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March 5, 2009

**VIA OVERNIGHT DELIVERY**

Docket Control Center  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007  
(602) 542-2237

Arizona Corporation Commission  
**DOCKETED**

MAR 10 2009

DOCKETED BY	
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Re: Global Tel\*Link Corporation  
Docket No. T-08271 A-08-0482  
08271

Dear Sir/Madam:

Enclosed please find for filing an original and thirteen (13) copies of Global Tel\*Link Corporation's Amendment to the Application for Authorization to Encumber and/or Mortgage its Assets.

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 any additional information, please do not hesitate to contact me. Thank you for your attention to this matter.

Respectfully submitted,

Lance J.M. Steinhart  
Attorney for Global Tel\*Link Corporation

Enclosures  
cc: David B. Silverman, Esq.

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## **A. Overview**

The affected assets at issue are currently encumbered in connection with an existing credit facility. That encumbrance was approved by the Commission in Decision No. 69952 (October 30, 2007). As part of that approval, the Commission required Global to obtain and file a performance bond or letter of credit in the amount of \$10,000 to protect any customer deposits or prepayments. Global filed an irrevocable letter of credit in the amount of \$10,000 on December 26, 2007. That letter of credit remains in effect.

On September 18, 2008, Global filed an application for approval of encumbrance of assets as security for a new credit facility that was expected to be issued in connection with the acquisition of its parent, GTEL Holdings, Inc. All of the assets to be encumbered for the new credit facility were already encumbered pursuant to Decision No. 69952. It was also contemplated that the old credit facility would be paid off as part of the transaction.

Subsequent to the filing of the Application, and with the continued deterioration in the capital markets in late 2008, the parties negotiated a significant reduction to the purchase price payable in connection with the change in control of Global. The reduced purchase price resulted in a reduction in the amount and change in the terms of the financing guaranteed by Global, which obviated the need to obtain a new credit facility. Instead, it was determined that the existing credit facility would be used, for which the Arizona assets will remain encumbered as security as approved by Decision No. 69952, although the amount of the existing credit facility is significantly less than the \$250 million originally approved by the Commission. As set forth in the Amendment to the Application below, the existing credit facility has been paid down by \$20,587,500 and the revolving credit facility thereunder was reduced by \$5,000,000.

Thus, the same assets encumbered by authority of Decision No. 69952 will continue to be encumbered to secure the same (albeit smaller) credit facility with the same conditions. And the \$10,000 irrevocable letter of credit remains in effect.

## **B. Amendment to Application**

As the Amendment to Application, Global hereby deletes Section III in its entirety, and replaces it with the following:

### **“III. Description of Transfer and Financing Transactions**

GTEL Acquisition Corp. (“Acquiror”), GTEL Merger Corp. (“Merger Sub”), and GTEL Holdings, Inc. 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, Inc. whereupon the separate existence of Merger Sub shall cease, and GTEL Holdings, Inc. 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, Inc. which will remain as the 100% Shareholder of Global Tel\*Link Corporation. Organizational charts, showing the current ownership structure of Global, and the ownership structure after the transfer is completed, are attached hereto as Exhibit A.

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 funding of the transaction is set forth on Exhibit B hereto.”

The referenced Exhibit B is attached to this Amendment.

**C. Relief Requested.**

For the reasons stated above, Global requests that Commission approval of the encumbrance of assets is unnecessary in light of the authority granted in Decision No. 69952 and that the Application in this docket be administratively closed.

Alternatively, Global requests that the encumbrance of assets be granted subject to the same conditions set forth in Decision No. 69952 on an expedited, emergency basis.

RESPECTFULLY SUBMITTED this 5 day of March 2009.

Global Tel\*Link Corporation  
GTEL Holdings, Inc.

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GTEL Acquisition Corp.

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## EXHIBIT B

When the Merger Agreement was executed on September 11, 2008, the transaction was to have been funded and capitalized with proceeds of: (i) borrowings by GTEL Holdings under a new \$235,000,000 senior secured credit facility; (ii) the issuance by GTEL Holdings of \$105,000,000 unsecured senior subordinated notes; and (iii) \$153,000,000 of common equity (including a management roll-over) contributed by an investor group including The Veritas Capital Fund III, L.P., GS Direct, L.L.C. and certain other investors (the "Investors"). This new senior secured credit facility was to have consisted of a five-year \$25,000,000 revolving loan facility and a six-year \$210,000,000 term loan facility, which would have included a \$45,000,000 letter of credit sub-facility. In addition, this new senior secured credit facility was to have been guaranteed by GTEL Acquisition Corp. (the newly formed entity which is to acquire GTEL Holdings and Global) and secured by substantially all of the assets of GTEL Acquisition, GTEL Holdings, and Global (subject to an exception for assets located in Arizona) and a first-priority pledge of all of the equity securities of GTEL Holdings and Global. The new unsecured notes were to have been issued by GTEL Holdings, to have been guaranteed by Global and to have had a maturity date of seven years from the closing of the transaction. In connection with the implementation of these new financing arrangements, all outstanding indebtedness under the existing senior secured loan facility (the "Existing Senior Facility") was to have been paid off in full.

However, with the deterioration in the capital markets in late 2008, after signing the Merger Agreement, the parties negotiated a significant reduction to the purchase price payable in the pending change of control transaction. Consequently, the transaction will now be funded and capitalized in a different manner. Instead of the Existing Senior Facility being replaced by a new senior secured credit facility, the Existing Senior Facility will be amended (as amended, the "Amended Senior Facility") such that, among other things, (i) the existing term loan thereunder will be prepaid in part, at the closing of the transaction, in the amount of \$20,587,500, thereby reducing the outstanding principal amount of this term loan to \$144,112,500 (the "Term Loan"), (ii) the maturity date of this existing term loan will remain unchanged as February 14, 2013 and the maturity date of the existing revolving loan facility will be extended by one year to February 14, 2013, (iii) the maximum size of the revolving loan facility thereunder will be reduced, at the closing, from \$25,000,000 to \$20,000,000 (the "Revolving Credit Facility"), only \$4,000,000 of which was drawn at closing, and (iv) \$6,250,000 of commitments under the synthetic letter of credit sub-facility thereunder will be terminated so that there will, at closing, be only \$43,750,000 of commitments thereunder outstanding (the "Synthetic Letter of Credit Facility"). Instead of \$105,000,000 of unsecured senior subordinated notes being issued by GTEL Holdings, \$95,000,000 of unsecured senior subordinated notes ("Unsecured Senior Subordinated Notes") will be issued by GTEL Holdings, having the same terms as otherwise described above. In light of the purchase price reduction, the Investors will now provide \$137,913,333 of cash common equity and the GTEL management team will now provide \$1,825,000 of roll-over cash common equity.

Original and 13 copies of the foregoing deposited with FedEx for overnight delivery this 5 day of March 2009, with:

Docket Control  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

Copy of the foregoing with FedEx for Overnight delivery this 5 day of March 2009, to:

Ernest Johnson, Esq.  
Director, Utilities Division  
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Janice M. Alward, Esq.  
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