



ATTORNEYS AT LAW

1200 ONE NASHVILLE PLACE  
150 FOURTH AVENUE, NORTH  
NASHVILLE, TENNESSEE 37219-2433  
(615) 244-9270  
FAX (615) 256-8197 OR (615) 744-8466

**Melvin J. Malone**

Direct Dial (615) 744-8572  
mmalone@millermartin.com

November 5, 2009

**VIA ELECTRONIC MAIL AND  
HAND DELIVERY**

Chairman Sara Kyle  
c/o Ms. Sharla Dillon  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243

FILED ELECTRONICALLY IN DOCKET OFFICE ON 11/06/09

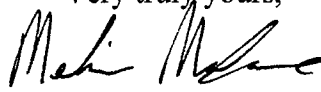
RE: Joint Application of Ardmore Telephone Company, Inc., Ardmore  
Communications, LLC, and Synergy Technology Partners, Inc. Regarding  
Transfer of Control, Docket No. 09-00103

Dear Chairman Kyle:

Enclosed please find an original and five (5) copies of Petitioner's Response to the Tennessee Regulatory Authority's Data Request No. 3. Petitioner has also transmitted this submission electronically to the Authority. Please stamp a copy of this Response as "filed" and return it to me by way of our courier.

Should you have any questions concerning any of the enclosed, please do not hesitate to contact me.

Very truly yours,



ccc w/ permission

Melvin J. Malone

**ENCLOSURES**

cc: R. Dale Grimes, Esq.  
Erin Massey Everitt, Esq.  
Mr. Trevor Bonstetter  
Mr. Levoy Knowles

**Docket 09-00103 Joint Application of Ardmore Telephone Company, Inc.,  
Ardmore Communications, LLC and Synergy Technology Partners, Inc.  
Regarding Transfers of Control**

**Tennessee Regulatory Authority Data Request No. 3 to Applicants,  
Dated November 4, 2009**

**Q1.** Provide the current capital structure of Ardmore Telephone Company, Inc. ("Ardmore") and Synergy Technology Partners, Inc. ("Synergy"). For comparison, provide the capital structure of Ardmore and Synergy if the financing transaction described in the *Expedited Petition* is approved.

**A:** Attached hereto as **Exhibit 1** is a balance sheet of Ardmore for pre-financing transaction and post-financing transaction, each of which is being filed **UNDER SEAL AS CONFIDENTIAL AND PROPRIETARY INFORMATION**. Prior to the transfer-of-control transaction, Synergy will have no assets or liabilities. Therefore, **Exhibit 1** also includes the post-transaction abbreviated consolidated balance sheet of Synergy, which is being filed **UNDER SEAL AS CONFIDENTIAL AND PROPRIETARY INFORMATION**.

**Docket 09-00103 Joint Application of Ardmore Telephone Company, Inc.,  
Ardmore Communications, LLC and Synergy Technology Partners, Inc.  
Regarding Transfers of Control**

**Tennessee Regulatory Authority Data Request No. 3 to Applicants,  
Dated November 4, 2009**

**Q2.** Provide the amount, term, interest rate and source of all of Ardmore's current indebtedness.

**A:** The RUS loans previously approved by the TRA constitute Ardmore's current outstanding indebtedness. Attached hereto as **Exhibit 2** is a schedule of the amount and interest rate of such indebtedness as of January 31, 2009, which is being filed **UNDER SEAL AS CONFIDENTIAL AND PROPRIETARY INFORMATION**. The term of the RUS loans is 19 years beginning December 1, 1998.

**Docket 09-00103 Joint Application of Ardmore Telephone Company, Inc.,  
Ardmore Communications, LLC and Synergy Technology Partners, Inc.  
Regarding Transfers of Control**

**Tennessee Regulatory Authority Data Request No. 3 to Applicants,  
Dated November 4, 2009**

**Q3.** Provide the amount of debt that Ardmore will service if the financing transaction described in the *Expedited Petition* is approved.

**A:** The aggregate amount of the proposed financing is \$12.5 million, comprised of \$11.5 million 10-year Term Loan and \$1 million 5-year Revolving Credit Facility. It is currently anticipated that the borrowers will fully utilize the amount of the \$11.5 million Term Loan to repay all amounts owed under the outstanding RUS loans, to fund, in part, Synergy's acquisition of Ardmore's stock and to provide for future capital needs of Ardmore. While the parties do not expect to utilize funds of the \$1 million Revolving Credit Facility, it is possible that working capital adjustments contemplated in the transfer-of-control transaction could result in the parties drawing not more than \$500,000 from the Revolving Credit Facility. Accordingly, all financial data provided herein is based on the conservative assumption of an aggregate \$12 million borrowing.

**Docket 09-00103 Joint Application of Ardmore Telephone Company, Inc.,  
Ardmore Communications, LLC and Synergy Technology Partners, Inc.  
Regarding Transfers of Control**

**Tennessee Regulatory Authority Data Request No. 3 to Applicants,  
Dated November 4, 2009**

**Q4.** Discuss the regulatory accounting treatment by Ardmore of the financing transaction described in the *Expedited Petition*.

**A:** After the transfer-of-control transaction, Ardmore will properly account for the financing transaction and will continue to maintain its books and records in compliance with Part 32 of the Uniform System of Accounts and all applicable FCC rules, regulations and guidelines, consistent with past practices.

**Docket 09-00103 Joint Application of Ardmore Telephone Company, Inc.,  
Ardmore Communications, LLC and Synergy Technology Partners, Inc.  
Regarding Transfers of Control**

**Tennessee Regulatory Authority Data Request No. 3 to Applicants,  
Dated November 4, 2009**

**Q5.** Provide forecasted annual financial statements for the next five years for Ardmore and Synergy under the assumption that the financing transaction described in the *Expedited Petition* is approved. Such financial statements should clearly show all funds flows between Ardmore and Synergy, goodwill assets and interest expenses.

**A:** Attached hereto as **Exhibit 3** are forecasted annual financial statements of Ardmore, including balance sheet, statements of income and statements of cash flows, for post-transaction 2009 and the five years following and the abbreviated consolidated balance sheet of Synergy, each of which is being filed **UNDER SEAL AS CONFIDENTIAL AND PROPRIETARY INFORMATION**. Synergy, as a holding company, will have no operations. Other than nominal working capital, its only asset will be Ardmore. Therefore, on a consolidated basis, Synergy's forecasted financial statements will incorporate and correspondence with those of Ardmore. Accordingly, **Exhibit 3** only includes the abbreviated consolidated balance sheet of Synergy, which is being filed **UNDER SEAL AS CONFIDENTIAL AND PROPRIETARY INFORMATION**.

**Docket 09-00103 Joint Application of Ardmore Telephone Company, Inc.,  
Ardmore Communications, LLC and Synergy Technology Partners, Inc.  
Regarding Transfers of Control**

**Tennessee Regulatory Authority Data Request No. 3 to Applicants,  
Dated November 4, 2009**

**Q6.** Based upon the forecasted financial statements in response to question five, comment on whether the financing transaction will necessitate a rate increase by Ardmore.

**A:** Financial projections and Synergy's business plan for Ardmore's success and improvement with the proposed financing, combined efficiencies and cost savings do not include or contemplate any increases in local rates. Furthermore, Synergy anticipates that revenue will be stimulated through a higher acceptance of calling features, more interest in high-speed Internet services and the adoption of enhanced services that are not currently available to the customers of Ardmore.

**Docket 09-00103 Joint Application of Ardmore Telephone Company, Inc.,  
Ardmore Communications, LLC and Synergy Technology Partners, Inc.  
Regarding Transfers of Control**

**Tennessee Regulatory Authority Data Request No. 3 to Applicants,  
Dated November 4, 2009**

**Q7.** Provide copies of all agreements between Synergy and Ardmore related to payment of debt incurred as a result of the proposed financing transaction.

**A:** There are currently no written agreements between Synergy and Ardmore relating to payment of indebtedness. It is anticipated that cash generated from the operations of Ardmore will flow from Ardmore to Synergy to service the debt incurred under the proposed financing transaction.

**Docket 09-00103 Joint Application of Ardmore Telephone Company, Inc.,  
Ardmore Communications, LLC and Synergy Technology Partners, Inc.  
Regarding Transfers of Control**

**Tennessee Regulatory Authority Data Request No. 3 to Applicants,  
Dated November 4, 2009**

**Q8.** Detail all funds that will be provided by Synergy as part of the transaction.

**A:** Each of West Kentucky Rural Telephone Cooperative Corporation, Inc. and Ben Lomand Rural Telephone Cooperative, Inc. will provide capital to Synergy in the amount of approximately \$2.25 million. Accordingly, Synergy will provide approximately \$4.5 million as a part of the transaction.

**Docket 09-00103 Joint Application of Ardmore Telephone Company, Inc.,  
Ardmore Communications, LLC and Synergy Technology Partners, Inc.  
Regarding Transfers of Control**

**Tennessee Regulatory Authority Data Request No. 3 to Applicants,  
Dated November 4, 2009**

**Q9.** Detail all funding sources that will be used to service debt incurred from the financing transaction described in the *Expedited Petition*.

**A:** Debt incurred from the financing transaction will be serviced by the ongoing earnings generated from Ardmore's operations, which will flow from Ardmore to Synergy to service the indebtedness.