Knowles Corp
Form S-8
May 03, 2018

As filed with the Securities and Exchange Commission on May 3, 2018

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-8

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

KNOWLES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**90-1002689**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**
1151 Maplewood Drive **Itasca, Illinois** **(Address of Principal Executive Offices)**	**60143** **(Zip Code)**

Knowles Corporation 2018 Equity and Cash Incentive Plan

(Full title of the plan)

Thomas G. Jackson

Senior Vice President, General Counsel & Secretary

Knowles Corporation

1151 Maplewood Drive

Itasca, IL 60143

(Name and address of agent for service)

(630) 250-5100

(Telephone number, including area code, of agent for service)

Copies to:

Paul L. Choi

Lindsey A. Smith

Sidley Austin LLP

One South Dearborn Street

Chicago, Illinois 60603

(312) 853-7000

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of large

accelerated filer, accelerated filer, smaller reporting company and emerging growth company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company
	Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered (1)	Proposed maximum offering price per share (2)	Proposed maximum aggregate offering price (2)	Amount of registration fee
Common Stock, $0.01 par value	7,300,000 shares	$11.26	$82,198,000	$10,233.65

(1) Represents 7,300,000 shares of common stock, par value $0.01 per share (the Common Stock), of Knowles Corporation (the Registrant) issuable under the Knowles Corporation 2018 Equity and Cash Incentive Plan (the Plan). Pursuant to Rule 416(a) of the Securities Act of 1933, as amended (the Securities Act), this Registration Statement also registers such number of additional shares of Common Stock as may be offered pursuant to the terms of the Plan, which provides for a change in the number or class of securities being offered or issued to prevent dilution as a result of stock splits, stock dividends or similar transactions.

(2) Estimated in accordance with Rules 457(c) and (h) under the Securities Act solely for the purpose of calculating the registration fee. The price of $11.26 per share represents the average of the high and low sales prices of the Registrant s Common Stock as reported on the New York Stock Exchange on April 26, 2018.

PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

(a) The documents constituting Part I of this Registration Statement will be sent or given to the participants in the Plan as specified by Rule 428(b)(1) under the Securities Act.

(b) Upon written or oral request, the Registrant will provide, without charge, the documents incorporated by reference in Item 3 of Part II of this Registration Statement. The documents are incorporated by reference in the Section 10(a) prospectus. The Registrant will also provide, without charge, upon written or oral request, other documents required to be delivered to employees pursuant to Rule 428(b) under the Securities Act. Requests for the above-mentioned information should be directed to the Secretary of the Registrant at the address and telephone number on the cover of this Registration Statement.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. ***Incorporation of Documents by Reference.***

The following documents that have been filed with the Securities and Exchange Commission (the Commission) by the Registrant are incorporated herein by reference:

(a) the Registrant s Annual Report on Form 10-K for the year ended December 31, 2017, filed with the Commission on February 20, 2018;

(b) the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, filed with the Commission on April 30, 2018;

(c) the Registrant s Current Reports on Form 8-K filed with the Commission on February 21, 2018 (Items 5.02 and 8.01 only), and May 2, 2018;

(d) the description of the Registrant s Common Stock set forth under the heading Description of Knowles Capital Stock in the Registrant s Information Statement, filed as Exhibit 99.1 to the Registrant s Registration Statement on Form 10 filed with the Commission on February 6, 2014, including any amendment or report filed for the purpose of updating such description.

All documents subsequently filed by the Registrant with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), after the date of this Registration Statement, prior to the filing of a post-effective amendment to this Registration Statement which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference into this Registration Statement and to be a part hereof from the respective dates of filing of such documents (such documents, and the documents enumerated above, being hereinafter referred to as the Incorporated Documents).

Any statement contained herein or in an Incorporated Document shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any subsequently filed Incorporated Document modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Notwithstanding the foregoing, unless specifically stated to the contrary, none of the information disclosed by the Registrant under Items 2.02 or 7.01 of any Current Report on Form 8-K, including the related exhibits under Item 9.01, that the Registrant may from time to time furnish to the Commission will be incorporated by reference into, or otherwise included in, this Registration Statement.

Item 4. ***Description of Securities.***

Not applicable.

Item 5. ***Interests of Named Experts and Counsel.***

Not applicable.

Item 6. ***Indemnification of Directors and Officers.***

Section 145 of the Delaware General Corporation Law (DGCL) provides that a corporation may indemnify directors and officers as well as other employees and agents of the corporation against expenses (including attorneys fees), judgments, fines and amounts paid in settlement in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, in which such person is made a party by reason of the fact that the person is or was a director, officer, employee or agent of the corporation (other than an action by or in the right of the corporation a derivative action), if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person s conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification only extends to expenses (including attorneys fees) incurred in connection with the defense or settlement of such action, and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation s bylaws, disinterested director vote, stockholder vote, agreement or otherwise.

The Registrant s amended and restated certificate of incorporation, as amended (the Certificate of Incorporation), provides that no director shall be liable to the Registrant or the Registrant s shareholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL, as now in effect or as amended. Currently, Section 102(b)(7) of the DGCL requires that liability be imposed for the following:

any breach of the director s duty of loyalty to the Registrant or its shareholders;

any act or omission not in good faith or which involved intentional misconduct or a knowing violation of law;

unlawful payments of dividends or unlawful stock purchases or redemptions as provided in Section 174 of the DGCL; and

any transaction from which the director derived an improper personal benefit.

The Certificate of Incorporation also provides that the Registrant shall indemnify its directors and officers to the fullest extent authorized or permitted by law. A director s or officer s right to indemnification under the Certificate of Incorporation includes the right to be paid by the Registrant the expenses incurred in defending or otherwise participating in any proceeding in advance of its final disposition. The rights to indemnification and advancement of expenses in the Certificate of Incorporation are not exclusive of any other right which any person may have under the Certificate of Incorporation, the Registrant s amended and restated by-laws, as amended (the By-Laws), any statute,

agreement, vote of shareholders or disinterested directors or otherwise. In addition, any repeal or modification of the indemnification or advancement of expenses provisions in the Certificate of Incorporation will not adversely affect any rights to indemnification and to the advancement of expenses of a director or officer of the Registrant existing at the time of such repeal or modification with respect to any acts or omissions occurring prior to such repeal or modification.

The By-Laws provide that the Registrant shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Registrant), by reason of the fact that such person is or was a director or officer of the Registrant, or is or was a director, officer or employee of the Registrant serving at the request of the Registrant as a director, officer, employee or agent of, or in a fiduciary capacity with respect to, another corporation, partnership, joint venture, trust or other enterprise, against expenses

(including attorneys fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Registrant, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person s conduct was unlawful. The By-Laws also provide that the Registrant shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Registrant to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Registrant, or is or was a director, officer or employee of the Registrant serving at the request of the Registrant as a director, officer, employee or agent of, or in a fiduciary capacity with respect to, another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Registrant. Expenses (including attorneys fees) incurred by a current or former director or officer or employee entitled to indemnification under the By-Laws in defending any civil, criminal, administrative or investigative action, suit or proceeding will be paid by the Registrant in advance of the final disposition of such action, suit or proceeding. The indemnification and advancement of expenses provided by, or granted pursuant to, the By-Laws are not exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Certificate of Incorporation, the By-Laws, any statute, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person s official capacity and as to action in another capacity while holding such office. Any repeal or modification of the indemnification or advancement of expenses provisions of the By-Laws will not adversely affect any right or protection thereunder of a director, officer or employee of the Registrant in respect of any proceeding (regardless of when such proceeding is first threatened, commenced or completed) arising out of, or related to, any act or omission occurring prior to the time of such repeal or modification.

The Registrant maintains liability insurance for its directors and officers. Such insurance is available to the Registrant s directors and officers in accordance with its terms.

Item 7. ***Exemption From Registration Claimed.***

Not applicable.

Item 8. Exhibits.

Exhibit

No.	**Description**
4.1	Amended and Restated Certificate of Incorporation of Knowles Corporation, incorporated by reference to Exhibit 3.1 to the Registrant s Current Report on Form 8-K filed with the Commission on March 3, 2014.
4.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation of Knowles Corporation, incorporated by reference to Exhibit 3.1 to the Registrant s Current Report on Form 8-K filed with the Commission on May 4, 2016.
4.3	Certificate of Amendment of Amended and Restated Certificate of Incorporation of Knowles Corporation, incorporated by reference to Exhibit 3.1 to the Registrant s Current Report on Form 8-K filed with the Commission on May 2, 2018.
4.4	

Amended and Restated By-Laws of Knowles Corporation, incorporated by reference to Exhibit 3.2 to the Registrant s Current Report on Form 8-K filed with the Commission on March 3, 2014.

4.5	Amendment No. 1 to the Amended and Restated By-Laws of Knowles Corporation, incorporated by reference to Exhibit 3.2 to the Registrant s Current Report on Form 8-K filed with the Commission on May 4, 2016.
4.6	Amendment No. 2 to the Amended and Restated By-Laws of Knowles Corporation, incorporated by reference to Exhibit 3.1 to the Registrant s Current Report on Form 8-K filed with the Commission on August 4, 2017.
4.7	Amendment No. 3 to the Amended and Restated By-Laws of Knowles Corporation, incorporated by reference to Exhibit 3.2 to the Registrant s Current Report on Form 8-K filed with the Commission on May 2, 2018.
4.8	Knowles Corporation 2018 Equity and Cash Incentive Plan, incorporated by reference to Appendix B to the Registrant s Definitive Proxy Statement on Schedule 14A filed with the Commission on March 14, 2018.
5.1*	Opinion of Sidley Austin LLP as to the legality of the securities being offered.
23.1*	Consent of Sidley Austin LLP (included in its opinion filed as Exhibit 5.1).
23.2*	Consent of PricewaterhouseCoopers LLP.
24.1*	Powers of Attorney (contained in the signature page of this Registration Statement).

* Filed herewith.

Item 9. ***Undertakings.***

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in this effective Registration Statement; and

(iii)

To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement; *provided, however*, that paragraphs (a)(1)(i) and (a)(1)(ii) of this section do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Exchange Act that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant s annual report pursuant to Section 13(a) or 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan s annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the Village of Itasca, State of Illinois, on May 3, 2018.

KNOWLES CORPORATION

By: /s/ Jeffrey S. Niew
Jeffrey S. Niew
President and Chief Executive Officer

POWERS OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that each person whose signature appears immediately below constitutes and appoints Jeffrey S. Niew, John S. Anderson and Bryan E. Mittelman, as his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same with all exhibits thereto and other documents in connection therewith with the Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that each said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Jeffrey S. Niew Jeffrey S. Niew	Chief Executive Officer, President and Director (Principal Executive Officer)	May 3, 2018
/s/ John S. Anderson John S. Anderson	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	May 3, 2018
/s/ Bryan E. Mittelman Bryan E. Mittelman	Vice President, Controller (Principal Accounting Officer)	May 3, 2018
/s/ Donald Macleod Donald Macleod	Chairman, Board of Directors	May 3, 2018
/s/ Keith L. Barnes	Director	May 3, 2018

	Keith L. Barnes		
/s/	Hermann Eul	Director	May 3, 2018
	Hermann Eul		

/s/ Didier Hirsch Didier Hirsch	Director	May 3, 2018
/s/ Ronald Jankov Ronald Jankov	Director	May 3, 2018
/s/ Jane Li Jane Li	Director	May 3, 2018
/s/ Richard K. Lochridge Richard K. Lochridge	Director	May 3, 2018
/s/ Cheryl Savers Cheryl Savers	Director	May 3, 2018

bsp; *Potential Shareholder Liability*

If the assets we reserve at the time of a distribution are insufficient to satisfy our remaining liabilities, shareholders may be required to return all or a portion of the amount of the distributions they receive so as to ensure that all of our actual and contingent liabilities are satisfied in full. A shareholder□s liability would not, however, exceed the aggregate amount of the distributions that it receives.

Powers of the Company Following Dissolution

During the period of our dissolution, we will be prohibited from entering into, or otherwise engaging in, any trade or business and from using our assets in furtherance thereof. The company will be restricted to collecting, holding, conserving and protecting our assets for the payment or other disposition of our remaining liabilities and for the distribution of any remaining assets to our shareholders.

Judicial Supervision of Dissolution

Under New York law, a creditor, claimant, director, shareholder and certain others, may petition the court for a judicially supervised dissolution in certain circumstances. The timing and amount of any liquidating distribution to our shareholders could be affected if our dissolution were to become judicially supervised.

Closing of Stock Transfer Books and Cancellation of Stock

If the proposed dissolution is approved by our shareholders, we expect our shares will be delisted from the New York Stock Exchange. Although our shares may continue to be transferred, the board of directors may fix a date after our initial distribution when we will close our share transfer books and discontinue recording share transfers, except by will, intestate succession or operation of law. Our final distribution to shareholders will be in complete redemption and cancellation of all of the outstanding common stock of the company, for which the board of directors may specify certain requirements.

Regulatory Approvals (See page 17)

We do not expect to require any regulatory approvals in connection with the proposed dissolution. If the proposed dissolution is not approved and our company retains the Verizon common stock that we receive in the exchange, we may have to register as an investment company under the Investment Company Act.

Vote Required for Approval of the Proposed Dissolution (See page 17)

The affirmative vote of the holders of record of at least 66-2/3% of our outstanding shares at the close of business on [_____ __], 2006 is required to approve the proposed dissolution at the annual

meeting, if a quorum is present. The holders of a majority of our outstanding shares, present in person or represented by proxy, will constitute a quorum at the annual meeting. If a proxy card is executed but it does not indicate whether the shareholder has voted to approve the proposed dissolution, it will be considered a vote "for" the proposed dissolution. Abstentions will be considered a vote "against" the proposed dissolution.

Robert Price, our company's president, chief executive officer and treasurer, the chief financial officer and the other directors of the company, who collectively have voting power over approximately 5.74% of our outstanding shares, have advised us that they will vote all those shares to approve the proposed dissolution. However, 6% to 18% of our shareholders have failed to vote on matters submitted for approval at our annual meetings in recent years. Any shares that are not voted will be counted as voted "against" the dissolution proposal. Accordingly, it may be difficult to obtain the affirmative vote of the holders of at least 66-2/3% of our outstanding shares as required to approve the proposed dissolution.

No Appraisal Rights (See page 18)

Shareholders are not entitled to any rights of appraisal or similar rights of dissenters under New York law in connection with the proposed dissolution.

Interests of Directors and Officers in the Proposed Dissolution (See page 18)

Our directors and officers own shares of our common stock, and will receive distributions like our other shareholders. Our directors and officers will also receive compensation for their services during the dissolution process. In addition, it is expected that the board of directors will make severance awards to our officers in connection with the dissolution. The amounts of these awards have not yet been determined. In addition, our company has and will continue during the dissolution process to indemnify our directors and officers to the fullest extent authorized by New York's Business Corporation Law. We have also purchased insurance to indemnify our directors and officers for claims related to their service to our company. Additionally, under the insurance policy, our company has been indemnified for claims related to its violations of securities laws.

Material Income Tax Consequences (See page 18)

If the proposed dissolution is approved by our shareholders, Price will be dissolved and all the Verizon common stock that we receive in exchange for the Verizon Partnership interest, and all our cash, will be distributed to our shareholders (other than as required by law to be retained to pay or provide for the payment of liabilities). In such event, although the matter is not free from doubt, the exchange of our preferred limited partnership interest in the Verizon Partnership for the Verizon common stock and the dissolution of Price (collectively, the "**Reorganization**") will qualify as a "tax-free reorganization" for federal income tax purposes. Assuming the transaction so qualifies:

- Holders of Price common stock who receive both Verizon common stock and cash in the Reorganization will not recognize any loss and will recognize gain, if any, equal to the lesser of: (1) the amount of cash so received or deemed to be so received, as described in the "Material U.S. Federal Income Tax Consequences" section of this proxy statement, and (2) the excess of the sum of the amount of cash so received and the fair market value on the date of the distribution of the shares of Verizon common stock over the shareholder's adjusted tax basis for its shares of Price common stock. The tax treatment of such gain is uncertain. Price intends to report the cash distributed to each holder of Price common stock as dividend income to the extent of the holder's ratable share of Price's undistributed earnings and profits. The remaining gain, if any, will generally be capital gain and will generally be long-term capital gain if the holder's shares of Price common stock had been held for more than one year. You are urged to consult your own tax advisor to determine the tax treatment of any gains recognized pursuant to the Reorganization; and

- Price will not recognize gain or loss in connection with the Reorganization.

If the proposed dissolution is not approved by our shareholders, PCW will exchange its preferred limited partnership interest in the Verizon Partnership for Verizon common stock and will be liquidated into Price (collectively, the "**Alternative Reorganization**"). However, Price will not be dissolved and no Verizon common stock or other property will be distributed to our shareholders. In such event:

- Holders of Price common stock will not recognize any gain or loss;
- Although the matter is not entirely free from doubt, the Alternative Reorganization will qualify as a "tax-free reorganization" for federal income tax purposes; and
- Assuming the transaction so qualifies, Price will have a "carryover basis" in the Verizon common stock it receives in the dissolution of PCW. It is expected that Price will recognize taxable gain upon the disposition of the Verizon common stock and the amount of such gain could be significant.

You should review carefully the discussions under "Material Federal Income Tax Consequences." Your tax consequences will depend on your own situation. You should consult your tax advisors to determine the particular tax consequences applicable to you.

Recommendation of our Board of Directors (See page 22)

The Board of Directors of our company has unanimously approved the proposed dissolution, subject to shareholder approval, and unanimously recommends that our shareholders vote FOR the proposed dissolution.

What to do if You Have Additional Questions

If you have additional questions about the proposed dissolution, or would like to receive additional copies of this proxy statement or the proxy card, please contact Morrow & Co., our proxy solicitor at (800) 207-0088.

VOTE OF THE SHAREHOLDERS AS TO WHETHER THE COMPANY SHOULD BE DISSOLVED AFTER WE RECEIVE VERIZON COMMON STOCK IN EXCHANGE FOR OUR INTEREST IN THE VERIZON PARTNERSHIP

The Company

Price Communications Corporation
45 Rockefeller Plaza
Suite 3200
New York, New York 10020
(212) 757-5600

Unless otherwise indicated, all references to "Price" refer to Price Communications Corporation, a New York corporation, and all references to "company", "our", "us" and "we" refer to Price and its subsidiaries. Price was organized in New York in 1979 and began active operations in 1981. Price is registered on the New York Stock Exchange (ticker: PR) and has unlisted trading privileges on the Boston Stock Exchange (ticker: PR.B), Chicago Stock Exchange (ticker: PR.M), Pacific Stock Exchange (ticker: PR.P) and Frankfurt and Munich Stock Exchanges.

Until August 15, 2002, Price was engaged, through our indirect subsidiary PCW, in the construction, development, management and operation of cellular telephone systems in the southeastern United States. The company used to provide cellular telephone service to subscribers in Georgia, Alabama, South Carolina and Florida in a total of 16 licensed service areas composed of eight Metropolitan Statistical Areas and eight Rural Service Areas, with an aggregate estimated population of 3.4 million. As described in greater detail in the Background section of this proxy statement, we currently have no operating assets. Additional details about Price are contained in this proxy statement and in the Form 10-K filed by Price with the SEC on March 16, 2006.

Background and Reasons for Dissolution

On August 15, 2002, pursuant to a transaction agreement with Verizon, we contributed substantially all of the assets of PCW and approximately $149 million in cash to the Verizon Partnership, which is a limited partnership controlled by Cellco Partnership (d/b/a Verizon Wireless). This transaction is referred to as the "**Verizon Transaction**".

In return for this contribution, PCW received a non-transferable preferred limited partnership interest in the Verizon Partnership. This preferred limited partnership interest is exchangeable for shares of common stock of either Verizon Wireless (if a qualifying initial public offering of Verizon Wireless occurred by August 15, 2006) or Verizon (if, in general, such an offering does not occur).

At the time we negotiated the Verizon Transaction, our board of directors and management thought it possible that a qualifying initial public offering of Verizon Wireless would occur and that, consequently, we could probably receive Verizon Wireless shares. However, following the consummation of the Verizon Transaction, on January 29, 2003, Verizon Wireless announced the withdrawal of its registration statement for an initial public offering of its common stock, given Verizon Wireless' ongoing strong cash flow and lack of significant funding requirements. Moreover, since that time, we have received no indications as to if or when a Verizon Wireless initial public offering might occur. As a result, we do not believe that such an offering will take place by August 15, 2006. Consequently, we expect that our preferred limited partnership interest in the Verizon Partnership will be exchanged for shares of Verizon common stock on or about August 15, 2006. If this happens, our Verizon common stock will become eligible for distribution to our shareholders in August 2007. Because we expect to receive Verizon common stock, our proxy statement discusses only what will happen if we receive Verizon common stock.

In connection with the Verizon Transaction, we initially granted Verizon a security interest in 13% of our preferred interest in the Verizon Partnership to secure our indemnity obligations relating to the Verizon Transaction. The amount of the security was reduced to a value of approximately $41.3 million on the second anniversary of the Verizon Transaction. Pending final adjudication or other resolution of indemnity claims, the security interest would continue to secure our indemnity obligation. Although we cannot give any assurances, we currently believe that all of the claims that relate to our indemnity will be disposed of without giving rise to any material cost to us (other than payment from certain reserves that have already been booked on our balance sheet) and we will receive all of the shares of Verizon common stock that will be issued in exchange for the security.

As a result of the Verizon Transaction, we currently have no operating assets. Our principal assets now consist of the preferred interest in the Verizon Partnership, and cash and marketable securities with a book value of $77.7 million as of December 31, 2005, including approximately $71.2 million held in a collateral account to support our guarantee of certain indebtedness of the Verizon Partnership. We believe that the probability of this guarantee being enforced is remote. Moreover, upon consummation of the exchange, the funds held in the collateral account will be released to us if the net worth of the Verizon Partnership is at least $500 million. Based on the most recent financial statements of the Verizon Partnership, we believe that the net worth condition will be satisfied. As a result, we expect to receive all of the funds held in the collateral account upon the consummation of the exchange.

Our initial capital account in the Verizon Partnership was approximately $1.112 billion. Any profits of the Verizon Partnership are allocated to us on a preferred basis for a maximum period of four years from the date of the Verizon Transaction in an annual amount up to approximately 2.9% of our capital account. The Verizon Partnership distributes cash to us equal to 50% of the preferred return. The profits allocated to us are taxable and increase our capital account by such amount (less the cash distributions). Any losses incurred by the Verizon Partnership are allocated to Cellco Partnership (d/b/a Verizon Wireless) and its affiliates up to the amount of their capital accounts before being allocated to us. Our capital account in the Verizon Partnership as of December 31, 2005 is approximately $1.17 billion.

In our proxy statement for the 2003 annual meeting of our shareholders, we conducted a non-binding, advisory vote of our shareholders to solicit their views at that time as to whether the company should follow a liquidation strategy with a view toward the dissolution of the company in the years ahead, or whether, as an alternative to a liquidation strategy, the company□s management should seek to acquire another business that meets the economic and fiduciary requirements of our board of directors. A majority of the votes cast in this non-binding, advisory vote favored a strategy of seeking to acquire another business. The company□s proxy statement for the 2003 annual meeting noted that there could be no assurance that the company would identify or succeed in acquiring a business that met its economic and fiduciary requirements, and stated that since this was only a non-binding, advisory vote for the purpose of providing guidance to the board of directors and management, the outcome of the advisory vote would be only one factor considered by the board of directors and management in determining their views regarding the proper future course to be followed by the company. The proxy statement for the 2003 annual meeting further noted that regardless of the outcome of the vote, the board of directors and management would have the right, consistent with their fiduciary duties and exercise of their business judgment, to recommend to the shareholders that the company be liquidated (subject to the requisite approval of at least 66-2/3% of the company□s outstanding shares at a future meeting of shareholders), to seek other potential business opportunities, or to follow another course of action with respect to the company□s future.

The company and Mr. Price (in his capacity as chief executive officer of the company and in his personal capacity) have reviewed a number of potential acquisitions and other opportunities. These include the purchase of a mutual fund management company, banks, cellular properties, independent telephone companies, broadcasting and/or publishing companies and a proposal for the conversion of the company into a closed-end investment company. To date, the company has not identified a business that it believes, in light of the price being asked for such business and other considerations deemed by our board of directors and management to be relevant, would be in the best interests of the company to acquire, and

there can be no assurance that the company would be able to identify or succeed in acquiring a business that meets its economic and fiduciary requirements. Even if our company could successfully consummate an acquisition that meets the board of directors economic and fiduciary requirements, there can be no assurance that such acquisition would generate returns in excess of the returns generated by following the proposed dissolution or that the acquired business would generate losses to offset the significant tax gains that we may recognize upon a sale or other disposition of the Verizon common stock. Moreover, we currently have only three employees and may not have the infrastructure and management resources to successfully consummate and monitor acquisitions that meet the board of directors economic and fiduciary requirements.

Unless the Verizon common stock is distributed to our shareholders pursuant to a plan of dissolution, our company could recognize a substantial amount of taxable gain which may result in us incurring substantial tax liability upon any subsequent sale or distribution of the Verizon common stock. For example, if we were to receive 29,473,000 shares of Verizon common stock and sell all of those shares at $33.70 per share, which was the closing market price of Verizon common stock on February 28, 2006, the taxable gain resulting from the sale would exceed $1.2 billion. As a result, if our shareholders do not approve the proposed dissolution, the market price of our shares is likely to fall to take into account the potentially significant tax liability that our company may incur upon any sale or distribution of the Verizon common stock. See also the Material Federal Income Tax Consequences section of this proxy statement.

Additionally, if our company retains the Verizon common stock, we may have to register as an investment company under the Investment Company Act, which could significantly limit the nature of business activities that we can pursue and would also impose stringent regulatory requirements. See also the Regulatory Approvals section of this proxy statement.

The Exchange

This section of the proxy statement describes the material terms of the exchange agreement, but does not purport to describe all of the provisions of the exchange agreement. The following summary is qualified in its entirety by reference to the complete text of the exchange agreement, which is attached as Exhibit C to our proxy statement dated May 31, 2002 and is incorporated in this proxy statement by reference.

Our exchange agreement with Verizon requires that our preferred limited partnership interest in the Verizon Partnership must be exchanged for shares of common stock of either Verizon Wireless (if a qualifying initial public offering of Verizon Wireless occurs by August 15, 2006) or Verizon (if, in general, such an offering does not occur). Because it is unlikely that an initial public offering of Verizon Wireless shares will take place before August 15, 2006, the following only discusses the exchange for Verizon common stock.

We expect that our preferred interest in the Verizon Partnership will be exchanged for Verizon common stock on approximately August 15, 2006. Pursuant to a lock-up agreement with Verizon, our Verizon common stock will become eligible for distribution to our shareholders in approximately August 2007. In some circumstances, the preferred interest may be exchanged for Verizon common stock on approximately August 15, 2012 or such earlier time as Verizon may determine. In addition, in some circumstances, Verizon will have the option to require an exchange at any time (for example, where there is a change in control of our company or the preferred interest is transferred to a secured lender in connection with a default under a financing arrangement).

The number of shares of Verizon common stock that we will receive in the exchange will be equal to our capital account in the Verizon Partnership divided by the trailing 20-day average closing price of Verizon common stock at the time of the exchange, but our exchange agreement provides that this price cannot be less than $40 nor more than $74 per share. Our capital account in the Verizon Partnership as of December 31, 2005 is approximately $1.17 billion. Verizon common stock has been trading substantially

below the $40 per share minimum price. If the trailing 20-day average closing price of Verizon common stock at the time of the exchange is at or below $40 per share, we would receive approximately 29,473,000 shares of Verizon common stock in the exchange based on our expected balance in the capital account at August 15, 2006. This is substantially less than the number of shares of Verizon common stock than we could purchase in the open market with the dollar equivalent of our capital account.

Pursuant to the exchange agreement, our company and Verizon will each pay 50% of all documentary stamp or similar issue or transfer taxes payable in respect of the issue or delivery of Verizon common stock upon consummation of the exchange, except to the extent such taxes are imposed by law on the company as a recipient of the Verizon common stock.

Conditions to Consummation of the Exchange

Under the terms of the exchange agreement, the obligation of each of the company and Verizon to consummate the exchange is subject to the following conditions:

- any applicable waiting period under the Hart-Scott-Rodino Act shall have expired or been terminated; and
- no applicable law, judgment or injunction shall prohibit the exchange.

The obligation of Verizon to consummate the exchange is subject to the following additional conditions:

- subject to certain exceptions, Verizon shall have received a favorable opinion of a third party as to the solvency of the company;
- the company shall have performed in all material respects our obligations under the exchange agreement, and our representations and warranties must be true at the time of the exchange (except as would not have a material adverse effect on the preferred Verizon Partnership interest or prevent the exchange); and
- the company shall have received an order from the SEC exempting it from the Investment Company Act, or shall be in compliance with the Investment Company Act.

The obligation of the company to consummate the exchange is subject to the following additional conditions:

- Verizon shall have performed in all material respects its obligations under the exchange agreement, and its representations and warranties must be true at the time of the exchange (except as would not have a material adverse effect on Verizon or prevent the exchange); and
- the Verizon common stock to be issued in the exchange must be approved for listing or quotation on each stock exchange or automated quotation system on which other shares of Verizon common stock are listed or quoted, subject to official notice of issuance.

We expect these conditions to be satisfied and, consequently, that our preferred limited partnership interest in the Verizon Partnership will be exchanged for Verizon common stock on or about August 15, 2006.

Revaluation of Assets and Liabilities

Under the terms of the exchange agreement, we are entitled to elect that, effective upon an exchange of the preferred interest for Verizon common stock, all assets and liabilities of the Verizon Partnership be revalued at their current market values and, solely for the purposes of determining the number of shares issuable upon the exchange, any unrealized gain or loss resulting from such revaluation be allocated to the capital accounts of the partners of Verizon Partnership in accordance with the terms of the limited partnership agreement as if it were an item of profit or loss. However, we believe that all profits and losses have already been properly allocated to the capital accounts of the partners and that the assets and liabilities of the Verizon Partnership already reflect their current market values. Accordingly, there should be no gain or loss resulting from such revaluation and we do not expect to require such a revaluation.

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Registration Agreement

Verizon filed with the SEC a registration statement to register the issuance of the Verizon common stock to the company in the exchange, and this registration was declared effective on June 3, 2002.

Listing of the Verizon Common Stock

Verizon has agreed to use its best efforts to cause the Verizon common stock that will be issued in the exchange to be listed on each securities exchange or quoted on each inter-dealer quotation system on which other shares of Verizon common stock are then listed or quoted.

The Proposed Dissolution

Certain Intermediate Transactions

Currently, PCW holds the preferred limited partnership interest in the Verizon Partnership, which is PCW's sole asset. PCW is an indirect, wholly-owned subsidiary of Price.

If the proposed dissolution is approved by our shareholders, the company will engage in certain reorganization transactions prior to the exchange of its preferred interest in the Verizon Partnership for Verizon common stock. Each of the subsidiaries of Price will be dissolved and as a result the preferred interest in the Verizon Partnership will be directly held by Price. Price will then exchange the partnership interest in the Verizon Partnership for Verizon common stock. As detailed below, distribution of Verizon common stock to our shareholders would take place after we file a certificate of dissolution for Price.

PCW is permitted to transfer all, but not less than all, of its preferred limited partnership interest in the Verizon Partnership to Price or Price's other subsidiaries in connection with a liquidation or merger of, with or into Price and Price's other subsidiaries. However, as a condition to such transfer by PCW (or one of its permitted transferees), certain conditions must be satisfied, including, (i) execution and delivery by the transferor and transferee of documents and instruments of conveyance of the interest as may be appropriate in the reasonable opinion of counsel to the Verizon Partnership and an agreement by the transferee to be bound by the terms of the limited partnership agreement for the Verizon Partnership, the exchange agreement and the lock-up agreements, (ii) unless the managing general partner of the Verizon Partnership waives such requirement, the transferor must furnish to the Verizon Partnership an opinion of counsel that the transfer will not cause the Verizon Partnership to terminate for federal income tax purposes, (iii) the transferor and transferee must furnish certain information regarding themselves to the Verizon Partnership to enable it to determine the transferee's initial tax basis and file all required federal and state tax returns and other legally required information or statements and (iv) the transferor must provide an opinion of counsel that the transfer is exempt from all applicable registration requirements and does not violate any applicable laws regarding the transfer of securities. We will be required to reimburse the Verizon Partnership for all costs associated with such transfer. We believe that we shall be able to satisfy all of these conditions in connection with the dissolution of Price's subsidiaries and transfer the partnership interest to Price.

Lock-up Agreement

The Verizon common stock issued to us will be subject to a lock-up agreement that will significantly limit our ability to dispose of the shares for certain specified periods of time. The lock-up agreement generally prevents us from selling, pledging, granting any options or warrants to purchase or otherwise transferring ownership or the economic consequences of the ownership of the Verizon common stock until 270 days after the exchange. The lock-up agreement generally also limits the number of shares that we may sell on any day for five years.

For so long as our lock-up agreement remains in effect, a distribution of the Verizon common stock to our shareholders cannot occur until five business days before the first anniversary of the exchange.

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As a result, if there is an exchange of our preferred interest in the Verizon Partnership for Verizon common stock on approximately August 15, 2006, as we expect, and if the shareholders approve our proposed dissolution, a distribution of the Verizon common stock to our shareholders would not, in general, occur before approximately August 8, 2007.

Dissolution of Price

As soon as is reasonably practicable after the exchange of the preferred limited partnership interest in the Verizon Partnership for Verizon common stock and assuming the dissolution proposal is approved by our shareholders, Price will file a certificate of voluntary dissolution with the Secretary of State of the State of New York and will immediately commence its dissolution by preparing and distributing the appropriate notices to creditors and claimants under applicable provisions of New York law.

After filing the certificate of dissolution with the Secretary of State of the State of New York, Price will proceed to convert any remaining non-cash assets (other than the Verizon common stock received in the exchange) into cash for the purpose of winding up its affairs, paying or contesting liabilities and claims and distributing the remaining assets to our shareholders. During the period of dissolution, assets of the company will be applied first to pay (or provide for the payment of) the actual and contingent liabilities of the company, including payment of expenses associated with the exchange and dissolution, as well as the payment of all other liabilities of the company that are, or become, known during this period.

Subject to the terms of our lockup agreement with Verizon, we expect to distribute to our shareholders our remaining cash and the Verizon common stock received in the exchange, less any amount applied to or reserved for actual or contingent liabilities approximately one year after the exchange which will be deposited in a liquidating trust. The amount reserved will be based on a determination by the board of directors, derived from consultation with management and outside experts, if the board of directors determines that it is advisable to retain such experts, and a review of, among other things, our estimated contingent liabilities and our estimated ongoing expenses, including, but not limited to, payroll, legal expenses, regulatory filings and other miscellaneous expenses. If any assets deposited in the liquidating trust are not actually required to pay our liabilities, these assets will be distributed to shareholders at one or more later dates. Each shareholder will receive its pro rata share of each distribution based on the number of shares held at the time of the record date for such distribution.

Price may, in its discretion or as required by applicable law, set up a bank account or make other provisions for the benefit of shareholders who cannot be located at the time of any distribution.

A vote to approve the proposed dissolution will be considered a vote to approve the dissolution of the company, as described above.

Estimated Distribution to Shareholders

Because of uncertainties as to the precise value of our assets and the ultimate amount of our liabilities, it is impossible to predict with certainty the amount of cash, Verizon common stock and other assets (if any) that would be distributed to our shareholders following a dissolution of the company. However, as of December 31, 2005, the company□s assets included cash and marketable securities with a book value of approximately $77.7 million (including $71.2 million held in a collateral account to support our guarantee of certain indebtedness of the Verizon Partnership) and our preferred limited partnership interest would be exchangeable for approximately 29,473,000 shares of Verizon common stock based on the $40 per share minimum price for Verizon common stock required by the exchange agreement and our expected balance in our capital account in the Verizon Partnership at August 15, 2006. Based upon information presently available to us, we would expect to reserve initially approximately $[_____] to satisfy our actual and contingent liabilities, including dissolution costs, if the initial distribution were to be made at the time of the mailing of this proxy statement. Assuming our assets and liabilities are unchanged at the time of the actual distribution, we estimate that we would distribute to our shareholders approximately [$[□] in cash and] [_____] shares of Verizon common stock for each share of our

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common stock owned on the record date for the distribution. Distributions from the liquidating trust will depend upon the extent to which we are able to pay or settle our liabilities for more or less than the reserved amounts and our ability to realize on any reserved assets.

There can be no assurance that amounts estimated will be realized because the actual realizations will be dependent upon a number of factors beyond our control, including the costs of dissolution, assertion of unanticipated liabilities and the actual realization of certain miscellaneous assets and finalization of obligations to be paid. Any increase in the actual amount of our liabilities or decrease in realization of assets will reduce the per share amounts to be distributed to the shareholders. For additional factors that could affect the amount available to shareholders for distribution, see the "Additional Factors to be Considered by Shareholders in Deciding Whether to Approve the Proposed Dissolution" section of this proxy statement.

Potential Shareholder Liability

If the assets we reserve at the time of a distribution are insufficient to satisfy our actual remaining liabilities, shareholders may be required to return all or a portion of the amount of their distributions so as to ensure that all of our actual and contingent liabilities are satisfied in full. A shareholder's liability would not, however, exceed the aggregate amount of the distributions that it receives.

Powers of Price Following Dissolution

Our directors and officers will have broad discretion in winding up the company's affairs, and may perform any and all acts necessary or desirable to carry out the dissolution and the distributions. We will maintain, manage, and control the distribution of our assets and, to that end, we may invest our assets pending distributions. We will continue to hold securities, including common stock, and we will roll over any fixed income investments as they mature into new short-term fixed income investments.

We will be specifically prohibited from entering into or otherwise engaging in any trade or business and from using any of our assets in furtherance thereof. Following the filing of the certificate of dissolution with the Secretary of State of the State of New York, the company will be restricted to collecting and holding its assets, to conserving and protecting them prior to distribution to the shareholders, and to the payment or other disposition of claims against the company.

Termination

We will continue to wind up the company's affairs until the payment in full of all of our liabilities and the complete distribution of remaining assets to our shareholders.

Judicial Supervision of Dissolution

Notwithstanding the filing of the certificate of dissolution by Price, New York law would permit Price or, in certain circumstances, a creditor, claimant, director, shareholder and certain others, to petition a court for a judicially supervised dissolution. In such event, the court would have the authority to replace the directors and officers of Price with court-appointed receivers and would have authority over all matters affecting the dissolution and winding up of the company's affairs. The timing and amount of any liquidating distributions to Price's shareholders could be affected if its dissolution were to become judicially supervised.

Closing of Stock Transfer Books and Cancellation of Stock

If the proposed dissolution is approved by our shareholders, we expect our shares will be delisted from the New York Stock Exchange. Although our shares may continue to be transferred, the board of

directors may fix a date after our initial distribution when we will close our share transfer books and discontinue recording share transfers, except by will, intestate succession or operation of law.

Our final distribution to shareholders will be in complete redemption and cancellation of all of the outstanding common stock of Price. As a condition to receipt of the final distribution, our board of directors may require the shareholders to (i) surrender their stock certificates to Price or its agent or (ii) furnish Price with evidence satisfactory to the board of directors of the loss, theft or destruction of their stock certificates, together with such surety bond or other security or indemnity as may be required by and be satisfactory to the board of directors.

Compliance with Reporting Requirements Under the Exchange Act

We have an obligation to continue to comply with the applicable reporting requirements of the Securities Exchange Act of 1934 (the "**Exchange Act**"), even though compliance with such reporting requirements is economically burdensome. In order to curtail expenses, after filing the certificate of dissolution, we intend to seek relief from the SEC from the reporting requirements of the Exchange Act. If such relief is granted, we anticipate that we will continue to file current reports on Form 8-K to disclose material events relating to our dissolution along with any other reports that the SEC might require. However, the SEC may not grant any such relief.

Regulatory Approvals

We do not expect to require any regulatory approvals in connection with the proposed dissolution.

We expect that the company's receipt of Verizon common stock in the exchange will not be reportable under the Hart-Scott-Rodino Antitrust Act of 1976, as amended (the "**HSR Act**"), because subject to certain specified conditions, an acquisition of voting securities solely for the purpose of investment is exempt from the reporting requirements of the HSR Act. If you will receive Verizon common stock as a result of our dissolution, you may be required to file a notification report under the HSR Act, and forego receipt of Verizon common stock during a waiting period that would generally last no longer than 30 days, if after our distribution of Verizon common stock to you as a shareholder of Price, you will hold more than a threshold amount (currently $56.7 million) of Verizon common stock (including any Verizon common stock that you hold prior to the distribution). We encourage all Price shareholders to consult with your own advisors to determine whether you may be required to file a notification report under the HSR Act before you may receive Verizon common stock as a result of our dissolution.

Price and PCW obtained an order from the SEC exempting them from all provisions of the Investment Company Act in connection with the Verizon Transaction. The exemption will terminate in August 2006, and will coincide with the exchange of the preferred interest in the Verizon Partnership for shares of Verizon common stock. Following the exchange (until the distribution of Verizon common stock to our shareholders or if liquidation is not approved), the Verizon common stock will represent a substantial portion of Price's asset value, so Price may be considered to be primarily engaged in the business of investing, reinvesting, owning, holding or trading in securities. As a result, if the Verizon common stock is not distributed to our shareholders or if liquidation is not approved, we may be required to register as an investment company under the Investment Company Act.

Vote Required for Approval of the Proposed Dissolution

Under New York law, the affirmative vote of the holders of at least 66-2/3% of our outstanding shares is required at a shareholders meeting to approve a dissolution of our company and, therefore, the proposed dissolution. Robert Price, our company's president, chief executive officer and treasurer, the chief financial officer and the other directors of the company, who collectively have voting power over approximately 5.74% of our outstanding shares, have advised us that they will vote all those shares to approve the proposed dissolution. However, 6% to 18% of our shareholders have failed to vote on matters

submitted for approval at our annual meetings in recent years. Any shares that are not voted will be counted as voted □against□ the dissolution proposal. Accordingly, it may be difficult to obtain the affirmative vote of at least 66-2/3% of our outstanding shares as required to approve the proposed dissolution.

No Appraisal Rights

Shareholders are not entitled to any rights of appraisal or similar rights of dissenters under New York law in connection with the proposed dissolution.

Interests of Directors and Officers in the Proposed Dissolution

Our directors and officers own shares of our common stock, and will receive distributions like our other shareholders. Our directors and officers will also receive compensation for their services during the dissolution process. In addition, it is expected that the board of directors will make severance awards to our officers in connection with the dissolution. The amounts of these awards have not yet been determined. In addition, our company has and will continue during the dissolution process to indemnify our directors and officers to the fullest extent authorized by New York□s Business Corporation Law. We have also purchased insurance to indemnify our directors and officers for claims related to their service to our company. Additionally, under the insurance policy, our company has been indemnified for claims related to its violations of securities laws.

Material Federal Income Tax Consequences

General

In the opinion of Davis Polk & Wardwell, counsel to Price, the following are the material U.S. federal income tax consequences of the Reorganization and Alternative Reorganization. This discussion is based on the Internal Revenue Code of 1986, as amended, applicable Treasury regulations, administrative interpretations and court decisions, all as of the date of this proxy statement, all of which may change, possibly with retroactive effect.

This discussion only addresses shares of Price common stock held by Price shareholders as capital assets. It does not address all aspects of federal income taxation that may be important to a shareholder in light of that shareholder□s particular circumstances or to a shareholder subject to special rules, such as:

- a shareholder who is not a □U.S. Holder□ as defined below, except as otherwise provided herein;
- a financial institution or insurance company;
- a tax-exempt organization;
- a dealer or broker in securities;
- a shareholder that holds its Price common stock as part of a hedge, straddle, conversion transaction or any similar transaction; or
- a shareholder who acquired his Price common stock pursuant to the exercise of options or otherwise as compensation.

Tax Consequences to U.S. Holders

As used herein, a "U.S. Holder" is a beneficial owner of Price common stock that is, for U.S. federal income tax purposes:

- a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any political subdivision thereof; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

If a partnership holds Price common stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. A partner of a partnership holding Price common stock should consult its tax advisors.

Tax Opinion

Price has received an opinion of Davis Polk & Wardwell dated as of the date of this proxy statement as to the federal income tax consequences of the Reorganization and the Alternative Reorganization. The opinion of Davis Polk & Wardwell has relied, and the confirmation opinion regarding the Reorganization or the Alternative Reorganization as of the exchange date (the "**exchange date opinion**") will rely, on representations and covenants made by Price, including those contained in certificates of officers of Price, and the following material assumptions:

- the U.S. federal income tax consequences of the Verizon Transaction as described in Price's May 31, 2002 proxy statement are correct;
- the Reorganization and the Alternative Reorganization will be completed in the manner contemplated by this proxy statement;
- if dissolution of Price is approved by its shareholders and the Reorganization takes place after exchanging its Verizon Partnership interest for Verizon common stock, Price will engage in no activities other than (i) holding the Verizon common stock; (ii) holding cash and cash equivalents; (iii) holding any existing marketable securities that it currently owns; (iv) managing its liabilities; and (v) any activities necessary and incidental to the activities in clauses (i) through (iv); but Price will not vary any of its investments, other than rolling over fixed income investments as they mature into new short-term fixed income investments;
- following the Reorganization or Alternative Reorganization, Verizon will continue to hold for use in its business the Verizon Partnership interest received in exchange for its common stock. For this purpose, Verizon will be treated as holding all of the businesses and assets of its "Qualified Group," as defined in the applicable Treasury Regulations;
- if dissolution of Price is approved by its shareholders and the Reorganization takes place pursuant to a plan of reorganization that will be adopted prior to the exchange of our preferred limited partnership interest in the Verizon Partnership, Price will distribute to its shareholders and creditors all the Verizon common stock and all its other properties (except any amounts retained to pay or provide for the payment of liabilities) no later than August 14, 2007, at which point Price will cease all activities and surrender its corporate charter. To the extent

that Price at such time holds any assets to pay, or provide for the payment of, its liabilities, such assets will be deposited in a liquidating trust for the benefit of our shareholders; and

- immediately prior to the Reorganization or Alternative Reorganization, Verizon will not be an investment company as defined in Section 368(a)(2)(F) of the Internal Revenue Code.

In addition, the opinion of Davis Polk & Wardwell has assumed, and Davis Polk & Wardwell's ability to provide the closing date opinion will depend on, the absence of changes in existing facts or in law between the date of this proxy statement and the exchange date. If any of those representations, covenants or assumptions is inaccurate, Davis Polk & Wardwell may not be able to provide the required exchange date opinion and the federal income tax consequences of the exchange could differ from those described herein.

The following discussion neither binds the Internal Revenue Service ("**IRS**") nor precludes the IRS or the courts from adopting a contrary position. Price does not intend to obtain a ruling from the IRS on the tax consequences of the Reorganization and the Alternative Reorganization.

Federal Income Tax Treatment of the Reorganization and the Alternative Reorganization

The following is a discussion of the consequences if the proposed dissolution is approved and the Reorganization takes place, or, alternatively, if the proposed dissolution is not approved and the Alternative Reorganization takes place.

Federal Income Tax Consequences to Price if the Proposed Dissolution is Approved

Although the matter is not free from doubt, the Reorganization will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, and Verizon Communications and Price will each be a party to that reorganization within the meaning of Section 368(b) of the Internal Revenue Code. Assuming such treatment is correct, Price will not recognize any gain or loss for federal income tax purposes as a result of the Reorganization.

Federal Income Tax Consequences to Holders of Price Common Stock if the Proposed Dissolution is Approved

Assuming that the reorganization treatment is correct, for federal income tax purposes:

- Holders of Price common stock who receive both Verizon common stock and cash in the Reorganization will not recognize any loss and will recognize gain, if any, equal to the lesser of: (1) the amount of cash so received and (2) the excess of the sum of the amount of cash so received and the fair market value on the date of the distribution of the shares of Verizon common stock over the shareholder's adjusted tax basis for its Price common stock. The tax treatment of such gain is uncertain. Price intends to report the cash distributed to each holder of Price common stock as dividend income to the extent of the holder's ratable share of Price's undistributed earnings and profits. Accordingly, cash distributed to certain shareholders who are not U.S. Holders, including (1) nonresident alien individuals not otherwise present in the United States for 183 days or more in the year of distribution, (2) foreign corporations and (3) foreign estates or trusts, will be withheld upon at a rate of 30% unless a lower treaty rate applies. The remaining gain, if any, will generally be capital gain and will generally be long-term capital gain if you held your shares of Price common stock for more than one year. You are urged to consult your own tax advisor to determine the tax treatment of any gains recognized pursuant to the Reorganization. For purposes of the foregoing, the amount of cash you receive is deemed to include your ratable share of the expected residual value, if any, of any cash or other property deposited by Price in a liquidating trust for the benefit of its

shareholders. Because you will be deemed to receive the expected residual value of amounts deposited in a liquidating trust at the time they are deposited, you may be subject to tax on that residual value prior to its actual receipt by you. If, after all claims against Price are satisfied, the amount you actually receive is either greater than or less than the amount previously deemed to have been received by you, you may be required to recognize gain or loss, respectively, in the year of receipt. The treatment of such gain or loss is unclear; you are urged to consult your own tax advisor;

- A U.S. Holder who receives Verizon common stock will have an adjusted tax basis in the Verizon common stock received in the Reorganization equal to the adjusted tax basis of its shares of Price common stock, increased by any gain recognized (including any portion of the gain that is treated as a dividend), and decreased by the amount, if any, of cash received;

- The holding period for shares of Verizon common stock received will include the holding period for the shares of Price common stock; and

- If a holder□s shares of Price common stock have differing tax bases and/or holding periods, the preceding rules must be applied separately to each identifiable block of shares.

Information Reporting and Backup Withholding

Information returns will be filed with the IRS in connection with any cash received by a holder of Price common stock pursuant to the Reorganization, unless such holder is an exempt recipient (such as a domestic corporation).

Backup withholding at the rate specified in the Internal Revenue Code may apply to cash paid to a Price shareholder in the dissolution unless he or she provides an applicable exemption or a correct taxpayer identification number and otherwise complies with the requirements of the backup withholding rules. A shareholder who is a U.S. Holder will be required to provide a properly executed IRS Form W-9 (or the substitute Form W-9 included in the letter of transmittal to be delivered to such shareholder in connection with the Reorganization) in order to claim exemption from withholding.

Any amount withheld under the backup withholding rules will be allowed as a refund or credit against U.S. federal income tax liability if the required information is furnished to the IRS. The IRS may impose a penalty upon any taxpayer that fails to provide the correct taxpayer identification number.

Reporting Requirements

You will be required to retain records pertaining to the Reorganization and to file with your U.S. federal income tax return for the year in which the Reorganization takes place a statement setting forth facts relating to the Reorganization, including:

- the cost or other basis of your shares of Price;

- and the fair market value of the Verizon common stock and the amount of cash you receive in the Reorganization.

Federal Income Tax Treatment of the Alternative Reorganization

If the proposed dissolution is not approved, it is expected that PCW, which is a wholly owned subsidiary of Price and currently holds the Verizon Partnership interest, will be dissolved. In such case, although the matter is not entirely free from doubt, the Alternative Reorganization will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, and Verizon Communications and PCW will each be a party to that reorganization within the meaning of Section 368(b) of the Internal Revenue

Code. Assuming such treatment is correct neither Price nor PCW will recognize any gain or loss for federal income tax purposes as a result of the Alternative

Reorganization. However, Price will have a tax basis in the Verizon common stock received equal to the adjusted basis of its PCW stock. As a result, it is expected that a significant amount of gain will be recognized by Price upon its disposition of the Verizon common stock. Holders of Price common stock will not receive any cash or Verizon common stock pursuant to the Alternative Reorganization. Accordingly, holders of Price common stock will not recognize gain or loss as a result of the Alternative Reorganization.

This discussion of material U.S. federal income tax consequences is not a complete analysis or description of all potential federal income tax consequences of the Reorganization or the Alternative Reorganization. This discussion does not address tax consequences that may vary with, or are contingent on, individual circumstances. In addition, it does not address any non-income tax or any foreign, state or local tax consequences of the Reorganization or the Alternative Reorganization. **Accordingly, we strongly urge each Price shareholder to consult his or her own tax advisor to determine the particular U.S. federal, state or local or foreign income or other tax consequences to him or her.**

Recommendation of the Board of Directors

The Board of Directors of our company has unanimously approved the proposed dissolution, subject to shareholder approval, and unanimously recommends that our shareholders vote FOR the proposed dissolution. In reaching this determination the board of directors considered the following material factors:

- Because an IPO of Verizon Wireless is highly unlikely by August 2006, our interest in the Verizon Partnership will be required to be exchanged for shares of Verizon common stock in August 2006;
- If our company is not dissolved pursuant to a plan on dissolution adopted prior to the exchange and we later sell any Verizon common stock or distribute Verizon common stock to our shareholders, our company and/or our shareholders could recognize a substantial amount of taxable gain which may result in our incurring substantial tax liability;
- If our company is not dissolved pursuant to a plan on dissolution adopted prior to the exchange, we expect the market price of our shares to decline to take into account the substantial tax liability that our company may incur upon any sale or distribution of Verizon common stock;
- Although a majority of our shareholders approved a non-binding, advisory proposal in 2003 that our company seek to acquire a new business, we have been unable to identify or successfully acquire any business that meets the economic and fiduciary requirements of our board of directors;
- If the proposed dissolution is not approved by our shareholders, we may be unable to identify or succeed in acquiring a business that meets the board of directors economic and fiduciary requirements;
- Even if we successfully consummate an acquisition that meets the board of directors economic and fiduciary requirements, there can be no assurance that the acquisition will generate returns in excess of the returns that may be realized by our shareholders following the proposed dissolution or that the acquired business will generate losses to offset the significant tax gains that we may recognize upon any disposition of Verizon common stock;
- We currently have only three employees and may not have the infrastructure and management resources to successfully consummate and monitor acquisitions that meet the board of directors economic and fiduciary requirements;
- If our company continues to hold the Verizon common stock that it receives in the exchange, we could be required to register as an investment company under the Investment Company Act, which

will limit the nature of business activities we can pursue and impose significant regulatory requirements; and

- Our company's president, chief executive officer and treasurer, Robert Price, will vote the shares he owns for the proposed dissolution.

Additional Factors to be Considered by Shareholders in Deciding Whether to Approve the Proposed Dissolution

There are many factors that our shareholders should consider when deciding whether to vote to approve the proposed dissolution. In addition to carefully reviewing all the other information contained in this proxy statement and the documents incorporated herein, you should consider the following risk factors:

No Assurances can be Made on the Amount of any Distribution to Shareholders Following the Proposed Dissolution

We cannot assure you of the precise nature, amount or timing of any distribution. Uncertainties as to the precise amount of our assets and liabilities make it difficult to predict with certainty the aggregate net value ultimately distributable to our shareholders.

We may not Receive the Approval of a Sufficient Number of our Shareholders

It may be difficult to obtain the necessary vote for the proposed dissolution. In recent shareholder meetings, 6% to 18% of our shareholders have failed to vote. Any shares that are not voted will be counted as voted "against" the dissolution proposal.

If our Shareholders do not Approve the Proposed Dissolution, we may Suffer Adverse Tax and Other Consequences

Unless the company is dissolved and the Verizon common stock is distributed to our shareholders pursuant to a plan of dissolution, our company and/or our shareholders could recognize a substantial amount of taxable gain which may result in us incurring substantial tax liability upon any subsequent sale or distribution of the Verizon common stock. For example, if we were to receive 29,473,000 shares of Verizon common stock and sell all of those shares at $33.70 per share, which was the closing market price of Verizon common stock on February 28, 2006, the taxable gain resulting from the sale would exceed $1.2 billion. Additionally, if our company retains Verizon common stock, we may have to register as an investment company under the Investment Company Act, which could significantly limit our company's ability to take advantage of potential business opportunities and would also impose stringent regulatory requirements. See also the "Material Federal Income Tax Consequences" and "Regulatory Approvals" sections of this proxy statement.

If We Retain Verizon Common Stock, the Market Value of our Shares Could Suffer

If our shareholders do not approve the proposed dissolution, the market price of our shares is likely to fall to take into account the potentially significant tax liability that our company may incur and other adverse consequences that it may suffer upon any sale or distribution of the Verizon common stock.

Additional Liabilities and Expenses May Reduce the Amount Available for Distribution to Shareholders

The actual amount of the company's liabilities, including contingent liabilities, may exceed the amounts shown on our balance sheet. In addition, we could incur additional claims, liabilities and other expenses (such as payroll, regulatory filings, legal expenses, consulting fees and miscellaneous office

expenses) before or after we file the certificate of dissolution. These amounts will reduce the extent to which our assets will be available for distribution to our shareholders.

The Realizable Value of Our Assets May be Less Than Their Current Market Value

The market value of our assets may decline, or we may be unable for other reasons to realize the current market value of our assets. In this case, the assets available for distribution to our shareholders will be reduced.

The Market Price of Verizon Common Stock May Decline

If the market price of Verizon common stock declines, the potential tax liability that we may realize if the potential dissolution is not approved and we later sell or distribute to our shareholders the Verizon shares would be lower. Any further decline in the market price of Verizon common stock below $40 per share will not change the number of shares that we will receive in the exchange.

Distribution of Assets to our Shareholders Could be Delayed

If the proposed dissolution is approved, we expect to distribute Verizon common stock to our stockholders in August 2007. However, we are currently unable to predict the precise timing of any subsequent distribution. The timing of the distributions will depend on and could be delayed by, among other things, claim settlements with creditors. Additionally, a creditor could seek an injunction against the making of distributions to shareholders on the grounds that the amounts to be distributed were needed to provide for payment of our liabilities and expenses. Any action of this type could delay or diminish the amount available for distribution to shareholders.

Shareholders Could be Liable for Price□s Liabilities up to the Amount of Distribution Received by Them

If the assets we reserve at the time of any distribution are insufficient to satisfy our remaining liabilities, shareholders may be required to return all or a portion of the amount of their distributions so as to ensure that all of our actual and contingent liabilities are satisfied in full. A shareholder□s liability would not, however, exceed the aggregate amount of the distributions that it receives.

PROPOSAL 2 □ ELECTION OF DIRECTOR

General

Our certificate of incorporation provides that our board of directors will have not fewer than three nor more than ten directors, with the actual number being set from time to time by resolution of our board. Our board of directors has fixed the authorized number of directors at five.

Our certificate of incorporation provides that our board of directors will be divided into three separate classes, with the classes to be as nearly equal in number as possible. One class is elected each year to serve a staggered three-year term. The terms of office of the respective classes expire in successive years. At the annual meeting, one current member of our board of directors, Robert F. Ellsworth, is to be reelected to our board of directors to serve for a term of three years until the annual meeting of shareholders in 2009. The nominee, Robert F. Ellsworth, has consented to be named and to serve if elected. Our board of directors has no reason to believe that Mr. Ellsworth will be unable to serve if elected to office and, to the knowledge of our board of directors, Mr. Ellsworth intends to serve the entire term. Should Mr. Ellsworth become unable or unwilling to accept nomination or election, the persons named on the enclosed from of proxy will vote for such other person as our board of directors may recommend.

Our board of directors has determined that Frank Osborn and Stuart B. Rosenstein, current directors of our company, and Robert F. Ellsworth, a current director and nominee for reelection as director, have no material relationship with our company (either directly or indirectly as a partner, shareholder or officer of an organization that has a relationship with our company), other than in his capacity as a director of our company. Based on this determination and the review by our board of directors of the additional general independence requirements under the New York Stock Exchange□s listing standards (the □Listing Standards□), our board of directors has determined that each of these directors is an □independent director□ under the Listing Standards.

Vote Required

The affirmative vote of a plurality of the votes cast by our shareholders at the annual meeting is required for the election of a director. Abstentions with respect to the election of a director will have no effect on the vote on this matter.

Recommendation of the Board of Directors

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE □FOR□ THE ELECTION OF THE NOMINEE.

PRINCIPAL SHAREHOLDERS AND SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth information with respect to the beneficial ownership of our common stock as of March 23, 2006 by (1) each person or group known to us who beneficially owns (as defined in the rules of the Securities and Exchange Commission) more than five percent of our common stock, (2) our directors and executive officers individually, (3) all of our directors and executive officers as a group, and (4) the director nominee:

Beneficial Owner (1)	Amount or Nature of Beneficial Owner (2)(3)	Percentage
Robert Price	3,050,140 (3)	5.4%
Frank Osborn	1,000	(4)
Kim I. Pressman	292,559 (3)(5)	(4)
Stuart B. Rosenstein	39,637	(4)
Robert F. Ellsworth	33,313	(4)
All directors and executive officers as a group (5 persons)	3,416,649	6.1%
Atticus Capital L.L.C.	10,668,077 (6)	19.0%
Frederick W. Green and Bonnie L. Smith	4,679,622 (7)	8.3%
Sowood Capital Management LP	4,452,392 (8)	7.9%

(1) Address for each executive officer and director is our principal executive office located at 45 Rockefeller Plaza, New York, New York 10020.

(2) Unless otherwise indicated, the persons named in the table have the sole power to vote and direct the disposition of these shares.

(3) Includes options exercisable within 60 days of March 31, 2005. Excludes 10,500 options for Kim I. Pressman at an option price of $19.71, which are technically exercisable.

(4) Less than 1%.

(5) Excludes 20,403 shares held by Ms. Pressman's children as to which she disclaims beneficial ownership.

(6) Based on a Form 4 filed with the SEC on May 3, 2005. The Form 4 states that Timothy R. Barakett is an additional reporting person, that Mr. Barakett is the chairman, chief executive officer and managing member of Atticus Capital L.L.C. and certain other affiliated entities and that based on these relationships, he is deemed to be a beneficial owner of the shares of common stock owned by various investment funds and managed accounts as to which such entities and their affiliates act as advisors. The principal address for Mr. Barakett is 152 West 57th Street, New York, New York 10019.

(7) Based on Schedule 13G's filed with the SEC on February 9, 2006. 4,679,622 shares consists of (i) 4,107,998 shares beneficially owned by The Merger Fund; (ii) 15,345 shares beneficially owned by The Merger Fund VL; (iii) 242,947 shares beneficially owned by GS Master Trust; (iv) 139,970 shares beneficially owned by Institutional Benchmarks Series (Master Feeder) Limited; (v) 18,050 shares beneficially owned by MSS Merger Arbitrage 2 and (vi) 155,312 shares beneficially owned by SPhinx Merger Arbitrage, all of which each of Frederick W. Green and Bonnie L. Smith may be deemed to beneficially own by virtue of their respective positions as President (in the case of Mr. Green) and Vice-President (in the case of Ms. Smith) of Westchester Capital Management, Inc., the investment adviser of The Merger Fund and the Merger Fund VL, or by virtue of their position each as a member of Green & Smith Investment Management L.L.C., which is the investment adviser of each of the other private entities listed above. The principal address for each of Mr. Green, Ms. Smith, Westchester Capital Management, Inc., The Merger Fund, The Merger Fund VL and Green & Smith Investment Management L.L.C. is 100 Summit Drive, Valhalla, New York 10595. Each of Mr. Green, Ms. Smith, Westchester Capital Management, Inc., The Merger Fund, The Merger Fund VL and Green & Smith Investment Management L.L.C. disclaim membership in a group.

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(8) Based on a Schedule 13G filed with the SEC on February 14, 2006. The principal address for Sowood Capital Management LP is 500 Boylston Street, 17th Floor, Boston, Massachusetts 02116.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth information with respect to our directors (including director nominees) and executive officers.

Name	Age (as of December 31, 2005)	Office
Robert Price	73	Director, President, Chief Executive Officer and Treasurer
Kim I. Pressman	49	Director, Executive Vice President, Chief Financial Officer, Assistant Treasurer and Secretary
Frank Osborn	58	Director
Stuart B. Rosenstein	45	Director
Robert F. Ellsworth	79	Director and Nominee for Reelection as Director

The following is a biographical summary of the experience of our executive officers and directors (including the director nominee) named above.

Robert Price has served concurrently as a Director and the Chief Executive Officer and President of our company since 1979, has served as Treasurer of the Company since 1990, and has been a Director of Price Communications Wireless Holdings, Inc. (Holdings) and Price Communications Wireless since 1997. Mr. Price was a Director of PriCellular Corporation (PriCellular) from 1990 until it was acquired by American Cellular Corporation in June 1998. Mr. Price was the President and Assistant Treasurer of PriCellular from 1990 until May 1997 and served as Chairman of PriCellular from May 1997 until June 1998. Mr. Price, an attorney, is a former General Partner of Lazard Freres & Co. Mr. Price has served as an Assistant United States Attorney, practiced law in New York and served as Deputy Mayor of New York City. After leaving public office, Mr. Price became Executive Vice President of The Dreyfus Corporation and an Investment Officer of The Dreyfus Fund. In 1972 he joined Lazard Freres & Co. Mr. Price has served as a Director of Holly Sugar Corporation, Atlantic States Industries, The Dreyfus Corporation, Graphic Scanning Corp. and Lane Bryant, Inc., and is currently a member of The Council on Foreign Relations. Mr. Price has served as the Representative of the Majority Leader and President Pro Tem of the New York Senate and as a member of the Board of Directors of the Municipal Assistance Corporation for the City of New York. Mr. Price has also served as the nominee of the Governor of New York State as a trustee of the City University of New York. Since April 2001, he has been commissioner of the New York State Commission of Investigations.

Kim I. Pressman, a certified public accountant, is a graduate of Indiana University and holds an M.B.A. from New York University. Ms. Pressman was elected Executive Vice President & Chief Financial Officer of our company in May 1998 and was elected Secretary in April 2002. Prior to joining the Company in 1984 where she held various offices prior to her election to her current positions, Ms. Pressman was employed for three years by Peat, Marwick, Mitchell & Co., a national certified public accounting firm, and for more than three years thereafter was Supervisor, Accounting Policies for International Paper Company and then Manager, Accounting Operations for Corinthian Broadcasting of Dun & Bradstreet Company, a large group owner of broadcasting stations. Until June 1998, she served as a Director, Vice President and Secretary of PriCellular Corporation for more than the preceding five years.

Frank Osborn has been a director of our company since 2005. Mr. Osborn is the President and CEO of Qantum Communications, a group owner of radio stations. Prior to being President of Qantum Communications, Mr. Osborn was President and CEO of Aurora Communications from 1999 to 2002 and

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was Managing Director of Capstar Broadcasting from 1997-1998, other group owners of radio stations. From 1985 to 1997 he was President and CEO of Osborn Communications Corporation, a publicly-held company and from 1983 to 1985 was Senior Vice President/Radio for Price Communications Corporation. He began his career with NBC, where among other positions he held he was Vice President and General Manager of WYNY-FM in New York City. Mr. Osborn received an MBA from the Wharton School of University of Pennsylvania in 1973.

Stuart B. Rosenstein has been a director of our company since August 2000. Mr. Rosenstein is Owner and Managing Member of AMG Capital LLC, a firm which specializes in providing financing and lending to the real estate industry. Mr. Rosenstein co-founded LiveWire Ventures in 1998 and served as its Executive Vice President and Chief Financial Officer until May 2004. LiveWire is a diversified investment and management group focused primarily on companies that provide software and internet products and services for the media, telecom, utility, advertising, and new media industries. From 1990 to June 1998, Mr. Rosenstein was Executive Vice President and Chief Financial Officer of PriCellular Corporation. Mr. Rosenstein began his career with Ernst & Young and was a senior manager there at the time he joined PriCellular Corporation. Mr. Rosenstein is a certified public accountant and a member of the AICPA and New York State Society of CPAs. He is a magna cum laude graduate of the State University of New York.

Robert F. Ellsworth has been a director of our company since 1981 and is a nominee for reelection as a director. Mr. Ellsworth is Chairman of Hamilton BioVentures LLP of San Diego, a venture capital firm and Managing Director of The Hamilton Group, LLC, a private venture group. From 1974 to 1977, Mr. Ellsworth served as an Assistant Secretary and then Deputy Secretary of Defense. Mr. Ellsworth was a General Partner of Lazard Freres & Co. from 1971 to 1974, and served in the United States House of Representatives from 1961 to 1967. Mr. Ellsworth s professional affiliations include the International Institute for Strategic Studies, London; Atlantic Council of the United States, Washington, D.C.; The Council on Foreign Relations, New York; and the American Council on Germany, New York.

Meetings of the Board

Our board of directors met 4 times during the year ended December 31, 2005. Each member of our board attended over 75% of the meetings of the board and the committees of the board of which he or she is a member held during the year while he or she was a member. Our company encourages, but does not require, the members of the board to attend our company s annual meeting of shareholders. All members of the board attended the annual shareholder meeting in May 2005. Our non-management directors may meet in executive session, without management, at any time, and are regularly scheduled for non-management executive sessions at least twice each year. During the year ended December 31, 2005 our independent directors met 4 times in executive session without management. The independent directors select one independent director to preside over each meeting of the independent directors.

In order to communicate with our board of directors as a whole, with non-management directors or with specified individual directors, correspondence may be directed to: Secretary, Price Communications Corporation, 45 Rockefeller Plaza, New York, New York 10020. The Secretary will submit your correspondence to our board of directors or the appropriate committee, as applicable. You may communicate directly with our board of directors, or the non-management directors as a group, or any individual director, by sending correspondence to the board of directors, Price Communications Corporation, 45 Rockefeller Plaza, New York, New York 10020.

Committees of the Board

Our board of directors has an Audit and Finance Committee, a Stock Option and Compensation Committee and a Nominating and Governance Committee.

The Audit and Finance Committee consists of Messrs. Ellsworth, Osborn and Rosenstein. Our board of directors has considered whether the members of the Audit and Finance Committee satisfy the

independence and financial literacy requirements for audit committee members as set forth in the Listing Standards. Our board of directors has concluded that all members satisfy the requirements of the Listing Standards and are independent as defined by Securities and Exchange Commission rules. In addition, our board of directors has concluded that Mr. Rosenstein also qualifies as an audit committee financial expert as defined by Securities and Exchange Commission rules, and has the accounting or related financial management expertise required by the Listing Standards. No member of the Audit and Finance Committee serves on an audit committee of more than three public companies. The Audit and Finance Committee held 5 meetings during 2005. A copy of the written charter of the Audit and Finance Committee may be viewed at our corporate website, www.pricecommunicationscorp.com, under the heading Committees and Charters. In addition, a printed copy of this charter will be provided to any shareholder upon request to Secretary, Price Communications Corporation, 45 Rockefeller Plaza, New York, New York 10020.

The Stock Option and Compensation Committee consists of Messrs. Ellsworth, Osborn and Rosenstein. The Stock Option and Compensation Committee s functions include reviewing and approving arrangements relating to the compensation of our executive officers and administering our 2003 Long Term Incentive Plan. The Stock Option and Compensation Committee also reviews and approves factors to be taken into account relative to our chief executive officer s compensation, evaluates our chief executive officer s performance, determines and approves the chief executive officer s compensation level based on this evaluation and makes recommendations to our board with respect to non-CEO compensation incentive and equity-based plans. It also prepares the report required by the Securities and Exchange Commission s proxy rules to be included in our company s proxy statement or annual report on Form 10-K and performs such other duties and responsibilities set forth in a written charter recently approved by our board of directors and which complies with the Listing Standards. All members of the Stock Option and Compensation Committee are independent directors under the Listing Standards. The Stock Option and Compensation Committee held 3 meetings during 2005. The written charter of the Stock Option and Compensation Committee may be viewed at our corporate website, www.pricecommunicationscorp.com, under the heading Committees and Charters. In addition, a printed copy of this charter will be provided to any shareholder upon request to our Secretary at the address listed above.

The Nominating and Governance Committee consists of Messrs. Ellsworth, Osborn and Rosenstein. The function of the Nominating and Governance Committee is to assist our board of directors by (i) reviewing and recommending for the board s approval certain policies regarding the nomination of directors; (ii) identifying individuals qualified to become directors; (iii) evaluating and recommending for the board s selection nominees to fill positions on the board; (iv) developing and recommending to the board a set of Corporate Governance Guidelines applicable to our company; and (v) overseeing the evaluation of the board and management. In considering possible candidates for election as a director, the Nominating and Governance Committee is guided by the principle that each director (a) be an individual of high character and integrity, (b) be accomplished in his or her respective field, with superior credentials and recognition, (c) have relevant expertise and experience upon which to be able to offer advice and guidance to management, (d) have sufficient time available to devote to the affairs of our company; (e) be able to work with the other members of the board and contribute to the success of our company; (f) represent the long-term interests of our company s shareholders as a whole; and (f) be selected such that the board represents a diversity of backgrounds and experience. Each director must be at least 18 years of age.

All members of the Nominating and Governance Committee are independent directors under the Listing Standards. The Nominating and Governance Committee held 1 meeting during 2005. The written charter of the Nominating and Governance Committee may be viewed at our corporate website, www.pricecommunicationscorp.com, under the heading Committees and Charters. In addition, a printed copy of this charter will be provided to any shareholder upon request to our Secretary at the address listed above.

Shareholders may propose director candidates for consideration by the Nominating and Governance Committee by delivering timely notice in proper written form. To be timely, notice of a

proposed nomination must be delivered to or mailed and received at our principal executive offices at 45 Rockefeller Plaza, New York, New York 10020 not less than 50 days nor more than 90 days prior to our annual meeting of shareholders; provided, however, that if less than 50 days notice or prior public disclosure of the date of the meeting is given or made to our company s shareholders, the proposed nomination must be received not later than the earlier of (i) the tenth day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made, or (ii) the last business day prior to the meeting date. Proposed nominations must include (a) the name and address, as they appear on our company s books, of the shareholder proposing the proposed nominee, (b) the class and number of shares of our company that are beneficially owned by such shareholder, (c) the proposed nominee s full name, business address, residential address and principal occupation or employment, and qualifications for board membership, (d) the class and number of shares that are beneficially owned by the proposed nominee, and (e) any other information relating to the proposed nominee that is required to be disclosed in connection with the solicitation of proxies for election of directors, or is otherwise required, in each case, pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, or any successor regulation or law. Any such submission must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director if elected. Our company will forward all proposed nominations to the Nominating and Governance Committee for consideration. The Committee may, but will not be required to, consider proposed nominations not properly submitted in accordance with this policy. The Committee may request further information from any proposed nominee. All proposed nominees properly submitted to our company (or which the Committee otherwise elects to consider) will be evaluated and considered by members of the Committee using the same criteria as nominees identified by the Committee itself.

Report of the Audit and Finance Committee

The following is the report of our Audit and Finance Committee with respect to our audited financial statements for fiscal year ended December 31, 2005. This report shall not be deemed to be soliciting material or to be filed with the Securities and Exchange Commission, nor shall it be incorporated by reference into any future filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent we specifically incorporate it by reference into such filing.

During 2005, the Audit and Finance Committee consisted of Robert F. Ellsworth, Frank Osborn and Stuart B. Rosenstein. Each of such persons is independent as defined under the Listing Standards.

The responsibilities of the Audit and Finance Committee are set forth in its written charter, which has been approved by the board of directors and which complies with the Listing Standards. A copy of this charter may be obtained from the Company in the manner described elsewhere in this proxy statement. The function of the Audit and Finance Committee is to assist the board of directors in its oversight of (i) the integrity of the Company s financial statements; (ii) the Company s compliance with legal and regulatory requirements; (iii) the qualifications and independence of the Company s outside auditor; and (iv) the performance of the Company s outside auditor. In particular, the Committee shall serve as an independent party to monitor the Company s financial reporting processes and internal control system; discuss the audit conducted by the Company s outside auditor; and provide an open avenue of communication among the outside auditor, management and the board. The Audit and Finance Committee held 5 meetings during 2005.

The Audit and Finance Committee has reviewed and discussed our audited financial statements with management. The Audit and Finance Committee has also discussed with the Company s independent registered public accounting firm, BDO Seidman, LLP, matters relating to the auditors judgments about the quality, as well as the acceptability, of our accounting principles, as applied in our financial reporting as required by Statement of Auditing Standards No. 61, as amended (Communications with Audit Committees). In addition, the Audit and Finance Committee has discussed with BDO Seidman their independence from management and us, as

well as the matters in the written disclosures received from its independent auditors and required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees.

Based on the Audit and Finance Committee's review and discussions referred to above, the Audit and Finance Committee recommended to the board of directors that our audited financial statements be included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2005 for filing with the Securities and Exchange Commission.

Robert F. Ellsworth
Frank Osborn
Stuart B. Rosenstein
(Members of the Audit and Finance Committee)

Directors Compensation

Directors are compensated for their reasonable travel and related expenses in attending (in-person) board of directors or committee meetings, and directors who are not officers or employees receive fees of $65,000 per annum. No additional fee is paid to directors for attendance at meetings of the board or committees.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth summary information concerning the compensation paid to our chief executive officer and another executive officer for the three years ended December 31, 2005.

		Annual Compensation		Long-Term Compensation	
Name and Principal Position	**Year**	**Salary ($)**	**Bonus ($)**	**Securities Underlying Options**	**All Other Compensation**
Robert Price	2005	$ 850,000	$ 1,000,000		
Chief Executive Officer	2004	$ 850,000	$ 1,090,000	52,500	
and Treasurer	2003	$ 850,000	$ 1,025,000		
Kim I. Pressman	2005	$ 300,000	$ 500,000		
Executive Vice President,	2004	$ 300,000	$ 515,000	52,500	
Chief Financial Officer	2003	$ 300,000	$ 425,000		
and Secretary					

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

The following table reflects the number of stock options held by our executive officers on December 31, 2005.

Name	Shares Acquired on Exercise	Value Realized ($)	Number of Securities Underlying Unexercised Options at Fiscal Year End		Value of Unexercised In-the-Money Options at Fiscal Year End	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Robert Price	□	□	210,000	52,500	□	□
Kim I. Pressman	□	□	270,456	52,500	$455,273	□

Stock Option and Compensation Committee Report on Executive Compensation

Under the rules of the SEC, this report is not deemed □soliciting material□ and is not incorporated by reference in any filing with the SEC under the Securities Act of 1933 or the Securities Exchange Act of 1934.

The Stock Option and Compensation Committee of our board of directors has been composed of three non-employee directors, Robert F. Ellsworth, Frank Osborn and Stuart B. Rosenstein. Each of such persons is □independent□ as defined under the Listing Standards. The Committee is responsible for developing and making recommendations to our board of directors with respect to our executive compensation policies and the annual compensation paid to our executive officers and administering our 2003 Long Term Incentive Plan. The Committee believes that our compensation arrangements should enable us to attract and retain highly qualified executive employees, reward individual performance and foster an identity of interest between management and us.

The main objectives of the executive compensation program are:

- to align compensation opportunities with shareholder interests;
- to provide compensation that is competitive when compared with various markets in which the Company competes for executive talent; and
- to divide total compensation between base and incentive compensation components with significant incentive related component.

The Committee has historically viewed stock options as key elements to focus executives on increasing shareholder value.

The Company currently has no operating assets and three employees, including Mr. Price and Ms. Pressman. This report consequently describes the historical elements of our executive compensation program and the current basis on which the compensation of our chief executive officer has been determined.

Annual Compensation

Base Salary. In general, we have historically aligned base pay for executives to be competitive with market rates. The pay review considered level of experience, individual performance against annually established financial and non-financial unit and individual objectives, and competitive market salary rates for similar positions.

Annual Bonuses. All executives have historically been eligible for annual bonuses for achieving challenging financial, leadership and operational objectives that are established at the beginning of each

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year. To determine annual bonus awards, the Committee performed a detailed review of our and the individual executive's performance.

Long-term Incentives

The Company has historically used stock options to link executive compensation to our longer term internal performance and to external market performance of our stock price.

Stock options have historically been granted to executives and other key personnel with an exercise price equal to the market price of the stock on the date of grant. The potential future value of stock options has been dependent solely upon the future increase in the price of our stock. Stock option award levels have been based on each recipient's position level and performance as well as the competitive level of option grants for comparably situated executives. The exercise price of option grants has historically typically been equal to 100 percent of the market price of the Company's common stock on the grant date. Options have a ten-year exercise period, and typically become exercisable in installments during the first two years following their grant.

Annual grants of restricted stock are not presently part of our executive compensation program. However, grants of restricted stock may occur in the future as warranted by changing competitive conditions.

Most of the Company's outstanding stock options (which are held by Mr. Price and Ms. Pressman) were granted with an exercise price significantly in excess of the market price of the stock on the date of grant, with the remainder having been granted with an exercise price at the then market price. On February 16, 2006, the company repurchased options to purchase 210,000 shares of the Company's common stock from each of Mr. Price and Ms. Pressman at $1.00 per share.

Compensation of the Chief Executive Officer

The Company currently has no operating assets. Consequently, the Committee believes that the best measure of Mr. Price's contribution to shareholder value is the long-term performance of the Company's stock in comparison to other wireless telephone companies and that, in setting compensation, the Committee should also take into account compensation received by chief executive officers of other wireless telephone companies. Mr. Price's compensation currently includes base salary and annual bonuses and has in the past included (and may in the future include) stock option grants.

Mr. Price's annual base salary for 2005 was $850,000 and his annual bonus for 2005 was $1,000,000. The salary and bonus figures were based on the Committee's evaluation of the long-term performance of the Company's stock in comparison to the stock of other wireless telephone companies and the compensation paid to the chief executive officers of other wireless telephone companies.

Pursuant to Section 162(m) of the Internal Revenue Code compensation exceeding $1 million paid to our executive officers may not be deducted by us unless such compensation is performance based and paid pursuant to criteria approved by our shareholders. The Committee considered the provisions of Section 162(m) in setting 2005 compensation paid to Mr. Price.

Robert F. Ellsworth
Frank Osborn
Stuart B. Rosenstein
(Members of the Stock Option and Compensation Committee)

STOCK PRICE PERFORMANCE

The following graph shows the five year cumulative total return (change in the year-end stock price plus reinvested dividends) to our shareholders compared to the Standard & Poor's 500 Index and the Standard & Poor's Cellular/Wireless Telecommunications Industry Index cumulative total return. The graph assumes investment of $100 on December 31, 2000 in our common stock, the Standard & Poor's Cellular/Wireless Telecommunications Industry Index and the Standard & Poor's 500 Index and the reinvestment of dividends. The companies represented in the Standard & Poor's Cellular/Wireless Telecommunications Industry Index are not necessarily similar in size to us and include some companies larger than us. The stock price performance shown on the graph is not necessarily indicative of future price performance.

Total Return to Shareholders
(Dividends reinvested monthly)

	Total Return to Shareholders (Dividends reinvested monthly) Annual Return Percentage Year Ending December 31,					
Company/Index	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**
Price Communications Corporation	100.00	13.55	-27.55	-0.72	42.17	-20.01
S&P 500 Index	100.00	-11.89	-22.10	28.68	10.88	4.91
S&P 500 Wireless Telecommunications Services	100.00	-21.65	-59.70	77.72	57.34	1.89

Company/Index	Base Period 2000	Indexed Returns Ending December 31, 2001	2002	2003	2004	2005
Price Communications Corporation	100.00	113.55	82.26	81.67	116.10	92.87
S&P 500 Index	100.00	88.11	68.64	88.33	97.94	102.75
S&P 500 Wireless Telecommunications Services	100.00	78.35	31.57	56.11	88.28	89.95

Standard & Poor's Valuation

The Standard & Poor's Stock Reports dated March 25, 2006 for our company stated that $10,000 invested in our common stock five years before the date of such report would have had a value of $10,919 on the date of such report.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires directors, executive officers and beneficial owners of 10% or more of any class of our equity securities to file with the SEC initial reports of ownership and changes in ownership of our securities. Directors, executive officers and 10% owners are required by SEC regulation to furnish us with copies of all Section 16(a) forms that they file. To our knowledge, based solely on review of the copies of such reports furnished to us and written representations of each our directors and executive officers that no other reports were required to be filed by him or her, we believe that all Section 16(a) filing requirements applicable to our directors, executive officers and 10% owners were timely satisfied during the year ended December 31, 2005.

RELATED PARTY TRANSACTIONS

There were no transactions with any of our directors, executive officers, 5% shareholders or any of their respective family members since January 1, 2005 that would be required to be reported pursuant to Rule 404(a) of Regulation S-K.

MATTERS RELATING TO OUR ACCOUNTANTS

Fees Paid to Principal Accountant

For the fiscal years ended December 31, 2004 and December 31, 2005, our principal independent accountant during these periods (BDO Seidman, LLP) billed the approximate fees set forth below.

Audit Fees. Aggregate fees billed by BDO Seidman in connection with its audit of our consolidated financial statements and internal controls as of and for the year ended December 31, 2004 and its limited reviews of our unaudited condensed consolidated interim financial statements were $180,000. Aggregate fees billed by BDO Seidman in connection with its audit of our consolidated financial statements and internal controls as of and for the year ended December 31, 2005 and its limited reviews of our unaudited condensed consolidated interim financial statements were $210,000. Additional fees will be incurred on the audit of the internal controls.

Audit-Related Fees. During the last two fiscal years, BDO Seidman has not provided our company with assurance and related services that are not principally related to the audit or review of our consolidated financial statements.

Tax Fees. During the last two fiscal years, BDO Seidman has not provided our company with services in connection with tax compliance, tax advice or tax planning.

All Other Fees. During the last two fiscal years, BDO Seidman has not billed any other fees to our company.

Pre-Approval Policies and Procedures. The Audit and Finance Committee has adopted a policy for pre-approval of the above fees. The Audit and Finance Committee shall, to the extent required by any applicable legal or regulatory requirement, pre-approve all auditing services and permitted non-audit services provided to our company by our outside auditor. To the extent permitted by applicable laws, regulations and NYSE rules, the Committee may delegate pre-approval of audit and non-audit services to one or more members of the Committee. Such member(s) must then report to the full Committee at its next scheduled meeting if such member(s) pre-approved any audit or permitted non-audit services.

All services that are described in Audit Fees were approved by the Audit and Finance Committee.

Attendance of Auditors at Annual Meeting

BDO Seidman, LLP has been engaged as our company s independent auditors for 2006. A representative of BDO Seidman is expected to be present at the annual meeting and available to respond to appropriate questions, and will also have the opportunity to make a statement if such representative so desires.

FINANCIAL INFORMATION

Financial statements of the Company contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2005 are incorporated herein and made a part hereof.

WE WILL PROVIDE TO EACH SHAREHOLDER, WITHOUT CHARGE, A COPY OF OUR ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005 AS FILED WITH THE SECURITIES AN EXCHANGE COMMISSION. To obtain a copy, see the Where You Can Find More Information section of this proxy statement.

HOUSEHOLDING OF PROXY STATEMENT

In accordance with Rule 14a-3(e)(l) under the Exchange Act, one proxy statement will be delivered to two or more shareholders who share an address, unless we have received contrary instructions from one or more of the shareholders. We will deliver promptly upon written or oral request a separate copy of this proxy statement to any shareholder at a shared address to which a single copy of the proxy statement was delivered. Requests for additional copies of this proxy statement, and requests that in the future separate proxy statements be sent to stockholders who share an address, should be directed to Price Communications Corporation, 45 Rockefeller Plaza, Suite 3200, New York, New York 10020, Attention: Kim I. Pressman, Executive Vice President, Chief Financial Officer and Secretary.

WHERE YOU CAN FIND MORE INFORMATION

Our company files annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information that we file at the SEC's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our SEC filings are also available to the public from commercial document retrieval services and at the web site maintained by the SEC at http://www.sec.gov.

The SEC allows us to incorporate by reference information into this proxy statement. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this document, except for any information superseded by information in this document. This proxy statement incorporates

by reference the documents that we have previously filed with the SEC (File No. 1-08309), as set forth in the "Documents Incorporated by Reference" section of this proxy statement.

We are also incorporating by reference additional documents that we file with the SEC between the date of this proxy statement and the date of our 2006 annual meeting.

Any statement contained in a document incorporated or deemed to be incorporated in this proxy statement by reference will be deemed to be modified or superseded for purposes of this proxy statement to the extent that a statement contained in this proxy statement or any other subsequently filed document that is deemed to be incorporated in this proxy statement by reference modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this proxy statement.

You may already have received some of the documents incorporated by reference, but you can obtain any of them from us or the SEC. Documents incorporated by reference are available from us without charge, excluding all exhibits, unless we have specifically incorporated by reference an exhibit in this proxy statement. Shareholders may obtain these documents incorporated by reference by requesting them in writing or by telephone from the appropriate party at the following address:

Price Communications Corporation
45 Rockefeller Plaza
New York, New York 10020
Tel: (212) 757-5600

If you would like to request documents from us, please do so by [_____], 2006 to receive them before the annual meeting. We will send the documents by first-class mail within one business day of receiving your request.

In considering the proposals, you should rely only on the information contained or incorporated by reference in this proxy statement. We have not authorized anyone to provide you with information that is different from what is contained in this proxy statement or the documents incorporated by reference herein. This proxy statement is dated [_____], 2006. You should not assume that the information in it is accurate as of any date other than that date.

OTHER MATTERS

It is not anticipated that any other matters will be brought before the annual meeting. If other matters are properly brought before the annual meeting, proxies for shares of common stock will be voted in accordance with the best judgment of the proxy holders.

CODE OF CONDUCT

In 2004, we adopted a Code of Business Conduct and Ethics that applies to all of our directors, officers and employees and complies with the Listing Standards. A copy of the Code of Business Conduct and Ethics may be viewed at our corporate website, www.pricecommunicationscorp.com, under the heading "Code of Conduct." In addition, a printed copy of our Code of Business Conduct and Ethics will be provided to any shareholder upon request to Secretary, Price Communications Corporation, 45 Rockefeller Plaza, New York, New York 10020.

SHAREHOLDERS' PROPOSALS FOR 2007 ANNUAL MEETING

Proposals of shareholders intended to be included in the proxy statement for our 2007 Annual Meeting of Shareholders must be received by us no later than [_____], 200[6]. Proposals of shareholders intended to be considered at the 2007 Annual Meeting of Shareholders but not included in the

proxy statement for that meeting must be received by us no later than [_____], 200[7]. Our company may exercise its discretionary voting authority to direct the voting of proxies on any matter submitted for a vote at the 2007 Annual Meeting of Shareholders if notice concerning proposal of such matter is not received prior to [_____], 200[7].

By the order of the Board of Directors,

Kim I. Pressman
Executive Vice President, Chief Financial Officer and Secretary

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING IN PERSON, PLEASE COMPLETE, DATE AND SIGN THE ENCLOSED PROXY CARD AND PROMPTLY MAIL IT IN THE ENCLOSED POSTAGE PREPAID RETURN ENVELOPE. YOUR PROMPT RESPONSE WILL ENSURE THAT YOUR SHARES ARE REPRESENTED AT THE ANNUAL MEETING, AND WILL REDUCE OUR EXPENSE IN SOLICITING PROXIES. IF YOU LATER DECIDE TO ATTEND THE MEETING AND VOTE IN PERSON, YOU MAY DO SO.

DOCUMENTS INCORPORATED BY REFERENCE

This proxy statement incorporates by reference the documents listed below, which contain important business and financial information. The information incorporated by reference is considered part of this proxy statement, except for any information superseded by information contained in this proxy statement.

Proxy Statement/Prospectus on Schedule 14A and Form S-4	Filed on May 31, 2002
Annual Report on Form 10-K	Fiscal year ended December 31, 2005
Current Reports on Form 8-K	Filed on March 17, 2006

All documents filed by Price under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act, after the date hereof and before the date of the annual meeting are deemed to be incorporated by reference into and to be a part of this proxy statement from the date of filing of those documents.

PRICE COMMUNICATIONS CORPORATION

PROXY

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

This proxy is solicited on behalf of the Board of Directors of Price Communications Corporation for the 2006 annual meeting of shareholders on [_____], 2006. The undersigned appoints Robert Price and Kim I. Pressman, and each of them, with full power of substitution in each, the proxies of the undersigned, to represent the undersigned and vote all shares of Price Communications Corporation common stock that the undersigned may be entitled to vote at the 2006 annual meeting of shareholders to be held on [_____], 2006, and at any adjournments or postponements thereof as indicated on the reverse side.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED SHAREHOLDER. IF NO DIRECTION IS MADE FOR A PROPOSAL, THIS PROXY WILL BE COUNTED AS A VOTE IN FAVOR OF THAT PROPOSAL.

The Board of Directors recommends a vote <u>FOR</u> each of the proposals below.

Mark, Sign, Date and Return the Proxy Card Promptly Using the Enclosed Envelope	x Votes must be indicated (X) in Black or Blue ink.	Please sign exactly as your name appears on your stock certificates. When joint tenants hold shares, both should sign. When signing as attorney, executor, administrator, trustee, or guardian, please give full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by authorized person.

1. PROPOSAL THAT THE COMPANY SHOULD BE DISSOLVED AFTER WE RECEIVE VERIZON COMMON STOCK IN EXCHANGE FOR OUR INTEREST IN VERIZON WIRELESS OF THE EAST LP

   o FOR o AGAINST o ABSTAIN

2. TO REELECT ONE DIRECTOR FOR A TERM OF THREE YEARS EXPIRING IN 2009

   Nominee: Robert F. Ellsworth o FOR o WITHHELD

3. In their discretion upon such other matters as may properly come before the meeting.

Shareholder sign here Date

_____

Co-Owner sign here

_____

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