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FOR IMMEDIATE RELEASE

Williams & Gallagher, LLC and Grindstone Partners, LLC lead Private Equity Funding for TelStar Hosted Services to Complete Purchase of TouchStar's Hosted Assets

TelStar Hosted Solutions announces new ownership and prepares for growth

Denver, Colorado (PRWEB) January 14, 2010 – TelStar Hosted Services and Washington DC based private equity firms Williams & Gallagher and Grindstone Partners today announced the purchase of the assets of TouchStar's Hosted division. TelStar Hosted Services is a Communications-as-a-Service organization providing innovative, on demand contact/call center solutions to over 200 corporate clients. Williams & Gallagher and Grindstone Partners acted as lead on the investment working with D Partners, a DC based boutique management firm specializing in working with emerging growth companies. James (Jim) P. Dunn and Ralph Peluso, founding partners of D Partners, will serve as CEO and CFO/COO respectively. Mistrs Dunn and Peluso bring over 60 years of industry experience to TelStar Hosted Services.

TelStar's CEO Jim Dunn commented, "SMB's are aggressively looking for inventive yet proven ways to acquire, retain, and service new customers. Our products bring the proven efficiency of call center products to our clients via the web without the capital expenditure and excessive IT costs that have traditionally burdened such initiatives. We have the formula for continued success in our feature rich product offering, strong technical support organization, and our solutions oriented sales efforts. Our partnership with Williams & Gallagher and Grindstone Partners provides TelStar Hosted Services with the growth capital and industry insights to continue to build stable Communication-as-a-Service offerings that meet the scalability and security demands of our industry leading clients." TelStar posted record sales in 2009 and doubled its available capacity earlier this year.

Chris Rieple (formerly of TouchStar) has joined the TelStar Hosted Services executive team as Vice President of Sales. "We have built our business by exceeding our customer's expectations" said Mr. Rieple. "The additional financial resources and new executive leadership enable us to expedite our growth plans while continuing to provide an uncompromised client experience."

TelStar Hosted Services provides world class Communication-as-a-Service hosted contact/call center solutions servicing industry leading Enterprise and SMB clients. TelStar serves hundreds of global businesses and call centers from its headquarters in Denver. TelStar's Communications-as-a-Service suite of offerings include: Enterprise and SMB hosted contact/call center solutions, hosted VoIP telecommunications, on demand predictive dialing, automated voice messaging, advanced ACD & IVR, recording, and call compliance management. For more information, please visit www.telstarhosted.com or call 877.483.5782.

Williams & Gallagher, LLC (W&G) is a Washington DC based private investment firm focused on small to mid cap management buyouts. The firm's principals, Cabell Williams and Susan Gallagher, have a combined 40 years of experience in leveraged buyouts. W&G partners with management teams to assist in the purchase of small and medium sized businesses in emerging growth industries. W&G's mission is to invest in a select number of successful operating companies where capital and transaction experience can complete a management team and enable them to realize the full potential of ownership. For more information please visit www.williamsandgallagher.com or call 301.652.9429.

Grindstone Partners, LLC is an Alexandria, VA based private investment and advisory firm focused on small to mid cap investments. The firm's founder, Michael Bluestein, has over 20 years of experience in leveraged buyout and growth capital investing. For more information please visit www.grindstonepartners.com or call 703.627.9577.