

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

December 30, 2009

IN RE:

**JOINT APPLICATION OF ARDMORE TELEPHONE
COMPANY, INC. AND SYNERGY TECHNOLOGY
PARTNERS, INC. REGARDING TRANSFER OF
CONTROL OF ARDMORE TELEPHONE, INC.**

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**DOCKET NO.
09-00103**

ORDER APPROVING FINANCING TRANSACTIONS

This matter came before Chairman Sara Kyle, Director Eddie Roberson and Director Mary W. Freeman of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this docket, at a special Authority Conference held on November 30, 2009 for consideration of the *Expedited Petition of Synergy Technology Partners, Inc. Regarding Financing Approval* (“*Financing Petition*”) filed October 29, 2009 by Synergy Technology Partners, Inc. (“Synergy”).

BACKGROUND

At the October 26, 2009 Conference, the Authority approved the transfer of control of Ardmore Telephone Company, Inc. (“Ardmore”) to Synergy. On October 29, 2009, Synergy filed an expedited petition seeking financing approval by October 30, 2009, to consummate financing transactions related to the acquisition of Ardmore. At the November 9, 2009 Authority Conference, the Consumer Advocate was requested to consider intervention into this matter.¹

¹ Also, the panel voted to convene a contested case and require testimony to be submitted in support of the financing request. In light of the subsequent filings made by the Company and the Consumer Advocate, the panel reconsidered this action at the November 30, 2009 Authority Conference.

In its November 13, 2009 Data Response, Synergy stated that it would not seek recovery of expenses related to any of the debt used to purchase Ardmore in any future rate case proceeding. Synergy attached a sworn affidavit from Synergy Chairman Levoy Knowles as part of its Data Response. On November 20, 2009, the Consumer Advocate filed a letter in the docket stating that it did not intend to intervene in this matter. The Consumer Advocate stated that its decision not to intervene was based on Synergy's assertion that it will not seek recovery of expenses related to debt used to purchase Ardmore.

THE FINANCING PETITION

Synergy requests to borrow up to 12.5 million dollars under two credit facilities. The first facility is a one million dollar, five year revolving credit facility. The second facility is a ten year term loan in the amount of 11.5 million dollars. Synergy states the use of the proceeds will be (i) to pay for the purchase of Ardmore stock; (ii) to repay all existing secured debt of Ardmore; and (iii) to provide future liquidity via the one million revolving credit facility. The assets of Ardmore will serve as security for the indebtedness. Synergy notes that its financial projections and business plan do not include or contemplate any increases in basic local service rates.

FINDINGS AND CONCLUSIONS

Tenn. Code Ann. § 65-4-109 (2004) provides

No public utility shall issue any stocks, stock certificates, bonds, debentures, or other evidences of indebtedness payable in more than one (1) year from the date thereof, until it shall have first obtained authority from the authority for such proposed issue. It shall be the duty of the authority after hearing to approve any such proposed issue maturing more than one (1) year from the date thereof upon being satisfied that the proposed issue, sale and delivery is to be made in accordance with law and the purpose of such be approved by the authority.

The panel voted unanimously to approve the *Financing Petition* based upon these findings:

1. The proposed financing transaction is subject to Authority approval pursuant to Tenn. Code Ann. § 65-4-109 (2004).

2. The proposed financing transaction is being made in accordance with laws enforceable by this agency.

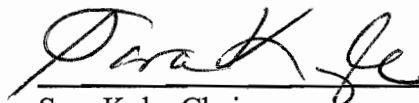
3. The proposed financing transaction is in the public interest.

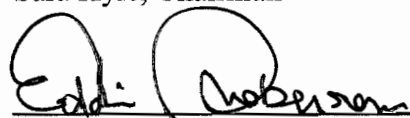
IT IS THEREFORE ORDERED THAT:

1. Synergy Technology Partners, Inc. is authorized to enter into the financing transactions described in the *Expedited Petition of Synergy Technology Partners, Inc. Regarding Financing Approval*.

2. The authorization and approval given hereby shall not be used by any party, including but not limited to, any lending party, for the purpose of inferring an analysis or assessment of the risks involved.

3. This decision is not intended to create any liability on the part of the Tennessee Regulatory Authority, the State of Tennessee or any political subdivision thereof.


Sara Kyle, Chairman


Eddie Roberson, Director


Mary W. Freeman, Director