

Z TEL TECHNOLOGIES INC
Form SC 13D/A
December 03, 2004

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 3)

Z-TEL TECHNOLOGIES, INC.
(Name of Issuer)

Common Stock

(Title of Class of Securities)

988792107
(CUSIP Number)

LAWRENCE C. TUCKER
Brown Brothers Harriman & Co.
140 Broadway
New York, New York
(212) 483-1818
(Name, Address and Telephone Number of
Person Authorized to Receive Notices
and Communications)

November 29, 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 which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box .

*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 alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose 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).

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CUSIP No. 988792107

1 NAME OF REPORTING PERSON

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THE 1818 FUND III, L.P.

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(D) OR 2(E) []

6 CITIZENSHIP OR PLACE OR ORGANIZATION

DELAWARE

| | | |
|--|----|--------------------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER |
| | | -0- |
| | 8 | SHARED VOTING POWER |
| | | 26,993,948 |
| | 9 | SOLE DISPOSITIVE POWER |
| | | -0- |
| | 10 | SHARED DISPOSITIVE POWER |
| | | 26,993,948 |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

See Item 5.

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
 []

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

48.9%

14 TYPE OF REPORTING PERSON

PN

3

CUSIP No. 988792107

1 NAME OF REPORTING PERSON

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BROWN BROTHERS HARRIMAN & CO.

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(D) OR 2(E) []

6 CITIZENSHIP OR PLACE OR ORGANIZATION

NEW YORK

| | | |
|---|------------|--------------------------|
| NUMBER OF SHARES | 7 | SOLE VOTING POWER |
| BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | -0- | |
| | 8 | SHARED VOTING POWER |
| | 26,993,948 | |
| | 9 | SOLE DISPOSITIVE POWER |
| | -0- | |
| | 10 | SHARED DISPOSITIVE POWER |
| | 26,993,948 | |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

See Item 5.

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
 []

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

48.9%

14 TYPE OF REPORTING PERSON

PN

4

CUSIP No. 988792107

1 NAME OF REPORTING PERSON

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T. MICHAEL LONG

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(D) OR 2(E)

6 CITIZENSHIP OR PLACE OR ORGANIZATION

UNITED STATES

| | | |
|--|----|--------------------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER |
| | | -0- |
| | 8 | SHARED VOTING POWER |
| | | 26,993,948 |
| | 9 | SOLE DISPOSITIVE POWER |
| | | -0- |
| | 10 | SHARED DISPOSITIVE POWER |
| | | 26,993,948 |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

See Item 5.

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

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

48.9%

14 TYPE OF REPORTING PERSON

IN

5

CUSIP No. 988792107

1 NAME OF REPORTING PERSON

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LAWRENCE C. TUCKER

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(D) OR 2(E) []

6 CITIZENSHIP OR PLACE OR ORGANIZATION

UNITED STATES

| | | | |
|---|----|--------------------------|------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER | 16,772 |
| | 8 | SHARED VOTING POWER | 26,993,948 |
| | 9 | SOLE DISPOSITIVE POWER | 16,772 |
| | 10 | SHARED DISPOSITIVE POWER | 26,993,948 |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

See Item 5.

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

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

48.9%

14 TYPE OF REPORTING PERSON

IN

6

EXPLANATORY NOTE

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This Amendment No. 4 ("Amendment No. 4") to Schedule 13D is filed by the undersigned to amend and supplement the Schedule 13D filed on November 20, 2000 (the "Original 13D"), as amended by Amendment No. 1 to Schedule 13D filed on July 12, 2001 ("Amendment No. 1"), Amendment No. 2 to Schedule 13D filed on August 9, 2001 ("Amendment No. 2") and Amendment No. 2 to Schedule 13D filed on August 26, 2004 ("Amendment No. 3"), relating to the common stock (the "Common Stock"), par value \$.01 per share, issued by Z-Tel Technologies, Inc., a Delaware corporation (the "Company"). Unless otherwise indicated, all of the common stock covered by Amendment No. 4 reflect a 1-for-5 reverse stock split of the Company's Common Stock (the "Stock Split") following the Exchange Offer, as if such split occurred prior to the dates of the events reported herein. Unless otherwise indicated, all capitalized terms shall have the same meaning as provided in the Original 13D.

Item 1. SECURITY AND ISSUER.

No Change.

Item 2. IDENTITY AND BACKGROUND.

No Change.

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

Item 3 is hereby amended and supplemented by the addition of the following:

On November 29, 2004, the Company consummated the exchange offer commenced on September 30, 2004, as amended (the "Exchange Offer"), to holders of its Series D Convertible Preferred Stock, 8% Convertible Preferred Stock, Series E (the

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"Series E Preferred") and 12% Junior Redeemable Stock, Series G (the "Series G Preferred" and together with the Series E Preferred, the "Preferred Stock").

Prior to the Stock Split and pursuant to the Exchange Offer, the Fund tendered 4,166,667 shares of the Series E Preferred at the exchange ratio of one share of Series E Preferred for 25.24216 shares of Common Stock and 125 shares of the Series G Preferred at the exchange ratio of one share of Series G Preferred for 161,469.40 shares of Common Stock. Under the Exchange Offer the Fund received, in exchange for the Preferred Stock tendered, 25,071,870 shares of Common Stock.

No funds were used by the Fund to effect the tender of the Preferred Stock.

Item 4. PURPOSE OF TRANSACTION.

Item 4 is hereby amended and supplemented by the addition of the following: Pursuant to the Exchange Offer, the Fund tendered all of the Preferred Stock it holds in the Company in exchange for Common Stock.

Item 5. INTEREST IN SECURITIES OF THE ISSUER.

Item 5 is hereby amended and supplemented by the addition of the following: On October 28, 2004, the Fund exercised the Series G Warrant according to its terms into 428,572 shares of Common Stock at a price of \$.01

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per share.

Prior to the Stock Split and pursuant to the Exchange Offer, the Fund tendered 4,166,667 shares of the Series E Preferred and 125 shares of the Series G Preferred. Under the Exchange Offer the Fund received, in exchange for the Preferred Stock tendered, 21,035,135 shares of

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Common Stock for the Series E Preferred and 4,036,735 shares of Common Stock for the Series G Preferred for a total of 25,071,870 shares of Common Stock.

As of the date hereof, based on calculations made in accordance with Rule 13d-3 promulgated under the Exchange Act and there being 55,251,640 shares of Common Stock outstanding (as disclosed to the Fund by the Company on December 1, 2004), the number of shares of Common Stock the Fund, BBH, Long and Tucker are deemed to own and the percent of the outstanding shares of Common Stock are as follows:

| | SHARES | PERCENTAGE |
|--------|------------|------------|
| | ----- | ----- |
| Fund | 26,993,948 | 48.9% |
| BBH | 26,993,948 | 48.9% |
| Long | 26,993,948 | 48.9% |
| Tucker | 27,010,720 | 48.9% |

Item 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO THE COMMON STOCK OF THE ISSUER.

No Change.

Item 7. MATERIAL TO BE FILED AS EXHIBITS.

None.

SIGNATURE

After reasonable inquiry and to the best of its knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: December 2, 2004

THE 1818 FUND III, L.P.

By: Brown Brothers Harriman & Co.,
General Partner

By: /s/ Lawrence C. Tucker

Name: Lawrence C. Tucker
Title: Partner

BROWN BROTHERS HARRIMAN & CO.

By: /s/ Lawrence C. Tucker

Name: Lawrence C. Tucker
Title: Partner

/s/ T. Michael Long

T. Michael Long

/s/ Lawrence C. Tucker

Lawrence C. Tucker