

FARMSTEAD TELEPHONE GROUP INC
 Form 3
 July 20, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
 Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

| | | | | | |
|--|---------|----------|--------------------------------------|--|--|
| 1. Name and Address of Reporting Person * | | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| Â RAFFERTY CHRISTOPHER | | | (Month/Day/Year) | FARMSTEAD TELEPHONE GROUP INC [FTGP] | |
| L | | | 07/13/2006 | | |
| (Last) | (First) | (Middle) | | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| C/O C. P. BAKER & COMPANY, LTD.,Â 99 HIGH STREET | | | | (Check all applicable) | |
| (Street) | | | | <input checked="" type="checkbox"/> Director | <input type="checkbox"/> 10% Owner |
| | | | | <input type="checkbox"/> Officer | <input type="checkbox"/> Other |
| | | | | (give title below) | (specify below) |
| BOSTON,Â MAÂ 02110 | | | | 6. Individual or Joint/Group Filing(Check Applicable Line) | |
| (City) | (State) | (Zip) | | <input checked="" type="checkbox"/> Form filed by One Reporting Person | |
| | | | | <input type="checkbox"/> Form filed by More than One Reporting Person | |

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|------------------------------------|--|---|--|
|------------------------------------|--|---|--|

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative | 5. Ownership Form of Derivative Security: | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---|---|--|---|---|--|
|---|---|--|---|---|--|

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| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | Security | Direct (D) or Indirect (I) (Instr. 5) | |
|-----------------------------|------------------|-----------------|--------------------------|----------------------------|----------|---------------------------------------|--|
| Stock Option (Right to buy) | Â <u>(1)</u> | 07/13/2006 | Common Stock | 7,500 | \$ 1.16 | D | Â |
| Warrant (Right to buy) | 01/30/2006 | 01/30/2011 | Common Stock | 22,047 | \$ 1.27 | I | See Footnotes <u>(2)</u> <u>(3)</u> |
| Warrant (Right to buy) | 02/08/2006 | 02/08/2011 | Common Stock | 150,000 | \$ 1.27 | I | See Footnotes <u>(2)</u> <u>(3)</u> |
| Warrant (Right to buy) | 02/17/2006 | 02/17/2011 | Common Stock | 33,085 | \$ 2.125 | I | See Footnotes <u>(2)</u> <u>(3)</u> |
| Warrant (Right to buy) | 02/17/2006 | 02/17/2011 | Series A Preferred Stock | 6,617 | \$ 17 | I | See Footnotes <u>(2)</u> <u>(3)</u> |
| Warrant (Right to buy) | 03/17/2006 | 03/17/2011 | Common Stock | 68,575 | \$ 2.125 | I | See Footnotes <u>(2)</u> <u>(3)</u> |
| Warrant (Right to buy) | 03/17/2006 | 03/17/2011 | Series A Preferred Stock | 13,715 | \$ 17 | I | See Footnotes <u>(2)</u> <u>(3)</u> |
| Warrant (Right to buy) | 04/17/2006 | 04/17/2011 | Common Stock | 48,676 | \$ 2.125 | I | See Footnotes <u>(2)</u> <u>(3)</u> |
| Warrant (Right to buy) | 04/17/2006 | 04/17/2011 | Series A Preferred Stock | 9,735 | \$ 17 | I | See Footnotes <u>(2)</u> <u>(3)</u> |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| RAFFERTY CHRISTOPHER L C/O C. P. BAKER & COMPANY, LTD. 99 HIGH STREET BOSTON, MA 02110 | Â X | Â | Â | Â |

Signatures

Robert G. LaVigne 07/20/2006

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 5(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) 25% of shares exercisable every 3 months

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(2) Mr. Raffery is a consultant to CP Baker & Company, Ltd. and certain affiliates (collectively, "Baker Affiliates"), including CP Baker Securities, Inc. ("Securities"), and Christopher P. Baker ("Baker"), individually. On January 30, 2006, Baker purchased from the Company a \$400,000 promissory note (repaid in full on February 8, 2006) and received as part of the transaction, five year warrants to purchase 22,047 shares of common stock with an exercise price of \$1.27 per share (hereinafter referred to as the "Baker Warrants").

(3) Securities served as the Company's placement agent in connection with the sale of securities at closings held on February 8, February 17, March 17 and April 17, 2006. As partial compensation for its services as placement agent, Securities received warrants to purchase shares of either common or Series A Preferred stock of the Company in the amounts, at the exercise prices and otherwise on terms as described on the Form 3, Table II schedule to which these footnotes (2) and (3) are appended ("Scheduled Warrants"). Mr. Rafferty was designated by Securities as the nominee to the Company's board in connection with the Series A Preferred stock. By virtue of his relationship with the Baker Affiliates, Mr. Rafferty may be deemed to be an indirect owner of the Scheduled Warrants and the Baker Warrants. Mr. Rafferty has no power to exercise such warrants or upon exercise, to vote the underlying shares, and accordingly he disclaims any beneficial ownership of such securities.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.