

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

_____)
In the Matter of)
)
CONNECT ACQUISITION CORP.,)
)
T-NETIX, INC.)
)
and)
)
SECURUS INVESTMENT HOLDINGS,)
LLC)
)
Application for Authority pursuant)
to Section 214 of the Communications)
Act of 1934, as amended, for Expedited) **File No. _____**
Approval of the Indirect Transfer of)
Control of the Domestic and International)
Section 214 Authority of T-NETIX, Inc.)
to Securus Investment Holdings, LLC)
_____)

**JOINT APPLICATION FOR EXPEDITED APPROVAL OF INDIRECT
TRANSFER OF CONTROL**

Comes now Connect Acquisition Corp. (“Connect”), T-NETIX, Inc. (“T-NETIX”), and Securus Investment Holdings, LLC (“SIH”) (collectively the “Applicants”), acting through counsel and pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. §214, and Sections 63.03, 63.04 and 63.24 of the Commission’s Rules, 47 C.F.R. §§ 63.03, 63.04, 63.24 (2012), to request approval, on an expedited basis, of the indirect transfer of control of T-NETIX’s domestic and international Section 214 authority through a merger transaction involving

its current parent, Connect, and SIH, as described below. In connection with this proposed indirect transfer of control, Applicants include herein, to the extent applicable, the information requested pursuant to Sections 63.18 and 63.04 of the Commission's rules, 47 C.F.R. §§ 63.18, 63.04. See Sections V and VI, below.

I. STREAMLINED PROCESSING

1. This Application is entitled to presumptive streamlined processing under Section 63.10(a)(3) of the Commission's rules because, while T-NETIX will be affiliated with two foreign carriers in destination markets, T-NETIX qualifies for non-dominant classification on the routes between the United States and the relevant affected countries because the affiliated carriers in these countries have no market power on the foreign end of any of these routes. These affiliates lack 50 percent market share in the international transport and the local access markets in their respective foreign markets, and none is listed on the Commission's List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets. As such, T-NETIX is presumptively classified as non-dominant on these international routes.

2. This Application is entitled to streamlined processing under Section 63.03(b)(2)(i) of the Commission's rules because, immediately following the transaction: (a) the Applicants and their affiliates combined will hold less than a ten (10) percent share of the interstate, interexchange market, (b) the Applicants and their affiliates would provide competitive telephone exchange services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction, and (c) neither the Applicants nor their affiliates are dominant with respect to any service.

II. THE APPLICANTS

3. T-NETIX is authorized to provide domestic interstate and international services as a non-dominant carrier (“the Services”). With respect to international services, T-NETIX currently holds an International Section 214 Certificate to provide global international facilities-based and resale services between the United States and international points. *See* ITC 214-19991115-00713. T-NETIX is currently authorized to provide domestic interstate services pursuant to Section 63.01 of the Commission’s rules.

4. T-NETIX is a privately held and wholly-owned subsidiary of Securus Technologies Holdings, Inc. (“STHI”), which is a State of Delaware corporation, with its primary headquarters located at 14651 Dallas Parkway, 6th Floor, Dallas, Texas 75254 Phone: (972) 953-4123, Fax: (972) 953-4289. STHI is in turn a wholly-owned subsidiary of Securus Holdings, Inc. (“SHI”), also a Delaware corporation. SHI is in turn a subsidiary of Connect. STHI, SHI and Connect are not providers of telecommunications services. The ultimate controlling interest in T-NETIX is held by Castle Harlan Partners V, L.P. (“Castle Harlan Partnership”), through an indirect controlling interest in Connect. Castle Harlan Partners V, L.P. is managed by Castle Harlan, Inc. (“Castle Harlan”), a New York-based investment firm.¹

5. SIH is a State of Delaware limited liability company with its primary offices located at 111 Huntington Avenue, 29th Floor, Boston, MA 02199. Approximately 95.3% of the interests in SIH will be held by Securus Special Investments, LLC (“SSI”), with the remaining interests to be held by members of T-NETIX and its affiliates’ management. SSI will be controlled by ABRY Partners VII, L.P. (“ABRY VII”), an

¹ The Commission approved the transfer of control to Connect in 2011 (File No. ITC-T/C-20110414-00102 and Docket No. WC 11-68.)

affiliate of ABRY Partners (“ABRY”), a Boston-based private equity investment firm focused solely on media, communications, business, and information services investments.

III. RESPONSE TO QUESTION 13 - DESCRIPTION OF THE PROPOSED TRANSACTION

6. **General Description Of Merger Agreement** – Connect has entered into an Agreement and Plan of Merger, dated March 14, 2013, among (a) Connect, (b) SIH, (c) Connect Merger Sub, Inc. (“Connect Merger Sub”), and (d) Connect Acquisition LLC, a Delaware limited liability company (“Merger Agreement”). A detailed description of the terms of the Merger Agreement is set out below, but upon the completion of the proposed transaction T-NETIX will be a wholly-owned, indirect subsidiary of SIH.

7. **Details of Transaction** – The below description of the proposed transaction includes the following:

- a. The current ownership structure of T-NETIX and its affiliates.
- b. The acquiring entities involved in the merger.
- c. The merger process.
- d. The resulting ownership structure of T-NETIX and its affiliates.

a. **Current Ownership** – As noted above, Connect is a Delaware corporation and the sole shareholder of SHI. SHI is a Delaware corporation and the sole shareholder of STHI, also a Delaware corporation. STHI has two wholly-owned, direct subsidiaries, both of which are Delaware corporations, that are regulated by the Commission: Securus Technologies, Inc. (“STI”) and T-NETIX. T-NETIX is in turn the parent of T-NETIX Telecommunications Services, Inc. For purposes of this Application only T-NETIX is relevant because it holds domestic and international Section 214 authorizations. The

Applicants are filing simultaneously separate applications to transfer control of STI and T-NETIX Telecommunications Services, Inc., which also hold Section 214 authorizations. **Attachment A** hereto shows the existing ownership structure of T-NETIX.

b. **Acquiring Entities** – Connect Merger Sub is a Delaware corporation and wholly-owned subsidiary of SIH.

c. **The Merger Process** – The proposed indirect transfer of T-NETIX will occur through a merger with Connect Merger Sub, which will include the following steps:

(i) SIH has formed Connect Merger Sub solely for the purpose of effecting the proposed transaction.

(ii) Connect Merger Sub shall merge with and into Connect. Upon completion of this merger, the separate existence of Connect Merger Sub will cease and Connect will be the surviving corporation.

d. **The Resulting Ownership Structure** – Upon completion of the proposed transaction, T-NETIX will become an indirect, wholly-owned subsidiary of SIH. **Attachment B** hereto shows the post-merger-closing ownership structure of T-NETIX.

8. **Transparency Of Transaction** – Following consummation of the proposed transaction, T-NETIX will remain a separately certificated entity and continue to provide its inmate telephone services as they are presently provided. There will be no transfer of T-NETIX's assets used in the provision of the services or transfer or assignment of its authorization. The existing senior management and key personnel of T-NETIX will continue in their present positions.

9. The transaction will also be seamless and transparent to T-NETIX's customers who will receive uninterrupted service from T-NETIX. There will be no immediate changes in the terms and conditions of the services provided by T-NETIX. T-NETIX will continue to market, brand and bill its services as it has been doing.

IV. PUBLIC INTEREST REASONS FOR GRANT

10. The proposed transaction is non-controversial and will serve the public interest by providing T-NETIX with access to the substantial financial assets of ABRY. Consummation of the proposed transaction will help T-NETIX to continue to provide services to its customers and potentially expand or enhance those services at new facilities.

11. There will be no changes in rates, terms or conditions of T-NETIX's services as part of or as a result of this transaction; those services will continue on their current basis. In addition, the management and relevant contact information for T-NETIX will remain the same. As indicated above, the Commission has previously approved an analogous parent-level transaction involving T-NETIX, concluding that it was in the public interest. The Commission should reach the same conclusion in this case.

V. RESPONSE TO QUESTIONS 10 AND 11 AND ADDITIONAL REQUIRED INFORMATION PURSUANT TO SECTION 63.18

12. Pursuant to Section 63.18, Applicants submit the following information required by that provision in support of this Application:

- (a) Name, address and telephone number of each Applicant:

Transferors:

T-NETIX, Inc.
14651 Dallas Parkway
6th Floor

Dallas, Texas 75254
Phone: (972) 953-4123
Fax: (972) 953-4289

Connect Acquisition Corp.
c/o Castle Harlan, Inc.
150 East 58th Street
New York, New York 10155
Attn: William D. Pruellage
Anand T. Philip
Phone: (212) 644-8600
Fax: (212) 207-8042

Transferee:

Securus Investment Holdings, LLC
c/o ABRYS Partners II, LLC
111 Huntington Street
29th Floor
Boston, MA 02199
Phone: (617) 859-2959
Fax: (617) 859-8797

(b) State of incorporation of Applicants:

T-NETIX and Connect are Delaware corporations. SIH is a Delaware limited liability company.

A. Response to Question 10

(c) Correspondence concerning this Application should be sent to the following:

Transferor:

Paul C. Besozzi
Patton Boggs LLP
2550 M Street, N.W.
Washington, D.C. 20037
(202) 457-5292 (Telephone)
(202) 457-6315 (Facsimile)
Email: pbsozzi@pattonboggs.com

With a copy to:

Dennis Reinhold
T-NETIX, Inc.
14651 Dallas Parkway
6th Floor
Dallas, Texas 75254
Phone: (972) 953-4123
Fax: (972) 953-4289

Connect Acquisition Corp.
c/o Castle Harlan, Inc.
150 East 58th Street
New York, New York 10155
Attn: William D. Pruellage
Anand T. Philip
Phone: (212) 644-8600
Fax: (212) 207-8042

Transferee:

Bennett Ross
Wiley Rein LLP
1776 K Street, N.W.
Washington, DC 20006
(202) 719-7524(Telephone)
(202) 719-7049 (Facsimile)
Email Address: bross@wileyrein.com

With a copy to:

C.J. Brucato III
Securus Investment Holdings, LLC
c/o ABRY Partners, LLC
111 Huntington Avenue, 29th Floor
Boston, MA 02199
(617) 859-2959 (Telephone)
(617) 859-8797 (Facsimile)

(d) Existing 214 Authority: T-NETIX holds an international Section 214 authorization to provide global facilities-based and global resale services (see File No. ITC-214-19980312-00185) and is authorized to provide domestic interstate services pursuant to Section 63.01 of the Commission's rules. Two other SHI-controlled entities,

T-NETIX, Inc. and T-NETIX Telecommunications Services, Inc., currently hold Section 214 authorizations. Separate Applications to transfer control of those entities are being filed simultaneously herewith.

SIH does not currently hold Section 214 authority and does not provide telecommunications services.

B. Response to Question 11 (Information Required by Sections 63.18(h)-(p))

(h) Name, Address, Citizenship and Principal Business of Owners with 10% or Greater Direct or Indirect Ownership:

The following entities will have a ten (10) percent or greater direct or indirect ownership interest in the transferee, SIH, at the time the proposed transaction is consummated:

Securus Special Investments, LLC, a Delaware limited liability company located at 111 Huntington Avenue, 29th Floor, Boston, MA 02199, will hold a 95.3% direct interest in SIH.

ABRY Partners VII, L.P., a Delaware limited partnership, will hold a 66.88% equity interest in Securus Special Investments, LLC. ABRY VII Capital Partners, L.P., a Delaware limited partnership, is the sole general partner of ABRY Partners VII, L.P. The sole general partner of ABRY VII Capital Partners, L.P. is ABRY VII Capital Investors, LLC, a Delaware limited liability company. ABRY VII Capital Investors, LLC is owned and controlled equally by Mr. Jay Grossman and Ms. Peggy Koenig, U.S. Citizens. The address for Mr. Jay Grossman and Ms. Peggy Koenig and all entities is 111 Huntington Avenue, 29th Floor, Boston, MA 02199.

HarbourVest Partners 2012 Direct Fund L.P., a Delaware limited partnership located at One Financial Center, 44th Floor, Boston MA 02111, will hold a 15.43% interest in Securus Special Investments, LLC. The sole general partner of HarbourVest Partners 2012 Direct Fund L.P. is HarbourVest 2012 Direct Associates L.P., a Delaware limited partnership. The sole general partner of HarbourVest 2012 Direct Associates L.P. is HarbourVest 2012 Direct Associates LLC, a Delaware limited liability company. The managing member of HarbourVest 2012 Direct Associates LLC is HarbourVest Partners, LLC, a Delaware limited liability company. HarbourVest Partners, LLC is owned by nineteen individuals, none of whom individually has control of the entity.

Redoak Investments LLC, a Virginia limited liability corporation whose address is c/o Virginia Retirement System, Post Office Box 2500, Richmond, Virginia 23218-2500, will hold a 15.43% interest in Securus Special Investments, LLC. The managing member of Redoak Investments LLC is HarbourVest Partners, LLC, a Delaware limited liability company. HarbourVest Partners, LLC is owned by nineteen individuals, none of whom individually has control of the entity.

Neither SIH nor any of its affiliates or subsidiaries has interlocking foreign directorates with a foreign carrier.

(i) Answer to Question 14 and Foreign Carrier Certification. SIH certifies that it is not now, nor will it be upon consummation of the proposed transaction, a foreign carrier within the meaning of Section 63.09(d) of the Commission's rules. Upon consummation of this transaction, SIH will be affiliated with the foreign carriers listed below:

Name of the affiliated foreign carrier:	Countries in which company is authorized telecommunications services to the public:
Masergy Communications UK Limited (a United Kingdom entity)	United Kingdom, Canada, France, Hong Kong, Japan, Singapore
Masergy Comunicaciones S. De R.L. de C.V. (a Mexican limited liability company)	Mexico

(j) Answer to Question 15 and Destination Country Certification. SIH seeks authority to provide international telecommunications services to the destination countries listed above where SIH is affiliated with foreign carriers.

(k) All of the countries listed above are WTO-member countries..

(l) Pursuant to Section 63.10 of the Commission's rules, 47 C.F.R. § 63.10, T-NETIX qualifies for non-dominant classification on the routes between the United States and all the above-listed countries because the affiliated entities in these countries have no market power on the foreign end of any of these routes. *See id.* § 63.10(a)(3). All of the above-listed affiliates lack 50 percent market share in the international transport and the local access markets in their respective foreign markets, and none are listed on the Commission's List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets.² As such, SIH is presumptively classified as non-dominant on these routes.

(m) See response to 63.18(l).

² *The International Bureau Revises and Reissues the Commission's List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets*, Public Notice, DA 07-233 (Jan. 26, 2007).

(n) Special Concessions from Foreign Carriers. The Applicants certify that they have not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into any such agreements in the future.

(o) Certification Regarding Section 5301 of Anti-Drug Abuse Act of 1998. The Applicants certify pursuant to Section 1.2001 through 1.2003 of the Commission's rules, 47 C.F.R. Sections 1.2001 – 1.2003, that no party to the Application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

(p) Streamlined Processing. This Application for transfer of control of international Section 214 authorization qualifies for streamlined processing pursuant to Section 63.12(c). 47 C.F.R. § 63.12. While SIH will be affiliated with two foreign carriers in destination markets, the SIH qualifies for a presumption of non-dominance under Section 63.10(a)(3) of the Commission's rules as set forth in the response to 63.18(l) above. This Application should therefore be granted, according to Section 63.12(a), fourteen (14) days after the date of the public notice listing the Application as accepted for filing.

VI. ADDITIONAL REQUIRED INFORMATION PURSUANT TO SECTION 63.04

13. Pursuant to Section 63.04 of the Commission's Rules, 47 C.F.R. § 63.04, the Applicants further request authority for the indirect transfer control of T-NETIX's blanket domestic Section 214 authority from Connect to SIH. The Applicants are filing a joint application to assign the domestic and international authorizations pursuant to

Section 63.04(b) of the Commission's rules, 47 C.F.R. §63.04(b). The Applicants provide the following further information in support of their request:

63.04(a)(6): Description of the Transaction

The proposed transaction is described in Section III, *supra*.

63.04(a)(7): Description of Geographic Service Area and Services in Each Area

T-NETIX provides domestic interstate and international services as part of inmate calling services and public payphone services which it provides principally to or at confinement facilities, in the jurisdictions listed on **Attachment C**.

As a result of this transaction, T-NETIX will be affiliated with the following entities that provide FCC-regulated services:

- Grande Communications Networks, Inc.: Grande Communications Networks, Inc. provides telecommunications services in Arkansas, California (on an interstate wholesale basis only), Florida, Georgia, Oklahoma and Texas, primarily for ISPs and other carriers on a wholesale basis and also provides local and long-distance telephone service to residential and business customers in Texas.
- RCN Corporation and its subsidiaries: RCN Corporation has the following subsidiaries that are authorized by the Commission to provide interstate, international and/or wireless services and are authorized to provide intrastate services:

RCN Telecom Services, LLC holds FCC wireless licenses.

RCN Cable TV of Chicago, Inc. holds FCC earth station licenses.

RCN Telecom Services of New York, LP holds FCC interstate and international section 214 authorizations, a FCC earth station license, and a FCC OVS certification. It also provides local and long distance telecommunications services in New York to residential and business customers.

RCN BecoCom LLC holds FCC interstate and international section 214 authorizations, a FCC earth station license, and a FCC OVS certification.

It also provides local and long distance telecommunications services in Massachusetts to residential and business customers.

RCN Telecom Services of Philadelphia, LLC holds FCC interstate and international section 214 authorizations. It also provides local and long distance telecommunications services in Pennsylvania to residential and business customers.

RCN Telecom Services (Leigh) LLC holds FCC interstate and international section 214 authorizations, FCC earth station licenses, a FCC OVS certification, and FCC CARS licenses. It also provides local and long distance telecommunications services in Pennsylvania and Delaware to residential and business customers.

Starpower Communications, LLC holds FCC interstate and international section 214 authorizations, a FCC earth station license, and a FCC OVS certification. It also provides local and long distance telecommunications services in Maryland, Virginia, and the District of Columbia to residential and business customers.

RCN Telecom Services of Illinois, LLC holds FCC interstate and international section 214 authorizations and a FCC earth station license. It also provides local and long distance telecommunications services in Illinois to residential and business customers.

- JAB Wireless, Inc. and its subsidiary Essex Telecom, Inc.: Through several wholly owned subsidiaries JAB Wireless, Inc. provides interconnected voice over Internet protocol, wireless broadband, DSI, Dial-up Internet and hosting services in Colorado, Utah, Texas, Idaho, Wyoming and Oklahoma. Essex Telecom offers a variety of telecommunications services including local exchange, TI, transport, and broadband DSL. Essex Telecom provides these telecommunications services to residential, small/medium business and commercial customers in Illinois.
- Masergy Communications, Inc.: Masergy Communications, Inc. is a provider of telecommunications services. It provides managed, secure global network services to enterprises that have complex needs across multiple locations.
- Home Town Cable TV, LLC: Home Town Cable TV, LLC is a local service provider of bundled cable TV, high-speed internet, security-alarm monitoring and telephone services in Florida.
- Hometown Broadband Orlando, LLC: Hometown Broadband Orlando, LLC, along with Hometown Broadband LLC, Hometown Broadband Southwest Florida, LLC, Hometown Broadband Arizona, LLC, Hometown Broadband Arizona South, LLC and other affiliates, provides broadband and VOIP services.

- Southwest Wireless Group, LLC: Southwest Wireless Group, LLC is a provider of telecommunications services.
- Xand CLEC, LLC: Xand CLEC, LLC provides telecommunications services in New York for application hosting, data storage and other services.
- Nexstar Broadcasting, Inc.: Nexstar owns, operates, and programs or provides sales and other services to television stations located in several states.
- Bay Broadband Communications, LLC: Bay Broadband Communications, LLC is a wireless internet service provider which also holds several wireless licenses.

63.04(a)(8): Presumption of Non-Dominance and Qualification for Streamlined Processing

This Application is entitled to streamlined processing under Section 63.03(b)(2)(i) of the Commission's rules because, immediately following the transaction: (a) the Applicants and their affiliates combined will hold less than a ten (10) percent share of the interstate, interexchange market, (b) the Applicants and their affiliates would provide competitive telephone exchange services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction, and (c) neither the Applicants nor their affiliates are dominant with respect to any service.

63.04(a)(9): Other Pending Commission Applications Concerning the Proposed Transaction

T-NETIX affiliates STI and T-NETIX Telecommunications Services, Inc. are filing separate applications to request transfer of control of their respective Section 214 authorizations. Other than those applications, there are no other applications pending before the Commission concerning the proposed transaction.

63.04(a)(10): Special Consideration

None.

63.04(a)(11): Waiver Requests (If Any)

None.

63.04(a)(12): Public Interest Statement

The proposed transaction is in the public interest for the reasons detailed in Section IV, *supra*.

VII. REQUEST FOR EXPEDITED TREATMENT

14. T-NETIX, Connect, and SIH are requesting expedited approval of this Application. As noted above, it is non-controversial and transparent to T-NETIX's customers. For the other reasons outlined above it is in the public interest. Therefore, T-NETIX, Connect, and SIH respectfully request expedited action to ensure that the transaction can be consummated as soon as possible.


VIII. RESPONSE TO QUESTION 16

15. Pursuant to Section 63.10 of the Commission's rules, 47 C.F.R. § 63.10, T-NETIX qualifies for non-dominant classification on the routes between the United States and all the above-listed countries because the affiliated entities in these countries have no market power on the foreign end of any of these routes. See response to Section 63.18(1) above.

WHEREFORE, T-NETIX, Connect, and SIH respectfully request that the Commission approve this Application on an expedited basis so that the parties may consummate the contemplated transactions as soon as possible.

Respectfully submitted,

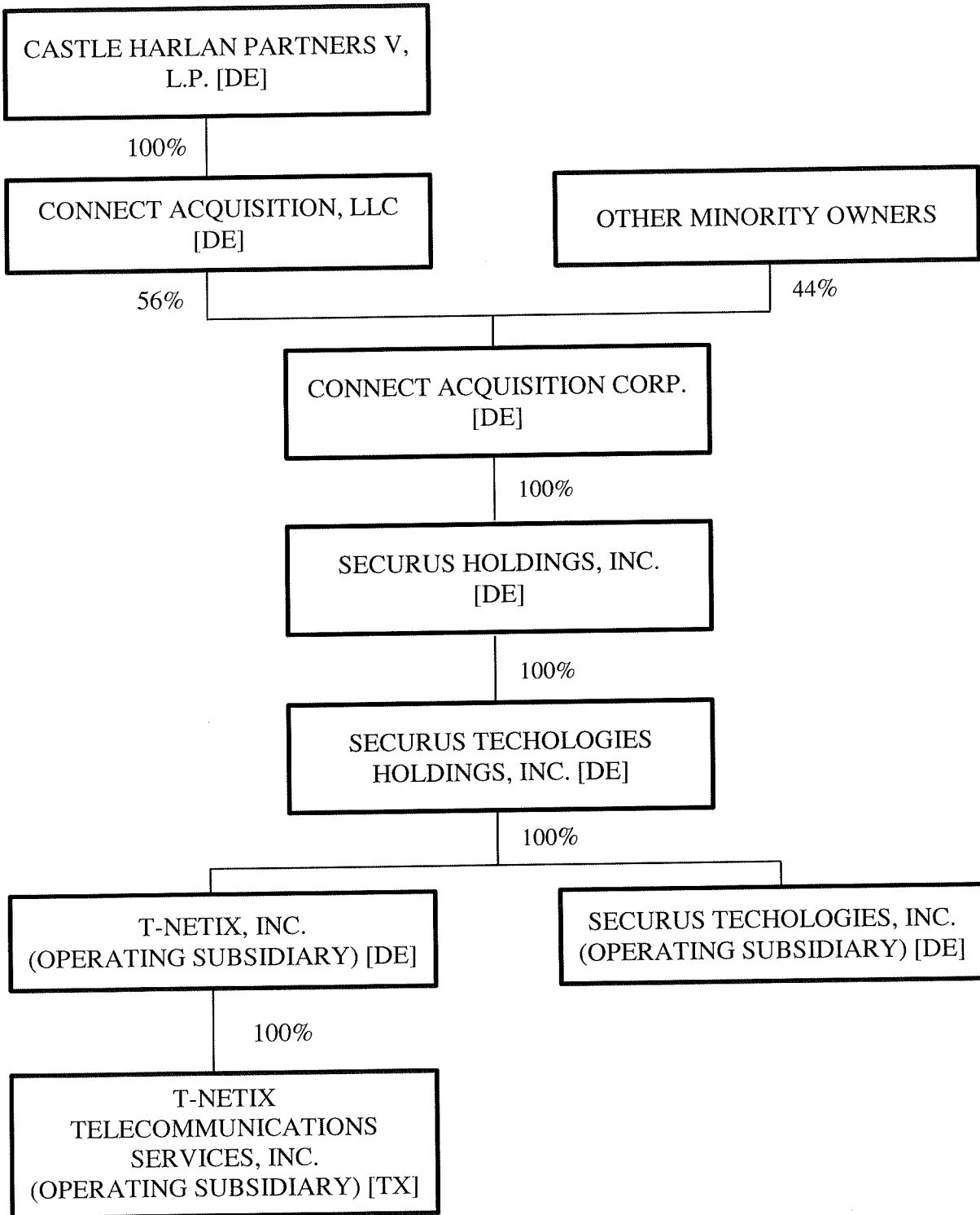
**T-NETIX, INC.,
CONNECT ACQUISITION CORP., and
SECURUS INVESTMENT HOLDINGS,
LLC**

By: 
Paul C. Besozzi
Janet Fitzpatrick Moran
Patton Boggs LLP
2550 M Street, N.W.
Washington, DC 20037
(202) 457-5292
pbsozzi@pattonboggs.com

Dated: March 14, 2013

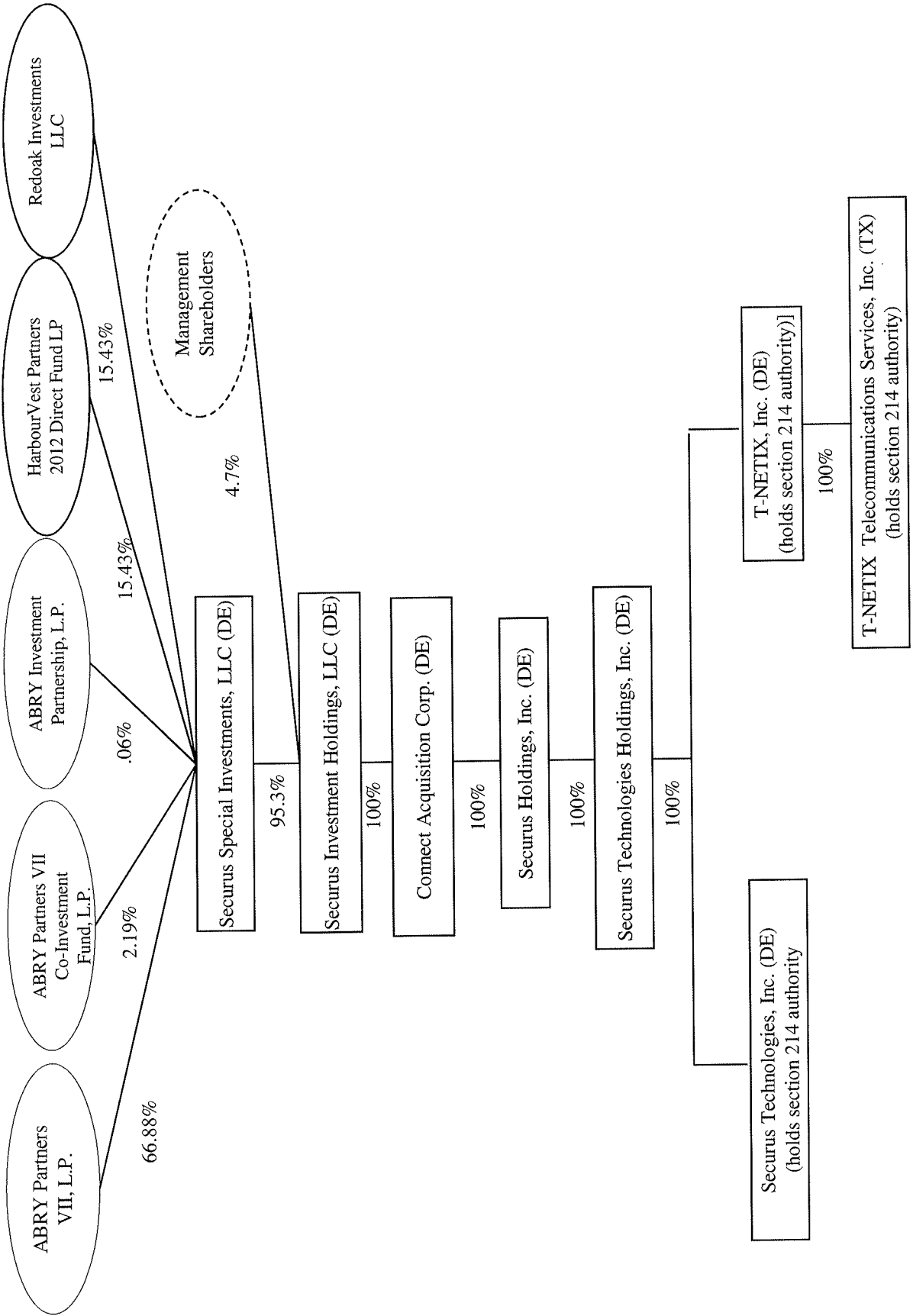
Attachment A

PRE-CLOSING STRUCTURE



Attachment B

Post-Closing Holding Structure



Attachment C

ATTACHMENT C

Geographic Locations

T-NETIX currently operates in the following jurisdictions:

Arkansas
Maryland
Oregon
Pennsylvania
South Carolina
Texas

VERIFICATION

I, Dennis J. Reinhold, am the Secretary of Connect Acquisition Corp. The foregoing Application has been prepared pursuant to my direction and control and I have reviewed its contents. The factual statements and representations made therein by and concerning Connect Acquisition Corp. and its direct and indirect subsidiaries and the transactions described therein are true and correct to the best of my knowledge and belief.

D. J. Reinhold

Name: Dennis J. Reinhold

Title: Secretary

County of Dallas)
State of Texas)

Subscribed and sworn to before me by March this 14 day of 2013,
2013.



Karen Kennedy
Notary Public

My Commission Expires: Sept 3, 2014

VERIFICATION

I, C.J. Brucato, III, am the President of Securus Investment Holdings, LLC. The factual statements and representations made in the foregoing Application by and concerning Securus Investment Holdings, LLC and the transactions described therein are true and correct to the best of my knowledge and belief.



Name: C.J. Brucato, III

Title: President

County of Suffolk
State of MA)

Subscribed and sworn to before me by C.J. Brucato III this 14 day of March, 2013.



Notary Public

My Commission Expires: 2/4/16

