

April 26, 2011

**BY ELECTRONIC FILING AND FEDERAL EXPRESS**

Mr. David Danner  
Executive Director  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
1300 S. Evergreen Park Dr. SW  
Olympia, WA 98504-7250

**Re: Notification of Indirect Transfer of Control Through Ultimate Parent-Level Transaction and Certain Related Financing Transactions – Securus Technologies, Inc. (f/k/a Evercom Systems, Inc.), T-NETIX, Inc. and T-NETIX Telecommunications Services, Inc.**

Dear Executive Director Danner:

The purpose of this letter is to notify the Commission of (a) the planned indirect transfer of control of Securus Technologies, Inc. (f/k/a Evercom Systems, Inc.) (“STI”), T-NETIX, Inc. (“TNI”) and T-NETIX Telecommunications Services, Inc. (“TN Telecom”)<sup>1</sup> as a result of the acquisition of control of their current ultimate corporate parent, Securus Holdings, Inc. (“SHI”), by Connect Acquisition Corp. (“Connect”) through a parent-level merger transaction and (b) certain related financing transactions in connection with the consummation of the indirect transfer of control.

This transaction is totally transparent to the customers of the Securus Entities and does not involve the sale, assignment, lease or transfer of the Securus Entities’ authorizations, any of their assets or customer bases to any other entity. The Securus Entities are not merging or combining with any other entity. Each of the Securus Entities shall remain a separate entity authorized by the Commission to provide the services that it is currently providing, and it will continue to provide those services under its current name after the consummation of the transaction. Each Entity’s current intracorporate relationships with its immediate parent and SHI will not change.

1. Background

Each of the Securus Entities is a corporation with its principal place of business at 14651 Dallas Parkway, 6th Floor, Dallas, Texas 75254.<sup>2</sup> Each is a privately held and

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<sup>1</sup>Evercom Systems, Inc. notified the Commission of its name change on December 2, 2010. STI, TNI and TN Telecom may be collectively referred to in this notice as the Securus Entities.

<sup>2</sup> STI and TNI are Delaware corporations. TN Telecom is a Texas corporation.

indirect, wholly-owned subsidiary of SHI, which is a Delaware corporation. Each Entity is authorized by the Commission to provide inmate telephone services in the State of Washington.<sup>3</sup>

Pursuant to its authorization, STI is currently providing telecommunications services to a number of confinement and correctional facilities in the State of Washington. The terms and conditions of these services will not change as a result of this parent-level transaction. The current management of the Securus Entities will continue in place and operate those Entities.

2. Current Ownership Structure – The current ultimate controlling entity of the Securus Entities is H.I.G.-T-NETIX, Inc. (“HIG”), through a series of intervening Delaware holding companies that are not involved in the provision of telecommunications services. An outline of that structure is reflected on Attachment A.

3. Description of Indirect Transfer of Control Transaction – Under the terms of an Agreement and Plan of Merger, dated April 8, 2011, a newly-formed subsidiary of Connect, Connect Merger Corp., will merge into and with SHI, with SHI remaining as the surviving corporation. As a result, the Securus Entities will be indirect, wholly-owned subsidiaries of Connect. Connect is a controlled affiliate of Castle Harlan Partners V, L.P., a Delaware limited partnership (“Castle Partners”), which is managed by Castle Harlan, Inc. (“Castle Harlan”), a New York-based investment firm. Castle Harlan, founded in 1987, invests in controlling interests in the buyout and development of middle-market companies principally in North America. Its team of 18 investment professionals has completed over 50 acquisitions since its inception with a total value of approximately \$10 billion. Castle Harlan currently manages investment funds with equity commitments of approximately \$3.5 billion. Castle Harlan and its affiliates are not providers of telecommunications services. The revised ownership structure as a result of the transaction is shown at Attachment B.

4. Financing Of Transaction - The proposed transaction will be financed, in part, through financing obtained by Connect which will permit the borrowing through several credit facilities of up to \$375.0 million, with STI among the borrowers and providing a security interest in its assets and stock. TNI and TN Telecom will be guarantors (not borrowers) and also provide a similar security interest.

As noted above, this transaction is non-controversial and is transparent and seamless to all customers of the Securus Entities. There are no changes in the rates, terms or conditions of each Entity’s services as part or as a result of this transaction. In

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<sup>3</sup> The Commission authorized STI to provide services as a competitive telecommunications company in Docket UT-001208. The Commission authorized TNI to provide such services in Docket UT-021375. The Commission authorized TN Telecom (under the name Gateway Technologies, Inc.) to provide such services in Docket UT-920485.

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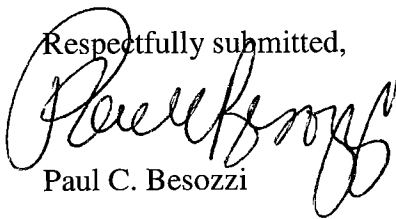
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addition, the management and relevant contact information for each Entity remains the same as the Commission's records currently reflect.

This transaction will strengthen the Securus Entities financially by bringing new financially sound stakeholders into the ownership chain. Completion of the transaction therefore will help the Securus Entities to continue to provide services to their customers and potentially expand or enhance those services at new facilities in the State.

Please date-stamp the enclosed copy of this letter and return it in the self-addressed stamped envelope to indicate your receipt. Please contact me with any questions you may have concerning this transaction.

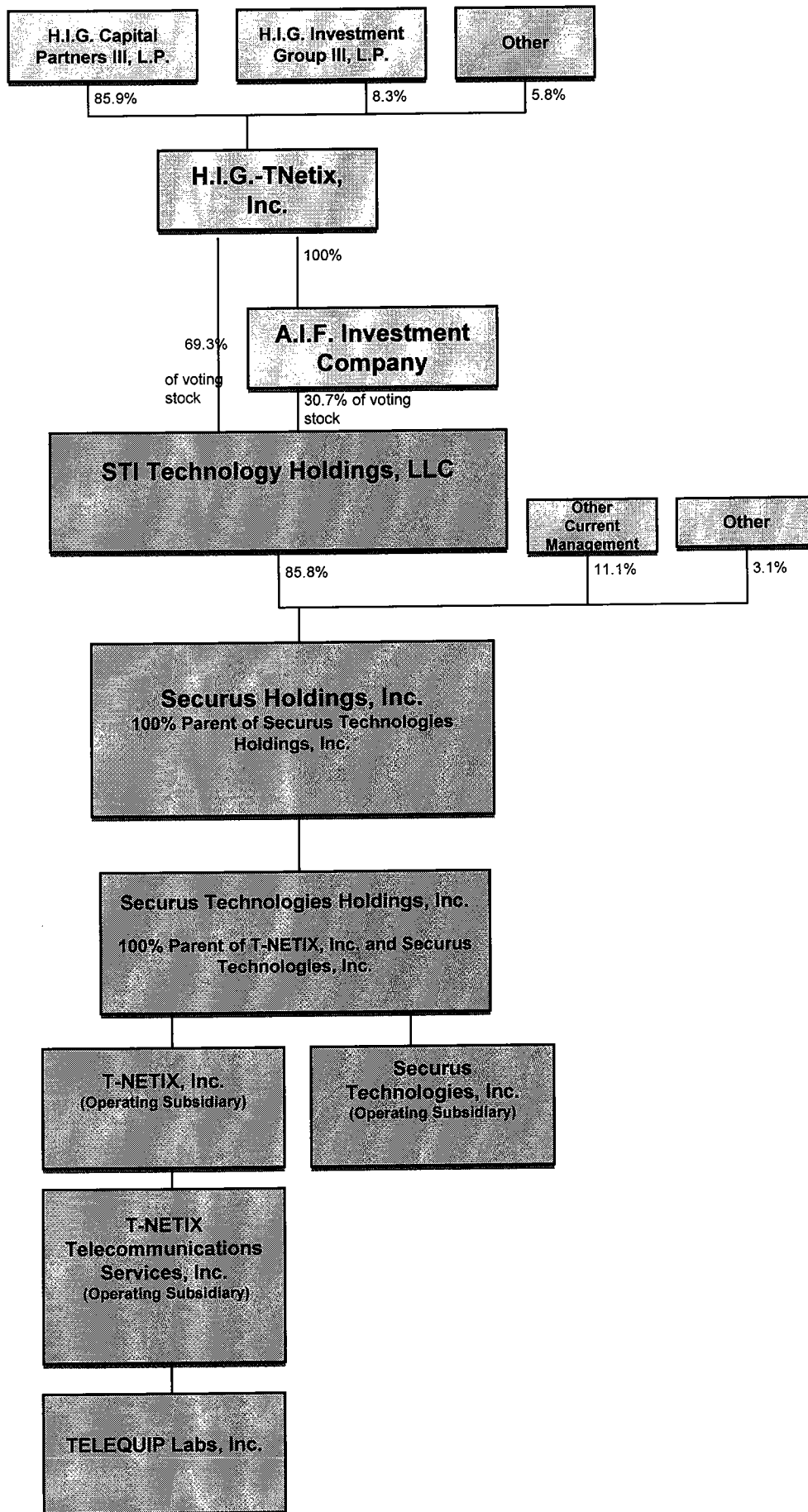
Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Paul C. Besozzi", is written over the typed name. A horizontal line is drawn above the signature.

Paul C. Besozzi

cc: John M. Beahn (counsel for Connect)

**ATTACHMENT A**



**ATTACHMENT B**

# Final Structure

