

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-4758
of Securus Technologies, Inc.,)
Dallas, Texas, seeking approval) GRANTED
of issuance of debt and related)
financing transactions.) Entered: May 27, 2015

BY THE COMMISSION:

On April 16, 2015, an application was filed by Securus Technologies, Inc., ("STI" or "Applicant") of Dallas, Texas, seeking approval to issue debt and other related financing transactions. Notice of the application was published in The Daily Record, Omaha, Nebraska, on April 21, 2015. 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

The Applicant is a Delaware corporations with its principal offices located in Dallas, Texas. STI is authorized to provide inmate telephone services in Nebraska under and by virtue of authority heretofore granted by this Commission.¹

STI is a privately held and wholly-owned subsidiary of Securus Technologies Holdings, Inc. ("STHI"), a Delaware corporation and a wholly-owned indirect subsidiary of Securus Holdings, Inc. ("SHI"), which in turn is a subsidiary of Connect Acquisition Corp ("Connect"). The ultimate controlling interests in SHI are held by ARBY Partners VII, L.P. ("ABRY VII"), which is an affiliate of ABRY Partners ("ABRY"), a Boston based investment firm focusing solely on media, communications, and business and information services investments.

STI previously sought and received approval from the Commission to enter into certain debt financing arrangements in connection with the acquisition of Connect by Securus Investment Holdings, LLC.²

Applicant now seeks authority to permit STI to enter into an amendment to said previously-approved financing arrangements, which would increase the aggregate authorized principle amount thereof from \$640 million to up to \$845 million. The additional borrowing will be used to fund in part the acquisition of all

¹ See Docket C-1944 (January 9, 1999).

² See Docket C-4597, *In the Matter of the Application of Securus Technologies, Inc., Dallas, Texas, seeking approval of issuance of debt and other related financing transactions*, Granted, (May 7, 2013).

the stock of JPay, Inc. ("JPay"), a Delaware corporation and a national payment processing firm.

The additional borrowing will be funded in the form of a senior secured term loan. The term loan will be incurred as a new class of loans pursuant to the First Lien Credit Agreement that was a component of the previously-approved financial arrangements. The term loan is expected to mature on the same date as the First Lien Credit Agreement and will be repaid through future cash flows of STI and JPay.

The Applicant states there will be no other material changes to the previously-approved Credit Facilities. STHI will remain as a borrower, but not a guarantor thereunder. STI's assets used to provide inmate telephone services in Nebraska will continue to be subject to the previously-approved security interest and stock pledge.

The Applicant states the financing transactions are in the public interest as it will generate efficiencies in STI's overall provision of inmate-only payphone services and generate additional revenues for STI to pay down the term loan and other obligations. The Applicant further states the transactions will help increase competition in the Nebraska telecommunications market by reinforcing STI's status as a viable competitor and will allow the company to continue to compete effectively as a leading provider of payphone and inmate-only payphone services.

The proposed transaction will not result in any change to STI's operations, rates, or services or to its ownership structure.

Applicants seek approval from the Commission 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,

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notes, or other evidence of indebtedness is reasonably required for the purposes of the carrier.

Upon review of the evidence, the Commission finds that the application filed herein is in compliance with the applicable Nebraska Statutes and that the debt financing agreement is reasonably required for the aforementioned purpose. The application is fair, reasonable and in the public interest and should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-4758 be, and is hereby granted.

MADE AND ENTERED at Lincoln, Nebraska, this 27th day of May, 2015.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

//s//Rod Johnson
//s//Frank E. Landis
//s//Tim Schram



Vice Chairman

ATTEST:



Executive Director