CORRECTIONS CORP OF AMERICA
Form 424B5
January 19, 2006

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Filed pursuant to Rule 424(b)(5)
Registration No. 333-131072

Prospectus Supplement
(To Prospectus Dated January 17, 2006)

$150,000,000
6.75% Senior Notes due 2014

This is an offering by Corrections Corporation of America of $150,000,000 aggregate principal amount of its 6.75% Senior Notes due 2014, or the notes. Interest on the notes will be payable on January 31 and July 31 of each year, commencing on July 31, 2006. The notes will mature on January 31, 2014.

We may redeem all or part of the notes on or after January 31, 2010. Before January 31, 2009, we may redeem up to 35% of the notes with the proceeds of certain equity offerings. Redemption prices are specified in this prospectus supplement under Description of Notes Optional Redemption.

The notes will be our unsecured senior obligations, will rank equally in right of payment with all of our and all of our subsidiary guarantors existing and future unsecured senior debt and will rank senior in right of payment to all of our and all of our subsidiary guarantors future subordinated debt. The notes will effectively be subordinated to our and our subsidiary guarantors senior secured debt to the extent of the value of assets securing such indebtedness. The notes will be guaranteed on an unsecured senior basis by all of our restricted domestic subsidiaries. See Description of Notes Subsidiary Guarantees.

Investing in the notes involves risks. See Risk Factors beginning on page S-14.

	Per Note	Total
Public Offering Price	100.00%	$ 150,000,000
Underwriting Discount	1.50%	$ 2,250,000
Proceeds, before expenses, to Corrections Corporation of America	98.50%	$ 147,750,000

Interest on the notes will accrue from the date of delivery.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the notes in book-entry form only through the facilities of The Depository Trust Company against payment in New York, New York, on or about January 23, 2006, subject to conditions.

Joint Book Running Managers

Banc of America Securities LLC

Lehman Brothers

Wachovia Securities

JPMorgan

Avondale Partners

Jefferies & Company

HSBC

SunTrust Robinson Humphrey

BB&T Capital Markets

First Analysis Securities Corporation

Prospectus Supplement dated January 18, 2006

This document is in two parts. The first part is this prospectus supplement, which describes the terms of the offering of the notes. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to the notes.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. We are not making an offer to sell these securities in any state where the offer or sale is not permitted. You should assume that the information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition and results of operations and prospects may have changed since those dates.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This prospectus supplement, the accompanying prospectus, and the documents incorporated or deemed to be incorporated in the accompanying prospectus contain forward-looking statements. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and include estimates and assumptions related to economic, competitive and legislative developments. Forward-looking statements address our beliefs and expectations of the outcome of future events that are forward-looking in nature, including, without limitation, the statements under Summary and Risk Factors. All statements other than statements of current or historical fact contained in this prospectus are forward-looking statements. The words anticipate, believe, continue, estimate, expect, intend, plan, may, projects, will, and similar expressions, as they relate to us to identify these forward-looking statements. These statements are based on our current plans and actual future activities, and our results of operations may be materially different from those set forth in the forward-looking statements. In particular, these include, among other things, statements relating to:

- fluctuations in operating results because of changes in occupancy levels, competition, increases in costs of operations, fluctuations in interest rates and risks of operations;
- changes in the privatization of the corrections and detention industry and the public acceptance of our services;
- our ability to obtain and maintain correctional facility management contracts, including as the result of sufficient governmental appropriations, inmate disturbances and the timing of the opening of new facilities and the commencement of new management contracts;
- increases in costs to develop or expand correctional facilities that exceed original estimates, or the inability to complete such projects on schedule as a result of various factors, many of which are beyond our control, such as weather, labor conditions and material shortages, resulting in increased construction costs;
- changes in governmental policy and in legislation and regulation of the corrections and detention industry that adversely affect our business;
- availability of debt and equity financing, on terms that are favorable to us; and
- general economic and market conditions.

You should read and interpret any forward-looking statement together with the following documents:

- the risk factors contained in this prospectus supplement under the caption Risk Factors ;
- our current report on Form 8-K filed with the Securities and Exchange Commission, or the Commission, on January 17, 2006 and most recent quarterly report on Form 10-Q under the heading Management s Discussion and Analysis of Financial Condition and Results of Operations ; and
- our other filings with the Commission.

All forward-looking statements included in this prospectus supplement and the accompanying prospectus are based on information available to us on the date of this prospectus. Except as required by law, we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained throughout this prospectus supplement and the accompanying prospectus.

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MARKET AND INDUSTRY DATA

We have obtained certain industry data from third party sources that we believe to be reliable. In many cases, however, we have included or incorporated statements in this prospectus supplement and the accompanying prospects regarding our industry and our position in the industry based on our experience in the industry and our own investigation of market conditions. We cannot assure you that any of these assumptions are accurate or that our assumptions correctly reflect our position in our industry.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission. Our Commission filings are also available over the Internet at the Commission s web site at http://www.sec.gov. You may also read and copy any document we file at the Commission s public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the Commission at 1-800-SEC-0330 to obtain information on the operation of the public reference room. Our common stock is listed and traded on the New York Stock Exchange, or the NYSE. You may also inspect the information we file with the Commission at the NYSE s offices at 20 Broad Street, New York, New York 10005. Our internet address is http://www.correctionscorp.com. However, unless otherwise specifically set forth herein, the information on our internet site is not a part of this prospectus or the accompanying prospectus supplement.

INCORPORATION OF INFORMATION BY REFERENCE

The Commission allows us to incorporate by reference the information that we file with the Commission. This means that we can disclose important business and financial information to you by referring you to information and documents that we have filed with the Commission. Any information that we refer to in this manner is considered part of this prospectus supplement and the accompanying prospectus. Any information that we file with the Commission after the date of this prospectus will automatically update and supersede the corresponding information contained in this prospectus or in documents filed earlier with the Commission.

We are incorporating by reference the following documents that we have previously filed with the Commission:

- Our Annual Report on Form 10-K for the fiscal year ended December 31, 2004;

- Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2005, June 30, 2005 and September 30, 2005;

- Our Definitive Proxy Statement filed with the Commission on April 7, 2005;

- Our Current Reports on Form 8-K, filed with the Commission on January 6, 2005, February 10, 2005, February 23, 2005, March 2, 2005, March 8, 2005, March 9, 2005, March 24, 2005, April 19, 2005, June 2, 2005, June 22, 2005, December 14, 2005, January 17, 2006 and January 18, 2006; and

- The description of our capital stock in our Current Report on Form 8-K filed with the Commission on January 6, 1999.

We are also incorporating by reference any future filings that we make with the Commission under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus and prior to the termination of the offering. In no event, however, will any of the information that we disclose under Items 2.02 and 7.01 of any Current Report on Form 8-K that we may from time to time furnish with the Commission be incorporated by reference into, or otherwise included in, this prospectus.

Each document referred to above is available over the Internet on the Commission s website at http://www.sec.gov and on our website at http://www.correctionscorp.com. You may also request a free copy of any documents referred to above, including exhibits specifically incorporated by reference in those documents, by contacting us at the following address and telephone number:

Corrections Corporation of America
10 Burton Hills Boulevard
Nashville, Tennessee 37215
(615) 263-3000
Attention: Investor Relations

In this prospectus supplement and the accompanying prospectus, we, us, our and the Company refer to Correcti Corporation of America and its consolidated subsidiaries, unless otherwise expressly stated or the context otherwise requires. The symbol $ refers to U.S. dollars, unless otherwise indicated.

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SUMMARY

The following summary highlights certain significant aspects of our business and this offering, but you should carefully read the entire prospectus supplement and the accompanying prospectus, including the documents incorporated by reference, which are described under Incorporation of Information By Reference, before making an investment decision. Because this is a summary, it does not contain all the information that is important to you. Our actual results could differ materially from those anticipated in certain forward-looking statements contained in this prospectus supplement as a result of certain factors, including those set forth under Risk Factors.

Our Company

We are the nation s largest owner and operator of private correctional and detention facilities and the fifth largest prison operator in the United States behind only the federal government and three states. We specialize in owning, operating and managing prisons and other correctional facilities and providing inmate residential and prisoner transportation services for governmental agencies. In addition to providing the fundamental residential services relating to inmates, our facilities offer a variety of rehabilitation and educational programs, including basic education, religious services, life skills and employment training and substance abuse treatment. These services are intended to help reduce recidivism and to prepare inmates for their successful reentry into society upon their release. We also provide health care (including medical, dental and psychiatric services), food services and work and recreational programs.

We currently operate 63 correctional, detention and juvenile facilities, including 39 facilities that we own, with a total design capacity of approximately 71,000 inmates in 19 states and the District of Columbia. We also own three facilities that we lease to third-party operators. For the year ended December 31, 2004 and the nine months ended September 30, 2005, we had revenues of $1,126.4 million and $875.4 million, respectively, and operating income of $173.4 million and $126.5 million, respectively.

Our services address a total U.S. market that we believe exceeds $60 billion, of which only approximately 6.6% is currently outsourced to the private sector. We believe that the U.S. market will demonstrate consistent growth over the next decade as a result of increased focus and resources by the Department of Homeland Security dedicated to illegal immigration, generally longer prison sentences, as well as the growing demographic of the 18 to 24 year-old at-risk population. We also expect the size of the private market to grow as a result of governments demonstrated need to augment their overcrowded and aging facilities, reduce costs, increase accountability and improve overall quality of service.

Under our management services contracts, government agencies pay us at an inmate per diem rate based upon actual or minimum guaranteed occupancy levels. Our management services contracts typically have terms of one to five years, and contain multiple renewal options exercisable at the option of the contracting government agency.

Recent Developments

T. Don Hutto Correctional Center

As previously announced on December 21, 2005, we have reached an agreement with U.S. Immigration and Customs Enforcement, or ICE, to manage up to 600 detainees at our T. Don Hutto Correctional Center in Taylor, Texas. We currently expect to begin accepting ICE detainees during February 2006. Although the contract does not provide for a guaranteed occupancy, we expect the facility to be substantially occupied before the end of the second quarter of 2006.

Eloy Detention Center

As previously announced on January 11, 2006, we have received notification from the Federal Bureau of Prisons, or the BOP, of its intent not to exercise its renewal option at our 1,500-bed Eloy Detention Center,

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located in Eloy, Arizona. At December 31, 2005, the Eloy facility housed approximately 500 inmates from the BOP and approximately 800 detainees from ICE pursuant to a subcontract between the BOP and ICE. We anticipate that the BOP will complete the transfer of the approximately 500 BOP inmates from the Eloy facility to other BOP facilities by February 28, 2006. The agreement with the BOP, which commenced on March 1, 1999, provided for a fixed per-diem for the entire term of the contract, including renewal options, which could have run through February 28, 2009. Because the ICE detainees in the facility are currently housed under a subcontract with the BOP, we have begun discussions with ICE about plans to allow ICE to continue utilizing the Eloy facility for existing and potential future requirements. Should such an arrangement be reached with ICE, which we cannot assure, we would anticipate the loss of only BOP inmates.

Competitive Strengths

We believe that we benefit from the following competitive strengths:

The Largest and Most Recognized Private Prison Operator. Our recognition as the industry s leading private prison operator provides us with significant credibility with our current and prospective clients. We manage approximately 50% of all privately managed prison beds in the United States. We pioneered modern-day private prisons with a list of notable accomplishments, such as being the first company to design, build, and operate a private prison and the first company to manage a private maximum-security facility under a direct contract with the federal government. In addition to providing us with extensive experience and institutional knowledge, our size also helps us deliver value to our customers by providing purchasing power and allowing us to achieve certain economies of scale.

Available Beds Within Our Existing Facilities. We currently have three facilities, our Stewart County Correctional Facility, North Fork Correctional Facility, and T. Don Hutto Correctional Center, which are substantially vacant and provide us with approximately 3,400 available beds. During December 2005, we reached an agreement with ICE to manage up to 600 detainees at the T. Don Hutto Correctional Center. Although the contract does not provide for a guaranteed occupancy, we expect the facility to be substantially occupied before the end of the second quarter of 2006. We also have an additional facility, the Red Rock Correctional Center, a 1,596-bed correctional facility located in Eloy, Arizona, which is under construction and is expected to be completed during the second quarter of 2006. In addition to these four facilities, which provide an aggregate of approximately 5,000 available beds, as of December 31, 2005, our Crowley County Correctional Facility had approximately 650 beds available, which we expect to be substantially filled with inmates from the state of Colorado, providing further potential for increased cash flow.

Expansion Opportunities. As a result of increasing demand for new beds from existing customers, several of the facilities we manage have been expanded. During 2004, we completed expansions of 1,652 beds at five of our facilities. During 2005, two of our customers completed expansions of facilities they own, resulting in an additional 925 beds to facilities that we currently manage. We believe the increasing demand for bed capacity will create additional expansion opportunities within the facilities we own or manage, creating the potential for future cash flow growth.

Diverse, High Quality Customer Base. We provide services under management contracts with state, federal, and local agencies that generally have credit ratings of single-A or better. In addition, with a majority of our contracts having terms between one and five years, our revenue base is relatively predictable and stable.

Proven Senior Management Team. Our senior management team has applied their prior experience and diverse industry expertise to significantly improve our operations, related financial results, and capital structure. Under our senior management team s leadership, we have created new business opportunities with customers that have not previously utilized the private corrections sector, expanded relationships with existing customers, including all three federal correctional and detention agencies,

and successfully completed numerous recapitalization and refinancing transactions, resulting in increases in revenues, operating income, facility operating margins, and profitability.

Financial Flexibility. As of September 30, 2005, we had cash on hand of $66.4 million, investments of $8.9 million, and $66.4 million available under our $125.0 million revolving credit facility, which expires on March 31, 2006. During the nine months ended September 30, 2005, we generated $99.4 million in cash through operating activities, and as of September 30, 2005, we had net working capital of $133.8 million. As a result of the completion of numerous recapitalization and refinancing transactions during the previous several years, we have significantly reduced our exposure to variable rate debt, substantially eliminated our subordinated indebtedness, lowered our after tax interest obligations associated with our outstanding debt, further increasing our cash flow, and extended our total weighted average debt maturities. At September 30, 2005, our total weighted average effective interest rate was 7.2% and our total weighted average debt maturity was 5.7 years.

Business Strategy

Our primary business strategy is to provide quality corrections services, offer compelling value, increase occupancy and revenue and further rationalize our capital structure, while maintaining our position as the leading owner, operator and manager of private correctional and detention facilities. We will also consider opportunities for growth, including potential acquisitions of businesses within our line of business and those that provide complementary services, provided we believe such opportunities will broaden our market and/or increase the services we can provide to our customers.

Own and Operate High Quality Correctional and Detention Facilities. We believe that our clients choose an outsourced correctional services provider based primarily upon the quality of the service provided. Approximately 87% of the facilities we operated as of December 31, 2005 are accredited by the American Correctional Association, or the ACA, an independent organization of corrections industry professionals that establishes standards by which a correctional facility may gain accreditation. We believe that this percentage compares favorably to the percentage of government-operated adult prisons that are accredited by the ACA. The quality of our operations is further illustrated by the fact that for the three years ended December 31, 2004, we had an escape ratio at our adult prison facilities of 0.07 per 10,000 inmates, compared to 5.5 per 10,000 inmates for the public sector (according to the 2002 Corrections Yearbook published by the Criminal Justice Institute). We have experienced wardens managing our facilities, with an average of over 23 years of corrections experience and an average tenure of over ten years with us.

Offer Compelling Value. We believe that our customers seek a compelling value and service offering when selecting an outsourced correctional services provider. We believe that we offer a cost-effective alternative to our clients by reducing their correctional services costs. We attempt to accomplish this through improving operating performance and efficiency through the following key operating initiatives: (1) standardizing supply and service purchasing practices and usage; (2) implementing a franchise approach to staffing and business practices in an effect to reduce our fixed expenses; (3) improving inmate management, resource consumption and reporting procedures through the utilization of numerous technological initiatives; and (4) improving productivity and reducing employee turnover. We also intend to continue to implement a wide variety of specialized services that address the unique needs of various segments of the inmate population. Because the facilities we operate differ with respect to security levels, ages, genders and cultures of inmates, we focus on the particular needs of an inmate population and tailor our services based on local conditions and our ability to provide services on a cost-effective basis.

Increase Occupancy. Our industry benefits from significant economies of scale, resulting in lower operating costs per inmate as occupancy rates increase. Our management team is pursuing a number of initiatives intended to increase occupancy through obtaining new and additional contracts. We are also focused on renewing and enhancing the terms of our existing contracts. Given our significant number of available beds, we believe we can increase operating cash flow from increased occupancy

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without incurring significant capital expenditures. During 2004, we completed the expansion of 1,652 beds at five of our existing facilities and in February 2005, began construction of our new 1,596-bed Red Rock Correctional Center located in Eloy, Arizona. We will also consider additional expansion opportunities or the development or purchase of new prison facilities that we believe have favorable investment returns.

The Corrections and Detention Industry

We believe we are well-positioned to capitalize on governmental outsourcing of correctional management services because of our competitive strengths and business strategy. The key reasons for this outsourcing trend include:

Growing United States Prison Population. The average annual growth rate of the prison population in the United States betw