

**FILE**

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December 17, 2010

**VIA OVERNIGHT DELIVERY**

10-1344-TP-ZTA

Renee J. Jenkins  
Director of Administration  
Public Utilities Commission of Ohio  
180 E. Broad St.  
Columbus, OH 43215-3793  
(614) 466-3016

Re: Global Tel\*Link Corporation  
Financing Transactions

Dear Ms. Jenkins:

Please be advised with this original letter and seven (7) copies that Global Tel\*Link Corporation ("GTL") will be participating in certain debt issuance financing arrangements. Specifically, GTL seeks approval to act as a borrower on certain secured credit facilities (the "Transactions"), which will include GTL granting a security interest in substantially all of its assets.

In connection therewith, we provide the following information:

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**I. The Parties**

**A. 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 Ohio: Certificate of Public Convenience and Necessity to Provide Competitive Telecommunications Services in the State of Ohio (Certificate Number 90-5632 dated May 4, 1995) in Case No. 94-1983-CT-ACE. The Transactions will have no effect on GTL's current rates, terms, or conditions for its managed inmate services.

**B. 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, Inc. is a holding company, whose only business activities are conducted through GTL. GTEL Holdings, Inc. is a wholly owned direct subsidiary of GTEL Acquisition Corp.

**C. 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.

**D. 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.

GS Direct, L.L.C., a Delaware limited liability company, is wholly owned by The Goldman Sachs Group, Inc., a Delaware corporation. GS Direct, L.L.C.'s sole manager is Goldman, Sachs & Co., a New York limited partnership. All of the limited partner equity interests in Goldman, Sachs & Co. are held directly or indirectly by The Goldman Sachs Group, Inc., a bank holding company. 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., 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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Attorney for Global Tel\*Link Corporation

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

GTL will be participating in a series of debt financing Transactions. Specifically, GTL will act as a borrower in certain new senior secured long term debt arrangements in the aggregate amount of up to \$607.1 million. The proposed financing arrangements are expected to include letter of credit, revolving long-term credit and term loan components. In connection with the proposed Transactions, GTL will also grant a security interest in substantially all of its assets.

The proposed indebtedness will replace GTL's outstanding credit facilities and thereby allow GTL to obtain long term credit on favorable terms. In addition, GTL expects that the proposed issuance will: (a) substantially increase the ability of GTL to expand its operations in the State of Ohio; (b) pay a deferred redemption amount on GTEL Holdings, Inc.'s preferred stock; (c) pay a dividend on GTEL Holdings, Inc.'s common stock; (d) fund potential acquisitions; and (e) provide GTL with the financial resources necessary to compete more effectively with other service providers in Ohio.

## **IV. Public Interest Considerations**

GTL respectfully submits that the Transactions described in this Notice will serve the public interest. The proposed Transactions will not adversely affect the operation of GTL. In particular, GTL submits that: (1) the Transactions increase competition in the Ohio telecommunications market by reinforcing GTL's status as a viable competitor and ensuring that GTL can continue to provide service on an uninterrupted basis; (2) the contemplated Transactions will allow GTL to significantly expand its operations, including in Ohio; and (3) the proposed Transactions are solely financial arrangements that will not affect the day-to-day operations of GTL and will be entirely transparent to its customers.

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The Transactions are expected to support competition in Ohio. In particular, the financing Transactions described above will provide GTL with additional capital that will allow the company to continue to compete effectively as a leading provider of payphone and inmate-only payphone services. The additional financing provided by the financing Transactions will also allow GTL to continue to execute the company's business plan and offer alternative high-quality, competitively priced services to a substantial number of potential customers in its operating areas.

At the same time, the financing Transactions will be entirely transparent to existing GTL customers. The proposed Transactions do not create any new owners of GTL and will not affect the day-to-day management of GTL or the services that GTL provides. Because the Transactions are financial in nature and will not affect the rates, terms and conditions under which GTL operates, the financing Transactions will be entirely transparent to customers of GTL in terms of the services those customers receive.

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 if I may provide you with additional information, please do not hesitate to contact me. Thank you.

Respectfully submitted,

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

cc: David B. Silverman, Esq.  
James Smith, Esq.