

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

**SCHEDULE 13D**

Under the Securities Exchange Act of 1934

**FairPoint Communications, Inc.**  
(Name of Issuer)

**Common Stock, \$0.01 Par Value**  
(Title of Class of Securities)

305560302  
(CUSIP Number)

Steven Azarbad  
David D. Tawil  
Maglan Capital LP  
25 West 39th Street, 5th Floor  
New York, NY 10018  
(212) 300-6700

- with copies to -

Matthew J. Gardella  
Edwards Wildman Palmer LLP  
111 Huntington Avenue  
Boston, MA 02199  
(617) 239-0100

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

April 11, 2013  
(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 Sections 240.13d-1(e), 240.13d-1(f) or 240.13d-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 Section 240.13d-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 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, as amended ("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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SCHEDULE 13D

CUSIP No. 305560302

1. Names of Reporting Persons.

Maglan Capital LP

2. Check the Appropriate Box if a Member of a Group (See Instructions)

- (a)   
(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

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

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON  
WITH

0

8. Shared Voting Power

2,376,599

9. Sole Dispositive Power

0

10. Shared Dispositive Power

2,376,599

11. Aggregate Amount Beneficially Owned by Each Reporting Person

2,376,599

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

8.98%<sup>1</sup>

14. Type of Reporting Person (See Instructions)

IA-PN

<sup>1</sup> The percentages reported in this Schedule 13D with respect to Maglan Capital LP are based upon 26,475,358 shares of Common Stock outstanding as of February 28, 2013 according to the Form 10-K filed by the Issuer on March 7, 2013.

SCHEDULE 13D

CUSIP No. 305560302

1. Names of Reporting Persons.

Maglan Capital GP LLC

2. Check the Appropriate Box if a Member of a Group (See Instructions)

- (a)   
(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

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

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON  
WITH

0

8. Shared Voting Power

2,376,599

9. Sole Dispositive Power

0

10. Shared Dispositive Power

2,376,599

11. Aggregate Amount Beneficially Owned by Each Reporting Person

2,376,599

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

8.98%<sup>2</sup>

14. Type of Reporting Person (See Instructions)

OO

<sup>2</sup> The percentages reported in this Schedule 13D with respect to Maglan Capital GP LLC are based upon 26,475,358 shares of Common Stock outstanding as of February 28, 2013 according to the Form 10-K filed by the Issuer on March 7, 2013.

## Item 1. Security and Issuer

This Schedule 13D is being filed by the undersigned with respect to the common stock, \$0.01 par value per share ("Common Stock"), of FairPoint Communications, Inc., a Delaware corporation (the "Issuer").

The address of the principle executive office of the Issuer is 521 East Morehead Street, Suite 500, Charlotte, North Carolina 28202.

## Item 2. Identity and Background

(a, f) This Schedule 13D is being jointly filed by Maglan Capital LP ("Maglan LP"), and Maglan Capital GP LLC ("Maglan LLC", collectively known as the "Reporting Persons") with respect to shares of Common Stock (the "Shares") owned by (i) Maglan Distressed Master Fund LP (the "Fund") and (ii) certain managed accounts (the "Managed Accounts") for the benefit, directly or indirectly, of members of Maglan LLC.

Maglan LP is organized as a limited partnership under the laws of the State of Delaware. Maglan LLC is organized as a limited liability company under the laws of the State of Delaware.

(b) The address of the principal business office of each of the Reporting Persons is Maglan Capital LP, 25 West 39th Street, 16th Floor, New York, New York 10018.

(c) Maglan LP is the Investment Manager to the Fund and the Managed Accounts. Maglan LLC is the General Partner of Maglan LP.

The filing of this statement shall not be construed as an admission that any of the Reporting Persons is the beneficial owner or any securities covered by the statement other than the securities actually owned by such Reporting Person (if any).

(d) None of the Reporting Persons has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) None of the Reporting Persons has, during the last five years, been 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

The information set forth below in Item 5 is hereby incorporated by reference in response to this Item 3.

The funds for the purchase of the Shares came from the working capital of the Fund and Managed Accounts, respectively, over which the Reporting Persons exercise investment discretion. No borrowed funds were used to purchase the Shares.

## Item 4. Purpose of the Transaction

The Reporting Persons acquired the shares reported in Item 5 because, in their opinion, the shares represent an attractive investment. The Reporting Persons initially reported their investment on a Schedule 13G filed on May 10, 2012, as amended by Amendment No. 1 filed on February 12, 2013.

However, at this time the Reporting Persons are concerned that there is a serious discrepancy between the Issuer's improved capital structure, operating performance and prospects and the current valuation of its Common Stock in the marketplace. The Reporting Persons believe that the Board of Directors and management of the Issuer need to implement steps to increase value for shareholders, including the immediate commencement of an annual cash dividend to shareholders. The foregoing views were expressed in a letter, dated April 11, 2013, from the Reporting Persons to the Issuer's Board of Directors, see [Exhibit 99.1](#), which is incorporated herein. The Reporting Persons determined to file this Schedule 13D to reserve the right to be in contact with members of the Issuer's management, members of the Board of Directors, shareholders and other relevant parties regarding initiatives that the Issuer could employ to maximize shareholder value.

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As a result, the Reporting Persons may take positions with respect to potential changes in management, Board composition, ownership, capital structure, and future plans of the Issuer as a means of enhancing shareholder value. Such suggestions or positions may include one or more plans or proposals that relate to or would result in any of the actions required to be reported herein.

Except as described in this Item 4 and in Item 6 herein, the Reporting Persons have no present plans or proposals that relate to or would result in any of the actions required to be reported herein. However, each Reporting Person expects to evaluate on an ongoing basis the Issuer's financial condition, prospects, Common Stock valuation and steps taken to maximize shareholder value. Accordingly, each Reporting Person reserves the right to change its intentions and develop plans or proposals at any time, as it deems appropriate. In particular, each Reporting Person may at any time and from time to time, in privately negotiated transactions or otherwise, acquire additional securities of the Issuer, including additional shares of Common Stock; dispose of all or a portion of the securities of the Issuer, including the Shares, that the Reporting Persons now own or may hereafter acquire; and/or enter into derivative transactions with institutional counterparties with respect to the Issuer's securities. In addition, the Reporting Persons may engage in discussions with management, members of the Board of Directors, shareholders and other relevant parties concerning the operations, management, Board of Directors composition, ownership, capital structure, strategy and future plans of the Issuer.

## **Item 5. Interest in Securities of the Issuer**

### **I. Maglan LP**

(a) As of the date hereof, Maglan LP may be deemed to be the beneficial owner of 2,376,599 shares of Common Stock, which constitutes approximately 8.98% of the Common Stock outstanding.

(b) Maglan LP has the sole power to vote or to direct the vote of 0 shares of Common Stock; has the shared power to vote or to direct the vote of 2,376,599 shares of Common Stock; has the sole power to dispose or to direct the disposition of 0 shares of Common Stock; and has the shared power to dispose or to direct the disposition of 2,376,599 shares of Common Stock.

(c) The transactions by the Reporting Persons in the securities of the Issuer that were effected during the past sixty days are set forth in Exhibit 99.2, which is incorporated herein.

(d) Not applicable.

(e) Not applicable.

### **II. Maglan LLC**

(a) As of the date hereof, Maglan LLC may be deemed to be the beneficial owner of 2,376,599 shares of Common Stock, which constitutes approximately 8.98% of the Common Stock outstanding.

(b) Maglan LLC has the sole power to vote or to direct the vote of 0 shares of Common Stock; has the shared power to vote or to direct the vote of 2,376,599 shares of Common Stock; has the sole power to dispose or to direct the disposition of 0 shares of Common Stock; and has the shared power to dispose or to direct the disposition of 2,376,599 shares of Common Stock.

(c) The transactions by the Reporting Persons in the securities of the Issuer that were effected during the past sixty days are set forth in Exhibit 99.2, which is incorporated herein.

(d) Not applicable.

(e) Not applicable.

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**Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer**

The Reporting Persons do not have any contract, arrangement, understanding or relationship with any person with respect to the Shares.

**Item 7. Material to be Filed as Exhibits**

Exhibit 99.1: Letter to Issuer's Board of Directors dated April 11, 2013.

Exhibit 99.2: Schedule of Transactions by the Reporting Persons in the Shares.

Exhibit 99.3: Joint Filing Agreement.

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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.

Date: April 11, 2013

**MAGLAN CAPITAL LP**

By: /s/ Steven Azarbad

Name: Steven Azarbad

By: Managing Member of the GP

**MAGLAN CAPITAL GPLLC**

By: /s/ Steven Azarbad

Name: Steven Azarbad

By: Managing Member

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Maglan Capital LP  
25 West 39<sup>th</sup> Street  
New York, NY 10018  
Telephone: (212) 300-6700

April 11, 2013

Mr. Edward D. Horowitz, Chairman of the Board of Directors  
Paul H. Sunu, Chief Executive Officer  
Dennis J. Austin  
Peter C. Gingold  
Michael J. Mahoney  
Michael K. Robinson  
David L. Treadwell  
Wayne Wilson

c/o FairPoint Communications, Inc.  
521 E Morehead St  
Charlotte, NC 28202

Gentlemen-

Investment funds affiliated with Maglan Capital LP are significant stockholders of FairPoint Communications Inc. ("FairPoint" or the "Company"), with holdings together representing beneficial ownership of approximately 9 percent of FairPoint's outstanding common equity. We believe there is a serious discrepancy between FairPoint's improved capital structure, operating performance and prospects and its current market valuation. It is our view that this discount is directly linked to the Board's failure to act in ways that defend shareholder value and reward shareholders for the Company's successes.

FairPoint's stock trades at a significant discount to its peers- approximately at a 2x EV/EBITDA discount. Moreover, its share price is currently at approximately \$7, in contrast to the \$24 share price when it emerged from Chapter 11 in 2011. Moreover, according to the most recently reported short-interest data (for March 28, 2013), FairPoint has the nefarious distinction of having the highest short-interest ratio on NASDAQ (for any company with reasonable trading volume) with over 4.532 million shares short (26.1 million total float; by Maglan's estimates, there is a lot less outstanding for borrow than the total float) and 80 days to cover. Shareholders have been patient with the company's operational turnaround and have suffered because the Board has not been vigilant in protecting shareholder value.

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Operationally, FairPoint has made enormous strides. The Company's revenue is stabilizing and management expects it to begin to grow later this year. FairPoint's one-time regulatory capital expenditure requirements are complete and costs (including labor) are coming down dramatically. We believe, as does FairPoint management, that the Company is well positioned to generate significantly improved cash-flow going forward.

We note that, other than through Angelo Gordon & Co., the Board has de minimis ownership of the Company's shares.

All of this gives us serious concerns about the current Board's sense of urgency and alignment of interests with the Company's owners. We suspect that our concerns are shared by a number of other large stockholders, and are of the impression that there has been little action taken, despite these concerns having been voiced directly to members of the Board in the past. Accordingly, we believe that it is important that the Board bring focus and urgency to the implementation of potential value-creating initiatives, including:

- i. The immediate commencement of a \$1.50 annual dividend to shareholders, to establish a dividend program in-line with other industry participants and establish stability for the Company's share price at a price above \$15;
- ii. A review of the Company's sale process for the assets that comprise the "Telecom Group"- FairPoint's non-core, legacy business which "generates really solid cash flow" and a piece of which was sold for more than 6x trailing EBITDA earlier this year; and
- iii. A review of the Company's growth capital expenditure budget and expense cutting strategy, to ensure that stockholder capital is being directed to those areas that offer the highest possible long-term return.

### ***Cash Flow and a Dividend***

At the end of the 4<sup>th</sup> quarter, the Company had \$23 million of cash and no outstanding borrowings on its revolving credit facility. For 2013, the Company has projected \$54 million of net free cash flow (FCF). This includes, \$9 million of voluntary pension payments and, what we contend to be, a bloated CapEx number (\$135 million; in 2012, the Company's CapEx guidance was \$170 million and resulted at \$145 million (a 15% difference)). With revenue expected to grow this year and CapEx coming down, a dividend of \$1.50 per annum will cost the company approximately \$40 million- well within the range of comfort.

Furthermore, it is our contention that the Company's recent 2013 projections contained in its 4<sup>th</sup> quarter 2012 earnings release are inconsistent, serve to give management considerable latitude to beat projections, and fail to reveal the true cash flow expectations. On a pro forma basis, management expects that revenue will stabilize in 2013 and begin to grow by the 2<sup>nd</sup> half of the year, to be gained through new business and increase in revenue share. Moreover, management has been focused on reducing its workforce and cutting expenses (reduced its workforce by over 16% in the past 2 years, and coming closer in-line with peers). Yet, somehow management projects EBITDA to be in the range of \$255-265 million for the year which is lower than \$278 million in 2012.

In addition, the Company's CapEx continues to decrease dramatically because the completion of capital expenditures mandated by the regulators in Northern New England (e.g. \$217 million 2010 vs. \$176 million 2011 vs. \$145 million 2012 vs. \$135 million 2013 projected by the Company but we believe will be less than \$120 million).

While the Company has rewarded debt holders by reducing the debt, shareholders have been neglected. In the first quarter of 2013, the Company refinanced its debt, pushed out maturities to 2019 and loosened covenants to allow for share buybacks and dividends. The Company's focus on generating free cash flow allowed it to reduce its debt from \$1 billion in the beginning of 2012 to \$940 million following the refinancing of its debt in the first quarter of 2013, including \$35 million of voluntary debt prepayments. The time has come for the Company to generate value for shareholders and initiate a dividend.

Finally, the issuance of a dividend will bring the Company in-line with many of its peers and substantially increase the cost to short the stock. Currently, FairPoint's shareholder base is highly concentrated and is devoid of any generic investors. As a result of a dividend, generic investors will begin to look at and invest in FairPoint's stock, at valuation rates similar to comparable companies. At the same time, short sellers will have to contend with an increase in costs by covering the cost of a dividend to continue to wager against the Company.

### ***Sale of the Telecom Group Assets***

By the Company's admission, the Telecom Group is a stable, mature business that generates "really solid cash flow", which can be reasonably separated from the Northern New England business (the "NNE Group"). In contrast, the NNE Group is FairPoint's core business, which contains all of the potential for growth, cost-cutting and increased FCF generation. Sale of the Telecom Group assets would:

- i. substantially delever the Company's balance sheet;
- ii. allow management to exclusively focus on the NNE Group- the portion of the business with the greatest upside potential; and
- iii. highlight a plan to focus on areas of growth relating to the NNE Group (market penetration, FTTT, cost reductions, margin expansion, strategic alignment for industry consolidation, etc.).

Recently, FairPoint closed on the sale of its Idaho business (part of the Telecom Group) at 6x EBITDA (\$30 million cash proceeds for \$5 million of EBITDA). We believe that the remaining Telecom Group assets generate approximately \$85 million of EBITDA. At 6x, the assets of the Telecom Group are worth approximately \$500 million, or roughly 50% of FairPoint's current enterprise value, although by subscribers, the Telecom Group is less than 20% of FairPoint's total customer base.

It seems clear that an aggressive sale of the Telecom Group assets should be immediately considered. The Telecom Group lacks the potential for substantial growth; its assets are geographically diverse; and, divestiture of these non-core assets will allow management to entirely focus its attention on the NNE Group. Certainly then, creating the NNE Group at less than 3x EBITDA should get some attention.

We are willing and ready to discuss the contents of this letter and other value creating initiatives with Mr. Horowitz, Mr. Sunu and the other directors at your earliest convenience.

Sincerely,

MAGLAN CAPITAL LP

MAGLAN CAPITAL LP

By: /s/ Steven Azarbad  
Name: Steven Azarbad  
Title: Co-Founder and Portfolio Manager

By: /s/ David D. Tawil  
Name: David D. Tawil  
Title: Co-Founder and Portfolio Manager

Contact:  
SKDKnickerbocker  
Stefan Friedman or Alix Anfang, (212) 561-8730

**SCHEDULE OF TRANSACTIONS BY THE REPORTING PERSONS IN THE SHARES<sup>3</sup>**

| <b>Transaction Date</b> | <b>Security</b> | <b>Transaction</b> | <b>No. of Shares of Common Stock</b> | <b>Purchase Price Per Share of Common Stock</b> |
|-------------------------|-----------------|--------------------|--------------------------------------|---|
| February 7, 2013        | Common Stock    | Purchase           | 6,000                                | 8.5183  |
| February 8, 2013        | Common Stock    | Purchase           | 35,785                               | 8.6845  |
| February 11, 2013       | Common Stock    | Purchase           | 2,850                                | 8.6038  |
| February 13, 2013       | Common Stock    | Purchase           | 17,000                               | 8.4698  |
| February 14, 2013       | Common Stock    | Purchase           | 6,000                                | 8.3413  |
| February 15, 2013       | Common Stock    | Purchase           | 15,000                               | 8.3997  |
| February 19, 2013       | Common Stock    | Purchase           | 35,100                               | 8.4985  |
| February 20, 2013       | Common Stock    | Purchase           | 52,000                               | 8.3973  |
| February 21, 2013       | Common Stock    | Purchase           | 12,100                               | 8.3039  |
| February 22, 2013       | Common Stock    | Purchase           | 3,200                                | 8.4934  |
| March 1, 2013           | Common Stock    | Purchase           | 5,000                                | 8.3867  |
| March 7, 2013           | Common Stock    | Purchase           | 6,700                                | 7.1803  |
| March 8, 2013           | Common Stock    | Purchase           | 213,000                              | 7.0637  |
| March 11, 2013          | Common Stock    | Purchase           | 3,400                                | 7.1200  |
| March 15, 2013          | Common Stock    | Purchase           | 12,500                               | 7.1200  |
| March 25, 2013          | Common Stock    | Purchase           | 802                                  | 7.1196  |
| March 27, 2013          | Common Stock    | Purchase           | 100                                  | 7.4400  |
| March 28, 2013          | Common Stock    | Purchase           | 15,537                               | 7.4808  |
| April 2, 2013           | Common Stock    | Purchase           | 10,000                               | 7.2755  |
| April 3, 2013           | Common Stock    | Purchase           | 27,600                               | 7.1200  |
| April 4, 2013           | Common Stock    | Purchase           | 38,200                               | 7.1130  |
| April 5, 2013           | Common Stock    | Purchase           | 8,300                                | 7.1541  |
| April 8, 2013           | Common Stock    | Purchase           | 32,600                               | 7.1928  |
| April 9, 2013           | Common Stock    | Purchase           | 27,500                               | 7.2808  |
|                         |                 |                    |                                      |   |
|                         | <b>Total</b>    |                    | <b>586,274</b>                       |   |

<sup>3</sup> Each of the transactions noted above were jointly effected by the Reporting Persons and represent purchases of shares of Common Stock made by the Reporting Persons in cash on the NASDAQ CM exchange.

**JOINT FILING AGREEMENT**

The undersigned hereby agree that the Statement on Schedule 13D filed herewith, relating to the Common Stock, \$0.01 par value, of FairPoint Communications, Inc., a Delaware corporation, is being filed jointly with the Securities and Exchange Commission pursuant to Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended, on behalf of each of the undersigned.

This Agreement may be executed in counterparts and each of such counterparts taken together shall constitute one and the same instrument.

Dated this 11th day of April, 2013.

MAGLAN CAPITAL LP

MAGLAN CAPITAL GP LLC

By: /s/ Steven Azarbad  
Name: Steven Azarbad  
Title: Managing Member of the GP

By: /s/ Steven Azarbad  
Name: Steven Azarbad  
Title: Managing Member

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