

### **Securus' Position on the Class Action Lawsuit**

- Securus was required by the Court to post the Notice of the Mojica Class Action lawsuit, even though there has been no trial, no finding of liability, and no finding that any law was violated.
- Securus believes that it will prevail at trial and looks forward to defending itself against the Class Action's baseless allegations.
- Securus' rates and fees did not violate the Federal Communications Act of 1934, nor any state law, nor any other law or rule.
- Securus' rates for inmate calls were at all times at or below all applicable rate caps for inmate calls.
- Securus' rates and fees were never unjust or unreasonable; in fact, Securus loses money on third-party credit card transaction fees that it charges.
- Securus was required by contract to collect and pay interstate site commissions to government entities as part of its contracts prior to February 10, 2014.
- Inmate calling service bears very little resemblance to a traditional telephone service, which do not require the unique security features and capabilities required for inmate calling services. Securus helps law enforcement solve and prevent 1,000's of crimes every year.
- The average rate per minute that Securus charged for interstate calls during the class period (through February 14, 2014) decreased dramatically over time -- in a six-year period from 2007 until 2013, the average interstate inmate calling rate Securus charged dropped by 71.4%. There are three primary reasons for this: (a) cost efficiencies resulting from Securus' shift to a centralized calling platform; (b) increasing economies of scale with additional call volume; and (c) transitioning from a largely collect (LEC Billed) calling platform to a prepaid calling platform and the associated reduction in bad debt and improved fraud controls.
- Securus' rates for inmate calling services were at all times significantly lower than rates for operator-assisted calling from a home phone or pay phone, which included a \$5.99-\$12.50 fixed per call charge plus a \$1.15 per minute usage charge, were much higher than ICS rates charged by Securus. Similarly, nationwide directory rate assistance rates (almost \$2 per call) were more than two times Securus' average ICS rates.