of Fractional Shares</u>	106
<u>Potential Downward Purchase Price Adjustment for Specified Liabilities</u>	106
<u>Treatment of Restricted Shares and Other Equity-Based Awards</u>	107
<u>Treatment of MCI's Employee Stock Purchase Plan</u>	107
<u>Appraisal Rights</u>	108
<u>Exchange of Share Certificates</u>	108
<u>Representations and Warranties</u>	108
<u>Covenants Relating to Conduct of Business</u>	110
<u>Regulatory Approvals</u>	112
<u>No Solicitations by MCI</u>	112
<u>Changes in MCI's Recommendation</u>	114
<u>Employee Benefits and Plans</u>	115
<u>Indemnification and Insurance</u>	115
<u>Special Cash Dividend</u>	116
<u>Bankruptcy Court Order</u>	116
<u>Settlement of Bankruptcy Claims</u>	116
<u>Release from Permanent Injunction and Court Orders</u>	116
<u>Network Facility Maintenance and Compliance</u>	116
<u>Agreement to Vote Shares</u>	117
<u>Other Covenants and Agreements</u>	117
<u>Conditions to the Closing of the Merger</u>	117
<u>Transaction Fees and Expenses</u>	119
<u>Termination of the Merger Agreement</u>	119
<u>Termination Fee</u>	120
<u>Governing Law</u>	120
<u>Amendments, Extensions and Waivers of the Merger Agreement</u>	120
<u>Letter Agreement, dated as of March 4, 2005, Amending the Merger Agreement and the Confidentiality Agreement Between Verizon and MCI</u>	120
<u>Amendment to the Agreement and Plan of Merger, dated as of March 29, 2005</u>	121

Table of Contents

	<u>Page</u>
<u>Amendment to the Agreement and Plan of Merger, dated as of May 1, 2005</u>	121
<u>UNAUDITED CONDENSED CONSOLIDATED PRO FORMA FINANCIAL INFORMATION</u>	122
<u>VERIZON</u>	132
<u>MCI</u>	133
<u>THE SPECIAL MEETING OF MCI STOCKHOLDERS</u>	134
<u>Date, Time and Place of the Special Meeting of MCI Stockholders</u>	134
<u>Purpose of the Special Meeting of MCI Stockholders</u>	134
<u>Record Date and Outstanding Shares</u>	134
<u>Quorum Requirement</u>	134
<u>Vote Required</u>	134
<u>Shares Beneficially Owned as of the Record Date</u>	135
<u>Voting at the Special Meeting of MCI Stockholders</u>	135
<u>Proxies</u>	135
<u>Solicitation of Proxies</u>	136
<u>Other Business</u>	137
<u>Communications by MCI's Stockholders with MCI</u>	137
<u>Appraisal Rights</u>	137
<u>COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION</u>	138
<u>Recent Closing Prices</u>	139
<u>Dividend Information</u>	139
<u>COMPARISON OF RIGHTS OF VERIZON STOCKHOLDERS AND MCI STOCKHOLDERS</u>	141
<u>LEGAL MATTERS</u>	148
<u>EXPERTS</u>	148
<u>OTHER MATTERS</u>	149
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	149
Annex A Agreement and Plan of Merger, dated as of February 14, 2005 as amended as of March 4, 2005, March 29, 2005 and May 1, 2005, among Verizon, Eli Acquisition and MCI (composite copy incorporating the Agreement and Plan of Merger, dated as of February 14, 2005, the Letter Agreement, dated as of March 4, 2005, the Amendment to the Agreement and Plan of Merger, dated as of March 29, 2005, and the Amendment to the Agreement and Plan of Merger, dated as of May 1, 2005)	
Annex B Opinion of Greenhill & Co., LLC	
Annex C Opinion of J.P. Morgan Securities Inc.	
Annex D Opinion of Lazard Frères & Co. LLC	
Annex E Delaware General Corporation Law, Section 262, Appraisal Rights	

Table of Contents

QUESTIONS AND ANSWERS FOR MCI STOCKHOLDERS

ABOUT THE MERGER AND THE APPROVAL OF THE MERGER

Q: Why are the companies proposing the merger?

- A. We believe that the merger will capitalize on the complementary strengths of the two companies and will create one of the world's leading providers of communication services, including local, nationwide and international long-distance voice, data and advanced Internet protocol, sometimes referred to as IP, communication services, wireless services, and value-added services and solutions for residential consumers, businesses and governmental entities. For a discussion of our reasons for the merger, we urge you to read the information under "The Merger" Verizon's Reasons for the Merger beginning on page 56 of this proxy statement and prospectus and "The Merger" MCI's Reasons for the Merger beginning on page 61 of this proxy statement and prospectus. For a discussion of risk factors relating to the merger, we urge you to read the information under "Risk Factors Relating to the Merger" beginning on page 24.

We also believe that operating the businesses of MCI with Verizon will create greater value for each company's stockholders than would be achieved if the merger did not occur.

Q: What will I receive in the merger and when will I receive it?

- A: The merger agreement provides that after MCI's stockholders approve the merger, MCI will declare and pay a special cash dividend of up to \$5.60 per share which will be reduced by the amount of any other dividends declared by MCI from the date of this proxy statement and prospectus until the payment of the special cash dividend. This special cash dividend will be paid to MCI's stockholders of record as of the special cash dividend record date. If MCI pays less than the full amount of this special cash dividend, Verizon will pay the remainder as cash merger consideration, without interest, at the closing of the merger. If Verizon pays any shortfall in the special cash dividend, stockholders will receive that amount later than if MCI paid the special cash dividend in full.

In addition, at the closing of the merger, each share of MCI common stock that you hold will be converted into the right to receive 0.5743 shares of Verizon common stock, plus, if the average trading price for Verizon's common stock is less than \$35.52 over the 20 trading days ending on the third trading day prior to closing, sometimes referred to as the measurement period, additional Verizon common stock or cash (at Verizon's option) in an amount sufficient to assure that the merger consideration is at least \$20.40 per share. You will also receive, as noted in the preceding paragraph, any amount of the special cash dividend not previously paid.

The consideration you will receive is subject to a potential downward purchase price adjustment based upon the amount of certain liabilities, which include MCI bankruptcy claims as described under "The Merger Agreement" Potential Downward Purchase Price Adjustment for Specified Liabilities on page 106, including tax claims, as well as certain international tax liabilities. Under the purchase price adjustment mechanism, the full amount of the merger consideration is at risk. Any downward purchase price adjustment would be applied first to any cash merger consideration that would otherwise be payable at the closing.

Accordingly, if Verizon's average stock price during the measurement period is \$35.52 or less, the aggregate value of Verizon common stock and cash, if any, you will receive when the merger is completed, taken together with the special cash dividend, will represent a total value of at least \$26.00 per share. The total value of the consideration you will receive may be greater than \$26.00 per share if Verizon's stock price exceeds \$35.52 at the closing of the merger. The total value of the consideration you will receive may be less than \$26.00 per share if there is a downward purchase price adjustment. For more detailed discussion of the timing of the closing of the merger, please refer to the question entitled "When do you expect the merger of Verizon and MCI to close?"

Q: When is the special meeting of MCI stockholders?

A: The special meeting of MCI stockholders will take place on [], 2005, at the time and location specified on the cover page of this proxy statement and prospectus.

iv

Table of Contents

Q: What do I need to do now?

A: After you have carefully read this entire proxy statement and prospectus, please vote your shares of MCI common stock. You may do this either by completing, signing, dating and mailing the enclosed proxy card or by submitting your proxy by telephone or through the Internet, as explained in the voting instructions attached to your proxy card. This will enable your shares of MCI common stock to be represented and voted at the special meeting of MCI stockholders. If you submit a valid proxy and do not indicate how you want to vote, we will vote your shares of MCI common stock in accordance with the unanimous recommendation of MCI's board of directors and in favor of the proposal to adopt the merger agreement and approve the merger.

MCI's board of directors unanimously recommends that MCI stockholders vote FOR the adoption of the merger agreement and approval of the merger, FOR authorizing MCI's board of directors to act in its discretion with respect to any other business as may properly come before the special meeting and FOR authorizing MCI's board of directors to act in its discretion with respect to any adjournments or postponements of the special meeting to permit further solicitation of proxies for the merger.

Q: What constitutes a quorum at the special meeting of MCI stockholders?

A: The presence of the holders of record of a majority of the issued and outstanding shares of MCI common stock entitled to vote at the special meeting of MCI stockholders constitutes a quorum. Stockholders may be present in person or by proxy. You will be considered part of the quorum if you return a signed and dated proxy card, if you vote by telephone or the Internet, or if you vote in person at the special meeting of MCI stockholders.

Shares of MCI common stock voted by a bank or broker holding shares of MCI common stock for a beneficial owner and abstentions are counted as present and entitled to vote only for purposes of determining a quorum.

Q: What vote is required to adopt the merger agreement and approve the merger?

A: The approval of this proposal, and therefore the closing of the merger, requires the affirmative vote of the holders of a majority of the outstanding shares of MCI common stock.

Q: What is the effect of not voting?

A: If you do not return your proxy card, submit your proxy by telephone or through the Internet or vote in person at the special meeting of MCI stockholders, it will be more difficult for MCI to obtain the necessary quorum to hold the special meeting of MCI stockholders.

Your failure to vote or your abstention from voting will have the same effect as a vote against the adoption of the merger agreement and the approval of the merger. Brokers holding shares of MCI common stock as nominees who do not receive instructions from the beneficial owners of those shares of MCI common stock will not have discretionary authority to vote those shares of MCI common stock. Therefore, your failure to provide voting instructions to your broker will also have the same effect as a vote against the adoption of the merger agreement and approval of the merger.

Q: If my shares of MCI common stock are held in street name by my broker, will my broker automatically vote my shares of MCI common stock for me?

Edgar Filing: VERIZON COMMUNICATIONS INC - Form S-4/A

- A: No. Your broker will vote your shares of MCI common stock only if you provide voting instructions to your broker. You should instruct your broker on how to vote your shares of MCI common stock by following the voting instructions your broker provides you. Please check the voting information form used by your broker to see if it offers telephone or Internet voting.

Table of Contents

Q: What if I fail to instruct my broker?

A: A broker non-vote will be counted towards a quorum at the special meeting of MCI stockholders, but will have the same effect as a vote against the proposal to adopt the merger agreement and approve the merger.

Q: Can I attend the special meeting of MCI stockholders and vote my shares of MCI common stock in person?

A: All MCI stockholders are invited to attend the special meeting of MCI stockholders. However, only MCI stockholders of record as of [], 2005 will be entitled to vote in person at the special meeting of MCI stockholders. If a bank, broker or other nominee holds your shares of MCI common stock, then you are not the stockholder of record and you must ask your bank, broker or other nominee how you can vote in person at the special meeting of MCI stockholders. If your shares of MCI common stock are not held in the name of a bank, broker or other nominee, your admission ticket is the left side of your voting information form.

Q: Can I change my vote after I have submitted my proxy card or submitted my proxy by telephone or through the Internet?

A: Yes. If you are a record holder, you can change your proxy instructions after you have submitted your proxy card, or submitted your proxy by telephone or through the Internet, at any time before your proxy is exercised at the special meeting of MCI stockholders, by:

submitting a written notice prior to the special meeting of MCI stockholders revoking your proxy to the corporate secretary of MCI;

submitting a new proxy card with a later date, or submitting a new proxy by telephone or through the Internet; or

attending the special meeting of MCI stockholders and voting in person.

For more detailed procedures on revoking a proxy, see the description under "The Special Meeting of MCI Stockholders Proxies" beginning on page 135.

If you own your shares of MCI common stock through a broker, you must follow the directions you receive from your broker in order to change or revoke your vote.

Q: Should I send in my stock certificates now?

A: No. You should not send in your stock certificates at this time. MCI stockholders who hold their shares of MCI common stock in certificated form will need to exchange their MCI stock certificates for the Verizon common stock and cash, if any, provided for in the merger agreement after we complete the merger. We will send MCI stockholders instructions for exchanging MCI stock certificates at that time. MCI stockholders who hold their shares in the name of a broker or nominee will receive instructions for exchanging their shares of MCI common stock after we complete the merger.

Q: When do you expect the merger of Verizon and MCI to close?

Edgar Filing: VERIZON COMMUNICATIONS INC - Form S-4/A

A: Our target is to close the merger of Verizon and MCI in late 2005 or early 2006. However, we cannot assure you when or if the merger will be completed. We must first obtain the necessary approval of the MCI stockholders at the special meeting of MCI stockholders and all necessary regulatory approvals.

Q: Whom should I call with questions?

A: MCI stockholders with any questions about the merger should call the MCI stockholder investor relations department at (866) 642-0211.

vi

Table of Contents

SUMMARY

*This summary highlights selected information contained elsewhere in this proxy statement and prospectus and may not contain all of the information about the merger that is important to you. We urge you to read carefully the entire proxy statement and prospectus, including the attached annexes and the other documents to which we refer, in order to understand fully the merger and the related transactions. See also *Where You Can Find More Information* beginning on page 149. Where applicable, we have included page references to direct you to a more complete description of the topics presented in this summary.*

The Companies

Verizon

Verizon Communications Inc.

1095 Avenue of the Americas

New York, New York 10036

Telephone: (212) 395-2121

www.verizon.com

Verizon is one of the world's leading providers of communications services. Verizon's domestic wireline telecommunications business provides local telephone services, including broadband, in 28 states and Washington, D.C. and nationwide long distance and other communications products and services. The domestic wireline consumer business generally provides local, broadband and long distance services to customers. Verizon's domestic wireline business also provides a variety of services to other telecommunications carriers as well as large and small businesses. Verizon's domestic wireless business provides wireless voice and data products and services across the United States using one of the most extensive wireless networks. Information Services operates directory publishing businesses and provides electronic commerce services. Verizon's international presence extends primarily to the Americas. Verizon also maintains investments in Europe. Verizon employs approximately 212,000 people. For the quarter ended March 31, 2005, Verizon reported \$18.2 billion in operating revenues and net income of \$1.8 billion. For the year ended December 31, 2004, Verizon reported \$71.3 billion in operating revenues and net income of \$7.8 billion.

MCI

MCI, Inc.

22001 Loudoun County Parkway

Ashburn, Virginia 20147

Telephone: (703) 886-5600

www.mci.com

MCI is one of the world's leading global communication companies, providing a broad range of services in over 200 countries on six continents. Each day, MCI provides Internet, data and voice communication services for thousands of businesses and government entities throughout the world and millions of consumers in the United States. MCI owns and operates one of the most extensive communications networks in the world, comprising approximately 100,000 route miles of network connections linking metropolitan centers and various regions across North America, Europe, Asia, Latin America, the Middle East, Africa and Australia. In addition to transporting customer traffic over its network, MCI provides value-added services that make communications more secure, reliable and efficient and MCI provides managed network services for customers that outsource all or portions of their communications and information processing operations. As of December 31, 2004, MCI had approximately 40,000 full and part-time employees.

Table of Contents

MCI is the successor to Worldcom, Inc. following Worldcom's emergence from bankruptcy on April 20, 2004. For the quarter ended March 31, 2005, MCI had revenue of \$4.8 billion and net loss of \$2.0 million. For the year ended December 31, 2004, MCI had revenue of \$20.7 billion and net loss of \$4.0 billion (including an impairment charge of \$3.5 billion).

The Special Meeting of MCI Stockholders (See page 134)

Meeting. The special meeting of MCI stockholders will be held on [], 2005, at [] a.m., Eastern Daylight Time, at []. At the special meeting of MCI stockholders, MCI stockholders will be asked to vote on the adoption of the merger agreement and approval of the merger.

Record Date. MCI has fixed the close of business on [], 2005 as the record date for determining the MCI stockholders entitled to receive notice of and to vote at the special meeting of MCI stockholders. Only holders of record of MCI common stock on the record date are entitled to receive notice of and to vote at the special meeting of MCI stockholders. Each share of MCI common stock is entitled to one vote.

Required Vote. The adoption of the merger agreement and approval of the merger, and therefore the closing of the merger, requires the affirmative vote of the holders of a majority of the outstanding shares of MCI common stock. The failure of an MCI stockholder to vote, an abstention or a broker non-vote with respect to the proposal to adopt the merger agreement and approve the merger will have the same effect as a vote against the adoption of the merger agreement and approval of the merger.

As of the MCI record date, directors and executive officers of MCI and their affiliates beneficially owned [] shares of MCI common stock, or approximately [] percent of the outstanding shares of MCI common stock entitled to vote at the special meeting of MCI stockholders. MCI's directors and executive officers have informed the company that they intend to vote their shares of MCI common stock in favor of the adoption of the merger agreement and approval of the merger. At that date, directors and executive officers of Verizon and their affiliates, including Verizon, beneficially owned [] shares of MCI common stock, or approximately [] percent of the outstanding shares of MCI common stock entitled to vote at the special meeting of MCI stockholders. Verizon acquired 43.4 million shares of MCI common stock on May 17, 2005 pursuant to a stock purchase agreement with certain of MCI's stockholders. These shares were transferred to a trustee under agreements with the United States Department of Justice and a trust agreement with Dick Thornburgh as trustee. Under the terms of the trust agreement, Verizon is entitled to instruct the trustee to vote these shares in favor of the adoption of the merger agreement and the approval of the merger. Under the terms of the merger agreement, Verizon is required to vote these shares (and any other shares of MCI common stock that Verizon acquires) in favor of adoption of the merger agreement and the approval of the merger so long as adoption and approval is then recommended by MCI's board of directors.

Recommendation of MCI's Board of Directors (See page 69)

MCI's board of directors has unanimously determined that the merger agreement and the merger are fair to and in the best interests of MCI and its stockholders. MCI's board of directors unanimously recommends that MCI's stockholders vote **FOR** the adoption of the merger agreement and approval of the merger, **FOR** authorizing MCI's board of directors to act in its discretion with respect to any other business as may properly come before the special meeting and **FOR** authorizing MCI's board of directors to act in its discretion with respect to any adjournments or postponements of the special meeting to permit further solicitation of proxies for the merger.

The Merger (See page 32)

A copy of the merger agreement is attached as Annex A to this proxy statement and prospectus. Verizon and MCI encourage you to read the entire merger agreement carefully because it is the governing document for the merger.

Table of Contents

Structure of the Merger (See page 105)

Under the merger agreement, MCI will merge with and into Eli Acquisition, LLC, sometimes referred to as Eli Acquisition, a direct, wholly owned subsidiary of Verizon. Eli Acquisition will continue as the surviving entity and will be renamed MCI, LLC. This structure is sometimes referred to as the original structure. Verizon and MCI have agreed that if their respective legal advisors are unable to deliver their opinions regarding the treatment of the merger as a reorganization for tax purposes or if Verizon determines in its reasonable judgment that effecting the merger under the original structure would result in a material risk of materially adverse regulatory or other materially adverse consequences, the merger will be completed by causing a Delaware corporation wholly owned by Verizon to merge with and into MCI, with MCI continuing as the surviving corporation. This structure is sometimes referred to as the alternative merger. For example, in certain situations under the original structure, because MCI will not be the surviving corporation in the merger, certain state public service or public utility commissions or similar state regulatory bodies, from whom we must obtain approvals before the merger can be consummated, could take the view that a change in control would require each MCI subsidiary currently holding a certificate of public convenience and necessity in the state to obtain a new certificate or transfer the existing certificate. If a state public service or public utility commission or similar state regulatory body were to take this view, we might be required to file an amendment to our application to request a transfer of the existing certificate, which may delay the merger. Additionally, the state public service or public utility commission or similar state regulatory body may deny MCI permission to transfer its existing certificate. In either event, Verizon may choose to use the alternative merger structure if it determines in its reasonable judgment that