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August 16, 2004

**VIA OVERNIGHT DELIVERY**

Thomas Dorman, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602-8294

RECEIVED

AUG 17 2004

PUBLIC SERVICE  
COMMISSION

Re: Gores Portfolio Holdings, Inc. and Global Tel\*Link Corporation

Dear Mr. Dorman:

Gores Portfolio Holdings, Inc. ("Gores") and Global Tel\*Link Corporation ("Global") (collectively, the "Parties") through undersigned counsel, hereby notify the Kentucky Public Service Commission ("Commission") of a proposed transaction whereby control of Global will be transferred to Gores. In particular, Gores has entered into a Stock Purchase Agreement dated as of July 16, 2004 ("Agreement") with Global's immediate corporate parent and sole current shareholder, Schlumberger Technologies, Inc. ("Schlumberger"). Pursuant to the Agreement, Gores will purchase 100 percent of the stock of Global. As a result of that transaction, Global will become a direct, wholly owned subsidiary of Gores. Because the proposed transaction is purely a stock sale, the transaction will not affect the rates, terms or conditions under which Global provides service. Indeed, the proposed transaction will be entirely transparent to end users of Global's services in terms of the services they receive.

Based on a review of Kentucky law, it is the Parties' understanding that Commission approval is not required to complete the transaction described herein.<sup>1</sup> Accordingly, the Parties submit this letter for informational purposes only to ensure the continuing accuracy of the Commission's records. The Parties further state as follows:

## **Description of the Parties**

### **A. Global Tel\*Link Corporation ("Global")**

Global is a Delaware corporation with offices located at 2609 Cameron Street, Mobile, AL 36608. Global is currently a wholly owned direct subsidiary of Schlumberger, a privately-held Delaware corporation. Global is authorized to provide interstate and international services pursuant to authority granted by the Federal Communications Commission ("FCC") and holds

<sup>1</sup> See Administrative Case Nos. 359 and 370.

authority to provide competitive interexchange telecommunications services in approximately 30 states. In connection with the provision of interexchange services, Global specializes in, and a substantial portion of its business consists of, the provision of prepaid and inmate only services. In Kentucky, Global is authorized to provide customer-owned coin operated telephone services pursuant to a tariff filed with the Commission. Further information regarding Global and the services it provides have previously been submitted to the Commission, are therefore a matter of public record, and are incorporated herein by reference.

#### **B. Gores Portfolio Holdings, Inc. ("Gores")**

Gores is a corporation formed under the laws of the State of Delaware with principal offices located at 6260 Lookout Road, Boulder, Colorado 80301. Gores is wholly owned by three Delaware limited partnerships that compromise the private equity fund managed by Gores Technology Group, LLC ("Gores Group"), a preeminent private investment firm which focuses its investments on opportunities in the technology and telecommunications sectors.

#### **Description of the Transaction**

Gores and Schlumberger, Global's direct corporate parent, have entered into a Stock Purchase Agreement dated as of July 16, 2004. Pursuant to that Agreement, the Parties propose to complete a transaction (the "Transaction") whereby Gores will acquire all of the outstanding stock of Global and as a result, Global will become a direct subsidiary of Gores. An illustrative chart of the proposed Transaction is provided in Exhibit A.

Because the proposed Transaction will be completed as a stock transaction at the shareholder level, the Parties expect that the proposed Transaction will be entirely transparent to consumers of Global's services. As a stock transaction affecting only the ownership of Global, the proposed Transaction will not result in any adverse change in the assets Global uses to provide service or Global's day-to-day operations. Furthermore, although on-going rate and other proceedings, all of which are extraneous to the proposed Transaction, may continue to affect Global's rates and operations (whether or not the Transaction is consummated), Global does not anticipate that the proposed Transaction will itself have any effect on Global's rates, terms or conditions of service. As a result, the proposed Transaction will not directly affect any end user customers or the Global services they currently receive.

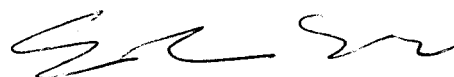
#### **Conclusion**

Gores's acquisition of Global serves the public interest in promoting competition among telecommunications providers in Kentucky by providing Global access to the financial and operational resources required to strengthen its position in the telecommunications marketplace in Kentucky. The principal effect of the proposed Transaction will be financial and no Gores affiliate currently provides inmate only services. As a result, Gores's acquisition of Global will not result in any consolidation of inmate only providers in Kentucky. The proposed Transaction is expected to allow Global to remain competitive in the provision of such services and ensure that entities and institutions that purchase inmate only services continue to have a choice of high-quality service providers.

Thomas Dorman, Executive Director  
August 16, 2004  
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An original and ten (10) copies of this letter are enclosed. Kindly date stamp and return the enclosed extra copy of this letter. Questions regarding this filing may be addressed to the undersigned at (202) 424-7500.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jean L. Kiddoo". The signature is fluid and cursive, with a prominent initial "J" and "K".

Jean L. Kiddoo  
Edward S. Quill, Jr.

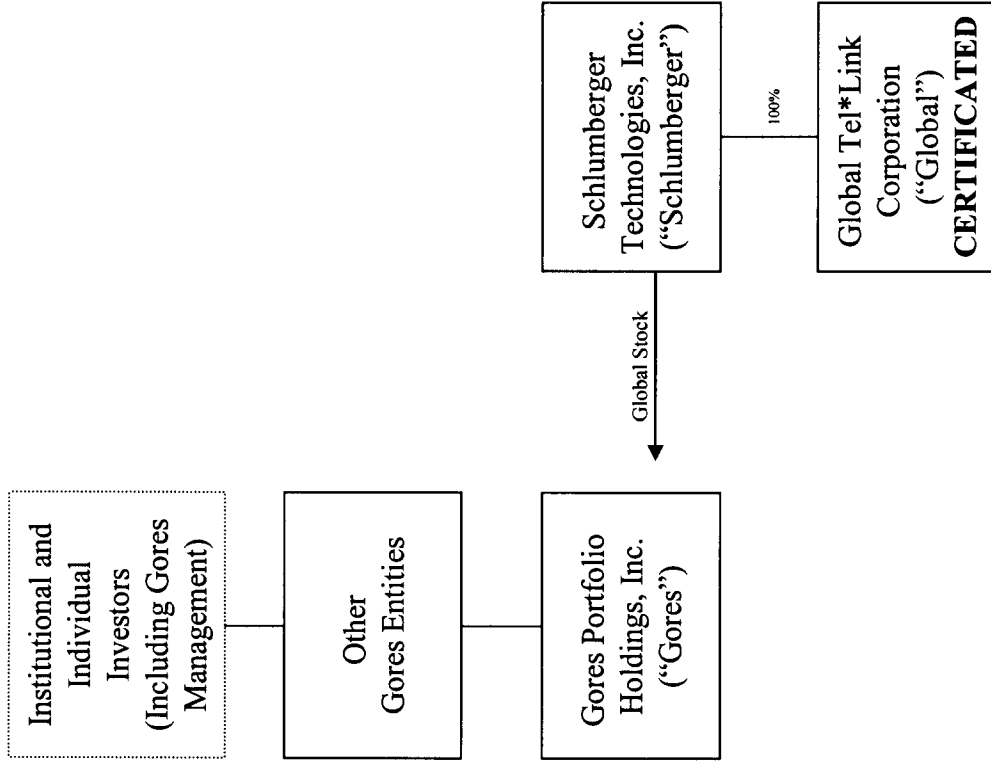
Counsel for Parties

**EXHIBIT A**

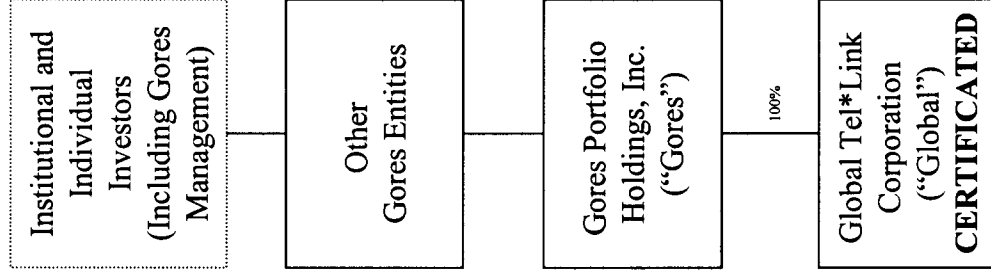
**Illustrative Chart**

# Exhibit A: Illustrative Chart

## Pre-Transaction



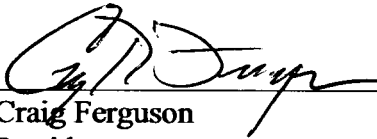
## Post-Transaction




**VERIFICATION**

STATE OF ALABAMA                    )  
  )  
CITY OF MOBILE                     )        ss:

I, Craig Ferguson, being first duly sworn, state that I am President of Global Tel\*Link Corporation; that I am authorized to make this Verification on behalf of Global Tel\*Link Corporation; that the contents of the foregoing filing are true and correct to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
Craig Ferguson  
President  
Global Tel\*Link Corporation

Sworn and subscribed before me this 16<sup>th</sup> day of July, 2004.

  
\_\_\_\_\_  
Notary Public

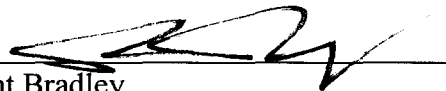
My commission expires July 16, 2007

**NOTARY PUBLIC STATE OF ALABAMA AT LARGE  
MY COMMISSION EXPIRES: July 16, 2007  
BONDED THRU NOTARY PUBLIC UNDERWRITERS**

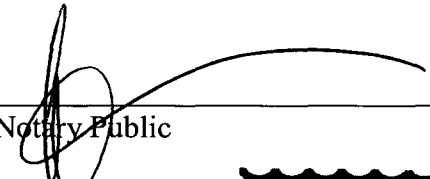
VERIFICATION

STATE OF CALIFORNIA )  
 ) ss:  
CITY OF LOS ANGELES )

I, Brent Bradley, being first duly sworn, state that I am Vice President and Assistant Secretary of Gores Portfolio Holdings, Inc.; that I am authorized to make this Verification on behalf of Gores Portfolio Holdings, Inc.; that the contents of the foregoing filing are true and correct to the best of my knowledge, information, and belief.

  
Brent Bradley  
Vice President and Assistant Secretary  
Gores Portfolio Holdings, Inc.

Sworn and subscribed before me this 2nd day of August, 2004.

  
Notary Public

My commission expires May 16, 2007

