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April 6, 2010

**VIA ELECTRONICALLY &
VIA OVERNIGHT DELIVERY**

Honorable Jones, Chairman
Attn: Sharla Dillon, Dockets
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-9021
(615) 741-3939

filed electronically in docket office on 04/08/10
Docket No. 10-00053

Re: ITI Inmate Telephone, Inc. and DSI-ITI, LLC

Dear Ms. Dillon:

Enclosed please find for filing an original and four (4) copies of Application for Approval to Transfer Certain Assets of ITI Inmate Telephone, Inc. to DSI-ITI, LLC. I have also enclosed a check in the amount of \$50.00 payable to the "Tennessee Regulatory Authority" for the filing fee.

APPLICANT HAS ALSO ENCLOSED ONE COPY OF EXHIBITS A AND B IN A SEPARATE ENVELOPE MARKED "CONFIDENTIAL AND PROPRIETARY" AND RESPECTFULLY REQUESTS CONFIDENTIAL TREATMENT OF THE ENCLOSED INFORMATION. APPLICANT EXPECTS THAT THIS INFORMATION WILL BE RESTRICTED TO COUNSEL, AGENTS AND EMPLOYEES WHO ARE SPECIFICALLY ASSIGNED TO THIS APPLICATION BY THE COMMISSION.

I have also enclosed an extra copy of this letter to be date-stamped and returned to me in the enclosed preaddressed, postage prepaid envelope. If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Respectfully submitted,


Lance J.M. Steinhart
Attorney for DSI-ITI, LLC

Enclosures

cc: Mr. David Silverman

STATE OF TENNESSEE

BEFORE THE TENNESSEE REGULATORY AUTHORITY

Application of)	
DSI-ITI, LLC)	
and ITI Inmate Telephone, Inc.)	
)	Docket No.
For Approval to Transfer Certain Assets)	
of ITI Inmate Telephone, Inc.)	
to DSI-ITI, LLC)	

APPLICATION FOR APPROVAL TO TRANSFER CERTAIN ASSETS

DSI-ITI, LLC ("DSI") and ITI Inmate Telephone, Inc. ("ITI") (DSI and ITI are hereinafter collectively referred to as "Applicants", or individually as an "Applicant"), by their attorneys, hereby respectfully request that the Tennessee Regulatory Authority (the "Commission") issue an Order, pursuant to T.C.A. § 65-4-112, authorizing DSI to purchase, and ITI to sell, certain tangible assets, rights, and other property related to the business of providing managed collect calling services for prison inmates, and of installing and operating payphones in prisons (the "Transaction"). DSI also requests whatever authority may be required to pledge its assets.

The proposed Transaction will not result in a change in the ownership of any Applicant. The proposed transaction will enable ITI to withdraw from the inmate service business, and will enable DSI to expand its inmate services business, and will ensure that ITI's customers will continue to have access to inmate calling services. DSI will continue to provide service to ITI customers in Tennessee pursuant to the same rates, terms, and conditions, and the Transaction will be transparent to the customers of ITI.

In support of this Application, Applicants further state as follows:

I. Description of the Applicants

A. DSI-ITI, LLC

DSI is a privately-held Delaware limited liability company whose principal offices are located at 2609 Cameron Street, Mobile, Alabama 36607. DSI is a wholly-owned direct subsidiary of Global Tel*Link Corporation ("GTL"), which is the sole managing member of DSI. DSI will be 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. DSI has contemporaneously filed the following an Application for Certificate to Provide Operator Services and/or Resell Telecommunications Services in Tennessee. These services will enable inmates to communicate with friends, family members, legal counsel and other approved parties outside the correctional facilities.

B. 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. The Commission granted GTL: (1) a Certificate of Convenience and Necessity as an interexchange telecommunications reseller and/or operator service provider in Tennessee in Case No. 95-03925

issued on April 26, 1996; and (2) a Certificate to Provide Customer Owned Coin (or Coinless) Operated Telephone Service In Tennessee. GTL currently provides managed inmate services in the State of Tennessee. The Transaction will have no effect on GTL's current rates, terms, or conditions for its managed inmate services in the State of Tennessee.

C. 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 GTL. GTEL Holdings is a wholly owned direct subsidiary of GTEL Acquisition Corp.

D. 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.

E. 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.

The Goldman Sachs Group, Inc. owns all of the equity interests in 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., a bank holding company, provides investment banking, securities, and investment

management services primarily to corporations, financial institutions, governments, and high-net-worth individuals worldwide.

F. ITI Inmate Telephone, Inc.

ITI is a privately-held Pennsylvania corporation whose principal offices are located at 5000 Sixth Avenue, Altoona, Pennsylvania 16602. ITI is engaged in the business of providing inmate telephone and telecommunications services and related services to jails, prisons, correctional facilities and other types of confinement facilities (whether public, private or otherwise) and probation departments, including, but not limited to, the installation, operation, servicing and maintenance of non-coin operated, web-based inmate telephone systems, offender management systems, inmate call tracking systems, inmate call data mining investigative tools, kiosk-based debiting systems for inmate commissaries, and other inmate-related or probationer-related information management systems (such business, collectively, the "Business"). ITI provides these services in approximately 25 states. The Commission granted ITI a Certificate of Convenience and Necessity as an interexchange telecommunications reseller and/or operator service provider in Tennessee in Case No. 03-00289 issued on October 3, 2003. ITI currently provides managed inmate services in the State of Tennessee.

II. Contact Information

Questions and correspondence concerning this Application may be addressed to:

Lance J.M. Steinhart
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(770) 232-9200 (Telephone)
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lsteinhart@telecomcounsel.com (E-Mail)

Attorney for DSI-ITI, LLC

and

Thomas J. Navin
Attorney at Law
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1776 K Street, NW
Washington, DC 20006
(202) 719-7487 (Telephone)
(202) 719-7049 (Fax)
tnavin@wileyrein.com (E-Mail)

Attorneys for ITI Inmate Telephone, Inc.

III. Description of the Transactions

ITI and DSI have entered into an Asset Purchase Agreement and Plan of Asset Transfer dated March 16, 2010 (the "Asset Purchase Agreement"). Pursuant to the terms of the Asset Purchase Agreement, DSI will purchase substantially all of ITI's assets used in the operation of the Business, and DSI will assume certain liabilities of ITI in connection therewith. The expected date of closing is June 15, 2010, however, the closing is subject to obtaining all necessary state and federal approvals of the Transaction. A copy of the Asset Purchase Agreement is attached hereto as Exhibit A. Applicants assert that the information contained in Exhibit A is confidential and proprietary, and is being filed under separate cover.

The transaction will ensure continuity of service to the prison system and its inmates. Since the Business involves only the provision and operation of payphones, and of managed calling services originating from payphones, the transfer of the Business will not entail any change in any end user's local exchange service or presubscribed toll service, and the parties who make and receive calls through the Business's managed calling services form an ever-changing group as the prison population changes. Accordingly, no notification of customers making use of the managed telecommunications services is necessary or practical. ITI is not retaining any customers. ITI does not wish to maintain its existing certification in the State of Tennessee. Personnel of the correctional facilities are being notified of the transaction and of the assignment or novation of contracts entailed in the transaction.

The proposed transaction will not entail any transfer of certifications or changes in the ownership or corporate structure of any of the Applicants.

IV. Public Interest Considerations

Applicants submit that the transaction described herein will serve the public interest. Approval of the transaction is in the public interest because it will advance economic efficiency by enabling DSI to expand its own business and achieve economies of scale. These benefits are expected to strengthen DSI's ability to expand its offerings and services to a broader customer base in Tennessee. Applicants expect that the transaction will enable DSI to strengthen its competitive position to the benefit of Tennessee consumers and the telecommunications marketplace.

Further, as described above and because of the nature of this particular customer base, the transaction will be conducted in a manner that will be transparent to customers of ITI. Following consummation of the transaction, DSI will provide high-quality communications services to ITI customers without interruption and without immediate change in rates, terms or conditions.

Applicants emphasize that the proposed transfer of assets will be seamless and transparent to ITI's customers, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers.

IV. Additional Information

DSI is a newly formed entity and therefore submits the financial statements of its sole managing member, GTL. GTL's financial statements for the years ended December 31, 2007, December 31, 2008 and December 31, 2009 are attached hereto as Exhibit B. Applicants assert that the information contained in Exhibit B is confidential and , and is being filed under separate cover. Organizational charts, showing the current ownership structure, and the ownership structure after the transfer is completed, are attached hereto as Exhibit C.

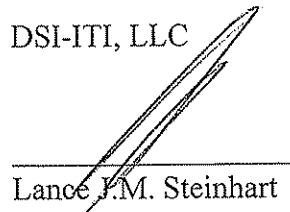
V. Conclusion

For the reasons stated above, Applicants hereby respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application.

Respectfully Submitted,

DSI-ITI, LLC

By:

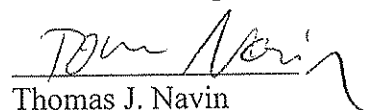


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Its Attorney

ITI Inmate Telephone, Inc.

By:



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tnavin@wileyrein.com (E-Mail)

Its Attorneys

Dated: April 6, 2010

List of Exhibits

Exhibit A - Asset Purchase Agreement and Plan of Asset Transfer

Exhibit B – Financial Information

Exhibit C - Organizational Charts

Exhibit A – Asset Purchase Agreement and Plan of Asset Transfer

APPLICANT HAS ALSO ENCLOSED ONE COPY OF EXHIBIT A IN A SEPARATE ENVELOPE MARKED “CONFIDENTIAL AND PROPRIETARY” REQUESTING CONFIDENTIAL TREATMENT. APPLICANT EXPECTS THAT THIS INFORMATION WILL BE RESTRICTED TO COUNSEL, AGENTS AND EMPLOYEES WHO ARE SPECIFICALLY ASSIGNED TO THIS APPLICATION BY THE COMMISSION.

Exhibit B – Financial Information

APPLICANT HAS ALSO ENCLOSED ONE COPY OF EXHIBIT B IN A SEPARATE ENVELOPE MARKED “CONFIDENTIAL AND PROPRIETARY” REQUESTING CONFIDENTIAL TREATMENT. APPLICANT EXPECTS THAT THIS INFORMATION WILL BE RESTRICTED TO COUNSEL, AGENTS AND EMPLOYEES WHO ARE SPECIFICALLY ASSIGNED TO THIS APPLICATION BY THE COMMISSION.

Exhibit C - Organizational Charts

*Global Tel*Link Corporation.* Global Tel*Link Corporation (“GTL”), a Delaware corporation whose principal business is providing telecommunications services, owns a one hundred percent (100%) interest in DSI-ITI, LLC. GTL has authority to provide interstate and international telecommunications services from the Commission.¹ GTL specializes in the provision of managed inmate communications services and manufactures equipment used in correctional facilities. GTL is wholly owned by GTEL Holdings, Inc. The address for GTL is 2609 Cameron Street, Mobile, Alabama 36607.

GTEL Holdings, Inc. GTEL Holdings, Inc., a Delaware corporation whose principal business is telecommunications holdings, owns a one hundred percent (100%) interest in GTL. GTEL Holdings, Inc. is wholly owned by GTEL Acquisition Corp. The address for GTEL Holdings, Inc. is 2609 Cameron Street, Mobile, Alabama 36607.

GTEL Acquisition Corp. GTEL Acquisition Corp., a Delaware corporation whose principal business is telecommunications holdings, owns a one hundred percent (100%) interest in GTEL Holdings, Inc. GTEL Acquisition Corp. is wholly owned by GTEL Holding, LLC. The address for GTEL Acquisition Corp. is 590 Madison Avenue, 41st Floor, New York, NY 10022.

GTEL Holding, LLC. GTEL Holding, LLC, a Delaware limited liability company whose principal business is telecommunications holdings, owns a one hundred percent (100%) interest in GTEL Acquisition Corp. GTEL Holding, LLC is owned by The Veritas Capital Fund III, L.P. and GS Direct, L.L.C. GTEL Holding, LLC is controlled by a board of managers, including GTL’s chief executive officer, managers appointed by The Veritas Capital Fund III, L.P., and managers appointed by GS Direct, L.L.C. The address for GTEL Holding, LLC is 590 Madison Avenue, 41st Floor, New York, NY 10022.

The Veritas Capital Fund III, L.P. The Veritas Capital Fund III, L.P., a private equity investment partnership organized in Delaware, owns a forty-four percent (44%) interest in GTEL Holding, LLC. The Veritas Capital Fund III, L.P.’s sole general partner is Veritas Capital Partners III, L.L.C, a Delaware limited liability company. In addition, investment funds controlled by or affiliated with Credit Suisse Private Equity, Inc. own passive limited partnership interests in The Veritas Capital Fund III, L.P. Robert B. McKeon (“McKeon”), is Veritas Capital Partners III, L.L.C.’s managing member. McKeon also serves as 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. The address for The Veritas Capital Fund III, L.P. and Veritas Capital Partners III, L.L.C. is 590 Madison Avenue, 41st Floor, New York, NY 10022.

¹ IB File No. ITC-214-19970128-00044, 499-A Filer ID No. 809240.

RDV Corporation. RDV Corporation, a Michigan corporation whose principal offices are located at 126 Ottawa Ave. NW, Suite 500, Grand Rapids, Michigan 49503, is owned by and serves as the family office of the DeVos family. RDV Corporation indirectly owns a 2.95% interest in GTEL Holding LLC via its interest in The Veritas Capital Fund III, L.P. RDV Corporation manages 804 Investors LLC, a Michigan limited liability company ("804 Investors"), and GT Group Investors, LLC, a Michigan limited liability company ("GT Investors"). 804 Investors and GT Investors own 6.42% and 3.14% interests, respectively, in GTEL Holding LLC. The owners of 804 Investors are four trusts established by members of the DeVos family. The owners of GT Investors are 804 Investors and certain senior officers of RDV Corporation.

Credit Suisse Private Equity, Inc. Credit Suisse Private Equity, Inc., a Delaware corporation whose principal business is managing private equity funds, indirectly owns a fourteen percent (14%) interest in GTEL Holding, LLC via its interest in The Veritas Capital Fund III, L.P. The address for Credit Suisse Private Equity is 11 Madison Avenue, New York, NY 10010.

GS Direct, L.L.C. GS Direct, L.L.C., a Delaware limited liability company, indirectly owns a sixteen percent (16%) interest in GTEL Holding, LLC. 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. GS Direct L.L.C. is wholly owned by The Goldman Sachs Group, Inc. G.S. Direct, L.L.C.'s sole manager is Goldman, Sachs & Co. The address for GS Direct L.L.C., The Goldman Sachs Group, Inc., and Goldman, Sachs & Co. is 200 West Street, New York, NY 10282.

The Goldman Sachs Group, Inc. The Goldman Sachs Group, Inc., a Delaware corporation, provides investment banking, securities, and investment management services primarily to corporations, financial institutions, governments, and high net worth individuals worldwide. The Goldman Sachs Group, Inc. owns one hundred percent (100%) interest in GS Direct, L.L.C and has the right to the replace Goldman, Sachs & Co. as the sole manager of GS Direct, L.L.C. The Goldman Sachs Group, Inc. indirectly holds a sixteen percent (16%) interest in GTEL Holding, LLC. Goldman, Sachs & Co. is a New York limited partnership which serves as the principal U.S. broker-dealer for The Goldman Sachs Group, Inc. All limited partner equity interests in Goldman, Sachs & Co. are held by The Goldman Sachs Group, Inc., a bank holding company.

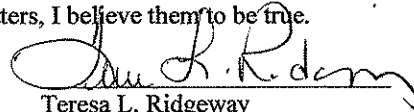
Other than as stated in this Application, no other person or entity owns a ten percent (10%) or greater direct or indirect ownership interest in DSI-ITI, LLC.

Verifications

Commonwealth of Virginia)
)
County of Fairfax)

VERIFICATION

I am authorized to represent DSI-ITI, LLC and to make this verification on their behalf. The statements in the foregoing document that pertain to DSI-ITI, LLC are true of my own knowledge, except as to matters which are herein stated on information and belief, and as to those matters, I believe them to be true.


Teresa L. Ridgeway
Secretary
DSI-ITI, LLC

The foregoing instrument was acknowledged before me this 16th day March, 2010.




Notary Public

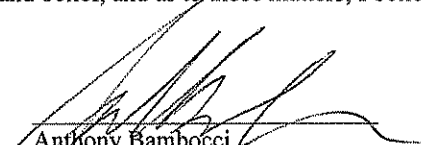


Tennessee

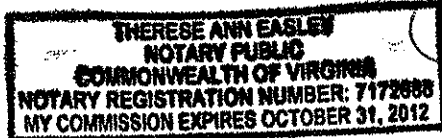
COMMONWEALTH OF VIRGINIA)
)
COUNTY OF FAIRFAX)

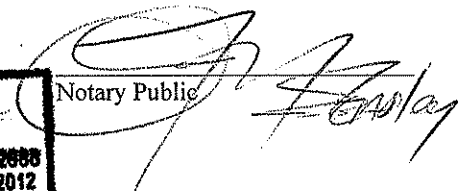
VERIFICATION

I am authorized to represent ITI Inmate Telephone, Inc. and to make this verification on their behalf. The statements in the foregoing document that pertain to ITI Inmate Telephone, Inc. are true of my own knowledge, except as to matters which are herein stated on information and belief, and as to those matters, I believe them to be true.


Anthony Bamibocci
Chief Executive Officer
ITI Inmate Telephone, Inc.

The foregoing instrument was acknowledged before me this 18th day March, 2010.




Notary Public