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September 23, 2005

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T.R.A. DOCKET ROOM

VIA OVERNIGHT MAIL

The Honorable Pat Miller, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243
Attn: Sharla Dillon, Dockets and Records

RE. Docket # 05-00219
RTC Solutions, Inc. Application for Certificate to Provide Facilities-Based and Resold
Competing Local Telecommunications Services.

Dear Chairman Miller:

In correspondence of August 15, 2005, the Tennessee Regulatory Authority (TRA) Utilities
Division requested supplemental information in the matter of the above RTC Solutions
CLEC Application. In response, please find enclosed the following requested items:

- Financial Statements and Projections;
- Explanation of Financing Vehicles;
- Copy of the RTC Solutions, Inc. Tennessee Secretary of State Certificate;
- Explanation of Parent Company Funding.

If you should have any questions or require further information, please contact the
undersigned.

Thank you.

Sincerely,

John Becci
Manager - Regulatory Affairs

on behalf of

Alice Evitt Bandy
Chief Executive Officer
RTC Solutions, Inc.

cc: Darlene Standley, Tennessee Regulatory Authority
Michael Wallin, RTC Solutions, Inc.

RTC SOLUTIONS, INC.
Docket #05-00219
TENNESSEE REGULATORY AUTHORITY
APPLICATION FOR CERTIFICATE TO PROVIDE
COMPETING LOCAL TELECOMMUNICATIONS SERVICES

SUPPLEMENTAL INFORMATION

- 1 *Financial statements for RTC Solutions, Inc., including indications of start-up funding and expenditure allocation categories, as well as financial projections for the next three (3) years*

The current financial statements for RTC Solutions, Inc. are attached (see Exhibit I). The Balance Sheet is for the period ending August 31, 2005. The Income Statement is as of August 31, 2005. RTC Solutions, Inc. commenced operations in April 2005. The other lines of business that RTC Solutions, Inc. engage in are home integration, home security, security monitoring, structured wiring, and bar coding. In addition to the Balance Sheet and Income Statements, the five (5) year financial projections are attached (see Exhibit II).

2. *A complete explanation of the financing vehicles that RTC Solutions, Inc has in place as referenced in the petition. If funding will be available from the parent company, Ringgold Telephone Company, please provide a statement from the parent company indicating their willingness to provide funding as needed for RTC Solutions, Inc.*

Ringgold Telephone Company has provided start-up funding for RTC Solutions, Inc. CLEC operations in Tennessee in the amount of \$100,000. Ringgold Telephone Company will provide additional funding as needed for RTC Solutions, Inc. (see Exhibit III).

- 3 *A copy of the Certificate from the Tennessee Secretary of State's Office for RTC Solutions, Inc. The information provided indicates, from the public information section of the Secretary of State's website, that RTC Solutions, Inc has a business license in Tennessee. However, Staff requests a copy of the actual certificate, which can be obtained by RTC from the Secretary of State's office*

Attached is a copy of the RTC Solutions, Inc. Tennessee Secretary of State Certificate (see Exhibit IV).

- 4 *Will the parent company of RTC Solutions, Inc (The Ringgold Telephone Company) be providing the start-up funding for RTC Solutions, Inc ? If so please provide a statement from the parent company to that effect.*

Ringgold Telephone Company has provided start-up funding for RTC Solutions, Inc. CLEC operations in Tennessee in the amount of \$100,000. Ringgold Telephone Company will provide additional funding as needed for RTC Solutions, Inc. (see Exhibit III)

EXHIBIT I

Current Financial Statements

KTC SOLUTIONS
Balance Sheet End Of
August 31, 2005

August 31, 2005

ASSETS

CURRENT ASSETS

CO Dept	Acct. Num	Acct. Title	JULY 2005	AUGUST 2005
		Cash & Cash Equivalents	\$ 0 00	\$ 0 00
4 0	1180.014	A/R Customer Invoices-RTC/CS	85,086 35	10,574 65
4 0	1180.024	A/R Ringgold Telephone Co	178,024 04	255,975 58
		Accounts Receivable	\$ 263,110.39	\$ 266,550 23
		Other Accounts Receivable	\$ 0.00	\$ 0 00
4 0	1220.4	Inventory-RTC/CS	10,350.36	13,278 80
4 300	1220.	Inventory (SECUR & INTGRN)	7,691.20	10,185.37
		Inventory, Materials & Supplies	\$ 18,041.56	\$ 23,464 17
4 0	1330 064	Other Pre-Payments-RTC/CS	100,698.55	
4 0	1400 4	Deferred Expenses-RTC/CS	3,175.14	3,175 14
		Prepayments	\$ 3,175 14	\$ 103,873.69
		Total Current Assets	\$ 284,327.09	\$ 393,888.09

NON-CURRENT ASSETS

PLANT, PROPERTY, AND EQUIPMENT

	Property & Equipment	\$ 0 00	\$ 0 00
	Less Accumulated Depreciation Regul	\$ 0 00	\$ 0 00
	Net Property & Equipment	\$ 0 00	\$ 0 00
	TOTAL ASSETS	\$ 284,327 09	\$ 393,888 09

RTC SOLUTIONS

August 31, 2005

CO Dept	Acct Num	Acct. Title	LIABILITIES		JULY 2005	AUGUST 2005
CURRENT LIABILITIES						
4 0	4010 0014	A/P-Ringgold Telephone Co.		427,024 52-	561,686 14-	
4 0	4010 054	A/P State Sales Tax-RTC/CS		2,439 07	2,495 96	
		Account Payable - Other	\$	424,585 45-	\$	559,190 18-
		Total CUREnt Liabilities	\$	424,585 45-	\$	559,190 18-
TO				0.00		0 00
4 0	4120 044	Deferred Revenues-RTC/CS		1,767 31-	1,767.31-	
TO				1,767 31-	1,767 31-	
EQUITY						
		Common Stock	\$	0 00	\$	0 00
		Additional Paid In Capital	\$	0.00	\$	0 00
4 0	4550 0004	Retained Earnings-RTC/CS		51,412 46	51,412 46	
4 0	9999	Current Year Income/(Loss)		90,613 21	115,656 94	
		Retained Earnings	\$	142,025 67	\$	167,069.40
		TOTAL STOCKHOLDERS EQUITY	\$	142,025 67	\$	167,069.40
		TOTAL LIABILITIES AND EQUITY	\$	284,327 09-	\$	393,888 09-

AVC Solutions
Income Statement Report As Of
August 31, 2005

August 31, 2005

	AUGUST	QUARTER	YEAR TO DATE	2004 YTD Total
INCOME				
Software Sales Revenue	2,079 00-	73,193 74-	31,495 00-	1,495 00-
Hardware Sales Revenue			144,297 64-	6,190.00-
Design Revenue				
Maintenance Revenue		1,000.00-	1,000 00-	
Sales-Other-RTC/CS	2,161 98-	2,322.44-	7,159 34-	10,814 60-
Monitoring Fee-Revenue (SECURE)	569 41-	569.41-	569 41-	
Equipment Sales (SECURE)	3,601 32-	3,601 32-	3,601 32-	
Equipment Promo (SECURE)				
Installation Revenue (SECURE)				
Installation Promo (SECURE)	10 61-	10 61-	10 61-	
Maintenance Contracts (SECURE)				
Promo-Maintenance Contracts (SEC)				
HE Equipment Sales (INTGRN)				
Promo-HE Equipment Sales (INTGRN)				
HE-Wiring Sales (INTGRN)				
Promo-HE Wiring Sales (INTGRN)				
HE-Installation Revenue (INTGRN)				
Promo-HE-Installation (INTGRN)				
Repair Revenue (INTGRN)				
Total Income RTC/CS	\$ 8,422 32-	\$ 80,697 52-	\$ 188,133 32-	\$ 18,499 60-
***COGS-Software				
COGS-Software Salaries			10,274 02	
COGS-Software Benefits			3,820.01	
COGS-Software Other			22,398 25	1,177 26
***COGS-Hardware				
COGS-Hardware Salaries				
COGS-Hardware Benefits				
COGS-Hardware Other	1,030 52	67,452 25	99,633.89	4,030 29
***COGS-Design				
COGS-Design Salaries			278.98	
COGS-Design Benefits				
COGS-Design Other				
***COGS-Maintenance				
COGS-Maintenance Salaries				
COGS-Maintenance Benefits				
COGS-Maintenance Other			3.76	
COGS-Other-RTC/CS	1,673 08	1,654.70	2,522 74	5,083.24
COGS-Sales Commission-RTC/CS				
Total COGS	2,703 60	69,106.95	138,931 65	18,499 60-
Net Profit RTC/CS	\$ 5,718 72-	\$ 11,590.57-	\$ 49,201 67-	8,208 81-
EXPENSE				
Salaries	7,042 79	17,423 60	65,555 15	7,385 57
Benefits	4,867 27	9,186 48	32,099 71	3,748 76
Salesperson Expense-RTC/CS	2,265 64	4,211 24	8,160 23	176 93

RTC Solutions
Income Statement Report As Of
August 31, 2005

August 31, 2005

	AUGUST	QUARTER	YEAR TO DATE	2004 YTD Total
Tech Expense-RTC/CS				
Certification Expense-RTC/CS	86 05	159 27	751 91	
Telephone-RTC/CS				
Computer Lease-RTC/CS				
50% Meal Expense-RTC/CS	314 95	412.52	665 83	170 11
Miscellaneous Sales Exp-RTC/CS			541.91	0 70
Miscellaneous-Other-RTC/CS	435 49	908 62	3,787.02	466 19
Depreciation-RTC/CS				
Monitoring Fee Comporium (SECURE)		10 00	10.00	
Equipment Cost (SECURE)	3,825 18	5,573 40	5,573 40	
***Installation (SECURE)				
Installation (SECURE) Salary	2,904 19	4,410 85	4,410 85	
Install (SECURE) benefits	2,816 06	3,696 40	3,696 40	
Install (SECURE) Other	232 68	1,564 50	1,564 50	
Commissions (SECURE)				
***Sales Expense (SECURE)				
Sales-Salary (SECURE)	1,036.75	1,952.82	4,162.43	
Sales-Benefits (SECURE)	1,172.99	1,672.94	2,390 40	
Sales-Other (SECURE)	294.00	584.00	584 00	
***Maintenance Expense (SECURE)				
Maintenance Exp-Salary (SECURE)				
Maintenance Exp-Benefits (SEC)				
Maintenance Exp-Other (SECURE)				
Training/Travel (SECURE)		103 54	118 54	
Telephone (SECURE)	290.00	483 96	483 96	
Computer (SECURE)		402 38	502.91	
50% Meal Expense (SECURE)				
Marketing (Secure)	349 05	3,032 69	9,168 69	
Miscellaneous (SECURE)	283 55	3,954 79	4,620 33	
Depreciation (SECURE)				
Audio/Video Equipment (INTGRN)		263.09	263 09	
Automation Equipment (INTGRN)				
Lighting Equipment (INTGRN)				
Wiring (INTGRN)		1,125.28	1,837.46	
***HE Installation (INTGRN)				
HE Install-Salary (INTGRN)				
HE-Install-Benefits (INTGRN)				
HE-Install-Other (INTGRN)				
***Wiring Installation (INTGRN)				
Wiring Install-Salary (INTGRN)				
Wiring-Install-Benefits (INTGRN)				
Wiring-Install-Other (INTGRN)				
***HE Repair (INTGRN)				
HE Repair-Salary (INTGRN)				
HE-Repair-Benefits (INTGRN)				
HE-Repairs-Other (INTGRN)				
***Wiring Repair (INTGRN)				
Wiring Repair-Salary (INTGRN)				
Wiring Repair-Benefits (INTGRN)				
Wiring Repair-Other (INTGRN)				
***Sales (INTGRN)				
Sales-Salary (INTGRN)	25 00	25 00	25 00	245 93

RTC Solutions
Income Statement Report As Of
August 31, 2005

August 31, 2005

	AUGUST	QUARTER	YEAR TO DATE	2004 YTD Total
Sales-Benefits (INTGRN)				
Sales-Other (INTGRN)	290 00	580 00	1,085 52	
***Other (INTGRN)				
Other-Salary (INTGRN)	718 46	1,609 55	3,609 04	
Other-Benefits (INTGRN)	793 80	1,294 61	1,867 31	
Other-Other (INTGRN)				
Commissions (INTGRN)				
Training/Travel (INTGRN)				
50% Meals (INTGRN)				
Marketing (INTGRN)	581 00	2,526 00	6,809 88	
Miscellaneous (INTGRN)		311 03	311 03	
Inventory Adjustment-RTC/CS				
Inventory Adjustment (SECURE)	137 55	43 82-	43 82-	
Inventory Adjustment (INTGRN)				
Total Expenses	30,762 45	67,434 74	164,858 61	11,948.26
NET (INCOME)/LOSS	\$ 25,043 73	\$ 55,844 17	\$ 115,656 94	\$ 3,739 45

EXHIBIT II

Five Year Financial Projections



RTC
SOLUTIONS
A DIVISION OF BING-GOOD TELEPHONE COMPANY

5 YEAR PROJECTION

	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>	<u>YEAR 4</u>	<u>YEAR 5</u>
RTC SECURE SUB COUNT	351	616	854	1129	1376
HOMES INTEGRATION SALES	197	197	197	197	197
	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>	<u>YEAR 4</u>	<u>YEAR 5</u>
<u>REVENUES</u>					
RTC SECURE					
EQUIPMENT MONITORING SALES	(\$49,320)	(\$49,320)	(\$49,320)	(\$49,320)	(\$49,320)
MONITORING	(\$20,534)	(\$85,571)	(\$130,114)	(\$175,512)	(\$221,681)
HOME INTEGRATION					
WIRE 1	(\$77,224)	(\$77,224)	(\$77,224)	(\$77,224)	(\$77,224)
WIRE 2	(\$94,560)	(\$94,560)	(\$94,560)	(\$94,560)	(\$94,560)
INTEGRATION	(\$98,500)	(\$98,500)	(\$98,500)	(\$98,500)	(\$98,500)
TOTAL REVENUE	(\$340,138)	(\$405,175)	(\$449,718)	(\$495,116)	(\$541,285)
<u>EXPENSES</u>					
RTC SECURE					
EQUIPMENT	\$71,685	\$62,127	\$62,127	\$71,685	\$71,685
COMMISSIONS	\$18,000	\$19,500	\$19,500	\$22,500	\$22,500
INSTALLATION	\$13,500	\$11,700	\$11,700	\$13,500	\$13,500
OTHER (ADMINISTRATIVE/OVERHEAD)	\$54,168	\$76,166	\$43,173	\$43,098	\$65,639
HOME INTEGRATION					
WIRE 1	\$45,704	\$45,704	\$45,704	\$45,704	\$45,704
WIRE 2	\$57,918	\$57,918	\$57,918	\$57,918	\$57,918
INTEGRATION	\$62,252	\$62,252	\$62,252	\$62,252	\$62,252
TOTAL EXPENSE	\$323,227	\$335,367	\$302,374	\$316,657	\$339,198
NET (INCOME) LOSS	(\$16,911)	(\$69,808)	(\$147,344)	(\$178,459)	(\$202,087)

EXHIBIT III

Ringgold Telephone Company Statement - Start-Up Funding



*"Keeping you in touch with your
hometown and beyond!"*

Alice Evitt Bandy
President

Phil Erli
Executive Vice President

September 16, 2005

Alice Evitt Bandy
Chief Executive Officer
RTC Solutions, Inc.
6203 Alabama Highway
Ringgold, GA 30736

Re: Funding of RTC Solutions, Inc.

Dear Alice,

This letter is to notify you that Ringgold Telephone Company has provided start-up funding for RTC Solutions, Inc. CLEC operations in the amount of \$100,000.00 for its expansion into Tennessee. Ringgold Telephone Company will continue to provide funding for RTC Solutions, Inc CLEC operations as necessary.

Sincerely,

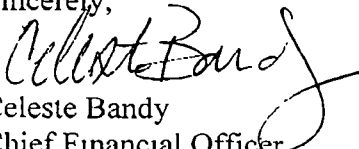

Celeste Bandy
Chief Financial Officer
Ringgold Telephone Company

EXHIBIT IV

Tennessee Secretary of State Certificate

Secretary of State
Division of Business Services
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, Tennessee 37243

ISSUANCE DATE: 09/19/2005
REQUEST NUMBER: 05262521
TELEPHONE CONTACT: (615) 741-6488

CHARTER/QUALIFICATION DATE 04/04/2005
STATUS: ACTIVE
CORPORATE EXPIRATION DATE: PERPETUAL
CONTROL NUMBER: 0490901
JURISDICTION. GEORGIA

TO:
JOHN STAURULAKIS, INC/JOHN J BECCI
7852 WALKER DR
STE 200
GREENBELT, MD 20770-3209

REQUESTED BY:
JOHN STAURULAKIS, INC/JOHN J BECCI
7852 WALKER DR
STE 200
GREENBELT, MD 20770-3209

CERTIFICATE OF AUTHORIZATION

I, RILEY C DARNELL, SECRETARY OF STATE OF THE STATE OF TENNESSEE DO HEREBY CERTIFY THAT

"RTC SOLUTIONS, INC.",

A CORPORATION FORMED IN THE JURISDICTION SET FORTH ABOVE, IS AUTHORIZED TO
TRANSACTION BUSINESS IN THIS STATE;
THAT ALL FEES, TAXES, AND PENALTIES OWED TO THIS STATE WHICH AFFECT THE
AUTHORIZATION OF THE CORPORATION HAVE BEEN PAID;
THAT AN APPLICATION FOR CERTIFICATE OF WITHDRAWAL HAS NOT BEEN FILED.

FOR: REQUEST FOR CERTIFICATE

ON DATE: 09/19/05

FROM:
JOHN STAURULAKIS INC.
315 SEABROOK RD
SEABROOK, MD 20706-0000

RECEIVED.	FEES \$20 00	\$0 00
TOTAL PAYMENT RECEIVED:		\$20 00
RECEIPT NUMBER		00003800977
ACCOUNT NUMBER		00349190



Riley C Darnell

RILEY C DARNELL
SECRETARY OF STATE