

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MINNESOTA**

UNITED STATES OF AMERICA and  
STATE OF MINNESOTA,

*Plaintiffs,*

V.

ALLTEL CORPORATION and  
MIDWEST WIRELESS HOLDINGS L.L.C.,

*Defendants.*

**STATEMENT IN SUPPORT  
OF THE APPOINTMENT OF  
W. STEPHEN CANNON AS  
MANAGEMENT TRUSTEE**

**Case No. 06-3631 (RHK/AJB)**

This Statement is filed by plaintiff United States in support of the appointment of Mr. W. Stephen Cannon as Management Trustee in the above-captioned case. This request arises from the filing of a Joint Motion to Modify Final Judgment filed on October \*, 2008. The purpose of modifying the Final Judgment is to remedy the competitive problems that would occur if defendants<sup>1</sup> and Verizon Communications Inc. are allowed to acquire certain assets (the Divestiture Assets as defined in Sections II.D and XV of the proposed Modified Final Judgment) that were required to be divested pursuant to the Final Judgment. The success of the Modified Final Judgment depends in

<sup>1</sup> The Final Judgment was entered after the United States challenged, under the antitrust laws, the merger between ALLTEL Corporation and Midwest Wireless Holdings L.L.C. The resulting entity, ALLTEL Corporation, was acquired by Atlantis Holdings LLC in November 2007 and its name was changed to Alltel Corporation. It will be referred to in this memorandum as Alltel.

part on ensuring that the assets to be redivested are preserved as economically viable and independent prior to their divestiture, and, therefore, the parties hereto stipulated to the Modified Preservation of Assets Stipulation (“Stipulation”). The Stipulation embodies the agreement to preserve and maintain the Divestiture Assets through the appointment of an independent Management Trustee to manage the assets consistent with the terms and purpose of the Stipulation, the proposed Modified Preservation of Assets Order and the proposed Modified Final Judgment. This Management Trustee, nominated by plaintiff United States and approved by this Court, will manage and preserve the Divestiture Assets and ensure compliance with the Modified Final Judgment. For the reasons discussed below, plaintiff nominates W. Stephen Cannon to be the Management Trustee and urges this Court to appoint him to serve in that capacity.

Plaintiff believes a familiarity with the management of a mobile wireless business and a thorough understanding of the competitive goals of both the proposed Modified Final Judgment and the Stipulation are essential qualifications for the Management Trustee. As indicated in Exhibit A, Mr. Cannon clearly possesses those qualifications. Mr. Cannon was appointed the operating trustee by the Court in *United States v. AT&T Inc. and Dobson Communications Corporation*, Civ. No. 1:07CV01952 (ESH) (D.D.C. filed Oct. 30, 2007) (“*AT&T/Dobson*”) and *United States v. Verizon Communications Inc. and Rural Cellular Corporation*, Civ. No. 1:08CV0993 (EGS) (D.D.C. filed June 10, 2008) (“*Verizon/RCC*”). In his capacity as Management Trustee, Mr. Cannon operated mobile wireless businesses in five different states. Through this experience, he gained

industry knowledge and hands-ons operational and financial expertise that will make him fully capable of carrying out the day-to-day responsibilities of the Management Trustee here. Additionally, in his position as Senior Vice President, General Counsel and Secretary of Circuit City Stores, Inc., a Fortune 200 retailer of consumer electronics, he served as a member of the company's executive committee that developed and directed Circuit City's business strategy, and had responsibility for the management of all legal and policy issues. Through this experience, he gained an in-depth knowledge of the consumer retail business and hands-ons operational and financial expertise that will be important in his role as Management Trustee. Mr. Cannon also has more than 20 years experience in antitrust law, including serving as Deputy Assistant Attorney General at the Antitrust Division of the United States Department of Justice. He is aware of the importance of competition and is well qualified to understand and advance the goals of the Stipulation and proposed Modified Final Judgment.

Finally, an extensive conflicts check has revealed no representations that would disqualify Mr. Cannon from serving as Management Trustee. In selecting Mr. Cannon, plaintiff United States considered whether Mr. Cannon's current role as Management Trustee in *Verizon/RCC* would create a conflict since Verizon receives the revenue generate by, and will ultimately receive the proceeds of the sale of, the wireless businesses he is managing in Vermont, New York and Washington. Although Mr. Cannon's expenses are being paid by Verizon, Mr. Cannon was appointed by the court, he is acting with the supervision of plaintiff United States and the court, and his expenses

are paid pursuant to the court's order. As in *AT&T/Dobson*, Mr. Cannon is not involved in the sale of the *Verizon/RCC* divestiture assets and those businesses do not compete for customers with the businesses he will be managing pursuant to the proposed Modified Final Judgment and proposed Modified Preservation of Assets Order in this case. Moreover, the confidentiality obligations imposed by the proposed Modified Preservation of Assets Order in this case (Section V.E), the Preservation of Assets Stipulation and Order in *AT&T/Dobson* (Section V.E), and the Preservation of Assets Stipulation and Order in *Verizon/RCC* (Section V.E) will serve to protect and promote the competitiveness of the businesses Mr. Cannon will be managing. Neither defendants nor Verizon Communications Inc. object to the Court's appointment of Mr. Cannon as the Management Trustee.

Accordingly, plaintiff United States supports the appointment of W. Stephen Cannon as Management Trustee.

Dated: October 30, 2008

Respectfully submitted,

FOR PLAINTIFF UNITED STATES

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