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CITIZENS COMMUNICATIONS CO
Form SC 13D/A
August 09, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D/A
(Rule 13d-101)
Under the Securities Exchange Act of 1934
(Amendment No. 1)*

D&E Communications, Inc.

(Name of Issuer)

Common Stock, \$0.16 par value per share

(Title of Class of Securities)

232860106

(CUSIP Number)

L. Russell Mitten
Secretary
Citizens Communications Company
3 High Ridge Park
Stamford, CT 06905
(203) 614-5600

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

August 6, 2004

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box. []

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities and for any subsequent amendment containing information which would

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alter disclosures provided in the cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(Continued on following pages)

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1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY)

Citizens Communications Company
06-0619596

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP a) []
b) [X]

3. SEC USE ONLY

4. SOURCE OF FUNDS

WC

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) OR 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7. SOLE VOTING POWER

1,333,500

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY EACH
REPORTING
PERSON WITH:

8. SHARED VOTING POWER

None.

9. SOLE DISPOSITIVE POWER

1,333,500

10. SHARED DISPOSITIVE POWER

None.

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,333,500

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12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN

SHARES

[]

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

8.57%

14. TYPE OF REPORTING PERSON

CO

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Amendment No. 1 to
Statement on Schedule 13D

This Amendment No. 1 to Statement on Schedule 13D relates to the beneficial ownership of common stock, par value \$0.16 per share (the "Common Stock"), of D&E Communications, Inc., a Pennsylvania corporation (the "Company"). This Amendment No. 1 to Schedule 13D is being filed by Citizens Communications Company, a Delaware corporation (the "Reporting Person"), and amends and supplements the Schedule 13D filed by the Reporting Person on January 12, 1998.

ITEM 2. IDENTITY AND BACKGROUND.

Item 2 is hereby amended and restated as follows:

(a), (b), (c) and (f)

| | |
|---------------------------|--|
| Name of Reporting Person: | Citizens Communications Company |
| State of Incorporation: | Delaware |
| Principal Business: | Citizens Communications Company provides, directly or through its subsidiaries, (i) wireline communications services to rural areas and small and medium-sized towns and cities as an incumbent local exchange carrier and (ii) competitive local exchange carrier services to business customers and to other communications carriers in certain metropolitan areas in the western United States. |

| | |
|--------------------------------|---------------------------------------|
| Address of Principal Business: | 3 High Ridge Park, Stamford, CT 06905 |
| Address of Principal Office: | 3 High Ridge Park, Stamford, CT 06905 |

The names, business addresses and principal occupations of the executive officers and directors of the Reporting Person, all of whom are United States citizens, are set forth in Schedule I hereto and are incorporated herein by reference.

The Reporting Person's wholly owned subsidiary Southwestern Investments, Inc. (a Nevada Corporation) ("Southwestern") entered into an agreement with the Company on November 3, 1997 providing for the acquisition of up to 1,300,000 to be issued shares of Common Stock at a formula derived price per share, a copy of which was filed as Exhibit A to the Reporting Person's Schedule 13D. Southwestern has since been merged with and into the Reporting Person with the Reporting Person surviving such merger.

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(d) - (e) During the last five years, neither the Reporting Person nor, to the knowledge of the Reporting Person, any of the executive officers or directors of the Reporting Person have been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or State securities laws or finding any violation with respect to such laws.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

Item 3 is hereby amended and supplemented by the addition of the following paragraph preceding the paragraph that currently appears in Item 3:

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Since the filing of the original Schedule 13D, the Reporting Person has made additional open market purchases as described below. The total amount required to purchase such shares of Common Stock of the Issuer was furnished from the working capital of the Reporting Person.

| Date ---- | Price ----- | Number of Shares ----- |
|--------------|----------------|---------------------------|
| 12/8/1998 | 14.11 | 11,000 |
| 12/11/1998 | 14.00 | 5,000 |
| 12/15/1998 | 14.00 | 5,000 |
| 12/18/1998 | 14.00 | 2,000 |
| 12/23/1998 | 14.00 | 5,000 |
| 12/29/1998 | 13.63 | 2,000 |
| 5/5/2000 | 20.06 | 2,500 |
| 6/5/2000 | 20.06 | 1,000 |

ITEM 4. PURPOSE OF TRANSACTION.

Item 4 is hereby amended and restated as follows:

The Reporting Person holds the Common Stock described in Item 5 of this Schedule 13D for investment purposes only.

The Reporting Person intends to review its investment in the Company on a continuing basis and, depending upon the price and availability of shares of Common Stock, subsequent developments affecting the Company, the Company's business and prospects, other investment and business opportunities available to the Reporting Person, general stock market and economic conditions, tax considerations and other factors considered relevant, may decide at any time to decrease the size of its investment in the Company.

The Reporting Person and the Company have entered into discussions regarding a transaction pursuant to which the Company would purchase from the Reporting Person the Common Stock held by the Reporting Person at a price per share equal to \$10.00 and on other terms and conditions to be determined.

Except as set forth above in this statement, none of the Reporting Persons has any present plans or proposals that relate to or would result in: (i) the acquisition by any person of additional securities of the Company, or the

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disposition of securities of the Company; (ii) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries; (iii) a sale or transfer of a material amount of assets of the Company or any of its subsidiaries; (iv) any change in the present board of directors or management of the Company, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board; (v) any material change in the present capitalization or dividend policy of the Company; (vi) any other material change in the Company's business or corporate structure; (vii) changes in the Company's charter, by-laws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Company by any person; (viii) causing a class of securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association; (ix) a class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act; or (x) any action similar to any of those enumerated above.

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ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

Item 5 is hereby amended and restated in its entirety as follows:

(a) and (b) The approximate percentages of shares of Common Stock reported as beneficially owned by the Reporting Person is based upon 15,561,331 shares of Common Stock outstanding as of April 30, 2004, as reported in the Company's quarterly report on Form 10-Q for the quarterly period ended March 31, 2004.

Please see Items 7, 8, 9, 10, 11, and 13 of the cover sheet for the Reporting Person.

To the knowledge of the Reporting Person, none of the persons listed in Schedule I owns any shares of Common Stock.

(c) The Reporting Person has not effected any transaction in the Common Stock during the past 60 days. To the knowledge of the Reporting Person, none of the persons listed in Schedule I has effected any transaction in the Common Stock during the past 60 days.

(d) Except as set forth in this Item 5, no person other than each respective record owner referred to herein of securities is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities.

(e) Not applicable.

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Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: August 9, 2004

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CITIZENS COMMUNICATIONS COMPANY

By: /s/ Robert J. Larson

Name: Robert J. Larson
Title: Senior Vice President and
Chief Accounting Officer

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SCHEDULE I

The names, addresses and principal occupations of each of the executive officers and directors of Citizens Communications Company are listed below.

NAME AND ADDRESSES

PRINCIPAL OCCUPATION

Directors:

Aaron I. Fleischman
c/o Citizens Communication Company
3 High Ridge Road
Stamford, CT 06905

Senior Partner
Fleischman and Walsh, LLP

Stanley Harfenist
c/o Citizens Communication Company
3 High Ridge Road
Stamford, CT 06905

Retired

Andrew N. Heine
c/o Citizens Communication Company
3 High Ridge Road
Stamford, CT 06905

Private Investor

John L. Schroeder
c/o Citizens Communication Company
3 High Ridge Road
Stamford, CT 06905

President, Pinecrest Management, LLC

Edwin Tornberg
c/o Citizens Communication Company
3 High Ridge Road
Stamford, CT 06905

President and Director,
Edwin Tornberg & Company

Claire Tow
c/o Citizens Communication Company

President
The Tow Foundation

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3 High Ridge Road
Stamford, CT 06905

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NAME AND ADDRESSES

PRINCIPAL OCCUPATION

Leonard Tow
c/o Citizens Communication Company
3 High Ridge Road
Stamford, CT 06905

Chairman of the Board,
Citizens Communications Company

Robert A. Stanger
c/o Citizens Communication Company
3 High Ridge Road
Stamford, CT 06905

Chairman,
Robert A. Stanger & Company

William M. Kraus
c/o Citizens Communication Company
3 High Ridge Road
Stamford, CT 06905

Retired

David H. Ward
c/o Citizens Communication Company
3 High Ridge Road
Stamford, CT 06905

Chief Financial Officer,
Voltarc Technologies, Inc.

Rudy J. Graf
c/o Citizens Communication Company
3 High Ridge Road
Stamford, CT 06905

Acting Chief Executive Officer

Executive Officers:

Donald B. Armour
Citizens Communications Company
3 High Ridge Park
Stamford, CT 06905

Senior Vice President, Finance and Treasurer

John H. Casey III
Citizens Communications Company
3 High Ridge Park
Stamford, CT 06905

President and Chief Operating Officer of
Sector and Executive Vice President

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NAME AND ADDRESSES

PRINCIPAL OCCUPATION

Jerry Elliott

Executive Vice President and Chief Financial

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Citizens Communications Company
3 High Ridge Park
Stamford, CT 06905

Jean M. DiSturco
Citizens Communications Company
3 High Ridge Park
Stamford, CT 06905

Senior Vice President, Human Resources

Michael G. Harris
Citizens Communications Company
3 High Ridge Park
Stamford, CT 06905

Senior Vice President, Engineering and New Te

Dean Jackson
Citizens Communications Company
3 High Ridge Park
Stamford, CT 06905

Senior Vice President, Business Support Servi

Robert J. Larson
Citizens Communications Company
3 High Ridge Park
Stamford, CT 06905

Senior Vice President and Chief Accounting Of

L. Russell Mitten
Citizens Communications Company
3 High Ridge Park
Stamford, CT 06905

Senior Vice President, General Counsel and Se

Daniel J. McCarthy
Citizens Communication Company
3 High Ridge Road
Stamford, CT 06905

Senior Vice President Broadband Operations,
and COO Electric Lightwave and President