

May 31, 2011

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**PUBLIC SERVICE  
COMMISSION**

Mr. Jeff R. Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602-0615

**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.)**

Dear Mr. Derouen:

The purpose of this letter is to notify the Commission of (a) the indirect transfer of control of Securus Technologies, Inc. (f/k/a Evercom Systems, Inc.) (“STI”)<sup>1</sup> as a result of the acquisition of control of its 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 was totally transparent to the customers of STI and did not involve the sale, assignment, lease or transfer of STI’s authorization, any of its assets or customer base to any other entity. STI did not merge or combine with any other entity. STI remains a separate entity authorized by the Commission to provide the services that it has been providing, and it continues to provide those services under its current name. STI’s intercorporate relationships with its immediate parent and SHI did not change (i.e., there was no change in the direct stock ownership of STI).

1. Background

STI is a corporation with its principal place of business at 14651 Dallas Parkway, 6th Floor, Dallas, Texas 75254.<sup>2</sup> It is a privately held and indirect, wholly-owned subsidiary of SHI, which is a Delaware corporation. STI is authorized by the

<sup>1</sup> Evercom Systems, Inc. notified the Commission of its name change on October 22, 2010.

<sup>2</sup> STI is a Delaware corporation.

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Commission to provide inmate telephone services in the State of Kentucky.<sup>3</sup>

Pursuant to that authorization, STI currently provides telecommunications services to a number of confinement and correctional facilities in the State of Kentucky. The terms and conditions of these services have not changed as a result of this parent-level transaction. The current management of STI also did not change.

2. Prior Ownership Structure – Prior to the transaction the ultimate controlling entity of STI was H.I.G.-T-NETIX, Inc. (“HIG”), through a series of intervening Delaware holding companies that were 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., merged into and with SHI, with SHI remaining as the surviving corporation. As a result, STI is now an indirect, wholly-owned subsidiary 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 transaction was 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. Other affiliates of STI will be guarantors (not borrowers) and also provide a similar security interest.

As noted above, this transaction was non-controversial and was transparent and seamless to all customers of STI. There are no changes in the rates, terms or conditions of STI’s services as part or as a result of this transaction. In addition, the management and relevant contact information for STI remains the same as the Commission's records currently reflect.

This transaction will strengthen STI financially by bringing new financially

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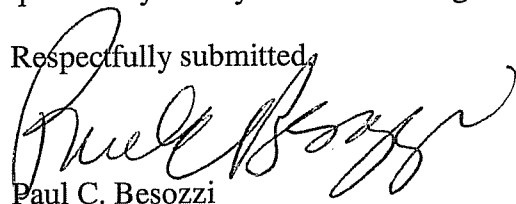
<sup>3</sup> The Commission has assigned STI Utility ID 5609400 .

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sound stakeholders into the ownership chain. Completion of the transaction will therefore help STI to continue to provide services to its 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

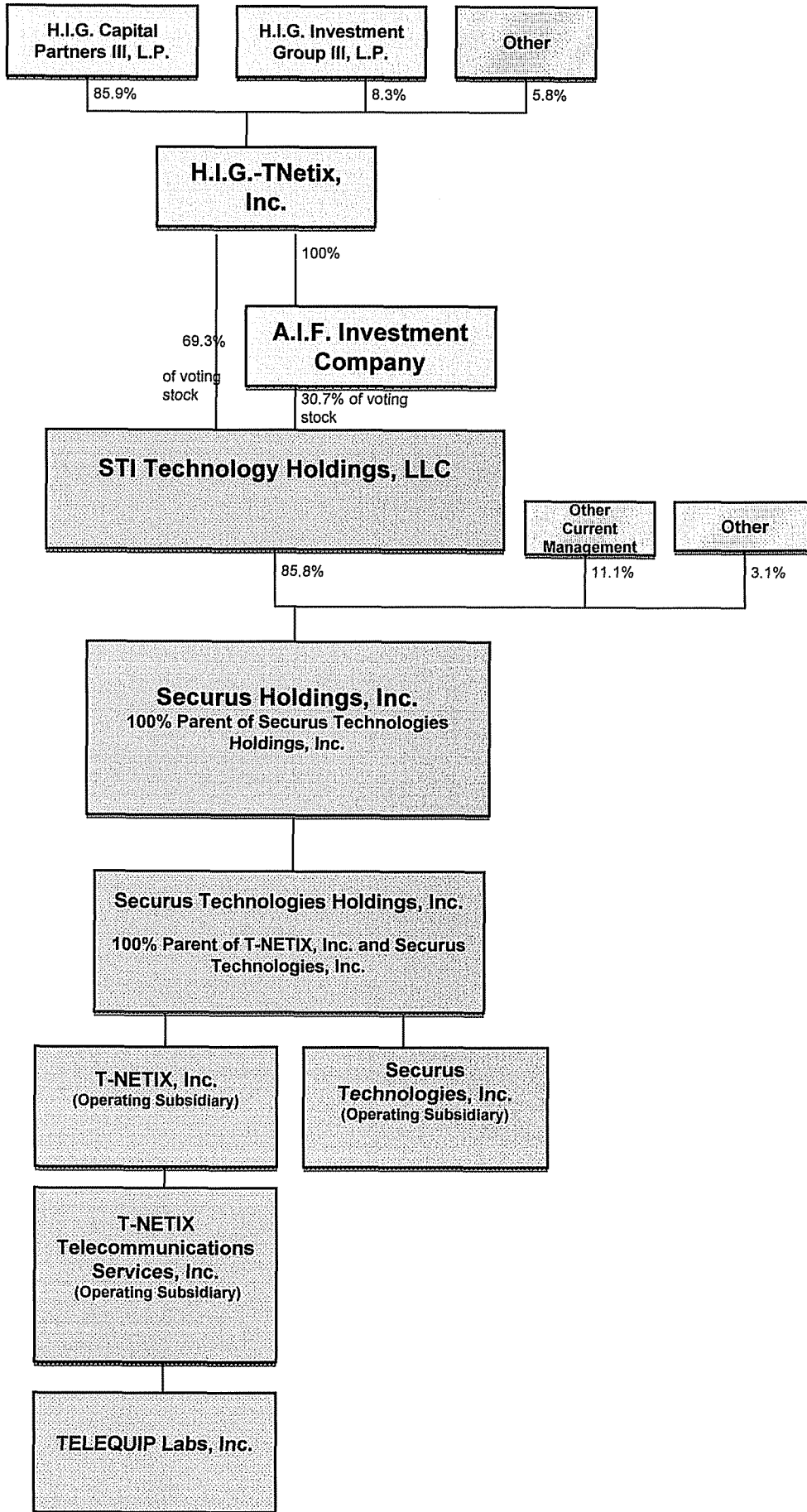
Respectfully submitted,



Paul C. Besozzi

cc: John M Beahn (counsel for Connect)

**ATTACHMENT A**



**ATTACHMENT B**

# Final Structure

