

May 28, 2013

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BY ELECTRONIC FILING

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 E. Capitol Ave.
Pierre, South Dakota 57501-5070

Re: Notification of Indirect Transfer of Control Through Ultimate Parent – Level Transaction and Certain Related Financing Transactions – Securus Technologies, Inc.

Dear Executive Director Van Gerpen:

The purpose of this letter is to notify the Commission of (a) the consummation of an Agreement and Plan of Merger dated March 14, 2013 (“Merger Agreement”) which effected the indirect transfer of control of Securus Technologies, Inc. (“STI”) as a result of the acquisition of control of its 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. The transaction was consummated on April 30, 2013.

This transaction was totally transparent to the customers of STI and did not involve the sale, assignment, lease or transfer of the STI authorization, any of STI’s assets or its 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 Connect did not change.

1. **Background** – STI is a Delaware corporation with its principal place of business at 14651 Dallas Parkway, 6th Floor, Dallas, Texas 75254. STI is a privately held and indirect, wholly-owned subsidiary of Connect, which also is a Delaware corporation. STI is authorized to provide inmate telephone services in the State of South Dakota.¹

¹ STI was first authorized to provide operator services by the Commission in Docket No. TC92-037.

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Pursuant to that authorization STI is currently providing telecommunications services to a number of confinement and correctional facilities in the State. The terms and conditions of these services have not changed as a result of this parent-level transaction (i.e., no tariff or rate changes). The current management of STI continues in place and operates STI.

2. Prior Ownership Structure – Prior to the transaction that is the subject of this notice, the ultimate controlling entity of STI was 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.² An outline of that structure is reflected on Attachment A.

3. Description Of Indirect Transfer Of Control Transaction – Under the terms of the Merger Agreement, a newly-formed subsidiary of SIH, Connect Merger Sub, Inc., merged into and with Connect, with Connect remaining as the surviving corporation. As a result, STI is now an indirect, wholly-owned subsidiary of SIH. Approximately 96.4% of the interests in SIH is held by Securus Special Investments, LLC (“SSI”), with the remaining interests held by members of STI and its affiliates’ management. SSI is 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 transaction was financed, in part, through financing obtained by Securus Technologies Holdings, Inc., the immediate parent of STI, which will permit the borrowing through several credit facilities of up to \$640.0 million, with STI and certain of its affiliates acting as guarantors and providing security interests in their assets and pledges of their stock.

As noted above, this transaction was non-controversial and was transparent and seamless to all customers of STI. There are no changes in 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 sound stakeholders into the ownership chain. Completion of the transaction therefore will help STI to continue to provide services to its customers and potentially expand or enhance those services at new facilities in the State.

² The Commission was notified of the Castle Partners ownership by letter dated June 29, 2011.

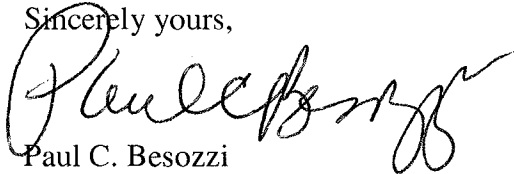
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Please contact me with any questions you may have concerning this transaction.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Paul C. Besozzi". The signature is fluid and cursive, with a large initial "P" and a long, sweeping underline.

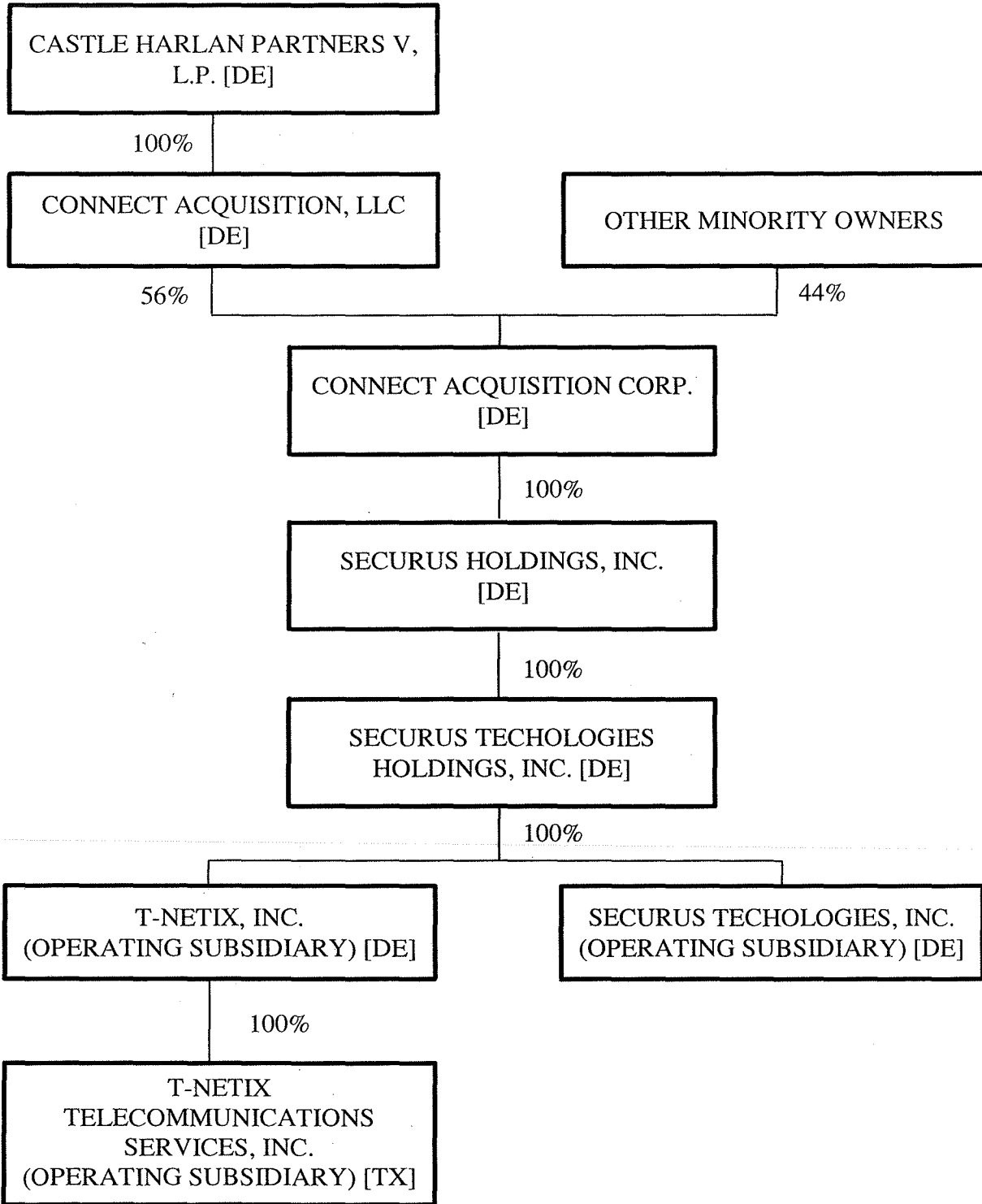
Paul C. Besozzi

Counsel for Securus Technologies, Inc.

cc: Bennett L. Ross (counsel for SIH)

ATTACHMENT A

PRE-CLOSING STRUCTURE



ATTACHMENT B

Post-Closing Holding Structure

