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May 22, 2018

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Ingrid Ferrell, Director  
Executive Secretary Division  
Public Service Commission of WV  
201 Brooks Street  
P.O. Box 812  
Charleston, WV 25323

02:24 PM MAY 22 2018 EXEC SEC DIV

Re *TKC Holdings, Inc.*  
*Inmate Calling Solutions, LLC d/b/a*  
*ICSolutions, and*  
*Securus Technologies, Inc.*  
Application for Transfer of Control  
Case No. 18-0722-T-PC

Dear Ms. Ferrell:

Enclosed for filing in the above-styled matter are the original and twelves copies of a  
"Joint Petition for Approval to Transfer Control."

Thank you for your attention to this matter.

Yours truly,

  
James D. Kauffelt

JDK/mmw  
Enclosures

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA**

Joint Petition of

**TKC Holdings, Inc.**  
**Inmate Calling Solutions, LLC d/b/a ICSolutions**

and

**Securus Technologies, Inc.**

for Approval to Transfer Control of Inmate Calling  
Solutions, LLC d/b/a ICSolutions to Securus  
Technologies, Inc. and Notification of Participation in  
Financing Arrangements

Case No. 18-\_\_\_\_-T-PC

**JOINT PETITION**

TKC Holdings, Inc. (“Transferor” or “TKC”), Inmate Calling Solutions, LLC d/b/a ICSolutions (“ICS”) and Securus Technologies, Inc. (“Transferee” or “Securus”) (collectively, “Petitioners”), by their undersigned counsel and pursuant to West Virginia Code § 24-2-12 and the Rules of the Public Service Commission of West Virginia (“Commission”), request Commission approval, to transfer control of ICS to Securus. Petitioners also notify the Commission of ICS’s participation in certain Financing Arrangements (as defined below) concurrently with or upon completion of the Transaction (as defined below). Commission approval is not required for ICS’s participation in the Financing Arrangements since, when it participates in the arrangements, it will be under common ownership with the entities involved in the Financing Arrangements.<sup>1</sup>

In support of this Joint Petition, Petitioners provide the following information:

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<sup>1</sup> See W. Va. Code § 24-2-1(f).

**I. DESCRIPTION OF PETITIONERS**

**A. Inmate Calling Solutions, LLC d/b/a ICSolutions**

ICS is a California limited liability company with its principal place of business at 2200 Danbury Street, San Antonio, Texas 78217. ICS is a wholly-owned direct subsidiary of Keefe Group, LLC (“Keefe”), a Missouri limited liability company with its principal place of business at 1260 Andes Boulevard, St. Louis, Missouri 63132. Keefe, in turn, is a wholly-owned direct subsidiary of TKC.

ICS is an institutional service provider certificated, registered or otherwise authorized to provide services in all states except Alaska, Delaware, New Jersey, and Vermont, and the District of Columbia. ICS currently contracts with a number of confinement and correctional facilities to provide services in the State of West Virginia and 38 other states. ICS was granted a Certificate of Convenience and Necessity on October 10, 2011 in case Case No. 11-0241-T-CN to provide automated operator-assisted telecommunications services to inmates of confinement institutions throughout West Virginia. ICS is also authorized by the FCC to provide domestic and international telecommunications services.

Additional information concerning ICS’s legal, technical, managerial and financial qualifications has been submitted to the Commission with its filings for certification and various transactions and is therefore already a matter of public record.<sup>2</sup> ICS requests that the Commission take official notice of these existing descriptions of ICS’s qualifications and incorporate them by reference herein.

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<sup>2</sup> See e.g., Case Nos. 11-0241- -T-CN and 16-1006-T-PC.

**B. TKC Holdings, Inc.**

Transferor, which indirectly holds all of the issued and outstanding membership interests of ICS, is a Delaware corporation and holding company, with its principal business office at 1450 Brickell Ave., 31st Floor, Miami, Florida 33131. TKC is indirectly controlled by an affiliate of H.I.G. Capital, L.L.C., a private equity investment firm headquartered in Miami, Florida.<sup>3</sup>

Through its subsidiaries, TKC's principal business includes the provision of commissary management services, correctional food service management, packaging and distribution of food products, personal care products, electronics, clothing, technology, telecommunications and software solutions to the correctional markets, and serving as a holding company of businesses providing such products and services to the correctional markets, as well as the provision of single serve coffee machines, coffee, and hotel supplies to the hospitality and lodging market.

**Exhibit A** includes the current corporate ownership structure of ICS and TKC.

**C. Securus Technologies, Inc.**

Securus is a Delaware corporation with its principal place of business at 4000 International Parkway, Carrollton, Texas 75007. Securus provides inmate calling services to a number of confinement and correctional facilities in the District of Columbia and approximately 46 other states, including in the State of West Virginia. In West Virginia, Securus is authorized to provide inmate telephone services pursuant to a Commission orders issued November 23, 1998 in Case No. 98-1319-T-PC and December 7, 2010 in Case No. 10-1762-T-NC. Securus is also authorized by the FCC to provide domestic and international telecommunications services.

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<sup>3</sup> The Commission approved the indirect transfer of control of ICS to TKC in 2016 in Case No. 16-1006-T-PC.

Securus is an indirect wholly-owned subsidiary of SCRS Acquisition Corporation (“SCRS”) and in turn its parent, SCRS Holding Corporation (“SCRS Parent”), both Delaware corporations. The ultimate majority owner of Securus is Platinum Equity Capital Partners IV, L.P., a Delaware limited partnership (“PECP IV”), which is a private equity investment vehicle of Platinum Equity, LLC.<sup>4</sup>

## II. DESIGNATED CONTACTS

Questions, correspondence or other communications concerning this Joint Petition should be directed to:

James D. Kauffelt  
Kauffelt & Kauffelt  
803 Kanawha Valley Bldg  
P.O. Box 3082  
Charleston, West Virginia 25331-3082  
304-345-1272 (tel)  
304-345-1280 (fax)  
jkauffelt@wvdsl.net

With copies for Transferee to:

and:

Paul C. Besozzi  
Peter M. Bean  
Squire Patton Boggs (US) LLP  
2550 M Street, N.W.  
Washington, DC 20037  
202-457-6000 (tel)  
202-457-6315 (fax)  
paul.besozzi@squirepb.com  
peter.bean@squirepb.com

Dennis J. Reinhold  
Senior Vice President & General  
Counsel  
Securus Technologies, Inc.  
4000 International Pkwy.  
Carrollton, TX 75007  
972-277-0700 (tel)  
927-277-0681 (fax)  
dreinhold@securustechnologies.com

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<sup>4</sup> The Commission approved the indirect transfer of control of Securus to SCRS and PECP IV in Case No. 17-0620-T-PC.

With copies for Transferor and ICS to: and:

Howard M. Liberman  
Paige K. Fronabarger  
Wilkinson Barker Knauer, LLP  
1800 M Street, N.W., Suite 800N  
Washington, DC 20036  
202-783-4141 (tel)  
202-783-5851 (fax)  
hliberman@wbklaw.com  
pfronabarger@wbklaw.com

Michael Gallagher  
Principal  
c/o H.I.G. Capital Management, Inc.  
1450 Brickell Avenue, 31st Floor  
Miami, FL 33131  
305-379-2322 (tel)  
305-379-2013 (fax)  
mgallagher@higcapital.com

### **III. DESCRIPTION OF THE TRANSACTION**

#### **A. Description of the Proposed Transfer of Control**

Pursuant to that certain Unit Purchase Agreement by and among ICS, TKC, Keefe and Securus, dated as of April 22, 2018 (the “Agreement”), Securus will acquire all the issued and outstanding membership interests of ICS from Keefe (the “Transaction”). As a result, ICS will become a wholly-owned, direct subsidiary of Securus and, in turn, an indirect subsidiary of SCRS and SCRS Parent. PECP IV will be the ultimate majority owner of ICS. Petitioners intend to consummate the Transaction as promptly as possible after the necessary federal and state regulatory approvals have been received.

For the Commission’s reference, a chart depicting the pre- and post-Transaction ownership structure of ICS is provided as **Exhibit A**.

#### **B. Description of the Financing Arrangements**

Concurrently with or upon completion of the Transaction ICS will participate in the financing arrangements previously noted by the Commission in Case No. 17-0620T-PC with respect to Securus (“Financing Arrangements”).<sup>5</sup> Specifically, those Financing Arrangements will be modified solely to permit provision of additional funding within the approved aggregate

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<sup>5</sup> In its order dated July 7, 2017 in Case No. 17-0620-T-PC, the Commission concluded that it did not have jurisdiction under Section 24-2-1(f) of the West Virginia Code to address the proposed financing arrangements.

amount of \$2.6 billion (“Aggregate Amount”). As a result of its participation in the Financing Arrangements, ICS may incur debt, as a borrower, co-borrower or guarantor, and pledge its assets as security for the Financing Arrangements up to the Aggregate Amount, with terms (including interest rate, amortization and maturity date) generally consistent with those noted by the Commission in Case No. 17-0620-T-PC. Since, following completion of the Transaction, ICS will be under common ownership with Securus, Commission review and approval of ICS’s participation in the Financing Arrangements is not required.

#### **IV. PUBLIC INTEREST CONSIDERATIONS**

Petitioners respectfully submit that the proposed Transaction is in the public interest.

The consummation of the Transaction will not result in an interruption, reduction, loss, impairment or disruption of ICS-provided services. The Transaction does not involve a transfer of operating authority, assets or customers in West Virginia or elsewhere. As such, no customer notice is required as a result of the Transaction.

While the ownership of ICS will change, the management team will remain substantially the same and ICS’s corporate identity, name and operations will remain in place. In other words, post-closing, ICS will remain operational as a separate business. Following the Transaction, ICS will continue to honor its correctional facility customer contracts and in doing so, will continue to provide and support the ICS technologies and services enjoyed by its customers. Any future changes in the rates, terms and conditions of service to ICS’s correctional facility and end-user customers will be undertaken in conformance with the applicable federal and state law, including notice and tariff requirements and ICS’s contractual obligations.

As a result, the change in ownership will be entirely transparent to ICS's correctional facility customers and the end-users of ICS's services. Moreover, there will be additional services accessible to such customers as a result of the Transaction.

After closing, and where permitted by the governmental entities operating the correctional facilities served by ICS, inmates who use the ICS services now will have access to use of inmate tablets that provide controlled internet access, including, as part of that program, access to education (e.g., the ability to obtain a GED), media content and job opportunities upon release (e.g., through Securus's JobView program).<sup>6</sup> Inmate calling can also be permitted from such tablets, further facilitating the ability of inmates to connect with their friends and family.

Further, ICS correctional facility customers will gain access to Securus-developed advanced technology, including an expanded set of law enforcement-related services and investigative technologies offered by Securus.

According to Securus's information, there are a number of other competing providers of inmate calling services authorized to operate in various states aside from Securus and ICS, including Global Tel\*Link Corporation, Pay-Tel Communications, Inc., Legacy Long Distance International, Inc. d/b/a Legacy Inmate Communications, and Network Communications International Corp d/b/a NCIC Inmate Communications. Thus, approval of the Joint Petition will not foreclose the opportunity for continued competitive bidding to provide inmate calling services to facilities in the various states in which the two companies currently operate.

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<sup>6</sup> Further information on the JobView program is available at: <https://www.businesswire.com/news/home/20171201005587/en/Securus-Acquires-Jobview-Released-Inmates-Find-Jobs>. Securus has also established the Securus Foundation to help "modernize the reentry process [for inmates] to increase successful community reengagement." See *The Securus Foundation is Launched to Modernize Reentry and Reduce Recidivism*, Business Wire, (Jul. 17, 2017), <https://www.businesswire.com/news/home/20170713005624/en/Securus-Foundation-Launched-Modernize-Reentry-Reduce-Recidivism>.

The Transaction will have no material effect on the operations of ICS, which will remain the licensee, and will be virtually seamless to customers. Again, rates, terms, and conditions of service, which are governed in part by contractual relationships between ICS and governmental agencies (as well as tariffs where required), will not change while such contracts remain in force.

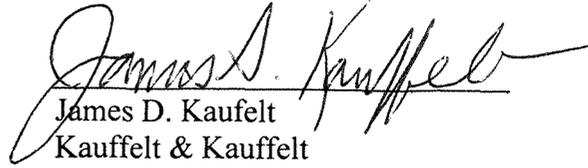
**V. CONCLUSION**

In conclusion and for the reasons stated above, Petitioners request that the Commission approve the Transaction. The terms and conditions of the Transaction are reasonable, no party was given an undue advantage over the other, and the Transaction will not adversely affect the public in West Virginia. Accordingly, Petitioners respectfully request Commission approval of the Joint Petition.

WHEREFORE, Petitioners respectfully pray:

- a) that the Commission approve this Joint Petition;
- b) that the Commission waive public notice and hearing on this Joint Petition and any other formal filing requirements; and
- c) that the Commission grant such other and further relief as the Commission deems just and appropriate.

Respectfully submitted,

A handwritten signature in cursive script, reading "James D. Kaufelt", written over a horizontal line.

James D. Kaufelt  
Kauffelt & Kauffelt  
803 Kanawha Valley Bldg  
P.O. Box 3082  
Charleston, West Virginia 25331-3082  
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jkauffelt@wvdsi.net

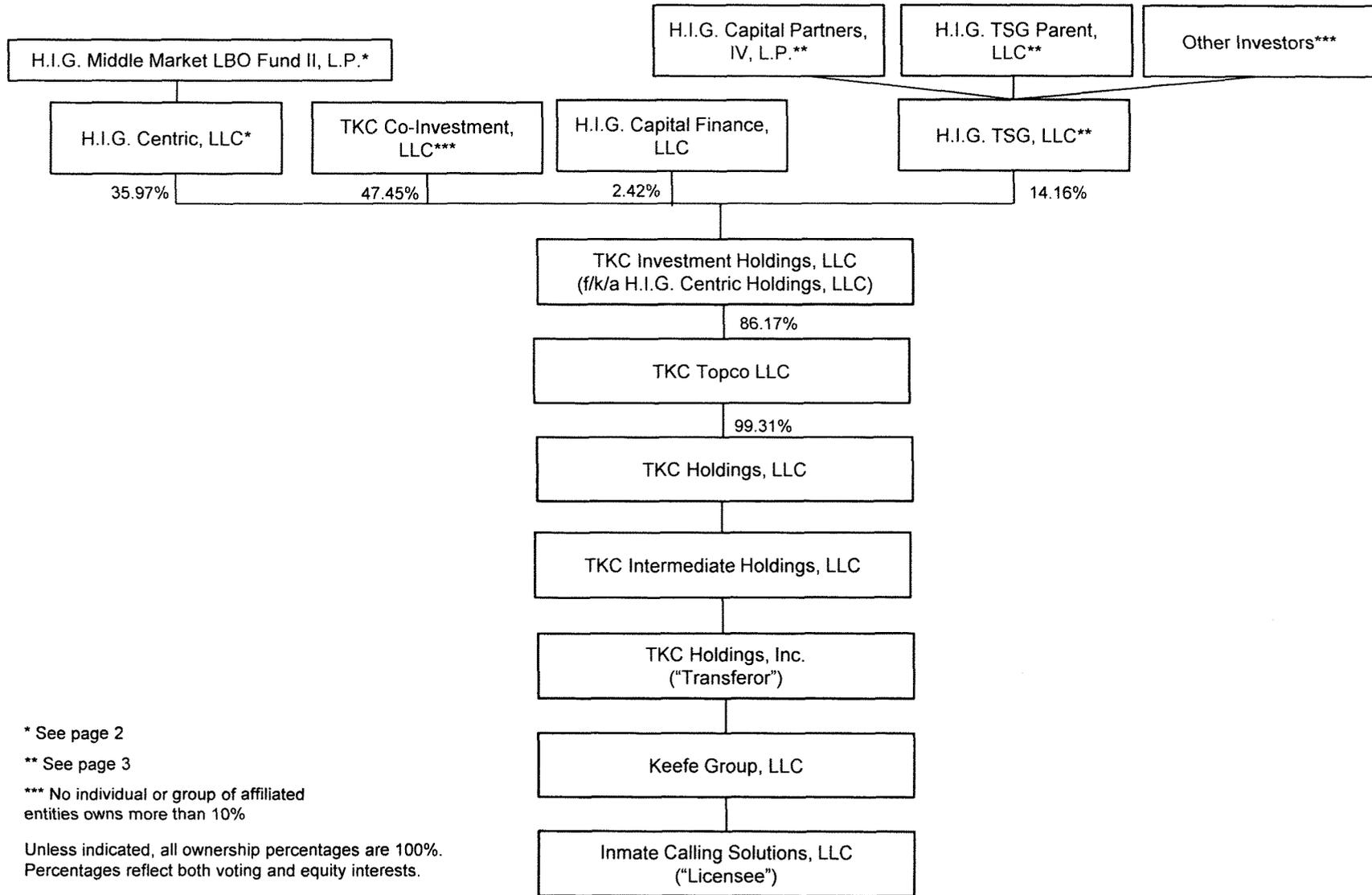
For Petitioners

Dated: May 22 2018

**EXHIBIT A**

**Charts of the Pre- and Post-Transaction Ownership Structures**

## Pre-Transaction Ownership Structure of ICS



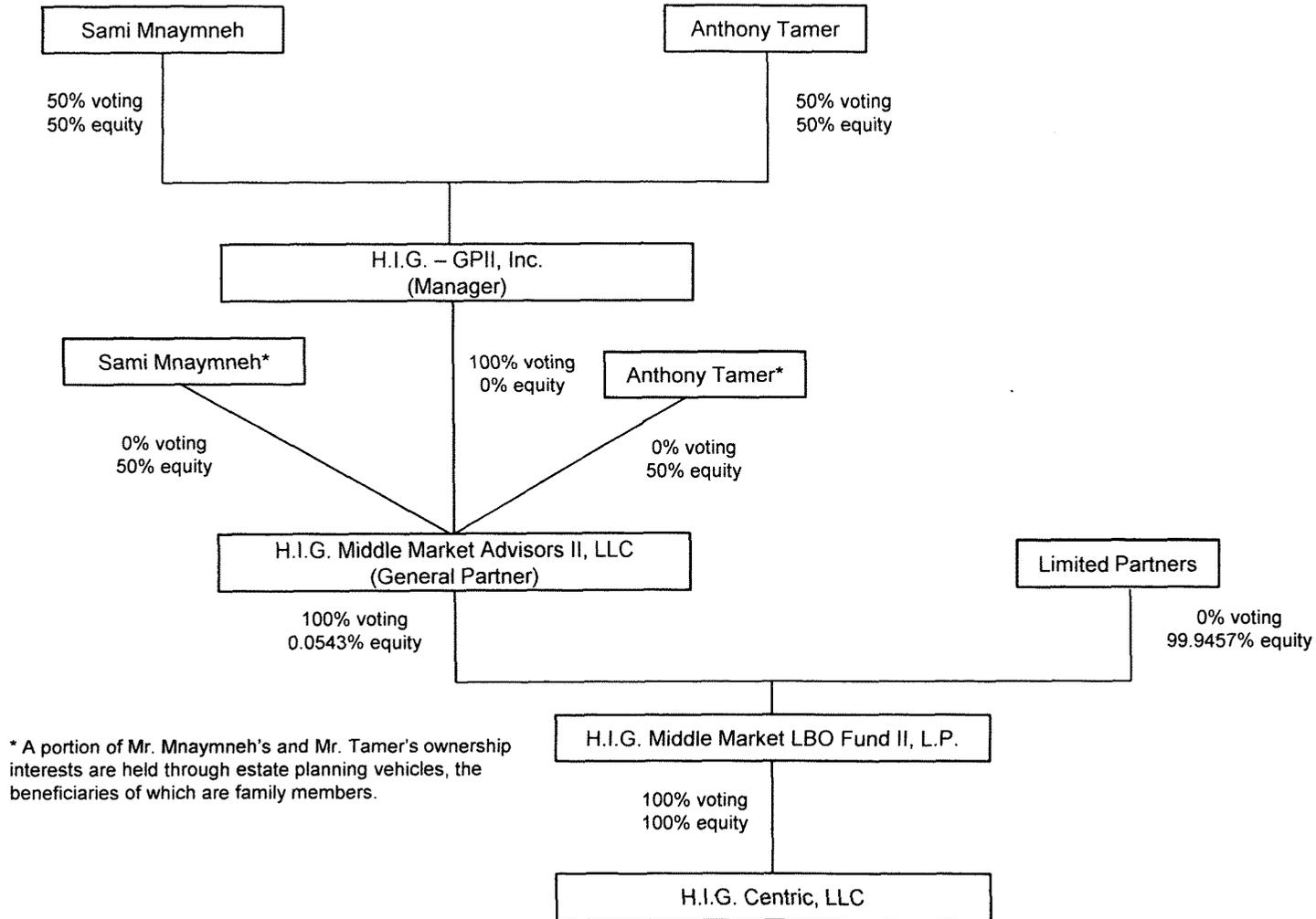
\* See page 2

\*\* See page 3

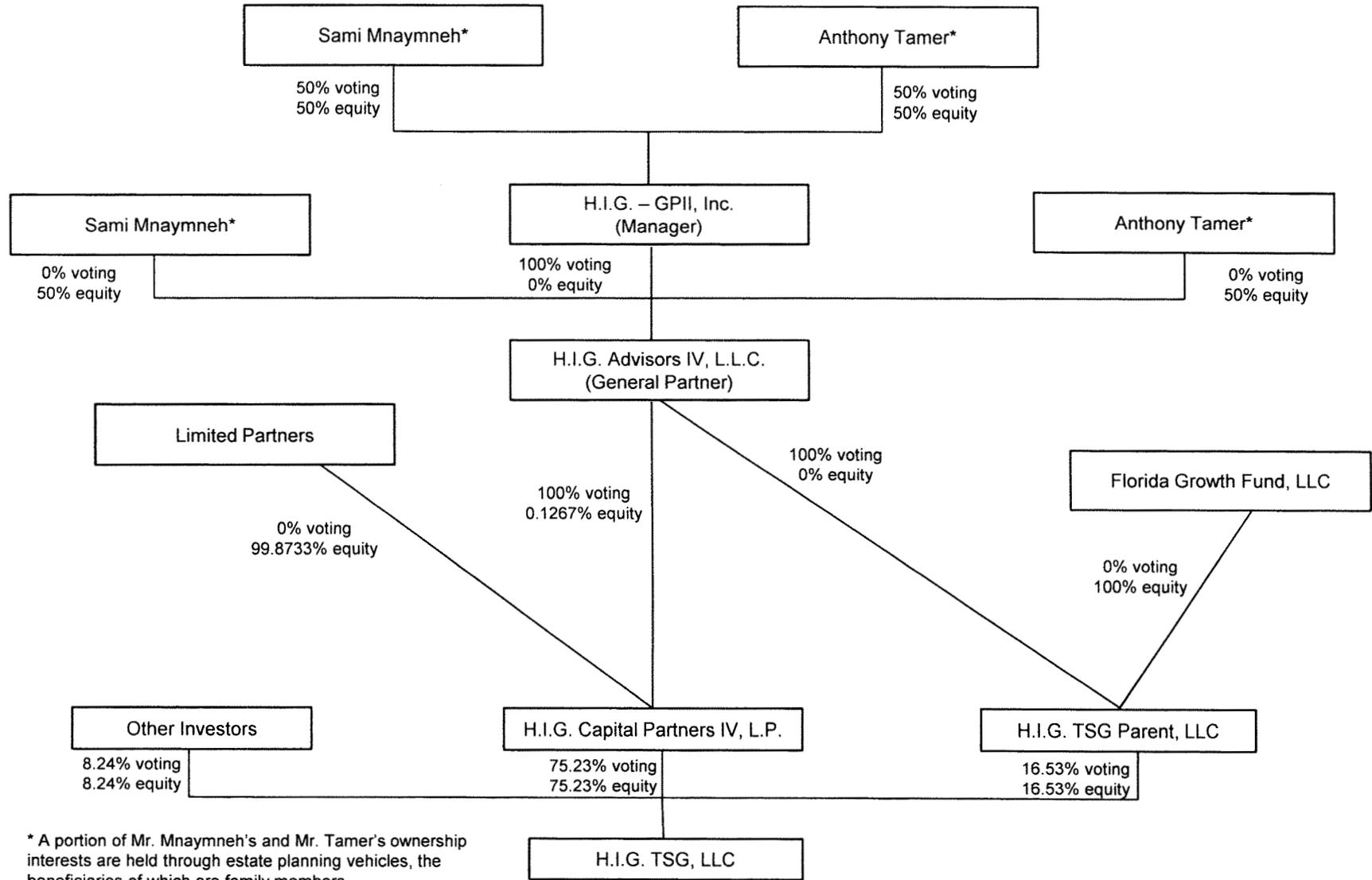
\*\*\* No individual or group of affiliated entities owns more than 10%

Unless indicated, all ownership percentages are 100%. Percentages reflect both voting and equity interests.

## Pre-Transaction Ownership Structure of ICS (continued)

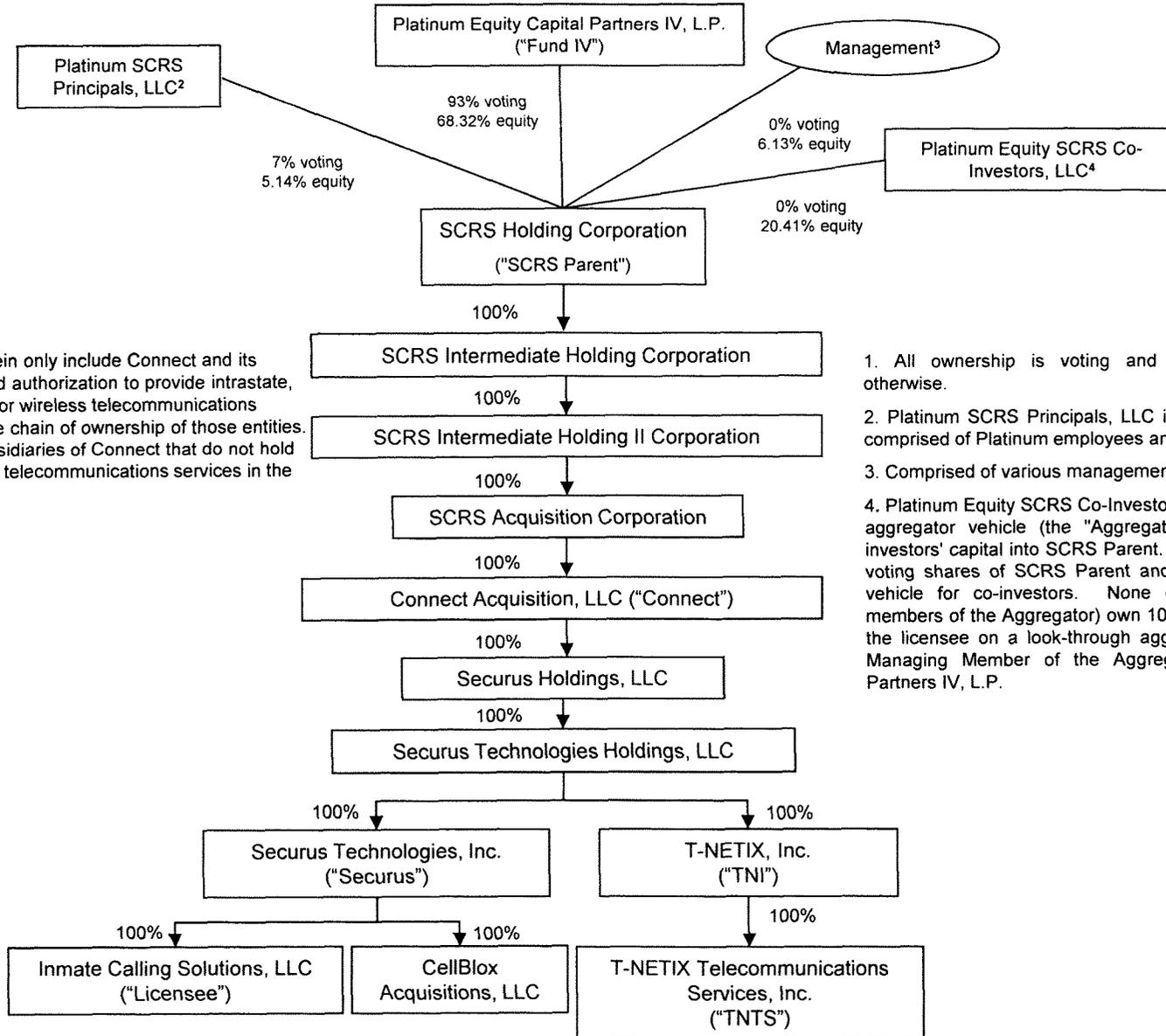


## Pre-Transaction Ownership Structure of ICS (continued)



\* A portion of Mr. Mnaymneh's and Mr. Tamer's ownership interests are held through estate planning vehicles, the beneficiaries of which are family members.

## Post-Transaction Ownership Structure of ICS\*



\* The entities listed herein only include Connect and its subsidiaries that (1) hold authorization to provide intrastate, interstate, international or wireless telecommunications services or (2) are in the chain of ownership of those entities. The chart excludes subsidiaries of Connect that do not hold authorization to provide telecommunications services in the United States.

1. All ownership is voting and equity unless indicated otherwise.

2. Platinum SCRS Principals, LLC is a co-investment vehicle comprised of Platinum employees and their friends and family.

3. Comprised of various management individuals of Securus.

4. Platinum Equity SCRS Co-Investors, LLC is a co-investment aggregator vehicle (the "Aggregator") that contributed co-investors' capital into SCRS Parent. The Aggregator holds no voting shares of SCRS Parent and is a passive investment vehicle for co-investors. None of the co-investors (*i.e.*, members of the Aggregator) own 10% or more of the equity of the licensee on a look-through aggregate basis. The Senior Managing Member of the Aggregator is Platinum Equity Partners IV, L.P.

## VERIFICATIONS

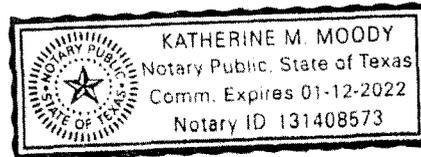
**VERIFICATION**

I, Dennis J. Reinhold, am the Senior Vice President and General Counsel of Securus Technologies, Inc. ("Securus"). As such, I am authorized to execute this Verification on behalf of Securus and its subsidiaries. The portions of the foregoing filing relating to Securus and the transactions described therein have been prepared pursuant to my direction and control and I have reviewed the contents thereof. I hereby declare that the factual statements and representations made therein by and concerning Securus and the transactions described therein are true and correct to the best of my knowledge, information and belief.

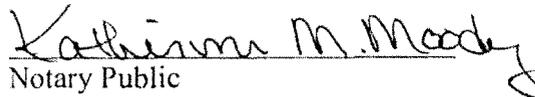


\_\_\_\_\_  
Name: Dennis J. Reinhold  
Title: Senior Vice President and General Counsel  
Securus Technologies, Inc.

\_\_\_\_\_  
County of Denton)  
State of Texas)



Subscribed and sworn to before me by Dennis J. Reinhold this 15<sup>th</sup> day of May, 2018

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

My Commission Expires: 01-12-2022

VERIFICATION

I, Alexander S.Y. Lee, am the Corporate Secretary of TKC Holdings, Inc. ("TKC") and Inmate Calling Solutions, LLC d//b/a ICSolutions ("ICS"). As such I am authorized to execute this Verification on behalf of TKC and ICS. The portions of the foregoing filing relating to TKC, ICS and the transactions described therein have been prepared pursuant to my direction and control and I have reviewed the contents thereof. I hereby declare that the factual statements and representations made therein by and concerning TKC, ICS and the transactions described therein are true and correct to the best of my knowledge, information and belief.

Executed this 16<sup>TH</sup> day of May, 2018

ASZ

Name: Alexander S.Y. Lee

Title: Corporate Secretary of TKC Holdings, Inc. and Inmate Calling Solutions, LLC d//b/a ICSolutions

Subscribed and sworn to before me this 16<sup>th</sup> day of May, 2018

E. Marion Lyons  
Notary Public

My Commission Expires \_\_\_\_\_



E. MARION LYONS  
My Commission Expires  
August 19, 2021  
St. Louis County  
Commission #13451050