BEFORE THE PUBLIC SERVICE COMMISSION STATE OF MISSOURI

In the matter of the Joint Application of New Florence Telephone Company, Tiger Telephone, Inc. and Direct Communications Rockland, Inc. for an order authorizing Direct Communications Rockland, Inc. to purchase or acquire, take or hold all of the issued and outstanding capital stock of Tiger Telephone, Inc.

Case No. TO-2007-0139

AMENDED AND SUPPLEMENTAL APPLICATION

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Come now New Florence Telephone Company ("New Florence"), Tiger Telephone, Inc. ("TigerTel") and Direct Communications Rockland, Inc. or an entity to be designated by Direct, ("DCR") (sometimes collectively referred to as "Joint Applicants"), and file this Amended and Supplemental Application to the Joint Application filed on October 2, 2006. Joint Applicants now request additional authority regarding a financing arrangement whereby Tiger Tel will borrow \$1,700,000 from Zions First National Bank ("Zions") in order to finance the purchase of the TigerTel stock. In connection with this borrowing, the lender requires that New Florence give a guaranty and that a lien be placed on the assets of New Florence. Therefore, Joint Applicants request additional authority from the Missouri Public Service Commission ("Commission") pursuant to § 392.300, RSMo 2000, § 392.310, RSMo 2000, and 4 CSR 240-3.530 for New Florence to execute a guaranty and place a lien on its assets. In addition, Joint Applicants are filing a fully-executed Stock Purchase Agreement (SPA) to replace the earlier draft SPA filed with the original application as <u>Proprietary Appendix D.</u>¹

¹Exhibit 2.20 to the SPA is denoted Highly Confidential.

Amendment to Joint Application

Joint Applicants wish to amend paragraph 5 of the Joint Application previously filed with the Commission to reflect a change in sellers as Robert D. Williams is now the sole shareholder of TigerTel and has signed the SPA as the sole Seller. Paragraph 5 should now read:

5. The sole shareholder of TigerTel, Robert D. Williams ("Seller"), TigerTel, the sole shareholder of New Florence, and DCR have entered into a Stock Purchase Agreement dated October 1, 2006 (the "Agreement"). Under the terms of the Agreement, and subject to obtaining necessary regulatory approvals, DCR will acquire from the Seller all of the currently issued and outstanding common stock of TigerTel. A copy of the Agreement, which contains proprietary information and is being filed under seal, is marked <u>Proprietary Appendix D</u>, attached hereto, and made a part hereof for all purposes. The Commission granted Joint Applicants' Motion for a Protective Order on October 6, 2006.

Supplement to Joint Application

1. TigerTel proposes to borrow \$1,700,000 from Zions under the terms and conditions set out in the commitment letter marked <u>Proprietary Appendix H</u> and attached hereto. As a condition of this borrowing, Zions requires that New Florence execute a Guaranty which requires Commission approval as an evidence of indebtedness. In addition, Zions requires that as security for the loan New Florence give a deed of trust on all real estate and other property owned by New Florence.

2. A copy of the proposed resolutions of the new Board of Directors of New Florence authorizing it to enter into and perform in accordance with the terms of the Secured Guaranty and to place a lien on its assets which will be executed by the Board after the closing of the sale is marked <u>Proprietary Appendix I</u>, attached hereto, and made a part hereof for all purposes.

3. Marked <u>Proprietary Appendix J</u>, attached hereto, and made a part hereof for all purposes are a pro forma balance sheet and pro forma income statement showing the effect of the proposed financing upon bonded and other indebtedness in accordance with 4 CSR 240-3.530(E).

4. Marked <u>Appendix K</u> attached hereto and made a part hereof for all purposes is a five
(5) year capitalization expenditure schedule as required by § 392.310, RSMo 2000.

5. There are no proceeds to be received by New Florence as a result of this guaranty, so no proceeds of the loan will be subject to the fee schedule as set forth in § 386.300, RSMo 2000. See, § 392.310, RSMo 2000.

6. As security for the loan, New Florence proposes to execute and deliver a mortgage, security agreement, and financing statement on substantially all the assets of New Florence. A copy of the Mortgage, Security Agreement and Financing Statement will be provided to the Commission as soon as it is available from the lender.

WHEREFORE, Joint Applicants respectfully request that in addition to the relief requested in the original Joint Application, the Commission issue an order authorizing (1) New Florence to enter into and perform in accordance with the terms of the Secured Guaranty; (2) authorizing New Florence to execute and deliver a mortgage, security agreement and financing statement for the purpose of placing a lien on its assets and securing the loan to TigerTel; and (3) authorizing New Florence to do any and all other things as may be reasonably necessary in furtherance of all acts specifically authorized.

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Respectfully submitted,

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W. R. England, III Mo. Bar #23975 Sondra B. Morgan Mo. Bar #35482 BRYDON, SWEARENGEN & ENGLAND, P.C. 312 E. Capitol Avenue P.O. Box 456 Jefferson City, MO 65102 573-635-7166 573-635-0427 (Facsimile) smorgan@brydonlaw.com (e-mail)

Attorneys for Tiger Telephone, Inc., New Florence Telephone Company and Direct Communications Rockland, Inc.

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent electronically, hand-delivered or mailed, United States Mail, postage prepaid, this $\underline{77^{44}}$ day of January, 2007, to:

Michael Dandino Senior Counsel Office of Public Counsel P. O. Box 7800 Jefferson City, MO 65102 Robert Franson Senior Counsel Missouri Public Service Commission P. O. Box 360 Jefferson City, MO 65102

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W. R. England III/Sondra B. Morgan

VERIFICATION

STATE OF MISSOURI) ss Mchanan) COUNTY OF)

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Robert D. Williams, having been duly sworn upon his oath, states that he is the President of Tiger Telephone, Inc., Joint Applicant herein, and as such, is duly authorized to execute the foregoing Amended and Supplemental Application and to make this Affidavit on its behalf, and that the matters and things stated in the foregoing Amended and Supplemental Application and Appendices thereto are true and correct to the best of his knowledge, information and belief.

Name: Robert D. Williams Title: President

Subscribed and sworn to before me, a Notary Public, on this 10 day of 2007.

Notary Public

My Comprission Expir SEAL Jo Beth Schaeffer, Notary Public Buchanan County, State of Missouri My Commission Expires 8/1/2007

VERIFICATION

STATE OF MISSOURI)) ss COUNTY OF)

Robert D. Williams, having been duly sworn upon his oath, states that he is the President of New Florence Telephone Company, Joint Applicant herein, and as such, is duly authorized to execute the foregoing Amended and Supplemental Application and to make this Affidavit on its behalf, and that the matters and things stated in the foregoing Amended and Supplemental Application and Appendices thereto are true and correct to the best of his knowledge, information and belief.

Narhe: Robert D. Williams Title: President

Subscribed and sworn to before me, a Notary Public, on this 10 day of 400, 2007.

Notary Public

My Commission DExpires: SEAL Jo Beth Schaeffer, Notary Public Buchanan County, State of Missouri My Commission Expires 8/1/2007

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<u>Leonard May</u>, having been duly sworn upon his oath, states that he is the <u>President</u> of Direct Communications – Rockland, Inc., Joint Applicant herein, and as such, is duly authorized to execute the foregoing Amended and Supplemental Application and to make this Affidavit on its behalf, and that the matters and things stated in the foregoing Amended and Supplemental Application and Appendices thereto are true and correct to the best of his knowledge, information and belief.

Leonard May Title:

Subscribed and sworn to before me, a Notary Public, on this $\underline{9}$ day of $\underline{J_{\alpha}n}$, 2007.

Robinson Notary Public

My Commission Expires: 7 - 23 - 2010

