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September 16, 2008

**VIA OVERNIGHT DELIVERY**

Ms. Elizabeth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602-0615  
(502) 564-3940

Rē: Global Tel\*Link Corporation  
Merger and Transfer of Control; and Financing

Dear Ms. O'Donnell:

Please be advised that Global Tel\*Link Corporation will be undergoing an indirect change of control, and is entering into financing transactions. In connection therewith, we provide the following information:

**I. The Parties**

**A. Global Tel\*Link Corporation**

Global is a privately-held Delaware corporation whose principal offices are located at 2609 Cameron Street, Mobile, Alabama 36607. Global is a wholly-owned subsidiary of GTEL Holdings, Inc. Global 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. Global provides these services throughout most of the continental United States. The Commission accepted Global's Telecommunications Tariff, which was effective on June 29, 2002.

**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 is a holding company, whose only business activities are conducted through Global.

**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 not currently providing telecommunications in any state. GTEL Acquisition Corp. is wholly owned by GTEL Holding LLC, a Delaware limited liability company. GTEL Holding LLC is controlled by a board of managers including the CEO of Global and 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.

The Goldman Sachs Group, Inc. owns all of the equity interests in GS Direct, L.L.C., including the right to replace Goldman Sachs & Co., the sole manager of GS Direct, L.L.C. All of the limited partner equity interests in Goldman, Sachs & Co. are held directly or indirectly by The Goldman Sachs Group, Inc., and 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.

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**D. GTEL Merger Corp.**

GTEL Merger Corp. is a privately held Delaware corporation and a wholly-owned subsidiary of GTEL Acquisition Corp. GTEL Merger Corp. was organized solely for the purpose of entering into the Merger Agreement with GTEL Holdings and completing the Merger, and has not conducted any business operations.

**II. Designated Contacts**

The designated contact for questions concerning this Notice is:

Lance J.M. Steinhart  
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Attorney for Global Tel\*Link Corporation & GTEL Holdings, Inc.

### **III. Description of Transfer of Control**

GTEL Acquisition Corp. (“Acquiror”), GTEL Merger Corp. (“Merger Sub”), and GTEL Holdings, have entered into an Agreement and Plan of Merger dated as of September 11, 2008. Pursuant to the terms of the Agreement and Plan of Merger, at the Effective Time of the Merger, Merger Sub shall be merged with and into GTEL Holdings, whereupon the separate existence of Merger Sub shall cease, and GTEL Holdings shall be the surviving corporation. Upon consummation of the Merger, Acquiror will own one hundred percent (100%) of the issued and outstanding capital stock of GTEL Holdings, which will remain as the 100% Shareholder of Global Tel\*Link Corporation.

The proposed transaction will provide Global Tel\*Link Corporation with greater operating flexibility to pursue operating purposes, including, without limitation, (a) expansion of its telecommunications infrastructure; (b) improvement of customer service, billing, financial reporting and other management information systems; and (c) possible acquisitions, future investments or strategic alliances. Global Tel\*Link Corporation will continue to provide services pursuant to the terms and conditions set forth in Global Tel\*Link Corporation's tariff which is on file with the Commission.

There is no plan to notify customers. There will be no impact on customers because the proposed transfer of control will be completed at the holding company level, and thus the transaction will be entirely transparent to Global's customers and will have no effect on the services those customers currently receive. There will be no change in the name of Global Tel\*Link Corporation, and the company will continue to provide services pursuant to the terms and conditions of its tariff on file with the Commission.

#### **IV. Description of Issuance of Debt and Related Financing Transactions**

Immediately following the closing of the Merger (the "Closing"), (i) Acquiror will be wholly owned by GTEL Holdings LLC (the "Company"), which in turn will be owned by investors (the "Investors") consisting of The Veritas Capital Fund III, L.P., GS Direct, L.L.C. (a Goldman Sachs investment entity) and certain other investors and (ii) Global will be a wholly owned subsidiary of the Company.

The transaction will be funded and capitalized with proceeds of (x) borrowings under a Senior Secured Credit Facility (the "Senior Credit Facility"), (y) issuance of unsecured senior subordinated notes (the "Notes") and (z) Equity contributed by the Investors. The Senior Credit Facility consists of a (x) 5-year revolving loan facility and (y) a six-year term loan facility, which includes a letter of credit sub-facility. The Senior Credit Facility will be secured by substantially all assets and properties of Acquiror, the Company and Global and a first-priority pledge of all of the equity of the Company and Global. The Notes are unsecured and have a maturity date of seven years from the Closing.

#### **V. Public Interest Analysis**

The proposed transaction is in the public interest because it will enhance Global Tel\*Link Corporation's ability to compete in the market for telecommunications services. The proposed transfer of control will strengthen Global as a competitor by providing access to financial resources necessary for Global to expand its customer base and develop new products and services to meet the evolving communications needs of authorities in Kentucky that operate correctional institutions and other confinement facilities.

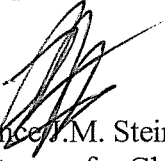
The transaction will have no adverse effect upon customers. The transaction will not result in any changes to Global Tel\*Link Corporation's provision of service to its current customers. Global's corporate officers and management team responsible for its day-to-day operations are expected to remain essentially the same immediately following the merger. The proposed transaction will not have an adverse effect on non-management employees of Global, and no staff reductions are presently contemplated. In addition, the contact points for customers and Commission inquiries will remain the same after the transfer of control. Nor does the proposed transfer of control raise any competitive concerns. GTEL Acquisition Corp. holds no investments in the type of telecommunications authorizations held by or services offered by Global, and thus the proposed transaction will not result in any consolidation in the market for telecommunications services to the corrections industry. The only impact of the proposed transaction is financial in that Global will obtain access to increased resources necessary to become an even more effective competitor.

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I have also enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, self addressed, postage prepaid 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 M. Steinhart  
Attorney for Global Tel\*Link Corporation

Enclosures

cc: David B. Silverman, Esq.