

March 29, 2013

**BY ELECTRONIC FILING AND FEDERAL EXPRESS**

Mr. Steven King  
Acting 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 An Ultimate Parent-Level Transaction and Certain Related Financing Transactions – Securus Technologies, Inc. T-NETIX, Inc. and T-NETIX Telecommunications Services, Inc.**

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Dear Acting Executive Director King:

The purpose of this letter is to notify the Commission of (a) the planned indirect transfer of control of Securus Technologies, 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, Connect Acquisition Corp. (“Connect”), by Securus Investment Holdings, LLC (“SIH”) 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 intercorporate relationships with its immediate parent and Connect 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> 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.

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indirect, wholly-owned subsidiary of Connect, 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.<sup>4</sup> 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 Castle Harlan Partners V, L.P. (“Castle Partners”), through a series of intervening Delaware holding companies that are not involved in the provision of telecommunications services.<sup>5</sup> 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 March 14, 2013, a newly-formed subsidiary of SIH, Connect Merger Sub, Inc., will merge into and with Connect, with Connect remaining as the surviving corporation. As a result, the Securus Entities will be indirect, wholly-owned subsidiaries of SIH. Approximately 96.4% of the interests in SIH will be held by Securus Special Investments, LLC (“SSI”), with the remaining interests to be held by members of STI and its affiliates’ management. SSI will be controlled by ABRY Partners VII, L.P. (“ABRY VII”), an affiliate of ABRY Partners (“ABRY”), a Boston-based private equity investment firm focused solely on media, communications, business, and information services investments. Neither ABRY VII nor ABRY are 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 Securus Technologies Holdings, Inc., the immediate parent of STI and TNI, which will permit the borrowing through several credit facilities of up to

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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.

<sup>4</sup> Both TNI and TN Telecom retain their authorizations to provide services, but currently do not have contracts in the State to do so.

<sup>5</sup> The Securus Entities notified the Commission of Castle Partners ownership by letter dated April 26, 2011 in Docket Nos. UT110730, 110731 and 110732.

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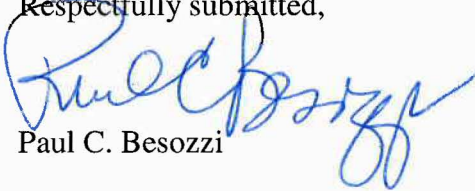
\$640.0 million, with the Securus Entities and certain of their affiliates acting as guarantors and providing security interests in their assets and pledges of their stock.

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 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 enclosed Federal Express envelope to indicate your receipt. Please contact me with any questions you may have concerning this transaction.

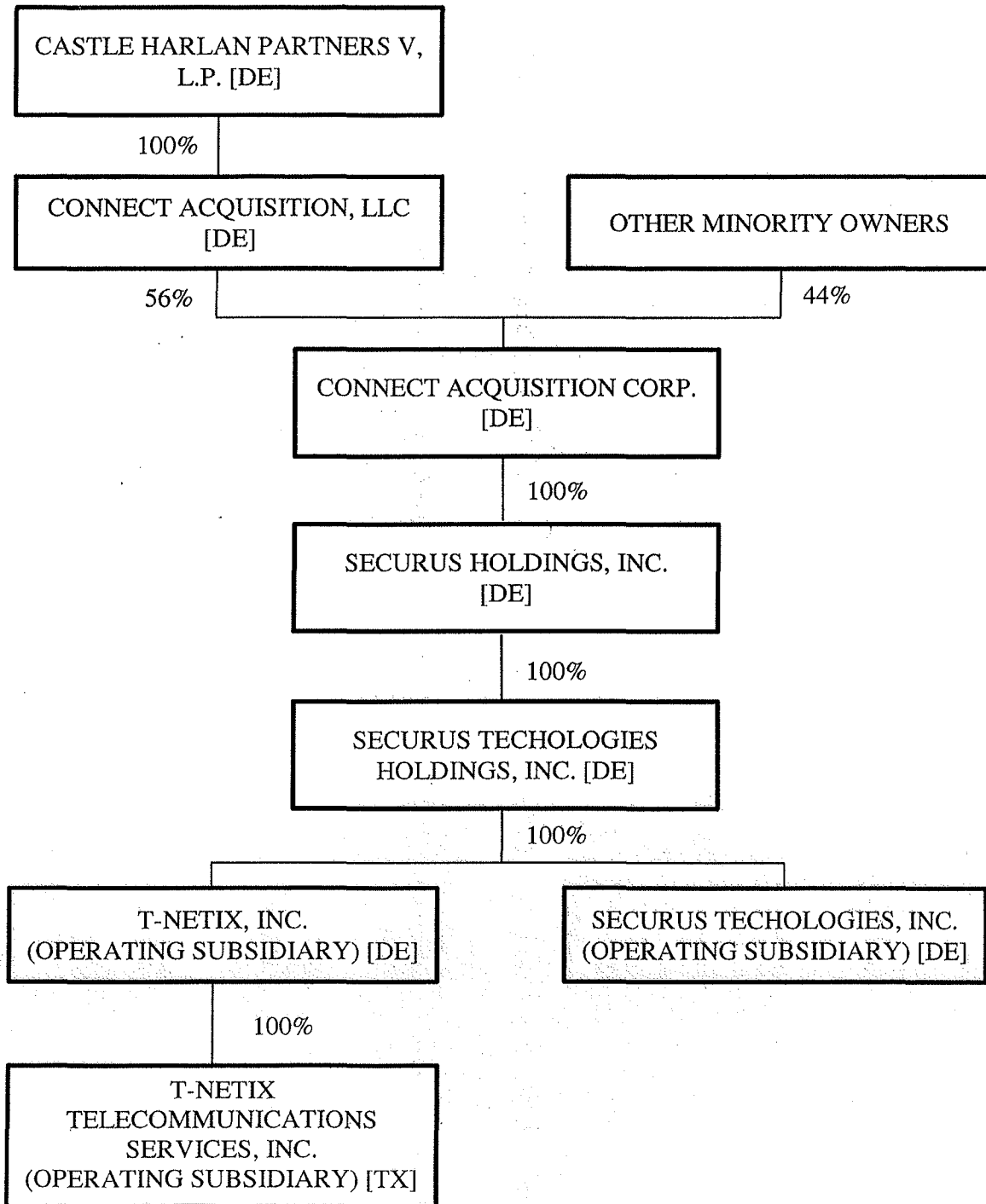
Respectfully submitted,

  
Paul C. Besozzi

cc: Bennett L. Ross (counsel for SIH)

**ATTACHMENT A**

PRE-CLOSING STRUCTURE



**ATTACHMENT B**

Post-Closing Holding Structure

