

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

In the Matter of the Joint Application of  
Platinum Equity Capital Partners IV, L.P. and  
SCRS Intermediate Holding Corporation,  
Requesting Expedited Approval of Indirect  
Transfer of Control of Securus Technologies,  
LLC (U-6888C), Pursuant to California Public  
Utilities Code Section 854(a).

Application 25-05-016

**[PUBLIC]**

**INTERVENOR TESTIMONY OF STEPHEN RAHER**

**Submitted on behalf of  
The Utility Reform Network**

**[All Confidential Material Redacted]**

**October 10, 2025**

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1       **I. Introduction**

2               Pursuant to Rule 13.8 of the Commission’s Rules of Practice and Procedure and the  
3 Assigned Commissioner’s Scoping Memo and Ruling entered September 24, 2025 (the “Scoping  
4 Memo”), the undersigned witness Stephen Raher, hereby provides this intervenor testimony on  
5 behalf of The Utility Reform Network (“TURN”).

6               This proceeding (Application 25-05-016, the “Proceeding”) involves the request of  
7 Platinum Equity Capital Partners IV, L.P. (“Platinum”) and SCRS Intermediate Holding  
8 Corporation (“HoldCo”)<sup>1</sup> for approval of indirect transfer of control of Securus Technologies,  
9 LLC (“Securus”) (collectively, “Applicants”) as the result of a financial restructuring. Securus  
10 provides incarcerated persons’ communications services (“IPCS”) in California and is subject to  
11 oversight by Commission.

12              I was retained by TURN to analyze the proposed transaction and its impacts on IPCS  
13 consumers. Although I am a practicing attorney, this testimony concerns factual issues relevant  
14 to this proceeding and is not meant to express an opinion on the ultimate legal issue of whether  
15 the proposed transaction meets the standard for approval under Section 854 of the California  
16 Public Utilities Code. Rather, I will address how the proposed transaction can reasonably be  
17 expected to influence Securus’s operations, which in turn impacts the experience of consumers  
18 who use Securus’s IPCS offerings to maintain vital personal connections across prison and jail  
19 walls.

20              I begin this testimony with information on my qualifications and an overview of the  
21 transaction underlying the Proceeding. The remainder of my testimony focuses on problems with  
22 the proposed Securus transaction, starting with financial aspects, then progressing to

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24              <sup>1</sup> While Applicants refer to SCRS Intermediate Holding Corporation as “SCRS,” I will refer to it  
as “HoldCo” for clarity.

1 environmental and social justice (“ESJ”) issues, and concluding with a look at how the  
2 transaction is likely to influence Securus’s operations to the detriment of its end users.

3 **A. Witness Qualifications**

4 Pursuant to California Public Utilities Commission (“CPUC”) Rule of Procedure 13.8(a),  
5 I provide the following statement of my qualifications. I have worked on issues of IPCS law and  
6 policy for over two decades as a researcher, policy advocate, and attorney. I am currently  
7 admitted to practice law in Oregon and Washington, and my telecommunications work involves  
8 regular appearances before the Federal Communications Commission (“FCC”), as well as  
9 various state utility agencies, including the CPUC.

10 My first extended involvement with IPCS law came in April 2003, when I worked as a  
11 policy analyst and lobbyist for the Colorado Criminal Justice Reform Coalition. My work in that  
12 position entailed analyzing IPCS operations in Colorado and advocating for better treatment of  
13 consumers through legislative or regulatory solutions. In 2003, the Colorado legislature enacted a  
14 law (Senate Bill 03-303, 2003 Colo. Sess. Laws, ch. 398) that deregulated IPCS in that state.  
15 Although my campaign in opposition to the deregulation bill was unsuccessful in the short term,  
16 eighteen years later the legislature recognized the problems arising from deregulation and passed  
17 House Bill 21-1201 (2021 Colo. Sess. Laws, ch. 389) which restored the utility commission’s  
18 IPCS jurisdiction.

19 My experience in Colorado led to my involvement in the long-running FCC rulemaking  
20 on IPCS rates and practice, which is discussed in detail in section IV.A, below. I am an active  
21 party to the FCC’s current rulemaking, and the FCC cited my work over one hundred times in its  
22  
23  
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1 landmark 2024 report and order (the “2024 FCC Order”).<sup>2</sup> I also represent several consumer-  
2 advocate organizations (including TURN) that have appeared as amici curiae defending the 2024  
3 FCC Order against a legal challenge instigated by Securus.<sup>3</sup>

4 Between 2013 and the present day, I have authored over three dozen substantive filings in  
5 the FCC’s IPCS proceedings, on behalf of both myself and Prison Policy Initiative (“PPI”) and in  
6 conjunction with other public interest advocates. I have also delivered oral presentations on IPCS  
7 issues to various leaders and subject-matter experts in commissioner offices and bureaus within  
8 the FCC.

9 At the state level, I have been extensively involved in IPCS regulatory proceedings in  
10 front of the utility regulatory agencies of Colorado, Iowa, Nevada, and New Mexico. I have also  
11 participated in several legislative hearings on IPCS law conducted by the Montana Legislature’s  
12 Law and Justice Interim Committee. In California, I have been involved in the Commission’s  
13 IPCS rulemaking<sup>4</sup> since its initiation, first as volunteer counsel to PPI and then, from September  
14 15, 2021 to September 14, 2022, first as PPI’s general counsel, and then from late 2022 through  
15 the present date as a consultant for TURN.

16 I have also spent over fourteen years working in the field of bankruptcy and insolvency  
17 law, both in private practice and as an employee of the U.S. Bankruptcy Court for the District of  
18 Oregon. My work in this area includes assisting small businesses in workout negotiations,  
19 representing receivers and Chapter 7 bankruptcy trustees, and representing debtors, creditors, and  
20 committees in Chapter 11 proceedings. I have represented multiple small businesses debtors in

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21 <sup>2</sup> *Incarcerated People’s Comm’cns Servs; Implementation of the Martha Wright-Reed Act* (WC Dkt.  
22 23-62), Report & Order, Order on Reconsideration, Clarification, and Waiver, and Further Notice of  
Proposed Rulemaking, 39 FCC Rcd. 7647 (Jul. 22, 2024).

23 <sup>3</sup> *In re MCP 191*, Case No. 24-8028 (U.S. Ct. of Appeals, 1st Circuit).

24 <sup>4</sup> *Order Instituting Rulemaking to Consider Regulating Telecomm’cns Services Used by Incarcerated  
People*, R. 20-10-002.

1 Chapter 11 cases and have represented large and small creditors in complex Chapter 11 cases,  
2 including American Airlines (Southern District of New York), Rite Aid (District of New Jersey),  
3 and Wellpath Holdings (Southern District of Texas). I am the current executive committee chair  
4 of the Oregon State Bar’s Debtor-Creditor Section.

5 My publications and presentations are detailed in my curriculum vitae, which is  
6 submitted herewith as **Exhibit 1**.

7 **B. Overview of Recommendations**

8 While the Applicants claim that the proposed transaction would “benefit Securus by  
9 granting [parent company] Aventiv access to capital that will allow Securus to continue  
10 providing quality IPCS,”<sup>5</sup> I believe the facts provided below adequately demonstrate that the  
11 proposed change in ownership is likely to *exacerbate* known problems with Securus’s  
12 operations. Specifically:

- 13 • From its inception, Securus has been owned by a series of private equity firms that  
14 have emphasized revenue and growth over service quality and customer care. This  
15 has manifested in serious data breaches and financial exploitation of consumers.

16 Given that the proposed transaction will facilitate continued involvement of private  
17 equity, these problems are likely to remain and the CPUC should require disclosure of  
18 the post-restructuring ownership, including all lienholders and shareholders.

19 Furthermore, the CPUC should require ongoing customer service and service quality  
20 reporting.

- 21 • This transaction arises from the unsustainable debt load of Securus’s corporate parent,  
22 and it is unclear whether the transaction would resolve the long-term financial

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<sup>5</sup> Reply of *Applicants* to Protest of TURN at 7 (Jul. 10, 2025).

1 problems that Securus faces. The CPUC should thus require ongoing financial  
2 reporting to enable monitoring of this powerful but opaque company.

- 3 • As an IPCS provider, Securus wields extraordinary power over essential  
4 communications services for incarcerated people and their families, and a significant  
5 portion of this customer base constitutes Environmental and Social Justice (ESJ)  
6 Communities under CPUC policy. The CPUC should therefore withhold its approval  
7 of the transaction unless Securus agrees to forbear from challenging the CPUC’s  
8 jurisdiction, and to ensure just and reasonable IPCS rates through rate caps and other  
9 regulatory actions that ensure the affordability of voice and video IPCS.
- 10 • Securus’s stated practice is to share customer data, including the contents of  
11 communications, with a wide array of ill-defined users *other than* the correctional  
12 facility housing the incarcerated customer. Because this dynamic presents a high  
13 potential for abuse, and because Securus will be financially pressured to expand  
14 harmful data-sharing practices to earn more money, the CPUC should prohibit  
15 Securus from sharing sensitive consumer data with law enforcement agencies other  
16 than the correctional facility in which the communication originates, absent a warrant.

### 17 **C. Overview of the Proposed Securus Transaction**

18 In the public version of the Application, Platinum has provided a draft transactional  
19 document styled as an Exchange Agreement (Application, Exh. B); however, a fuller (yet still  
20 incomplete) story of the proposed transaction is told in the Amended and Restated Transaction  
21 Support Agreement dated April 16, 2025 (“TSA,” a copy of which is submitted herewith as  
22 **Exhibit 2**). Platinum claims that the TSA is confidential.

1 As explained in more detail below, the TSA seeks to restructure the debt load of  
2 Securus’s parent company, Aventiv Technologies, LLC (“Aventiv”). Aventiv is unable to repay  
3 its current debt and thus proposes to turn its ownership over to the holders of the debt. According  
4 to the information submitted by the Applicants, Securus is wholly owned by Aventiv, which, in  
5 turn (and through several intermediaries), is wholly owned by a HoldCo. HoldCo is currently  
6 100% owned by SCRS Holding Corporation, which is 72.63% owned by Platinum. Under the  
7 proposed restructuring, SCRS Holding Corporation would be terminated, and HoldCo would be  
8 the ultimate 100% controlling parent company of Securus. All of the equity interests in HoldCo  
9 would be distributed to current holders of Aventiv debt.

10 **II. The Proposed Transaction Poses Serious Threats to Securus Customers and, by**  
11 **Extension, the Public Interest**

12 Applicants characterize the proposed transaction as a mere formality that will have no  
13 substantive impact on consumers. Specifically, Applicants repeatedly attempt to minimize the  
14 importance of ownership by downplaying the influence of “passive” owners. This blithe  
15 assertion is problematic for three reasons. First, Applicants overlook the economic reality that  
16 owners of closely held entities can (and will, in this case) yield substantial power, even under  
17 entity structures that vest day-to-day management authority in professional staff. In this case, the  
18 transaction appears to be designed with the goal of maximizing creditor recoveries without  
19 ameliorating any of Securus’s historic operating values that resulted from profit-driven disregard  
20 of consumer welfare.

21 Second, by seeking to restructure the corporate debt outside of a judicially supervised  
22 proceeding, the Applicants ask the CPUC to bless the transaction without providing any reliable  
23 evidence indicating that Securus can feasibly continue as a going concern under its post-  
24 restructuring debt load.

1           Finally, because Applicants refuse to identify the parties that will hold the vast majority  
2 of interests in HoldCo, the Commission does not have a record upon which it can determine that  
3 the new ownership will allow Securus to operate in a manner consistent with the public interest.

4           Because the IPCS industry is so well positioned to abuse its position of power over  
5 marginalized consumers, the Commission must look past Applicants' self-serving arguments and  
6 subject the proposed transaction to meaningful scrutiny.

7           **A.     Securus Has Historically Prioritized Profits over Service**

8           Securus's corporate history is inseparable from the history of private equity's interest in  
9 the IPCS market as a source of profits. Securus was formed in 2004 when private equity firm  
10 H.I.G. Capital acquired the stock of two IPCS carriers; however, in reality, Securus as it exists  
11 today represents the consolidation of about two-dozen former competitors over the course of  
12 several decades. **Exhibit 3**. This consolidation has not been offset by the entrance of significant  
13 new competitors in the market, thus resulting in an effective duopoly. **Exhibit 4** at 75-76. Voting  
14 control of Aventiv is currently held by Platinum, which appears to be the fourth private-equity  
15 firm to own or control Securus since 2004.

16           It is somewhat predictable that IPCS carriers are attractive investments for private equity  
17 firms. A typical private-equity theory of investing focuses on high barriers to entry, dependable  
18 revenue streams, and growth.<sup>6</sup> IPCS firms fulfil all these criteria. First, ICPS companies enjoy  
19 formidable barriers to entry because they earn money under long-term exclusive contracts with  
20 corrections departments, during which the carrier enjoys a legally enforceable protection against

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22           <sup>6</sup> Indeed, these criteria were explicitly referenced by Abry Partners, which owned Securus from 2013  
23 to 2017. Abry described its investment criteria as relying on a five-point qualitative screening regime:  
24 high barriers to entry, predictable and recurring revenue, potential for revenue and cash flow growth, high  
operating leverage, and experienced management. *See* Abry Partners, "Investment Strategy," archived at  
<https://web.archive.org/web/20180826200747/http://abry.com/strategy/#expand>

1 any direct competition. Second, revenue streams are predictable and recurring because IPCS  
2 offerings represent one of the only reprieves from the dangerous and stultifying prison or jail  
3 environment, and families of incarcerated people will often pay exorbitant prices to provide a  
4 modicum of comfort to a suffering loved one. Third, in recent years IPCS carriers have enjoyed  
5 revenue growth through the introduction of new services such as tablets, streaming media, and  
6 electronic messaging.

7 Securus's prioritization of profits over consumer welfare is exemplified by the  
8 company's approach to data security and financial treatment of its customers. While Securus's  
9 business model increasingly relies on the aggregation of large amounts of highly sensitive data  
10 concerning some of the most intimate aspects of consumers' lives, the company seems  
11 unconcerned about data privacy.

12 Securus has suffered at least two major data breaches exposing millions of call recordings  
13 to unauthorized access. **Exhibit 4** at 40-43 n.5. In addition to these large-scale breaches, Securus  
14 has also failed to provide adequate safeguards against malicious actors accessing sensitive  
15 consumer data in more targeted situations, such as when former professional football player  
16 Aaron Hernandez's call recordings were disclosed prior to his death by suicide. **Exhibit 5** at 95-  
17 **96**. Furthermore, investigations have exposed Securus harvesting location information from non-  
18 incarcerated users and sharing this information indiscriminately without ensuring that the  
19 requesting party has a legitimate law enforcement purpose. **Exhibit 6**.

20 In terms of economic treatment of consumers, Securus has historically shown little  
21 serious interest in fairness or equity. Even apart from the high rates that Securus charges, other  
22 business practices bespeak a culture of disregard for consumers. For example, prior to the FCC's  
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1 2022 rule amendments,<sup>7</sup> Securus doggedly resisted regulatory efforts to curtail its practice of  
2 seizing customer prepaid funds after a mere 180 days of inactivity.<sup>8</sup> Given that IPCS accounts  
3 can routinely experience such periods of inactivity (if, for example, an incarcerated caller is  
4 restricted from placing calls for disciplinary reasons or temporarily transferred to a location  
5 without Securus service), Securus’s historic practice once again provides illustrates its corporate  
6 culture.<sup>9</sup>

7 Although Applicants seem to imply that the proposed transaction terminates Platinum’s  
8 control of Securus,<sup>10</sup> this does not mean Securus’s dance with private equity is over. Far from it.  
9 First, because Applicants have not disclosed the identity of the debt holders that will receive  
10 equity HoldCo, interested parties have no way of knowing if Platinum or its subsidiaries hold  
11 such debt and could thus continue with an ownership stake after the restructuring. Second,

12 **[BEGIN CONFIDENTIAL INFORMATION]** [REDACTED]

13 [REDACTED] **[END**

14 **CONFIDENTIAL INFORMATION]** post-restructuring management will be incentivized to  
15 perpetuate the same type of profit-driven culture that has previously injured Securus’s customers.  
16 Therefore, the Commission should not approve the transaction without conditions that would  
17 require Securus to regularly report on IPCS users’ customer service experience, customer

18 \_\_\_\_\_  
19 <sup>7</sup> *Rates for Interstate Inmate Calling Services*, WC Dkt. 12-375, Fourth Report & Order and Sixth  
Further Notice of Proposed Rulemaking, ¶¶ 71-80, 37 FCC Rcd. 11900, 11929-11936 (Sep. 2022).

20 <sup>8</sup> See *Rates for Interstate Inmate Calling Services*, WC Dkt. 12-375, Letter from Prison Policy  
Initiative (May. 6, 2022), <https://www.fcc.gov/ecfs/document/10506103311132/1>.

21 <sup>9</sup> The practice of seizing consumer prepaid funds is financially significant. While it remains unknown  
22 how much money Securus pocketed from this practice prior to the FCC’s 2022 rule change, litigation  
against Securus’s competitor Global Tel\*Link revealed that company made an average of \$1.2 million a  
23 month from seizing “inactive” consumer accounts. *Rates for Interstate Inmate Calling Services*, WC Dkt.  
12-375, Letter from Prison Policy Initiative (Aug. 31, 2022), available at  
<https://www.fcc.gov/ecfs/document/10831778800270/1>.

24 <sup>10</sup> Exhibit C to the Application removes Platinum from Securus’s post-transaction ownership  
structure.

1 satisfaction, and service quality.

2 **B. The TSA is the Result of Securus’s Unsustainable Debt Load**

3 To understand Securus’s debt, it is necessary to first review the basic corporate structure.  
4 Securus traces its origins to telecommunications companies that provided simple voice calling.  
5 Over time, Securus expanded to offer other types of telecommunication offerings, as well as non-  
6 telecom services like money transfers and surveillance products marketed to law enforcement  
7 agencies. **Exhibit 5** at 89-93 n.8.<sup>11</sup> In 2019, Securus rebranded in a transaction that created  
8 Aventiv as a new parent company. Securus now focuses on communications services while other  
9 Aventiv subsidiaries conduct non-communications business lines.<sup>12</sup>

10 Securus/Aventiv’s use of debt appears to have outpaced the company’s ability to earn  
11 revenue. In April 2015, Securus and Deutsche Bank pitched potential lenders in an effort to raise  
12 capital for Securus’s successful acquisition of JPay, a payment processing and communications  
13 company. Written materials from the Securus/Deutsche Bank presentation are submitted herewith  
14 as **Exhibit 7**.<sup>13</sup> The presentation shows that Securus saw gross revenue of \$404 million in 2014  
15 (*id.* at 52), with a debt-to-EBIDTA ratio of 4.8 on a pro forma basis (*id.* at 6). The company  
16 projected a debt-to-EBDITA ratio of 5.6 after borrowing money to acquire Jpay. *Id.*

17 Nine years after the Securus/Deutsche Bank pitch, the company’s revenue has grown  
18 through the advent of new services, but its debt has grown at an even faster pace. Aventiv’s 2023  
19 audited financial statements show gross revenue of \$625.9 million; however, “communications  
20

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21 <sup>11</sup> In which I provide an overview of Securus’s surveillance and analytics activities.

22 <sup>12</sup> See Securus Technologies, “History,” available at <https://securustechnologies.tech/about/history/>  
(archived at <https://perma.cc/JC8D-CK44>).

23 <sup>13</sup> This presentation has been in the public record since at least March 2016, when it was filed with the  
24 FCC as part of the Wright Proceeding. See *Rates for Interstate Inmate Calling Services*, WC Dkt. 12-375,  
Letter from Prison Policy Initiative (Mar. 10, 2016), available at <https://www.fcc.gov/ecfs/search/search-filings/filing/60001498735>.

1 and media services” constituted \$440.1 million of that total. **Exhibit 8** at Exhibit G, 6.<sup>14</sup> Thus,  
2 while top-line revenue has grown by roughly 55% between 2014 and 2023, it appears that most  
3 of this growth is attributable to Aventiv’s new ventures in payment services and monitoring  
4 services. Aventiv’s 2023 balance sheet shows long term borrowing of over \$1.5 billion (*id.* at 9),  
5 an increase of more than 90% over the \$789 million of debt that Aventiv expected to have after  
6 the JPay acquisition (**Exhibit 7** at 6). Thus, Aventiv’s debt has ballooned at a pace out of  
7 proportion with its more moderate revenue growth.

8 Warning signs concerning Aventiv’s fiscal health surfaced in 2023 when ratings agency  
9 S&P Global reduced Aventiv’s credit rating to CCC-.<sup>15</sup> Citing Aventiv’s fully drawn \$225  
10 revolving credit facility and the company’s failed attempt to refinance its first-lien debt in May  
11 2023, S&P expressed concern about the increased “likelihood of a transaction to address  
12 upcoming maturities that we would view as tantamount to a default.”<sup>16</sup> The TSA is exactly the  
13 type of transaction that S&P foreshadowed two years ago.

14 Aventiv’s publicly available financial statements (**Exhibit 8**) reveal that, prior to the  
15 TSA, Aventiv was indebted under two secured credit facilities, which it refers to as the First Lien  
16 Credit Facility and the Second Lien Credit Facility. It appears from publicly available documents  
17 that a financial institution acts as administrative agent for these two lending facilities, with  
18 investors (hereinafter, the “Loan Participants”) providing the actual capital for the loan in  
19 exchange for a fractional interest in the debt instrument. These Loan Participants are poised to be  
20 Securus’s new controlling owners if the proposed transaction is consummated. Although

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22 <sup>14</sup> With all citations to Exhibit 8, the page number refers to the internal pagination of Exhibit G.

23 <sup>15</sup> S&P Global, “Aventiv Technologies LLC Downgraded to ‘CCC-‘ on Refinancing Risk; Outlook  
24 Negative (Oct. 30, 2023), archived at <https://perma.cc/R8T9-XR3W>.

<sup>16</sup> *Id.*

1 Platinum and Securus have refused to reveal the identities of most of the Loan Participants, they  
2 state that “it is anticipated that there will be more than 30 Lenders that will hold indirect interests  
3 . . . in Securus” if the transaction is completed, suggests that somewhere around 30 entities or  
4 individuals owned participation interests in the two credit facilities. **Exhibit 9.**

5 Even before the First Lien Credit Facility’s scheduled maturity date in late 2024, Aventiv  
6 found itself unable to meet its debt servicing obligations. **Exhibit 8** at Exhibit G, 9. Aventiv thus  
7 arranged for a short-term deferral of certain payments while interested parties “negotiate[d] a  
8 longer-term resolution in the first quarter of 2024.” *Id.* This resolution takes the form of the TSA,  
9 which was originally signed on March 19, 2024 (*id.*), and [BEGIN CONFIDENTIAL  
10 INFORMATION] [REDACTED] [END  
11 CONFIDENTIAL INFORMATION] (**Exhibit 2** at 1).

12 While the TSA, despite its verbosity, represents a conceptually straightforward concept  
13 of exchanging debt for equity, it is important to consider the absence of safeguards that arises  
14 from the private, out-of-court nature of this transaction. Having defaulted on its debt, the most  
15 likely alternative pathways for Aventiv (other than a consensual workout like that embodied in  
16 the TSA) are either liquidation, or reorganization under Chapter 11 of the Bankruptcy Code.  
17 While liquidation would present the possibility of some disruption to operations, it would have  
18 the benefit of exposing all of Aventiv’s assets to the market, although such assets would likely  
19 sell at a discount resulting from the posture of forced liquidation. Alternatively, Chapter 11  
20 allows an insolvent company to reorganize and continue operations, while also ensuring that  
21 secured creditors receive the value of their collateral *but not more*. The danger of an out-of-court  
22 restructuring, such as the present transaction, is that there is no mechanism to ensure that  
23 Aventiv’s post-restructuring secured debt truly represents the fair value of the company. Put  
24

1 another way, secured lenders have an incentive (and, thanks to the lack of transparency, an  
2 ability) to leave the insolvent company over-encumbered following the out-of-court  
3 restructuring. If the debt proves to be too much, the lender will still pocket all proceeds in the  
4 event of a future liquidation; if there is an upside, then the lender will capture a disproportionate  
5 share of future growth thanks to the over-encumbrance.

6 It is profoundly unclear to me that the proposed restructuring will provide adequate relief  
7 from the financial stress that Aventiv has experienced in recent years. The Applicants wish to  
8 draw the CPUC’s attention to the reduction in total debt, claiming that “approximately \$1.202  
9 billion of Aventiv’s existing first lien debt and approximately \$367 million of Aventiv’s existing  
10 second lien secured term liens will be equitized.”<sup>17</sup> But this simplistic description elides a serious  
11 look at the details of the transaction and the terms associated with the surviving debt. In other  
12 words, a reduction in total debt is not a positive outcome if the transaction leaves a regulated  
13 entity subject to debt that exceeds the value of the assets pledged as collateral.

14 In addition to issues of company valuation, it is also unclear whether Aventiv would be  
15 able to service its debt after consummation of the restructuring. According to the TSA, **[BEGIN**  
16 **CONFIDENTIAL INFORMATION]** [REDACTED]  
17 [REDACTED]  
18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED] **[END**  
21 **CONFIDENTIAL INFORMATION]**. Additionally, Aventiv has informed the New York  
22 Public Service Commission that it expects a total debt load of \$755 million after the transaction  
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24 <sup>17</sup> Application at 8.

1 is consummated, and it seeks authorization to borrow up to a total of \$1 billion. **Exhibit 10** at 7.

2 According to Aventiv’s auditors, the effective interest rate for the First Lien Credit  
3 Facility was 10.7% on December 29, 2023, while the effective rate for the Second Lien Credit  
4 Facility at the same time was 14.4%, yielding total interest expense of \$176.7 million for 2023.  
5 **Exhibit 9** at Exhibit G, 25. While it is difficult to predict the exact debt service burden for the  
6 (minimum) \$755 million in debt that Aventiv expects to carry after the transaction, some basic  
7 terms can be estimated based on Aventiv’s recent borrowing experience. For example, Aventiv  
8 executed a Super Priority First Lien Credit Arrangement in March 2024, which was subject to an  
9 interest rate of SOFR plus 7.5%. *Id.* at Exhibit G, 29. In light of the collateral position, an  
10 interest rate of that magnitude indicates to me that lenders demanded a significant risk premium  
11 due to the overall profile of Aventiv’s balance sheet.



12 As of October 1, 2025, Secured Overnight Financing Rate (“SOFR”) plus 7.5% would  
13 yield a total rate of 11.74%. Using that figure as a proxy for Aventiv’s post-restructuring debt  
14 service obligations, one could estimate an annual interest expense in the neighborhood of \$88  
15 million. While this may represent a reduction in debt as compared to the present day, it is far  
16 from certain whether the reduction is significant enough to save the financially distressed  
17 company. In 2023, Aventiv lost \$176 million before taxes, suggesting that simply reducing the  
18 company’s interest expense by \$90 million or so may not be enough to restore the company to  
19 profitability. This scenario underscores the dangers to the public interest that could come from  
20 Securus seeking new revenue through data harvesting and analytics, which is discussed below in  
21 section IV.C.

### 22 **C. Platinum Seeks to Transfer Control to a Largely Unknown Group of** 23 **Investors**

24 The Application discloses that Ruberic Capital Management LP is expected to hold

1 approximately 16.8% of the post-restructuring ownership of Aventiv, while Deutsche Bank is  
2 anticipated to hold approximately 11.8%.<sup>18</sup> This is the *only* information Applicants have supplied  
3 regarding Aventiv’s putative new owners, even though the company expects approximately  
4 thirty total owners. **Exhibit 9** at 5.

5 The Applicants’ refusal to identify the holders of the remaining 71.4% of equity frustrates  
6 the CPUC’s ability to evaluate whether the proposed transaction serves the public interest. This  
7 lack of transparency is especially concerning with respect to the Loan Participants holding  
8 interests in the First Lien Credit Facility, because they will collectively hold 97.5% of the voting  
9 and equity interests in Aventiv’s parent (HoldCo).<sup>19</sup> The Applicant’s mechanistic refrain in  
10 resisting disclosure is that “[n]o lender is contemplated to hold . . . greater than 20% or more of  
11 the equity and/or voting interests.”<sup>20</sup> But this dismissive attitude misses the point.

12 Aventiv’s ownership structure is substantially different from a public traded corporation  
13 where robust market conditions can make it difficult for a single entity to amass a controlling  
14 position. Here, ownership is already concentrated among a small number of debt holders, and  
15 **[BEGIN CONFIDENTIAL INFORMATION]**   
16  **[END CONFIDENTIAL INFORMATION]** **Exhibit 2** at 107 (item 13).

17 The public record establishes that 97.5% of equity will be held by First Lien Credit  
18 Facility participants, with 28.6% collectively held by Ruberic Capital Management and Dutsche  
19 Bank. Does that mean six lenders will each hold interests of 9.99% (allowing collective control  
20 by a small group of equity comparatively easily)? Or will twenty-five lenders each hold interests

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22  
23 <sup>18</sup> Application at 8, n.11.

<sup>19</sup> Application at 8.

24 <sup>20</sup> *Id.*

1 of 2.7% (making collective action more difficult)?<sup>21</sup> The truth likely lies somewhere in the  
2 middle, but the point is that the Applicants' hostility to disclosure leaves the CPUC and parties in  
3 interest grasping in the dark when evaluating the effect of the proposed transaction.

4 In addition to questions about how equity interests are distributed, the identity of owners  
5 is significant because the TSA makes clear that **[BEGIN CONFIDENTIAL INFORMATION]**

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 [REDACTED] **[END CONFIDENTIAL INFORMATION]**

16 **Exhibit 2** at 102-109.

17 The identity of owners also matters for the purpose of ensuring fair competition and  
18 avoiding further consolidation in an already oligopolistic market. **[BEGIN CONFIDENTIAL**  
19 **INFORMATION]** [REDACTED]

20 [REDACTED]

21

22

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23 <sup>21</sup> The point of these hypothetical scenarios is not to estimate the actual distribution of Aventiv's  
24 current debt, but rather to show that based on two known variables (that First Lien Credit Facility  
participants will own 97.5% of HoldCo equity, and that 28.6% of that debt is held by entities anticipated  
to hold positions of less than 10%), there is a wide variety of ownership scenarios that could unfold.

1 [END CONFIDENTIAL INFORMATION] which renders this protection particularly  
2 toothless, given the numerous types of business activities that Aventiv conducts (*i.e.*,  
3 telecommunications, payment systems, digital media, data analytics, surveillance).

### 4 **III. The Proposed Transaction Implicates Several Aspects of the CPUC’s ESJ Action 5 Plan**

6 The proposed transaction is also highly relevant to Goal 3.4 of the CPUC’s ESJ Action  
7 Plan, which seeks to ensure “ESJ communities’ access to essential communications services at  
8 affordable rates.”<sup>22</sup> As a provider of IPCS calling at California prisons and jails, Securus has  
9 nearly unfettered control over access to voice and video calling for incarcerated people. This  
10 raises issues not just of social justice but also implicates serious questions of public health and  
11 safety vis-à-vis incarcerated people’s ability to maintain connections with families and  
12 communities. Research has repeatedly shown that family contact (via both telecommunications  
13 and other methods, including in-person visitation) leads to better health outcomes and reduced  
14 recidivism for justice-involved people.<sup>23</sup> For example, a 2020 study of incarcerated parents in  
15 Arizona found that phone calls are the most common method for children to maintain contact  
16 with incarcerated parents and that frequent phone contact measurably improved the quality of the  
17 parent-child relationship.<sup>24</sup> A different 2014 study of mothers released from prison in Indiana,  
18 Ohio, Oklahoma, South Carolina, and Washington found that regular phone contact during  
19 incarceration was strongly associated with reduced recidivism.<sup>25</sup>

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20 <sup>22</sup> Calif. PUC, *Environmental & Social Justice Action Plan Version 2.0* at 24 (Apr. 7, 2022).

21 <sup>23</sup> Leah Wang, “Research roundup: The positive impacts of family contact for incarcerated people and  
22 their families,” PPI Blog (Dec. 21, 2021), [https://www.prisonpolicy.org/blog/2021/12/21/family\\_contact/](https://www.prisonpolicy.org/blog/2021/12/21/family_contact/).

23 <sup>24</sup> Danielle L. Haverkate & Kevin A. Wright, *The Differential Effects of Prison Contact on Parent-  
24 child Relationship Quality and Child Behavioral Changes*, 5 *Corrections: Policy, Practice & Research* 222  
(2020), [https://static.prisonpolicy.org/scans/Haverkate\\_Wright\\_2020.pdf](https://static.prisonpolicy.org/scans/Haverkate_Wright_2020.pdf).

25 <sup>25</sup> Kelle Barrick, et al., *Reentering Women: The Impact of Social Ties on Long-Term Recidivism*, 94  
The Prison Journal 279 (2014),  
<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.925.34&rep=rep1&type=pdf>

1 As discussed in the following section, low-income families and racial or ethnic minorities  
2 are disproportionately represented among IPCS consumers, and high IPCS rates further  
3 perpetuate the economic exploitation of people impacted by the criminal legal system, thereby  
4 widening the racial wealth gap.

5 **A. Many IPCS Consumers Come from ESJ Communities**

6 The CPUC’s ESJ Action Plan defines ESJ communities as “low-income or communities  
7 of color that have been underrepresented in the policy setting or decision-making process [and]  
8 are subject to a disproportionate impact from one or more environmental hazards.”<sup>26</sup> I would say  
9 that nearly every single incarcerated IPCS user in California meets this definition because: (a)  
10 people in prison or jail have extremely diminished earning capacity;<sup>27</sup> (b) incarcerated people  
11 are, by definition, separated from the general population and thus face challenges to participate  
12 in policymaking processes; (c) many large California correctional facilities are subject to well-  
13 known health hazards such as unsafe drinking water;<sup>28</sup> and, (d) incarcerated people are  
14 particularly vulnerable to the hazards of climate change.<sup>29</sup>

15 Of course, incarcerated people are not the only IPCS consumers. There is no definitive  
16 data source showing where families of incarcerated people live, but using incarcerated persons’  
17 pre-incarceration domiciles as a proxy suggests that a significant portion of non-incarcerated  
18 IPCS users are also residents of ESJ communities. I have compared 2020 census data regarding

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19 <sup>26</sup> *ESJ Action Plan*, *supra* note 23 at 11.

20 <sup>27</sup> See ACLU and U. of Chicago Law School Global Human Rights Clinic, *Captive Labor: Exploitation of Incarcerated Workers* at 97, tbl. B (Jun. 15, 2022) (California prisoners are generally paid 8¢ to \$1 per hour for in-prison labor; excepting firefighters who are generally paid \$1.45 per day plus \$1 per hour), <https://www.aclu.org/publications/captive-labor-exploitation-incarcerated-workers>.

22 <sup>28</sup> Californians United for a Responsible Budget, “Prison Closure is Environmental Justice,” available  
23 at <https://curbprisonspending.org/uploads/docs/resource-library/Prison-Closure-Is-Environmental-Justice-7.pdf>.

24 <sup>29</sup> Aishah Abdala, et al., *Hidden Hazards: The Impacts of Climate Change on Incarcerated People in California State Prisons* (Jun. 2023), <https://ellabakercenter.org/reports/hiddenhazards/>.

1 the pre-incarceration domiciles of California prisoners<sup>30</sup> with the census-tract-level data from the  
2 California Office of Environmental Health Hazard Assessment.<sup>31</sup> My analysis reveals that 34.4%  
3 of California’s 2020 prison population came from census tracts that either: (a) score in the top  
4 25% of CalEnviroScreen 4.0, (b) are designated as a 2017 Disadvantaged Community (under  
5 CalEnviroScreen 3.0), or (c) are “high pollution burden score, low population count” (under  
6 CalEnviroScreen 4.0). These non-incarcerated consumers are often the ones who absorb the cost  
7 of paying for IPCS offerings.<sup>32</sup>

8 **B. Securus’s Monopoly Power over Essential Services is a Public Health and**  
9 **Safety Issue**

10 IPCS providers like Securus control telecom infrastructure that is “essential” in a variety  
11 of respects. First, IPCS has a beneficial impact on the safety and security of the correctional  
12 facility itself, including by reducing rates of verbal or physical assaults on staff and reducing rule  
13 violations.<sup>33</sup> Moreover, if an incarcerated person is not receiving medical care or is exposed to  
14 dangerous environmental or occupational conditions, one of their only available resources is to  
15 seek information, advice, or assistance from a family member, friend, or attorney outside the  
16 correctional facility. But this can only happen to the extent that reliable and affordable  
17  
18

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19 <sup>30</sup> This dataset, along with sources and methodology, are available at  
<https://www.prisonpolicy.org/origin/ca/2020/tract.html>.

20 <sup>31</sup> See Cal. Ofc. of Env’tl Health Hazzard Assessment, “SB 535 Disadvantaged Communities,”  
<https://oehha.ca.gov/calenviroscreen/sb535>.

21 <sup>32</sup> Saneta deVuono-powell, *Who Pays? The True Cost of Incarceration on Families*, at 29-31 (Sep.  
22 2015) (82% of survey participants reported that families were primarily responsible for telephone fees,  
with 87% of those family members consisting of women, and one in three survey participants reported  
going into debt to cover phone and visitation costs), <https://perma.cc/Q94Z-4XNS>.

23 <sup>33</sup> Monica Solinas-Saunders and Melissa J. Stacer, *Prison Resources and Physical/Verbal Assault in*  
24 *Prison: A Comparison of Male and Female Inmates*, 7 *Victims & Offenders* 279 (Jul. 2012); Katarzyna  
Celinska and Hung-En Sung, *Gender Differences in the Determinants of Prison Rule Violations*, 94 *The*  
*Prison Journal* 220 (2014).

1 communications options are available. Thus, fair and reasonable IPCS rates and high-quality  
2 calls are an ESJ issue.

3 IPCS is also relevant to community health outside of prison walls because IPCS is a tool  
4 for maintaining family connections, which benefits the children of incarcerated parents. When  
5 San Francisco made jail phone calls free in 2020, there was an overnight 41% increase in the  
6 number of phone calls per person, and incarcerated people spent 81% more time in  
7 communication with their families and support networks than in 2019.<sup>34</sup> This kind of family  
8 contact also benefits communities to which incarcerated people return, by improving reentry  
9 outcomes. Research shows that formerly incarcerated people who enjoy closer family  
10 relationships are more likely to be employed and less likely to use drugs after release.<sup>35</sup>

11 **IV. Consummation of the Proposed Transaction Maintains Securus’s Market Dominant**  
12 **Status, Increases the Influence of Opportunistic Investors and Harms Low-Income**  
13 **Consumers**

14 Securus is in financial distress, and it remains unclear whether the proposed transaction  
15 will cure what ails the company. The most likely alternative to the restructuring contemplated in  
16 the application is a Chapter 11 bankruptcy that would bring transparency to the process: Aventiv  
17 could either publicly disclose information about the company’s value, and then pay creditors in  
18 order of priority under a plan of reorganization; or, it could use the Chapter 11 process to sell  
19 assets in a market-driven process, ensuring that business lines or other assets are sold at fair  
20 prices. Customers’ interest in their personal data would be protected by a consumer privacy  
21 ombudsman who is tasked with reviewing proposed transfers of data.<sup>36</sup>

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22 <sup>34</sup> The Financial Justice Project, *Justice is Calling* at 2 (Feb. 18, 2021), <https://perma.cc/SZE3-UHV6>.

23 <sup>35</sup> Christy Visher, et al., *Baltimore Prisoners’ Experiences Returning Home*, Urban Institute at 6-8  
(Mar. 2004), <https://perma.cc/6P69-Q5VN>.

24 <sup>36</sup> 11 U.S.C. § 332.

1 By eschewing Chapter 11 and seeking to restructure out of the public view, Aventiv  
2 essentially seeks to hand the keys to lenders and gamble on a profitable future through revenue  
3 growth. Securus’s regulated services and the data produced thereby are a key to these plans, and  
4 the CPUC is the only entity able to meaningfully protect the interests of California consumers.  
5 As explained in the following sections, Securus is poised to erode rate regulations and use  
6 captive consumers’ information as the raw material for services that are likely to be highly  
7 detrimental to personal privacy.

8 **A. Federal IPCS Law is in a State of Flux, Making State Oversight More**  
9 **Important Than Ever**

10 The FCC’s current work on IPCS rates and practices began with *In the Matter of Rates*  
11 *for Interstate Inmate Calling Services*, FCC Docket No. 12-375 (the “Wright Proceeding”),  
12 which started as the result of grassroots organizing against exploitative IPCS rates. Among the  
13 many citizen activists responsible for progress at the FCC is the proceeding’s namesake, Martha  
14 Wright-Reed (née Martha Wright). In 2022, Congress recognized Mrs. Wright-Reed’s  
15 contribution to this movement by applying her name to the Martha Wright-Reed Just and  
16 Reasonable Communications Act of 2022 (Pub. L. 117-338, the “Wright-Reed Act”), which  
17 clarified the FCC’s jurisdiction over IPCS offerings and required the agency to promulgate new  
18 IPCS rate regulations within 24 months. Since the passage of the Wright-Reed Act, the FCC has  
19 procedurally consolidated the Wright Proceeding with a new rulemaking captioned *In the Matter*  
20 *of Incarcerated People’s Communications Services; Implementation of the Martha Wright-Reed*  
21 *Act*, FCC Docket No. 23-62 (the “Wright-Reed Act Rulemaking”).

22 After the FCC issued the final rules under the Wright-Reed Act in July 2024, Securus  
23 petitioned for judicial review, challenging numerous consumer protections contained in the 2024  
24 FCC Order. Securus’s petition was consolidated with other petitions in the proceeding *In re*

1 *MCP 191*, Case No. 24-8028, which is currently pending before the United States Court of  
2 Appeals for the First Circuit. Unfortunately, even though the First Circuit has not yet decided the  
3 *MCP 191* case, the FCC attempted to short-circuit judicial review by suspending the 2024 FCC  
4 Order on June 30, 2025.<sup>37</sup> On October 7, 2025, the FCC released a draft of revised IPCS rules  
5 (“Draft Order”)<sup>38</sup> and a vote on this proposal is scheduled for the FCC’s October open meeting.

6 While it remains to be seen whether the Draft Order is adopted in its current form (or at  
7 all), the import of the proposal is clear: FCC leadership supports substantially increasing rate  
8 caps from the levels established in the 2024 FCC Order. This heightens the importance of the  
9 CPUC’s role in protecting California IPCS consumers. Even if the Draft Order is approved  
10 without changes, California IPCS consumers would continue to benefit from the CPUC’s rate  
11 caps on voice calling. However, the Draft Order’s high rate caps on IPCS video calling would  
12 harm consumers. The CPUC has considered regulating IPCS video calling rates and service  
13 quality, and Securus has vociferously opposed such action on a variety of theories, some of  
14 which strain credulity.<sup>39</sup> To provide clarity and allow for effective regulation of California’s  
15 IPCS industry, the CPUC should not approve the proposed transaction unless the Applicants  
16 acknowledge the CPUC’s jurisdiction over intrastate IPCS voice and video calling rates.  
17 Moreover, the CPUC should not approve this transaction without conditions to ensure the  
18 affordability of voice and video IPCS.

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20 <sup>37</sup> *Incarcerated People’s Comm’cns Servs; Implementation of the Martha Wright-Reed Act* (WC Dkt. 23-62), Order (hereinafter the “Suspension Order”), 40 FCC Rcd. 4309 (Jun. 30, 2025).

21 <sup>38</sup> *Implementation of the Martha Wright-Reed Act; Rates for Interstate Inmate Calling Services*, WC  
22 Dkt. Nos. 23- 62 & 12-375, Fact Sheet and Draft Report and Order, Order on Reconsideration, and  
Further Notice of Proposed Rulemaking, FCC-CIRC2510-08 (Oct. 7, 2025), available at  
<https://docs.fcc.gov/public/attachments/DOC-403506A1.pdf>.

23 <sup>39</sup> *E.g., Order Instituting Rulemaking to Consider Regulated Telecomm’cns Servs Used by*  
24 *Incarcerated People*, R.20-10-002, Opening Brief of Securus Tech., LLC (U 6888 C) on the  
Commission’s Authority to Regulate Rates, Fees, and/or Service Quality of “Video Calling” and “Related  
Services” (Jan. 28, 2022).

1           **B.     Securus Has Led the Fight to Sideline the California PUC via Federal**  
2           **Preemption**

3           Ever since the CPUC promulgated IPCS rate caps in 2021, Securus has repeatedly asked  
4           the FCC to undo the CPUC’s work by invoking federal preemption. In late 2021, Securus  
5           specifically cited California’s rate caps when it asked the FCC to change its established policy of  
6           allowing states to impose IPCS rate caps in lower, but not higher, amounts than the comparable  
7           federal caps.<sup>40</sup> When that request was unsuccessful, Securus tried again after the passage of the  
8           Wright-Reed Act, arguing that the new statute “compels” the FCC to preempt “inconsistent”  
9           state regulations (even while admitting that the Wright-Reed Act did not actually modify the  
10          relevant statutory preemption provision).<sup>41</sup> When Securus lost again before the FCC, it raised the  
11          issue in court, arguing that the FCC’s refusal to preempt low state rate caps “is unlawful.”<sup>42</sup>  
12          Encouragingly, the Draft Order currently under consideration at the FCC does not include any  
13          provisions that would preempt the CPUC’s rate caps, and the Court of Appeals expressed no  
14          interest in this issue at oral argument in the *MCP 191* case. Nonetheless, because Securus has  
15          been so consistent in raising this issue, it is likely that the company will refresh this argument  
16          given the change in leadership at the FCC. To preserve the CPUC’s ability to protect California  
17          IPCS consumers, the CPUC should not approve the transaction absent Securus’s agreement to  
18          forbear from seeking federal preemption of the CPUC’s IPCS rate regulations.

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21          <sup>40</sup> *Rates for Interstate Inmate Calling Services* (WC Dkt. 12-375), Comments of Securus  
Technologies at 21-22 (Sep. 27, 2021), available at  
<https://www.fcc.gov/ecfs/document/10928157404568/1>.

22          <sup>41</sup> *Incarcerated People’s Comm’cns Servs; Implementation of the Martha Wright-Reed Act* (WC Dkt.  
23-62), Comments of Securus Technologies at (May 8, 2023), available at 42  
<https://www.fcc.gov/ecfs/document/10509775016702/1>.

24          <sup>42</sup> Opening Brief for Securus Technologies at 54, *In re MCP 191*, Case No. 24-8028 (1st Cir. Jan. 27,  
2025), ECF No. 00118240702.

1           **C.     Securus’s New Ownership Appears Poised to Prioritize Further Financial**  
2           **Exploitation of Consumers as a Means of Recovering Its Investment**

3           Securus has stated that it does not expect the proposed restructuring to yield any cost  
4           savings or synergies. **Exhibit 11** at 3. As discussed in section II.B above, the reduction in  
5           corporate debt may not be enough to alleviate Aventiv’s fiscal distress. Accordingly, when  
6           evaluating the Application, the CPUC must consider how Securus might address its financial  
7           problems should the transaction be approved.

8           Aventiv describes its business as “deliver[ing] unique, full criminal lifecycle solutions  
9           from pre-incarceration incident management through post-incarceration monitoring.” **Exhibit 8**  
10          at Exhibit G, 9. Given that Aventiv is focused on providing management and surveillance  
11          services to law enforcement, the regulated activities conducted by Securus are a source of data  
12          that Aventiv can (and apparently does) tap to feed into its “criminal lifecycle solutions.” Given  
13          its need to grow revenue to service post-restructuring debt, Aventiv is likely to explore new ways  
14          to use IPCS consumers’ data at the expense of the company’s captive customer base. This is not  
15          mere supposition—Securus articulated a focus on growth through new unregulated services in its  
16          2015 investor pitch, particularly “technology enabled solutions.” **Exhibit 7** at 20 & 26. But the  
17          data that the company gathers from its regulated service remain a key ingredient in the cross-  
18          jurisdictional data sharing that forms the basis for the company’s surveillance and analytics  
19          products.<sup>43</sup>

20          Securus’s regulated activities allow the company to capture vast amounts of highly  
21          personal information, as consumers use Securus’s services to communicate about their  
22          psychological, medical, and legal concerns with family and confidants. All of this intimate detail  
23          can be fed into new products allowing law enforcement (or, frankly, any entity willing to pay), to

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24          <sup>43</sup> See *supra*, n.11.

1 gather intelligence not just on incarcerated people, but also the non-incarcerated people with  
2 whom they communicate. The terms of Aventiv’s privacy policy (which expressly governs  
3 Securus)<sup>44</sup> illustrate just how little respect Aventiv has for consumer privacy, as shown by the  
4 following provisions:

- 5 • Aventiv discloses that it collects biometric information, geolocation data, personal  
6 identifiers (including identity documents), customer proprietary network information  
7 of non-incarcerated consumers, the contents of communications, financial  
8 information such as bank account and credit card information, and IP addresses.
- 9 • Aventiv reveals that it may disclose such information “to certain third parties for use  
10 in connection with and in support of law enforcement activities.” This description is  
11 so broad as to be effectively meaningless. “Certain third parties” means “anyone;”  
12 and “in connection with and in support of law enforcement activities” can be  
13 interpreted to apply to a breathtaking array of activity, both lawful and otherwise.
- 14 • Aventiv further states that once consumer data is made available to “law enforcement  
15 agencies,” that data may be “stored, monitored, searched, analyzed and transferred  
16 amongst law enforcement agencies” without any apparent restrictions.

17 While Securus customers will reasonably anticipate that their communications are subject to  
18 monitoring by the correctional facility in which the incarcerated consumer is housed, Aventiv’s  
19 policy indicates that consumers are potentially surrendering their most private information to any  
20 “law enforcement agency” (undefined) in the world.

21 Given the immense power that Securus holds, and the high potential for abuse that  
22 accompanies Aventiv’s drive to monetize consumers, the CPUC should not approve the

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23  
24 <sup>44</sup> Aventiv, “Privacy Policy” (updated May 10, 2023), <https://aventiv.com/privacy/>.

1 proposed transaction without requiring Securus to prohibit sharing of sensitive data with law  
2 enforcement agencies other than the correctional facility in which the communication originates,  
3 absent a warrant.

4 **D. Securus’s New Management Apparently Seeks to Double Down on**  
5 **Commoditizing IPCS Consumers as Involuntary Data Sources**

6 Applicants have revealed that the “independent” directors of HoldCo include Jorge  
7 Dominicis, Tara Prakriya, and Valerie Montgomery Rice.<sup>45</sup> These individuals’ subject matter  
8 expertise raise grave concerns about consumer treatment under a restructured Aventiv.<sup>46</sup> Mr.  
9 Dominicis is an experienced private equity executive who led correctional healthcare provider  
10 Wellpath Holdings, Inc. (“Wellpath”) through a controversial Chapter 11 restructuring that was  
11 ultimately successful for the company while producing disastrous results for incarcerated people  
12 who suffered or died as a result of Wellpath’s repeated failure to provide adequate medical  
13 care—a failure that predictably results from “overreliance on cost-cutting measures and  
14 aggressive financial policies that have limited long-term prospects.” **Exhibit 12** at Amici Curiae  
15 Brief, 12. Ms. Prakriya is a technology specialist who works in the field of artificial intelligence  
16 (“AI”). **Exhibit 13** at 10. Dr. Rice is a physician and corporate board director who was also on  
17 the Wellpath board during its Chapter 11. *Id.* at 8; Applicant’s Response to ALJ’s Ruling to  
18 Submit Supp. Info (Aug. 15, 2025).

19 With the new expertise at Securus’s parent company’s board, the company is now poised  
20 to use IPCS consumer information as grist for new analytics projects, likely using AI (Ms.

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21 <sup>45</sup> Applicant’s Response to ALJ’s Ruling to Submit Supplemental Information at 2 (Aug. 15, 2025).

22 <sup>46</sup> Applicants’ remarks that “the Board will have no direct involvement in the day-to-day management  
23 of the licensed entity, Securus” (*id.*) is nearly meaningless. No corporate board is involved in day-to-day  
24 operations, but that does not mean the board has no input. The entire point of a corporate board is to  
exercise ultimate control over the operations and strategic vision of a company and maximize the value of  
its assets. Nothing indicates that Aventiv’s governance by the HoldCo board will be an exception to this  
general rule.

1 Prakryia) and possibly focusing on medical data (Dr. Rice), all while taking care to avoid legal  
2 accountability for injuries inflicted on customers (Mr. Dominicis).

3 If Securus operated in the general free-world telecom market, its anti-consumer practices  
4 could be tempered somewhat by corporate concern over reputational harm. This safety valve is  
5 entirely absent in the IPCS sector, where consumers have no choice and monopoly IPCS  
6 contracts are awarded by correctional facilities that generally want to vitiate, not honor, the  
7 privacy interests of incarcerated people and their correspondents.

8 **V. Conclusion**

9 The transaction proposed in the Application is the result of years' worth of overleverage  
10 in Securus's corporate family. Securus has not shown that the transaction will restore the  
11 company to financial health, nor has it disclosed who most of the owners of the company will be  
12 after consummation of this restructuring. Because the proposed transaction has the danger of  
13 exacerbating Securus's existing operational problems, the CPUC should not grant the  
14 Application without conditions that provide transparency regarding Securus's finances and  
15 ownership, protect consumers' data from unreasonable sharing, and prevent Securus from  
16 defying the CPUC's regulatory jurisdiction.

17 **VI. Verification**

18 Pursuant to CPUC Rule of Procedure 13.7(e) I, Stephen Raher, certify under penalty of  
19 perjury under the laws of the State of California that the foregoing testimony was prepared by me  
20 and is true and correct to the best of my knowledge.

21 Dated this 10th day of October 2025 at Portland, Oregon.

22 /s/ Stephen Raher  
23 Stephen Raher  
24