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July 28, 2011

**VIA OVERNIGHT DELIVERY**

Mr. Jeff Derouen  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602-0615  
(502) 564-3940

RECEIVED

JUL 29 2011

PUBLIC SERVICE  
COMMISSION

Re: Value-Added Communications, Inc. and Global Tel\*Link Corporation  
Transfer of Control and Transfer of Assets

Dear Mr. Derouen:

Please be advised with this original letter and eleven (11) copies that Value-Added Communications, Inc. ("Value-Added") and Global Tel\*Link Corporation ("GTL") (Value-Added and GTL are hereinafter collectively referred to as the "Parties") will be undergoing the following transactions: (1) Value-Added will Transfer Control to GTL; and (2) Value-Added will Transfer its Assets to GTL, as described herein (the "Proposed Transaction").

The Parties are in the process of obtaining all required approvals for the Proposed Transaction from both the Federal Communications Commission ("FCC") and all applicable state regulatory authorities. In connection with the Proposed Transaction, the Parties provide the following information:

**I. Description of the Parties**

**A. Value-Added Communications, Inc.**

Value-Added is a privately-held Delaware corporation whose principal offices are located at 3801 E. Plano Parkway, Suite 100, Plano, Texas 75074. Value-Added is engaged in the business of providing managed telecommunications services to inmates of state and county departments of corrections and in owning and operating prison payphones and public payphones. These services enable inmates to communicate with friends, family members, legal counsel and other approved parties outside the correctional facilities. Value-Added provides these services throughout most of the continental United States. Value-Added currently holds the following authorizations in the State of Kentucky: Intrastate Resold Telecommunications and Automated Operator Service Provider granted on November 11, 1999.

**B. Global Tel\*Link Corporation**

GTL is a privately-held Delaware corporation whose principal offices are located at 2609 Cameron Street, Mobile, Alabama 36607. GTL is a wholly-owned direct subsidiary of GTEL Holdings, Inc. GTL is engaged in the business of providing managed telecommunications services to inmates of state and county departments of corrections and in owning and operating prison payphones and public payphones. These services enable inmates to communicate with friends, family members, legal counsel and other approved parties outside the correctional facilities. GTL provides these services throughout most of the continental United States. GTL currently holds the following authorization in the State of Kentucky: Toll Reseller of COCOT (Utility ID No. 5004-7600 granted on June 29, 2002). The Transaction will have no effect on GTL's current rates, terms, or conditions for its managed inmate services.

**C. GTEL Holdings, Inc.**

GTEL Holdings, Inc. is a privately-held Delaware corporation whose principal offices are located at 2609 Cameron Street, Mobile, Alabama 36607. GTEL Holdings is a holding company, whose only business activities are conducted through GTL. GTEL Holdings is a wholly owned direct subsidiary of GTEL Acquisition Corp.

**D. GTEL Acquisition Corp.**

GTEL Acquisition Corp. is a privately-held Delaware corporation whose principal offices are located at 590 Madison Avenue, 41st Floor, New York, New York 10022. GTEL Acquisition Corp. is a holding company, whose only business activities are conducted through GTL. GTEL Acquisition Corp. is wholly owned by GTEL Holding LLC, a privately-held Delaware limited liability company whose principal offices are located at 590 Madison Avenue, 41st Floor, New York, New York 10022.

**E. GTEL Holding LLC**

GTEL Holding LLC is controlled by a board of managers including the CEO of GTL and other managers appointed by The Veritas Capital Fund III, L.P. and GS Direct, L.L.C. The Veritas Capital Fund III, L.P. is a private equity investment partnership managed by its sole general partner, Veritas Capital Partners III, L.L.C., a Delaware limited liability company. Veritas Capital Partners III, L.L.C. is controlled by its managing member, Robert B. McKeon, the managing member of Veritas Capital Fund Management, L.L.C. d/b/a Veritas Capital. Veritas Capital is a private equity investment firm headquartered in New York. Founded in 1992, Veritas Capital invests in a broad range of companies through buyouts, growth capital investments, and leveraged recapitalizations. The firm's primary objective is to partner with experienced management teams to develop leading companies in their respective markets. In addition to providing long-term capital, the firm works closely with its management partners in creating and executing a well-defined strategic plan that exploits a company's core competencies as well as attractive industry dynamics. Principals at Veritas Capital bring long term investing experience through a variety of economic conditions allowing the firm to apply its skills and capital to a broad spectrum of industries. However, Veritas Capital has developed specific expertise in the defense, aerospace, government services, media/telecommunications, consumer products, and specialty manufacturing industries.

The Goldman Sachs Group, Inc. owns all of the equity interests in GS Direct, L.L.C., and GC Direct, L.L.C.'s sole manager is Goldman, Sachs & Co. All of the limited partner equity interests in Goldman, Sachs & Co. are held directly or indirectly by The Goldman Sachs Group, Inc., and The Goldman, Sachs & Co. L.L.C. controls Goldman, Sachs & Co. as its sole general partner. All of the equity interests (voting and non-voting) in The Goldman, Sachs & Co. L.L.C. are held by The Goldman Sachs Group, Inc., which is a public company listed on the New York Stock Exchange. GS Direct, L.L.C. invests capital primarily alongside corporate and sponsor clients in situations in which access to its or its affiliates' capital, relationships or advisory services can enhance the value of the investment. The Goldman Sachs Group, Inc., a bank holding company, provides investment banking, securities, and investment management services primarily to corporations, financial institutions, governments, and high-net-worth individuals worldwide.

## **II. Contact Information**

Questions and correspondence concerning this Notice may be addressed to:

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Attorneys for Value-Added

## **III. Description of the Proposed Transactions**

GTL and the shareholders of Value-Added have entered into a Stock Purchase Agreement dated as of April 19, 2011 (the "Stock Purchase Agreement"). Pursuant to the terms of the Stock Purchase Agreement, GTL will purchase all of the issued and outstanding shares of the common stock of Value-Added from its shareholders, which represents 100% of the equity interests in Value-Added. The closing is subject to obtaining all necessary state and federal approvals of the Proposed Transaction. Upon consummation of the Proposed Transaction, Value-Added will be a wholly owned subsidiary of GTL.

Following the stock purchase and closing of the transfer of control, the assets of Value-Added will be transferred to GTL. GTL plans to operate the companies separately for a period of time, until such time as integration can be accomplished in a transparent manner with no negative effect on end users.

Organizational charts, showing the current ownership structure, and the ownership structure after the Proposed Transaction is completed, are attached hereto as Exhibit "A".

The Proposed Transaction will provide Value-Added with greater operating flexibility to pursue operating purposes, including, without limitation, (a) expansion of its telecommunications infrastructure; and (b) improvement of customer service, billing, financial reporting and other management information systems. There will be no impact on Value-Added's current customers, since the Proposed Transaction will be transparent to said customers, and services to Value-Added customers will continue pursuant to the same terms and conditions. In addition, it is anticipated that certain key members of the management of Value-Added will remain in place after the Proposed Transaction is consummated.

#### **IV. Public Interest Considerations**

The Parties submit that the Proposed Transaction described herein will serve the public interest. The Proposed Transaction is in the public interest because it will advance economic efficiency by enabling GTL to expand its own business and achieve economies of scale. These benefits are expected to strengthen GTL's ability to expand their offerings and services to a broader customer base. The Parties expect that the Proposed Transaction will enable GTL to strengthen their competitive position to the benefit of consumers in this State and the telecommunications marketplace.

Further, as described above and because of the nature of this particular customer base, the Proposed Transaction will be conducted in a manner that will be transparent to customers of Value-Added. Following consummation of the asset transfer, GTL will continue to provide high-quality communications services to Value-Added customers without interruption and without immediate change in rates, terms or conditions.

The Parties emphasize that the Proposed Transaction will be seamless and transparent to Value-Added's customers, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers.

I have also enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, overnight envelope.

If you have any questions or require additional information, please do not hesitate to contact me.

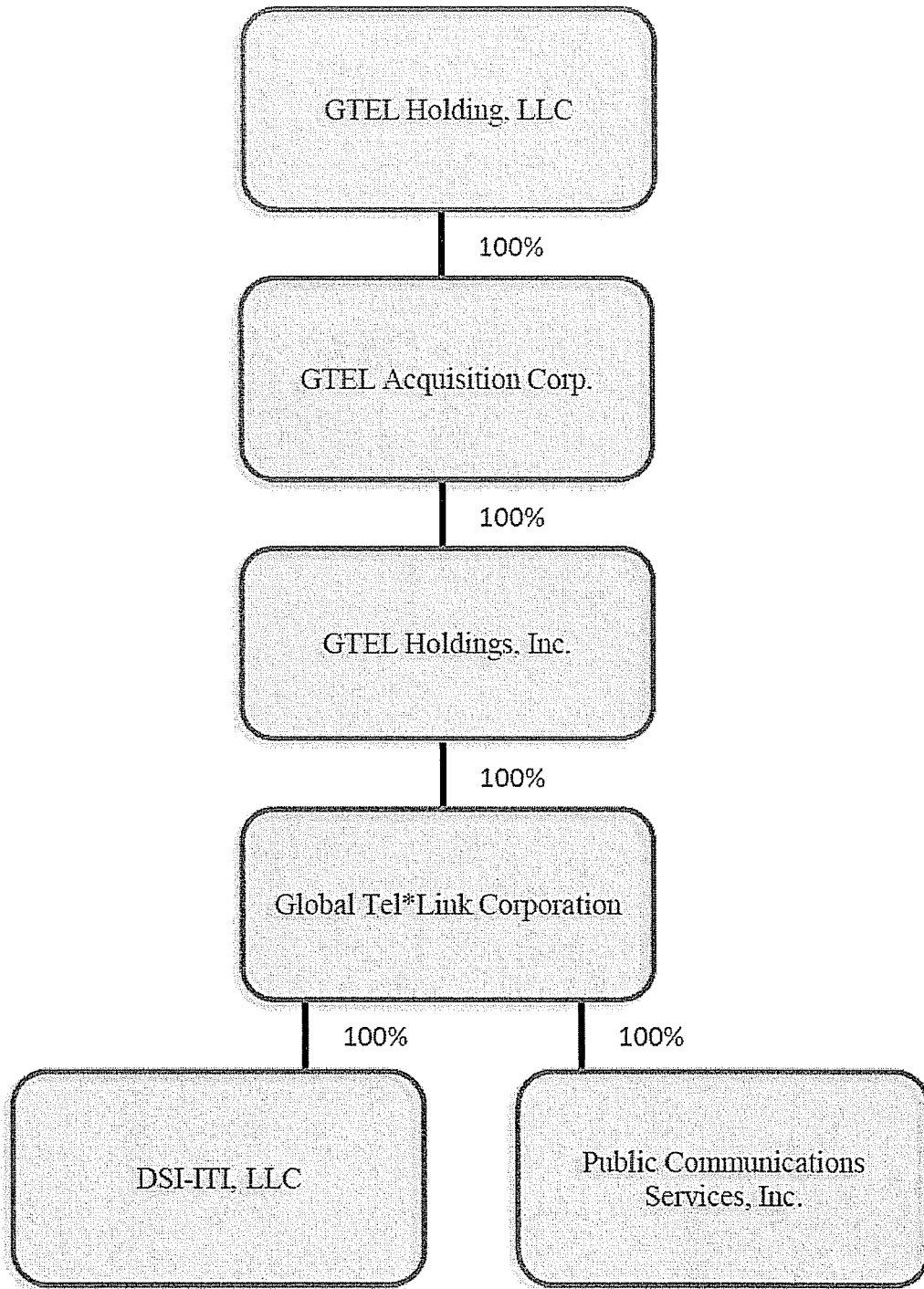
Respectfully submitted,

  
Lance J.M. Steinhart  
Attorney for Global Tel\*Link Corporation

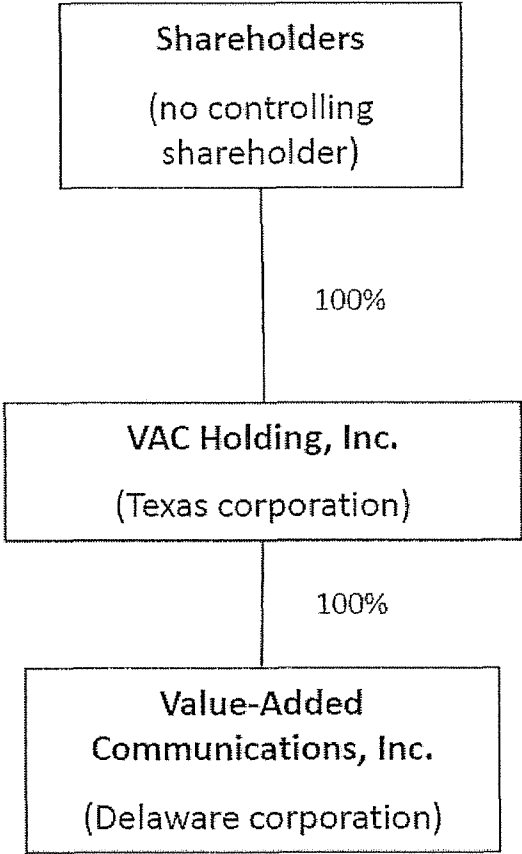
cc: David Silverman, Esq.  
John T. Nakahata, Esq.

**Exhibit A**  
**Organizational Charts**

**Global Tel\*Link Corporation  
Pre-Transaction Organizational Chart**



**Value-Added Communications, Inc.  
Pre-Transaction Organizational Chart**





Global Tel\*Link Corporation  
Post-Transaction Organizational Chart

