

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-4353
of Evercom Systems, Inc.,)
Dallas, Texas, Seeking Approval) GRANTED
of Issuance of Debt and Related)
Financing Transactions.) Entered: May 24, 2011

BY THE COMMISSION:

On April 13, 2011, an application was filed by Evercom Systems, Inc. ("Evercom" or "Applicant"), Dallas, Texas, seeking approval for the issuance of debt and related financing transactions. Notice of the application was published in The Daily Record, Omaha, Nebraska, on April 20, 2011. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

O P I N I O N A N D F I N D I N G S

Evercom is a Delaware corporation with its principal office located in Dallas, Texas. Evercom is a privately held and indirect wholly-owned subsidiary of Securus Holdings, Inc. ("SHI"). Evercom has been certified by the Commission as a local exchange carrier to offer and provide telecommunications services in the State of Nebraska pursuant to Docket C-1944.

Connect Acquisition Corp. ("Connect") is a controlled affiliate of Castle Harlan Partners V, L.P. ("Castle Partners"), which is managed by Castle Harlan, Inc. ("Castle Harlan") a New York-based investment firm.

Evercom requests that the Commission grant approval of the present application pursuant to Neb. Rev. Stat. § 75-148, which states in pertinent part,

A common carrier may issue stock, bonds, notes, or other evidence of indebtedness, payable at periods of more than twelve months after the date thereof, when necessary for the acquisition of property, the construction, completion, extension or improvement of facilities, the improvement or maintenance of its service, or the discharge or lawful refunding of its obligations if the common carrier first secures from the Commission an order authorizing such issue and the amount thereof and stating that in the opinion of the

Commission the use of the capital to be secured by the issue of such stock, bonds, notes, or other evidence of indebtedness is reasonably required for the purposes of the carrier.

Evercom seeks authority to participate as borrower in certain financing arrangements which will permit the borrowing of up to \$375.0 million undertaken concurrently with the indirect transfer of control of Evercom to Connect.

Description of the Transaction:

To finance the acquisition of SHI, Connect has arranged a six-year first lien term credit facility, a seven-year second lien term credit facility and a five-year revolving credit facility and a related incremental facility which will permit the borrowing of up to \$375.0 million from a syndicate of financial institutions arranged by BNP Paribas Securities Corp. ("BNP") and/or one or more of its affiliates, with Evercom as the borrower upon consummation of the acquisition.

Pursuant to the financing arrangement, SHI and one or more of its affiliates will guarantee the obligations under the credit facilities. BNP Paribas and/or one of its affiliates, for the benefit of the financial institution syndicate will be granted a security interest in substantially all of the tangible and intangible assets of Evercom and the Guarantors, including (i) all of the outstanding equity interest of Evercom and (ii) the assets of Evercom used to provide inmate telephone services in Nebraska.

The proposed indebtedness will replace outstanding credit facilities and thereby allow Evercom to obtain long term credit on favorable terms. Evercom also expects that the proposed issuance will provide it with the financial resources to compete even more effectively with other service providers in Nebraska.

Based upon the above information, the Commission finds the application to be in the public interest and to be reasonably required for the purposes of Evercom Systems, Inc. Therefore, the application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-4353 be, and is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 24th day of May, 2011.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

Application No. C-4353

Page 3

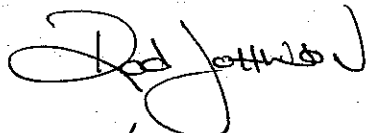
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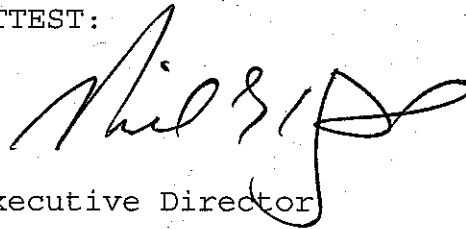
//s//Frank E. Landis

//s//Tim Schram



Chairman

ATTEST:



Executive Director