Cornell Corrections Management, LLC
Form 424B5
April 13, 2016
Table of Contents

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be registered	Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Amount of Registration Fee
6.00% Senior Notes due 2026	$350,000,000	100%	$350,000,000	$35,245(1)
Guarantees of 6.00% Senior Notes due 2026	(2)	(2)	(2)	(2)

(1) The filing fee of $35,245 is calculated in accordance with Rules 457(o) and 457(r) of the Securities Act of 1933, as amended, or the Act. In accordance with Rules 456(b) and 457(r) of the Act, the registrants initially deferred payment of all of the registration fees for Registration Statement No. 333-198729 filed by the registrants on September 12, 2014.

(2) No separate consideration will be received for the guarantees. Pursuant to Rule 457(n) under the Act, no separate fee is payable with respect to the guarantees being registered hereby.

Table of Contents

Filed pursuant to Rule 424(b)(5)
Registration No. 333-198729

PROSPECTUS SUPPLEMENT

(To Prospectus dated September 12, 2014)

$350,000,000

The GEO Group, Inc.

6.00% Senior Notes due 2026

The GEO Group, Inc. (GEO) is offering $350,000,000 of our 6.00% Senior Notes due 2026 (the notes). The notes will bear interest at a rate of 6.00% per annum, accruing from April 18, 2016. We will pay interest semi-annually on the notes on April 15 and October 15 of each year. The first such payment will be made on October 15, 2016. The notes will mature on April 15, 2026.

Prior to April 15, 2021, the notes may be redeemed, in whole or in part from time to time, at a redemption price equal to 100% of the principal amount of the notes plus a make-whole premium together with accrued and unpaid interest. On or after April 15, 2021, the notes may be redeemed, in whole or in part, at the redemption prices specified under Description of Notes Optional Redemption together with accrued and unpaid interest. In addition, up to 35% of the aggregate principal amount of the notes may be redeemed on or prior to April 15, 2019 with the net cash proceeds from certain equity offerings at the redemption price specified under Description of Notes Optional Redemption together with accrued and unpaid interest. The notes will be issuable in denominations of $2,000 or any integral multiple of $1,000 in excess thereof. If we experience a change of control triggering event, we may be required to offer to purchase the notes from holders. See Description of the Notes Change of Control.

The notes will initially be guaranteed on a senior unsecured basis by all of our restricted subsidiaries that guarantee our obligations under our second amended and restated senior credit facility, which we refer to as the senior credit facility, our 6.625% senior notes due 2021, which we refer to as the 6.625% senior notes, our 5.125% senior notes due 2023, which we refer to as the 5.125% senior notes, our 5.875% senior notes due 2022, which we refer to as the 5.875% senior notes due 2022 and our 5.875% senior notes due 2024, which we refer to as the 5.875% senior notes due 2024. The notes and the guarantees will be our and the guarantors general unsecured senior obligations and will rank equally in right of payment with all of our and the guarantors existing and future unsecured senior debt, including our 6.625% senior notes, our 5.125% senior notes, our 5.875% senior notes due 2022 and our 5.875% senior notes due

2024. The notes will be effectively subordinated to our and the guarantors secured debt, including our and the guarantors obligations under the senior credit facility, to the extent of the assets securing such debt and structurally subordinated to any existing or future indebtedness of our subsidiaries that do not guarantee the notes. There is currently no market for the notes offered hereby, and we cannot assure you that any market will develop.

We do not intend to apply for listing of the notes on any securities exchange or for inclusion of the notes in any automated quotation system.

We intend to use the net proceeds of this offering to fund the tender offer for the 6.625% senior notes and the repurchase, redemption or other discharge of all of our existing 6.625% senior notes that are not tendered pursuant to the tender offer and pay related fees, costs and expenses and for general corporate purposes, including repaying a portion of the outstanding indebtedness under our revolving credit facility.

See Risk Factors beginning on page S-11 to read about important factors you should consider before buying the notes.

	Price to Public(1)	**Underwriting Discounts and Commissions**	**Proceeds to GEO (before expenses)**
Per note	100.00%	1.50%	98.50%
Total	$ 350,000,000	$ 5,250,000	$ 344,750,000

(1) Plus accrued interest, if any, from April 18, 2016, if settlement occurs after that date.

Neither the U.S. Securities and Exchange Commission (SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the notes on or about April 18, 2016 only in book-entry form through the facilities of The Depository Trust Company for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking S.A.

Joint Bookrunners

Wells Fargo Securities	**SunTrust Robinson Humphrey**
BofA Merrill Lynch	**Barclays**
J.P. Morgan	**BNP PARIBAS**

Co-Managers

HSBC	**Fifth Third Securities**	**Regions Securities LLC**	**TD Securities**

April 11, 2016

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

	Page
About This Prospectus Supplement	S-ii
Non-GAAP Financial Measures	S-ii
Forward-Looking Statements	S-iv
Summary	S-1
The Offering	S-4
Summary Historical Financial And Other Data	S-7
Risk Factors	S-11
Use Of Proceeds	S-34
Capitalization	S-35
Ratio Of Earnings To Fixed Charges	S-36
Description Of Other Indebtedness	S-37
Description Of The Notes	S-39
Certain ERISA Considerations	S-84
U.S. Federal Income Tax Considerations	S-86
Underwriting	S-89
Legal Matters	S-95
Experts	S-95
Where You Can Find More Information	S-95

PROSPECTUS

About This Prospectus	2
Forward-Looking Statements	3
Prospectus Summary	5
Risk Factors	7
Ratio Of Earnings To Fixed Charges	8
Use Of Proceeds	9
Description Of Capital Stock	10
Description Of Debt Securities	15
Description Of Warrants	18
Description Of Units	19
Plan Of Distribution	20
Legal Matters	22
Experts	23
Where You Can Find More Information	24

We have not, and the underwriters have not, authorized anyone to provide you with any additional information or any information that is different from that contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus provided in connection with this offering. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This document may be used only where it is legal to sell these securities. The information contained or incorporated by reference in this document is accurate only as of the date of the applicable document, unless the information specifically indicates that another date applies.

We expect that delivery of the notes will be made against payment therefor on or about April 18, 2016, which will be the fifth business day following the date of this prospectus supplement (such settlement cycle

being herein referred to as T+5). You should note that trading of the notes prior to the delivery of the notes hereunder may be affected by the T+5 settlement cycle. See Underwriting .

Unless otherwise indicated or the context otherwise requires, references in this prospectus supplement and the accompanying prospectus to the Company, GEO, we, us, and our refer to The GEO Group, Inc. and its consolid subsidiaries.

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of the notes and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information about us and the securities we may offer from time to time under our shelf registration statement, some of which may not apply to this offering of the notes. If the description of this offering of the notes in the accompanying prospectus is different from the description in this prospectus supplement, you should rely on the information contained in this prospectus supplement.

You should read this prospectus supplement, the accompanying prospectus, the documents incorporated by reference into this prospectus supplement and the accompanying prospectus, the additional information described under Where You Can Find More Information in this prospectus supplement and any free writing prospectus provided in connection with this offering before deciding whether to invest in the notes offered by this prospectus supplement.

You should not consider any information in this prospectus supplement or the accompanying prospectus to be investment, legal or tax advice. You should consult your own counsel, accountants and other advisers for legal, tax, business, financial and related advice regarding the purchase of any of the notes offered by this prospectus supplement.

NON-GAAP FINANCIAL MEASURES

EBITDA, Adjusted EBITDA, Funds From Operations, Normalized Funds From Operations and Adjusted Funds From Operations, as presented in this prospectus supplement, are supplemental measures of our performance that are not required by, or presented in accordance with, accounting principles generally accepted in the United States (GAAP). They are not measurements of our financial performance under GAAP and should not be considered in isolation or as alternatives to income from continuing operations or any other performance measures derived in accordance with GAAP or as alternatives to net cash provided by operating activities as measures of our liquidity.

We derive these measures as follows:

EBITDA is defined as income from continuing operations before interest expense, net, income tax provision (benefit), depreciation and amortization expense, and tax provision on equity in earnings of affiliates.

Adjusted EBITDA is defined as EBITDA adjusted for net income/loss attributable to non-controlling interests, stock-based compensation expenses, pre-tax, and certain other adjustments as defined from time to time, including for the periods presented REIT conversion related expenses, pre-tax, and early extinguishment of debt, pre-tax.

Funds from Operations, or FFO, is defined in accordance with standards established by the National Association of Real Estate Investment Trusts, or NAREIT, which defines FFO as net income (loss)

Table of Contents

attributable to common shareholders (computed in accordance with GAAP), excluding real estate related depreciation and amortization, excluding gains and losses from the cumulative effects of accounting changes, extraordinary items and sales of properties, and including adjustments for unconsolidated partnerships and joint ventures.

Normalized Funds from Operations, or Normalized FFO, is defined as FFO adjusted for certain items which by their nature are not comparable from period to period or that tend to obscure GEO s actual operating performance, including for the periods presented REIT conversion related expenses, net of tax, and early extinguishment of debt, net of tax.

Adjusted Funds from Operations, or AFFO, is defined as Normalized FFO adjusted by adding non-cash expenses such as non-real estate related depreciation and amortization, stock based compensation and the amortization of debt costs and other non-cash interest and by subtracting recurring consolidated maintenance capital expenditures.

Given the nature of our business as a real estate owner and operator, we believe that EBITDA and Adjusted EBITDA are helpful to investors as measures of our operational performance because they provide an indication of our ability to incur and service debt, to satisfy general operating expenses, to make capital expenditures and to fund other cash needs or reinvest cash into our business. We believe that by removing the impact of our asset base (primarily depreciation and amortization) and excluding certain non-cash charges, amounts spent on interest and taxes, and certain other charges that are highly variable from year to year, EBITDA and Adjusted EBITDA provide our investors with performance measures that reflect the impact to operations from trends in occupancy rates, per diem rates and operating costs, providing a perspective not immediately apparent from income from continuing operations. The adjustments we make to derive the non-GAAP measures of EBITDA and Adjusted EBITDA exclude items which may cause short-term fluctuations in income from continuing operations and which we do not consider to be the fundamental attributes or primary drivers of our business plan and they do not affect our overall long-term operating performance. EBITDA and Adjusted EBITDA provide disclosure on the same basis as that used by our management and provide consistency in our financial reporting, facilitate internal and external comparisons of our historical operating performance and our business units and provide continuity to investors for comparability purposes.

While EBITDA, Adjusted EBITDA, Funds From Operations, Normalized Funds From Operations and Adjusted Funds From Operations are frequently used as measures of operating performance and the ability to meet debt service requirements, they are not necessarily comparable to other similarly titled captions of other companies due to potential inconsistencies in the methods of calculation.

EBITDA and Adjusted EBITDA have important limitations as analytical tools, such as:

they do not reflect our capital expenditures, future requirements for capital expenditures or contractual commitments,

they do not reflect interest expense or the cash requirements necessary to service principal or interest payments on our debt,

- although depreciation and amortization are non-cash charges, the assets that we currently depreciate and amortize will likely have to be replaced in the future, and none of EBITDA or Adjusted EBITDA reflects the cash required to fund such replacements, and

- they do not reflect the effect of earnings or charges resulting from matters that our management does not consider to be indicative of our ongoing operations. However, some of these charges have recurred and may re-occur in the future.

Because of the unique design, structure and use of our correctional facilities, we believe that assessing the performance of our correctional facilities without the impact of depreciation or amortization is useful and meaningful to investors. Although NAREIT has published its definition of FFO, companies often modify this

definition as they seek to provide financial measures that meaningfully reflect their distinctive operations. We have modified FFO to derive Normalized FFO and AFFO that meaningfully reflect our operations. Our assessment of our operations is focused on long-term sustainability. The adjustments we make to derive the non-GAAP measures of Normalized FFO and AFFO exclude items which may cause short-term fluctuations in income from continuing operations but have no impact on our cash flows, or we do not consider them to be fundamental attributes or the primary drivers of our business plan and they do not affect our overall long-term operating performance.

Because FFO, Normalized FFO and AFFO exclude depreciation and amortization unique to real estate as well as non-operational items and certain other charges that are highly variable from year to year, they provide our investors with performance measures that reflect the impact to operations from trends in occupancy rates, per diem rates, operating costs and interest costs, providing a perspective not immediately apparent from income from continuing operations. We believe the presentation of FFO, Normalized FFO and AFFO provide useful information to investors as they provide an indication of our ability to fund capital expenditures and expand our business. FFO, Normalized FFO and AFFO provide disclosure on the same basis as that used by our management and provide consistency in our financial reporting, facilitate internal and external comparisons of our historical operating performance and our business units and provide continuity to investors for comparability purposes. Additionally, FFO, Normalized FFO and AFFO are widely recognized measures in our industry as a real estate investment trust.

Funds From Operations, Normalized Funds From Operations and Adjusted Funds From Operations have important limitations as analytical tools, such as:

- they exclude the depreciation and amortization unique to real estate assets that will likely have to be replaced in the future, and

- they exclude the gains and losses from property dispositions and extraordinary items.

See Summary Summary Historical Financial and Other Data for a quantitative reconciliation of EBITDA, Adjusted EBITDA, Funds From Operations, Normalized Funds From Operations and Adjusted Funds From Operations to income from continuing operations.

FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus supplement and the documents incorporated by reference herein constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts included in this prospectus supplement, including, without limitation, statements regarding our future financial position, business strategy, budgets, projected costs and plans and objectives of management for future operations, are forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as may, will, expect, anticipate, intend, plan, believe, seek, estimate or continue or the negative of such words or variations of such words and similar expressions. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements and we can give no assurance that such forward-looking statements will prove to be correct. Important factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements, or cautionary statements, include, but are not limited to:

our ability to successfully consummate the cash tender offer or otherwise redeem or discharge all of our existing 6.625% senior notes;

our ability to timely build and/or open facilities as planned, profitably manage such facilities and successfully integrate such facilities into our operations without substantial additional costs;

our ability to remain qualified for taxation as a real estate investment trust, or REIT;

our ability to fulfill our debt service obligations and their impact on our liquidity;

the instability of foreign exchange rates, exposing us to currency risks in Australia, the United Kingdom and South Africa, or other countries in which we may choose to conduct our business;

our ability to activate the inactive beds at our idle facilities;

our ability to maintain or increase occupancy rates at our facilities;

an increase in unreimbursed labor rates;

our ability to expand, diversify and grow our correctional, detention, re-entry, community-based services, youth services, monitoring services, evidence-based supervision and treatment programs and secure transportation services businesses;

our ability to win management contracts for which we have submitted proposals, retain existing management contracts and meet any performance standards required by such management contracts;

our ability to control operating costs associated with contract start-ups;

our ability to raise new project development capital given the often short-term nature of the customers commitment to use newly developed facilities;

our ability to accurately project the size and growth of public-private partnerships for correctional services in the U.S. and internationally and our ability to capitalize on opportunities for public-private partnerships;

our ability to successfully respond to delays encountered by states pursuing public-private partnerships for correctional services and cost savings initiatives implemented by a number of states;

our ability to develop long-term earnings visibility;

our ability to identify suitable acquisitions and to successfully complete and integrate such acquisitions on satisfactory terms, and estimate the synergies to be achieved as a result of such acquisitions;

our exposure to the impairment of goodwill and other intangible assets as a result of our acquisitions;

our ability to successfully conduct our operations through joint ventures and consortiums;

our ability to obtain future financing on satisfactory terms or at all, including our ability to secure the funding we need to complete ongoing capital projects;

our exposure to political and economic instability and other risks impacting our international operations;

our exposure to risks impacting our information systems, including those that may cause an interruption, delay or failure in the provision of our services;

our exposure to rising general insurance costs;

our exposure to state and federal income tax law changes internationally and domestically and our exposure as a result of federal and international examinations of our tax returns or tax positions;

our exposure to claims for which we are uninsured;

our exposure to rising employee and inmate medical costs;

our ability to manage costs and expenses relating to ongoing litigation arising from our operations;

our ability to accurately estimate on an annual basis, loss reserves related to general liability, workers compensation and automobile liability claims;

- the ability of our government customers to secure budgetary appropriations to fund their payment obligations to us and continue to operate under our existing agreements and/or renew our existing agreements;

- our ability to pay quarterly dividends consistent with our expectations;

- our ability to comply with government regulations and applicable contractual requirements;

- our ability to acquire, protect or maintain our intellectual property;

- the risk that future sales of shares of our common stock could adversely affect the market price of our common stock and may be dilutive; and

- other factors contained in this prospectus supplement and in our filings with the Securities and Exchange Commission, referred to in this prospectus supplement as the Commission or the SEC, including, but not limited to, those detailed in our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K filed with the Commission.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by applicable law.

SUMMARY

The following summary highlights selected information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus and does not contain all of the information that may be important to you. You should carefully read this entire prospectus supplement, including the financial statements and related notes and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, before making a decision to invest in the notes.

Overview

We are a fully integrated real estate investment trust, or REIT, specializing in the ownership, leasing and management of correctional, detention, and reentry facilities and the provision of community-based services and youth services in the United States, Australia, South Africa and the United Kingdom. We own, lease and operate a broad range of correctional and detention facilities including maximum, medium and minimum security prisons, immigration detention centers, minimum security detention centers, as well as community based reentry facilities. We develop new facilities based on contract awards, using our project development expertise and experience to design, construct and finance what we believe are state-of-the-art facilities that maximize security and efficiency. We provide innovative compliance technologies, industry-leading monitoring services, and evidence-based supervision and treatment programs for community-based parolees, probationers and pretrial defendants. We also provide secure transportation services for offender and detainee populations as contracted domestically and in the United Kingdom through our joint venture GEO Amey PECS Ltd. (GEOAmey). For the year ended December 31, 2015, we generated revenues and Adjusted EBITDA of $1.8 billion and $368.7 million, respectively. For a reconciliation of Adjusted EBITDA to income from continuing operation, see Summary Historical Financial and Other Data.

As of December 31, 2015, our worldwide operations include the management and/or ownership of approximately 87,000 beds at 104 correctional, detention and reentry facilities, including idle facilities, projects under development and recently awarded contracts, and also include the provision of community supervision services for more than 139,000 offenders and pre-trial defendants, including approximately 89,000 individuals through an array of technology products including radio frequency, GPS, and alcohol monitoring devices.

We provide a diversified scope of services on behalf of our government clients:

- our correctional and detention management services involve the provision of security, administrative, rehabilitation, education and food services, primarily at adult male correctional and detention facilities;

- our community-based services involve supervision of adult parolees and probationers and the provision of temporary housing, programming, employment assistance and other services with the intention of the successful reintegration of residents into the community;

- our youth services include residential, detention and shelter care and community-based services along with rehabilitative and educational programs;

our monitoring services provide our governmental clients with innovative compliance technologies, industry-leading monitoring services, and evidence-based supervision and treatment programs for community-based parolees, probationers and pretrial defendants; including services provided under the Intensive Supervision Appearance Program, which we refer to as ISAP, to the U.S. Immigration and Customs Enforcement, which we refer to as ICE, for the provision of services designed to improve the participation of non-detained aliens in the immigration court system;

we develop new facilities using our project development experience to design, construct and finance what we believe are state-of-the-art facilities that maximize security and efficiency;

S-1

we provide secure transportation services for offender and detainee populations as contracted domestically and internationally our joint venture GEOAmey, LTD is responsible for providing prisoner escort and custody services in the United Kingdom, including all of Wales and England except London and the East of England; and

our services are provided at facilities which we either own, lease or are owned by our customers.

We began operating as a REIT for federal income tax purposes effective January 1, 2013. As a result of the REIT conversion, we reorganized our operations and moved non-real estate components into taxable REIT subsidiaries (TRS). We are a Florida corporation and our predecessor corporation prior to the REIT conversion was originally organized in 1984.

We conduct our business through four reportable business segments: our U.S. Corrections & Detention segment; our GEO Care segment; our International Services segment; and our Facility Construction & Design segment. We have identified these four reportable segments to reflect our current view that we operate four distinct business lines, each of which constitutes a material part of our overall business. Our U.S. Corrections & Detention segment primarily encompasses our U.S.-based privatized corrections and detention business. Our GEO Care segment, which conducts its services in the U.S., consists of our community-based services business, our youth services business and our electronic monitoring and supervision services. Our International Services segment primarily consists of our privatized corrections and detention operations in South Africa, Australia and the United Kingdom. Our Facility Construction & Design segment primarily contracts with various state, local and federal agencies, as well as international agencies, for the design and construction of facilities for which we generally have been, or expect to be, awarded management contracts.

Recent Developments

Tender Offer for the 6.625% Senior Notes Due 2021

On April 11, 2016, we commenced a cash tender offer to purchase any and all of the outstanding $300.0 million aggregate principal amount of our 6.625% senior notes, which we refer to as the tender offer. The total consideration payable for the 6.625% senior notes tendered and accepted by us for purchase in the tender offer will be $1,036.78 per $1,000 principal amount of 6.625% senior notes. Additionally, accrued and unpaid interest to, but not including, the payment date will be paid on any 6.625% senior notes accepted for purchase.

We intend to use the net proceeds from this offering, as further described under Use of Proceeds, to fund the tender offer or the repurchase, redemption or other discharge of any and all 6.625% senior notes tendered and to pay related transaction fees and expenses and for general corporate purposes, including repaying a portion of the outstanding indebtedness under our revolving credit facility. The tender offer is scheduled to expire at 5:00 p.m., New York City time, on April 15, 2016 and is conditioned, among other things, on our receipt of proceeds from this offering to fund the purchase of the 6.625% senior notes pursuant to the tender offer, including any related fees and expenses. Holders of the 6.625% senior notes are not obligated to tender their notes to us pursuant to the tender offer. Accordingly, we cannot assure you that any of the 6.625% senior notes will be tendered or purchased in the tender offer. If any 6.625% senior notes are not purchased in the tender offer, we intend to use the net proceeds from this offering to redeem any 6.625% senior notes that remain outstanding in accordance with the indenture governing the 6.625% senior notes. This offering is not conditioned on the completion of the tender offer. This prospectus supplement does not constitute an offer to purchase or a solicitation of an offer to sell any of our 6.625% senior notes and does not constitute a redemption notice of the 6.625% senior notes.

Table of Contents

Senior Credit Facility

We are seeking to amend our senior credit facility to increase our revolving credit facility, extend the maturity date of the revolving credit facility and provide for certain other modifications to the senior credit facility to be negotiated, including modifications to certain of the financial ratio requirements. No assurance can be given that we will be successful in consummating an amendment to our senior credit facility on favorable terms, or at all.

Corporate Information

Our principal executive offices are located at One Park Place, Suite 700, 621 Northwest 53rd Street, Boca Raton, Florida 33487 and our telephone number is (866) 301-4GEO (4436).

Table of Contents

THE OFFERING

The summary below describes the principal terms of the notes. Certain of the terms described below are subject to important limitations and exceptions. The Description of the Notes section of this prospectus supplement contain a more detailed description of the notes. Under this heading, The Offering, references to GEO, and Company, refer to The GEO Group, Inc. and do not, unless the context otherwise indicates, include any of its subsidiaries.

Issuer	The GEO Group, Inc.
Notes Offered	$350,000,000 aggregate principal amount of 6.00% senior notes due 2026.
Maturity Date	April 15, 2026.
Interest Payment Dates	April 15 and October 15, commencing October 15, 2016.
Subsidiary Guarantees	On the issue date, each of our restricted subsidiaries that guarantee our senior credit facility will guarantee the notes. The notes may be guaranteed by additional subsidiaries in the future under certain circumstances. See Description of Notes Certain Covenants *Additional Note Guarantees*. GEO and the initial guarantors generated approximately 85.2% of our consolidated revenues for the fiscal year ended December 31, 2015, and held approximately 89.1% of our consolidated assets as of December 31, 2015. GEO and the initial guarantors generated 91.4% of our consolidated EBITDA for the fiscal year ended December 31, 2015.
Ranking	The notes and the guarantees will be unsecured, unsubordinated obligations of GEO and the guarantors and will rank:

- *pari passu* with any unsecured, unsubordinated indebtedness of GEO and the guarantors, including the 6.625% senior notes, the 5.125% senior notes, the 5.875% senior notes due 2022, the 5.875% senior notes due 2024 and the guarantors guarantees thereof;
- senior to any future indebtedness of GEO and the guarantors that is expressly subordinated to the notes and the guarantees;

effectively junior to any secured indebtedness of GEO and the guarantors, including indebtedness under the senior credit facility, to the extent of the value of the assets securing such indebtedness; and

structurally junior to all obligations of our subsidiaries that are not guarantors.

As of December 31, 2015, on an as adjusted basis after giving effect to the consummation of the tender offer, the offering of the notes and the application of the net proceeds therefrom to repurchase, redeem or otherwise discharge the 6.625% senior notes, as described in Use of

Table of Contents

	Proceeds, our total consolidated indebtedness was $1,909.9 million (excluding nonrecourse debt of $247.1 million and $54.3 million of existing letters of credit, but including capital lease obligations of $9.9 million and other debt of $1.4 million), primarily consisting of $748.7 million of secured indebtedness under the senior credit facility, $250.0 million of the 5.875% senior notes due 2024, $300.0 million of the 5.125% senior notes, $250.0 million of the 5.875% senior notes due 2022 and the notes offered hereby.
	In addition, the notes and the related guarantees will be structurally subordinated to all existing and future liabilities of our subsidiaries that do not guarantee the notes, including trade payables. Our subsidiaries that are not providing note guarantees generated approximately 15.6% of our consolidated revenues and 8.1% of our consolidated EBITDA for the fiscal year ended December 31, 2015, and held approximately 10.9% of our consolidated assets as of December 31, 2015. In addition, as of December 31, 2015, our non-guarantor subsidiaries had $324.1 million of liabilities, including $247.1 million of indebtedness.
Use of Proceeds	The net proceeds from this offering (after deducting the underwriters discount and our estimated expenses) are expected to be approximately $343.3 million. We intend to use the net proceeds of this offering to fund the tender offer and the repurchase, redemption or other discharge of all of our existing 6.625% senior notes that are not tendered pursuant to the tender offer and pay related fees, costs and expenses and for general corporate purposes, including repaying a portion of the outstanding indebtedness under our revolving credit facility. See Use of Proceeds.
Optional Redemption	At any time on or after April 15, 2021, we may redeem some or all of the notes at any time at the redemption prices specified under Description of Notes Optional Redemption, plus accrued and unpaid interest, if any, to the date of redemption.
	At any time prior to April 15, 2021, we may redeem some or all of the notes at a redemption price equal to 100% of the principal amount of each note to be redeemed plus a make-whole premium described under Description of Notes Optional Redemption, plus accrued and unpaid interest, if any, to the date of redemption.
	In addition, at any time on or prior to April 15, 2019, we may redeem up to 35% of the notes with the net cash proceeds from specified equity offerings at a redemption price equal to 106.00% of the principal amount of each note to be redeemed, plus accrued and unpaid interest, if any, to

	the date of redemption.
Change of Control	Upon a change of control (as defined in Description of Notes Certain Definitions), we must offer to repurchase the notes at 101% of the principal amount of notes repurchased, plus accrued and unpaid interest, if any, to the purchase date.

Table of Contents

Certain Covenants	The indenture governing the notes will contain certain covenants, including limitations and restrictions on our and our restricted subsidiaries ability to: incur additional indebtedness or issue preferred stock; make dividend payments or other restricted payments; create liens; sell assets; engage in sale and leaseback transactions; create or permit restrictions on the ability of our restricted subsidiaries to pay dividends or make other distributions to us; enter into transactions with affiliates; and enter into mergers, consolidations, or sales of all or substantially all of our assets. As of the date of the indenture, all of our subsidiaries (other than CSC of Tacoma, LLC, GEO International Holdings, LLC, certain dormant domestic subsidiaries and all of our foreign subsidiaries in existence on the date of the indenture) will be restricted subsidiaries. Our unrestricted subsidiaries will not be subject to any of the restrictive covenants in the indenture. The restrictive covenants set forth in the indenture are subject to important exceptions and qualifications. In addition, most of the covenants will be suspended during any period in which the notes are rated investment grade by Moody s Investors Service, Inc. or Standard & Poor s Rating Services. See Description of Notes Certain Covenants.
Absence of an Established Market for the Notes	The notes will be a new class of securities for which there is currently no market. Although the underwriters have informed us that they intend to make a market in the notes, the underwriters are not obligated to do so, and may discontinue market making activities at any time without notice. Accordingly, we cannot assure you that a liquid market for the notes will

	develop or be maintained.
Risk Factors	Potential investors in the notes should carefully consider the matters set forth under the caption Risk Factors prior to making an investment decision with respect to the notes.

Table of Contents

SUMMARY HISTORICAL FINANCIAL AND OTHER DATA

The following table sets forth the summary historical financial and other data of us and our consolidated subsidiaries at the dates and for the periods indicated. The summary consolidated balance sheet data as of December 31, 2015 and 2014 and the summary consolidated statements of comprehensive income data and other financial data for each of the years in the three-year period ended December 31, 2015 have been derived from our audited consolidated financial statements incorporated by reference into this prospectus supplement. The summary consolidated balance sheet data as of December 31, 2013 has been derived from our audited consolidated financial statements which are not incorporated by reference into this prospectus supplement. The summary consolidated statements of operations and other financial data for the year ended December 31, 2013 reflect the reclassification of certain amounts as discontinued operations.

The information presented below should be read in conjunction with the historical consolidated financial statements of GEO, including the related notes, and with GEO s Management s Discussion and Analysis of Financial Condition and Results of Operations, incorporated by reference into this prospectus supplement. All amounts are presented in thousands except operational data.

	Year Ended		
	December 31, 2015	December 31, 2014	December 31, 2013
Consolidated Statements of Comprehensive Income:			
Revenues	$ 1,843,307	$ 1,691,620	$ 1,522,074
Operating costs and expenses			
Operating expenses	1,363,782	1,245,700	1,124,865
Depreciation and amortization	106,756	96,171	94,664
General and administrative expenses	137,040	115,018	117,061
Total operating costs and expenses	$ 1,607,578	$ 1,456,889	$ 1,336,590
Operating income	235,729	234,731	185,484
Interest income	11,578	4,747	3,324
Interest expense (1)	(106,136)	(87,368)	(83,004)
Loss on extinguishment of debt			(20,657)
Income before income taxes, equity in earnings of affiliates, and discontinued operations	$ 141,171	$ 152,110	$ 85,147
Income tax provision (benefit)	7,389	14,093	(26,050)
Equity in earnings of affiliates, net of income tax	5,533	5,823	6,265
Income from continuing operations	139,315	143,840	117,462
Income (loss) from discontinued operations, net of income tax			(2,265)
Net income	$ 139,315	$ 143,840	$ 115,197
Less: (income) loss attributable to noncontrolling interests	123	90	(62)
Net income attributable to The GEO Group, Inc.	$ 139,438	$ 143,930	$ 115,135

Business Segment Data:

Revenues:			
U.S. Corrections & Detention	$ 1,240,440	$ 1,108,397	$ 1,011,818
GEO Care	340,918	329,253	302,094
International Services	154,902	197,992	208,162
Facility Construction & Design	107,047	55,978	
Total revenues	$ 1,843,307	$ 1,691,620	$ 1,522,074

Table of Contents

	Year Ended		
	December 31, 2015	December 31, 2014	December 31, 2013
Operating income			
U.S. Corrections & Detention	$ 281,945	$ 263,027	$ 217,918
GEO Care	82,806	80,152	71,279
International Services	7,666	6,130	13,348
Facility Construction & Design	352	440	
Unallocated G&A expenses	(137,040)	(115,018)	(117,061)
Total operating income	$ 235,729	$ 234,731	$ 185,484
Balance Sheet Data (at period end):			
Cash and cash equivalents	$ 59,638	$ 41,337	$ 52,125
Restricted cash and investments	28,725	23,919	29,867
Accounts receivable, net	314,097	269,038	250,530
Property and equipment, net	1,916,386	1,772,166	1,727,798
Total assets	3,503,342	3,002,208	2,889,364
Total debt	2,135,857	1,621,395	1,584,776
Total shareholders equity	1,006,837	1,045,993	1,023,976
Other Financial Data:			
Net cash provided by operating activities	$ 142,157	$ 202,541	$ 192,189
Net cash used in investing activities	(452,880)	(121,170)	(98,976)
Net cash provided by (used in) financing activities	332,250	(88,900)	(69,040)
Capital expenditures	117,581	114,224	117,566
Depreciation and amortization expense	106,756	96,171	94,664
EBITDA (2)	350,056	339,027	268,145
Adjusted EBITDA (2)	368,720	349,147	304,810
Funds From Operations (3)	197,196	196,890	169,080
Normalized Funds From Operations (3)	204,259	197,571	167,657
Adjusted Funds From Operations (AFFO) (3)	248,378	232,867	205,287
Other Operational Data (end of period):			
Facilities in operation (4)	104	92	86
Operations capacity of contracts (4)	83,878	75,302	66,130
Compensated mandays (5)	23,841,256	22,390,904	20,867,016

(1) Interest expense excludes the following capitalized interest amounts for the periods presented:

	Year Ended	
December 31, 2015	**December 31, 2014**	**December 31, 2013**
$976	$731	$

(2) We define EBITDA as income from continuing operations before net interest expense, income tax provision (benefit), depreciation and amortization, and tax provision on equity in earnings of affiliates. We define Adjusted EBITDA as EBITDA further adjusted for net income/loss attributable to non-controlling interests, non-cash

stock-based compensation expenses, and certain other adjustments as defined from time to time. We believe that Adjusted EBITDA is useful to investors as it provides information about the performance of our overall business because such measure eliminates the effects of certain charges that are not directly attributable to our underlying operating performance, it provides disclosure on the same basis as that used by our management and it provides consistency in our financial reporting and therefore continuity to investors for comparability purposes. We use Adjusted EBITDA to monitor and evaluate our operating performance and to facilitate internal and external comparisons of our historical operating performance and our business units. For a further discussion of EBITDA and Adjusted EBITDA, including their limitations as financial measures, see Non-GAAP Financial Measures.

Table of Contents

The following table provides a reconciliation of EBITDA and Adjusted EBITDA to income from continuing operations computed in accordance with GAAP:

	Year Ended		
	December 31, 2015	December 31, 2014	December 31, 2013
Income from continuing operations	$ 139,315	$ 143,840	$ 117,462
Interest expense, net	94,558	82,621	79,680
Income tax provision (benefit)	7,389	14,093	(26,050)
Depreciation and amortization expense	106,756	96,171	94,664
Tax provision on equity in earnings of affiliates	2,038	2,302	2,389
EBITDA	350,056	339,027	268,145
Net loss attributable to noncontrolling interests	123	90	(62)
Stock based compensation expenses, pre-tax	11,709	8,909	7,889
Start-up expenses, pre-tax	4,658		
M&A related expenses, pre-tax	2,174	1,121	
REIT conversion related expenses and other expenses, pre-tax (a)			8,181
Early extinguishment of debt, pre-tax			20,657
Adjusted EBITDA	$ 368,720	$ 349,147	$ 304,810

(a) Represents expenses related to our REIT conversion.

(3) We define Funds From Operations, or FFO, in accordance with standards established by the National Association of Real Estate Investment Trusts, or NAREIT, which defines FFO as net income (loss) attributable to common shareholders (computed in accordance with GAAP), excluding real estate related depreciation and amortization, excluding gains and losses from the cumulative effects of accounting changes, extraordinary items and sales of properties, and including adjustments for unconsolidated partnerships and joint ventures. FFO as presented in Summary Historical Financial and Other Data is defined differently than Funds From Operations as used in the Description of Notes. We define Normalized Funds From Operations, or Normalized FFO, as FFO adjusted for certain items which by their nature are not comparable from period to period or that tend to obscure our actual operating performance. We define Adjusted Funds From Operations, or AFFO, as Normalized Funds From Operations adjusted for maintenance capital expenditures, non-cash stock-based compensation expenses, amortization of debt costs and other non-cash interest, non-real estate-related depreciation and amortization and certain other adjustments as defined from time to time. We believe that Funds From Operations, Normalized Funds From Operations, and Adjusted Funds From Operations are useful measures to investors as they provide information regarding cash that our operating business generates before taking into account certain cash and non-cash items that are non-operational in nature, provide disclosure on the same basis as that used by our management and provide consistency in our financial reporting and therefore continuity to investors for comparability purposes. Our management uses these measures to monitor and evaluate our operating performance and to facilitate internal and external comparisons of our historical operating performance and our

business units. For a further discussion of Funds From Operations, Normalized Funds From Operations and Adjusted Funds From Operations, including their limitations as financial measures, see Non-GAAP Financial Measures.

Table of Contents

The following table provides a reconciliation of Funds From Operations, Normalized Funds From Operations and Adjusted Funds From Operations to income from continuing operations computed in accordance with GAAP:

		Year Ended	
	December 31, 2015	December 31, 2014	December 31, 2013
Income from continuing operations	139,315	143,840	117,462
Net loss attributable to noncontrolling interests	123	90	(62)
Real estate related depreciation and amortization	57,758	52,960	51,680
Funds From Operations	197,196	196,890	169,080
Start-up expenses, net of tax	4,831		
M&A related expenses, net of tax	2,232	681	
REIT conversion related expenses (6)			5,440
Impact of REIT Conversion			(21,103)
Early extinguishment of debt, net of tax			14,240
Normalized Funds From Operations	204,259	197,571	167,657
Non-real estate related depreciation and amortization	48,998	43,211	42,984
Consolidated maintenance capital expenditures-real estate and non-real estate related	(23,551)	(23,277)	(19,159)
Stock based compensation expense	11,709	8,909	7,889
Amortization of debt costs and other non-cash interest	6,963	6,453	5,916
Adjusted Funds From Operations	$ 248,378	$ 232,867	$ 205,287

(4) Excludes idle facilities and assets held for sale.

(5) Compensated mandays are calculated as follows: (a) for per diem rate facilities-the number of beds occupied by residents on a daily basis during the fiscal year; and (b) for fixed rate facilities-the capacity of the facility multiplied by the number of days the facility was in operation during the fiscal year.

(6) Represents expenses related to our REIT conversion.

Table of Contents

RISK FACTORS

You should carefully consider the risk factors set forth below, as well as the other information contained and incorporated by reference in this prospectus supplement, before deciding whether to invest in the notes. Any of these risks could materially adversely affect our business, financial condition or results of operations. These risks could also cause our actual results to differ materially from those indicated in the forward-looking statements contained herein and elsewhere. The risks described below are not the only risks we face. Additional risks not currently known to us or those we currently deem to be immaterial may also materially and adversely affect our business operations.

Risks Related to REIT Status

If we fail to remain qualified as a REIT, we will be subject to U.S. federal income tax as a regular corporation and could face a substantial tax liability, which would reduce the amount of cash available for distribution to our shareholders.

We began operating as a REIT on January 1, 2013. We received an opinion of our special REIT tax counsel (Special Tax Counsel) with respect to our qualification as a REIT. Investors should be aware, however, that opinions of counsel are not binding on the Internal Revenue Service (the IRS) or any court. The opinion of Special Tax Counsel represents only the view of Special Tax Counsel based on its review and analysis of existing law and on certain representations as to factual matters and covenants made by us, including representations relating to the values of our assets and the sources of our income. The opinion is expressed as of the date issued. Special Tax Counsel has no obligation to advise us or the holders of our common stock of any subsequent change in the matters stated, represented or assumed or of any subsequent change in applicable law. Furthermore, both the validity of the opinion of Special Tax Counsel and our qualification as a REIT will depend on our satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis, the results of which will not be monitored by Special Tax Counsel. Our ability to satisfy the asset tests depends upon our analysis of the characterization and fair market values of our assets, some of which are not susceptible to a precise determination, and for which we will not obtain independent appraisals.

We have received a favorable private letter ruling from the IRS with respect to certain issues relevant to our qualification as a REIT. Although we may generally rely upon the ruling, no assurance can be given that the IRS will not challenge our qualification as a REIT on the basis of other issues or facts outside the scope of the ruling.

If we fail to qualify as a REIT in any taxable year, we would be subject to U.S. federal income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates, and dividends paid to our shareholders would not be deductible by us in computing our taxable income. Any resulting corporate tax liability could be substantial and would reduce the amount of cash available for distribution to our shareholders, which in turn could have an adverse impact on the value of our common stock. Unless we were entitled to relief under certain Internal Revenue Service Code of 1986, as amended (the Code) provisions, we also would be disqualified from re-electing to be taxed as a REIT for the four taxable years following the year in which we failed to qualify as a REIT. If we fail to qualify for taxation as a REIT, we may need to borrow additional funds or liquidate some investments to pay any additional tax liability. Accordingly, funds available for investment and making payments on our indebtedness would be reduced.

Qualifying as a REIT involves highly technical and complex provisions of the Code.

Qualification as a REIT involves the application of highly technical and complex Code provisions for which only limited judicial and administrative authorities exist. Even a technical or inadvertent violation could jeopardize our

REIT qualification. Our qualification as a REIT will depend on our satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis.

S-11

Table of Contents

Complying with the REIT requirements may cause us to liquidate or forgo otherwise attractive opportunities.

To qualify as a REIT, we must ensure that, at the end of each calendar quarter, at least 75% of the value of our assets consists of cash, cash items, government securities and real estate assets (as defined in the Code), including certain mortgage loans and securities. The remainder of our investments (other than government securities, qualified real estate assets and securities issued by a TRS) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5% of the value of our total assets (other than government securities, qualified real estate assets and securities issued by a TRS) can consist of the securities of any one issuer, and no more than 25% of the value of our total assets can be represented by securities of one or more TRSs (20% starting with calendar year 2018). If we fail to comply with these requirements at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences. As a result, we may be required to liquidate or forgo otherwise attractive investments. These actions could have the effect of reducing our income, amounts available for distribution to our shareholders and amounts available for making payments on our indebtedness.

In addition to the asset tests set forth above, to qualify as a REIT, we must continually satisfy tests concerning, among other things, the sources of our income, the amounts we distribute to our shareholders and the ownership of our stock. We may be unable to pursue investments that would be otherwise advantageous to us in order to satisfy the source-of-income or asset-diversification requirements for qualifying as a REIT. Thus, compliance with the REIT requirements may hinder our ability to make certain attractive investments and make payments on our indebtedness.

Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends.

The maximum U.S. federal income tax rate applicable to income from qualified dividends payable to U.S. shareholders that are individuals, trusts and estates is currently 20%. Dividends payable by REITs, however, generally are not eligible for the reduced rates. Although these rules do not adversely affect the taxation of REITs, the more favorable rates applicable to regular corporate qualified dividends could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the stock of REITs, including our common stock.

REIT distribution requirements could adversely affect our ability to execute our business plan.

We generally must distribute annually at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains, in order for us to qualify as a REIT (assuming that certain other requirements are also satisfied) so that U.S. federal corporate income tax does not apply to earnings that we distribute. To the extent that we satisfy this distribution requirement and qualify for taxation as a REIT but distribute less than 100% of our REIT taxable income, including any net capital gains, we will be subject to U.S. federal corporate income tax on our undistributed net taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we distribute to our shareholders in a calendar year is less than a minimum amount specified under U.S. federal tax laws. We intend to make distributions to our shareholders to comply with the REIT requirements of the Code.

From time to time, we may generate taxable income greater than our cash flow as a result of differences in timing between the recognition of taxable income and the actual receipt of cash or the effect of nondeductible capital expenditures, the creation of reserves or required debt or amortization payments. If we do not have other funds available in these situations, we could be required to borrow funds on unfavorable terms, sell assets at

disadvantageous prices or distribute amounts that would otherwise be invested in future acquisitions to make distributions sufficient to enable us to pay out enough of our taxable income to satisfy the REIT distribution

requirement and to avoid corporate income tax and the 4% excise tax in a particular year. These alternatives could increase our costs, reduce our equity or adversely impact our ability to raise short and long-term debt. Furthermore, the REIT distribution requirements may increase the financing we need to fund capital expenditures, future growth and expansion initiatives. Thus, compliance with the REIT requirements may hinder our ability to grow, which could adversely affect the value of our common stock.

Our cash distributions are not guaranteed and may fluctuate.

A REIT generally is required to distribute at least 90% of its REIT taxable income to its shareholders. Our board of directors, in its sole discretion, will determine on a quarterly basis the amount of cash to be distributed to our shareholders based on a number of factors including, but not limited to, our results of operations, cash flow and capital requirements, economic conditions, tax considerations, borrowing capacity and other factors, including debt covenant restrictions that may impose limitations on cash payments and plans for future acquisitions and divestitures. Consequently, our distribution levels may fluctuate.

Certain of our business activities may be subject to corporate level income tax and foreign taxes, which would reduce our cash flows, and may have potential deferred and contingent tax liabilities.

We may be subject to certain federal, state, local and foreign taxes on our income and assets, including alternative minimum taxes, taxes on any undistributed income and state, local or foreign income, franchise, property and transfer taxes. In addition, we could, in certain circumstances, be required to pay an excise or penalty tax, which could be significant in amount, in order to utilize one or more relief provisions under the Code to maintain qualification for taxation as a REIT. In addition, we may incur a 100% excise tax on transactions with a TRS if they are not conducted on an arm s length basis. Any of these taxes would decrease our earnings and our available cash.

Our TRS assets and operations will continue to be subject, as applicable, to federal and state corporate income taxes and to foreign taxes in the jurisdictions in which those assets and operations are located.

We will also be subject to a federal corporate level tax at the highest regular corporate rate (currently 35%) on the gain recognized from a sale of assets occurring during our first ten years as a REIT, up to the amount of the built-in gain that existed on January 1, 2013, which is based on the fair market value of those assets in excess of our tax basis as of January 1, 2013. Gain from a sale of an asset occurring after the specified period ends will not be subject to this corporate level tax. We currently do not expect to sell any asset if the sale would result in the imposition of a material tax liability. We cannot, however, assure you that we will not change our plans in this regard.

REIT ownership limitations may restrict or prevent you from engaging in certain transfers of our common stock.

In order to satisfy the requirements for REIT qualification, no more than 50% in value of all classes or series of our outstanding shares of stock may be owned, actually or constructively, by five or fewer individuals (as defined in the Code to include certain entities) at any time during the last half of each taxable year beginning with our 2014 taxable year. In 2014, GEO merged into a newly formed entity, to facilitate GEO s compliance with the REIT rules by implementing ownership limitations that generally restrict shareholders from owning more than 9.8% of our outstanding shares. The merger was approved by our shareholders. Under applicable constructive ownership rules, any shares of stock owned by certain affiliated owners generally would be added together for purposes of the common stock ownership limits, and any shares of a given class or series of preferred stock owned by certain affiliated owners generally would be added together for purposes of the ownership limit on such class or series.

Table of Contents

Our use of TRSs may cause us to fail to qualify as a REIT.

The net income of our TRSs is not required to be distributed to us, and such undistributed TRS income is generally not subject to our REIT distribution requirements. However, if the accumulation of cash or reinvestment of significant earnings in our TRSs causes the fair market value of our securities in those entities, taken together with other non-qualifying assets to exceed 25% of the fair market value of our assets, in each case as determined for REIT asset testing purposes, we would, absent timely responsive action, fail to qualify as a REIT. Additionally, beginning in 2018, if the accumulation of cash or reinvestment of significant earnings in our TRSs causes the fair market value of our securities in those entities to exceed 20% of the fair market value of our assets, in each case as determined for REIT asset testing purposes, we would, absent timely responsive action, similarly fail to qualify as a REIT.

There are uncertainties relating to the special earnings and profits (E&P) distribution.

To qualify for taxation as a REIT, we were required to distribute to our shareholders all of our pre-REIT accumulated earnings and profits, if any, as measured for federal income tax purposes, prior to the end of our first taxable year as a REIT, which was for the taxable period ended December 31, 2013. We declared and paid a special dividend during the fourth quarter of 2012 for the purposes of distributing to our shareholders our pre-REIT accumulated earnings and profits. The calculation of the amount to be distributed in a special E&P distribution was a complex factual and legal determination. We currently believe our special E&P distribution paid during the fourth quarter of 2012, together with distributions paid in 2013, satisfied the requirements relating to the distribution of our pre-REIT accumulated earnings and profits. No assurance can be given, however, that the IRS will agree with our calculation. If the IRS finds additional amounts of pre-REIT E&P, there are procedures generally available to cure any failure to distribute all of our pre-REIT E&P.

Legislative or other actions affecting REITs could have a negative effect on us.

The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Department of the Treasury (the Treasury). Changes to the tax laws or interpretations thereof, with or without retroactive application, could materially and adversely affect our investors or us. We cannot predict how changes in the tax laws might affect our investors or us. New legislation, Treasury regulations, administrative interpretations or court decisions could significantly and negatively affect our ability to qualify as a REIT or the U.S. federal income tax consequences to our investors and us of such qualification.

We have limited experience operating as a REIT, which may adversely affect our financial condition, results of operations, cash flow, per share trading price of our common stock and ability to satisfy debt service obligations.

We have only been operating as a REIT since January 1, 2013. Accordingly, the experience of our senior management operating a REIT is limited. Our pre-REIT operating experience may not be sufficient to operate successfully as a REIT. Failure to maintain REIT status could adversely affect our financial condition, results of operations, cash flow, per share trading price of our common stock and ability to satisfy debt service obligations.

Risks Related to Our High Level of Indebtedness

Our level of indebtedness could adversely affect our financial condition and prevent us from fulfilling our debt service obligations.

We have a significant amount of indebtedness. Our total consolidated indebtedness as of December 31, 2015, on an adjusted basis after giving effect to the consummation of the tender offer (assuming all the 6.625% senior notes are

tendered), the offering of the notes and the application of the net proceeds therefrom, as described in Use of Proceeds, was approximately $1,909.9 million, excluding non-recourse debt of $247.1

Table of Contents

million but including capital lease obligations of $9.9 million and other debt of $1.4 million. As of December 31, 2015, we had $54.3 million outstanding in letters of credit and $485.0 million in borrowings outstanding under our revolver. Also as of December 31, 2015, we had the ability to borrow $160.7 million under our revolver, after applying the limitations and restrictions in our debt covenants and subject to our satisfying the relevant borrowing conditions under our senior credit facility with respect to the incurrence of additional indebtedness. At December 31, 2015, we also had approximately AUD 215 million in letters of credit outstanding under our Australian letter of credit facility in connection with certain performance guarantees related to the Ravenhall Prison Project. We also have the ability to increase our senior credit facility by an additional $350 million, subject to lender demand and prevailing market conditions and satisfying the relevant borrowing conditions.

Our substantial indebtedness could have important consequences. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to our senior notes and our other debt and liabilities;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, and other general corporate purposes including to make distributions on our common stock as currently contemplated or necessary to maintain our qualification as a REIT;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- increase our vulnerability to adverse economic and industry conditions;
- place us at a competitive disadvantage compared to competitors that may be less leveraged;
- restrict us from pursuing strategic acquisitions or exploiting certain business opportunities; and
- limit our ability to borrow additional funds or refinance existing indebtedness on favorable terms.

If we are unable to meet our debt service obligations, we may need to reduce capital expenditures, restructure or refinance our indebtedness, obtain additional equity financing or sell assets. We may be unable to restructure or refinance our indebtedness, obtain additional equity financing or sell assets on satisfactory terms or at all. In addition, our ability to incur additional indebtedness will be restricted by the terms of our senior credit facility, the indenture governing the 6.625% senior notes, the indenture governing the 5.125% senior notes, the indenture governing the 5.875% senior notes due 2022 and the indenture governing the 5.875% senior notes due 2024.

We are incurring significant indebtedness in connection with substantial ongoing capital expenditures. Capital expenditures for existing and future projects may materially strain our liquidity.

As of December 31, 2015, we were developing a number of projects that we estimate will cost approximately $153.0 million, of which $53.0 million was spent through December 31, 2015. We estimate our remaining capital requirements to be approximately $100.0 million, which we anticipate will be spent in fiscal years 2016 through 2017. Included in these commitments is a contractual commitment to provide a capital contribution towards the design and construction of a prison project in Ravenhall, a locality near Melbourne, Australia, in the amount of AUD 115 million, or $84.0 million, based on exchange rates at December 31, 2015. This capital contribution is expected to be made in January 2017. Capital expenditures related to facility maintenance costs are expected to be approximately $24 million for 2016. We intend to finance these and future projects using our own funds, including cash on hand, cash flow from operations and borrowings under the Revolver. In addition to these current estimated capital requirements for 2016 and 2017, we are currently in the process of bidding on, or evaluating potential bids for the design, construction and management of a number of new projects. In the event that we win bids for these projects and decide to self-finance their construction, our capital requirements in 2016 through 2017 could materially increase. As of December 31, 2015, we had the ability to borrow $160.7 million under the Revolver after applying the limitations and restrictions in our debt

covenants and subject to our satisfying the relevant borrowing conditions under the senior credit facility. In addition, we have the ability to increase the senior credit facility by an additional $350 million, subject to lender demand and prevailing market conditions and satisfying the relevant borrowing conditions thereunder. While we believe we currently have adequate borrowing capacity under our senior credit facility to fund our operations and all of our committed capital expenditure projects, we may need additional borrowings or financing from other sources in order to complete potential capital expenditures related to new projects in the future. We cannot assure you that such borrowings or financing will be made available to us on satisfactory terms, or at all. In addition, the large capital commitments that these projects will require over the next 12-18 month period may materially strain our liquidity and our borrowing capacity for other purposes. Capital constraints caused by these projects may also cause us to have to entirely refinance our existing indebtedness or incur more indebtedness. Such financing may have terms less favorable than those we currently have in place, or not be available to us at all. In addition, the concurrent development of these and other large capital projects exposes us to material risks. For example, we may not complete some or all of the projects on time or on budget, which could cause us to absorb any losses associated with any delays.

Despite current indebtedness levels, we may still incur more indebtedness, which could further exacerbate the risks described above.

The terms of the indentures governing the 6.625% senior notes, the 5.125% senior notes, the 5.875% senior notes due 2022 and the 5.875% senior notes due 2024 and our senior credit facility restrict our ability to incur but do not prohibit us from incurring significant additional indebtedness in the future. As of December 31, 2015, we had the ability to borrow an additional $160.7 million under the revolver portion of our senior credit facility after applying the limitations and restrictions in our debt covenants and subject to our satisfying the relevant borrowing conditions under the senior credit facility. We also would have the ability to increase the Senior Credit Facility by an additional $350 million, subject to lender demand, prevailing market conditions and satisfying relevant borrowing conditions. Also, we may refinance all or a portion of our indebtedness, including borrowings under our senior credit facility, the 6.625% senior notes, the 5.125% senior notes, the 5.875% senior notes due 2022 and the 5.875% senior notes due 2024. The terms of such refinancing may be less restrictive and permit us to incur more indebtedness than we can now. If new indebtedness is added to our and our subsidiaries current debt levels, the related risks that we and they now face related to our significant level of indebtedness could intensify.

The covenants in the indentures governing the 6.625% senior notes, the 5.125% senior notes, the 5.875% senior notes due 2022 and the 5.875% senior notes due 2024 and the covenants in our senior credit facility impose significant operating and financial restrictions which may adversely affect our ability to operate our business.

The indentures governing the 6.625% senior notes, the 5.125% senior notes, the 5.875% senior notes due 2022 and the 5.875% senior notes due 2024 and our senior credit facility impose significant operating and financial restrictions on us and certain of our subsidiaries, which we refer to as restricted subsidiaries. These restrictions limit our ability to, among other things:

- incur additional indebtedness;
- pay dividends and or distributions on our capital stock, repurchase, redeem or retire our capital stock, prepay subordinated indebtedness, make investments;

issue preferred stock of subsidiaries;

guarantee other indebtedness;

create liens on our assets;

transfer and sell assets;

make capital expenditures above certain limits;

Table of Contents

- create or permit restrictions on the ability of our restricted subsidiaries to pay dividends or make other distributions to us;

- enter into sale/leaseback transactions;

- enter into transactions with affiliates; and

- merge or consolidate with another company or sell all or substantially all of our assets.

These restrictions could limit our ability to finance our future operations or capital needs, make acquisitions or pursue available business opportunities. In addition, our senior credit facility requires us to maintain specified financial ratios and satisfy certain financial covenants, including maintaining a maximum senior secured leverage ratio and total leverage ratio, and a minimum interest coverage ratio. We may be required to take action to reduce our indebtedness or to act in a manner contrary to our business objectives to meet these ratios and satisfy these covenants. We could also incur additional indebtedness having even more restrictive covenants. Our failure to comply with any of the covenants under our senior credit facility, the indentures governing the 6.625% senior notes, the 5.125% senior notes, the 5.875% senior notes due 2022, the 5.875% senior notes due 2024, or any other indebtedness could prevent us from being able to draw on the Revolver, cause an event of default under such documents and result in an acceleration of all of our outstanding indebtedness. If all of our outstanding indebtedness were to be accelerated, we likely would not be able to simultaneously satisfy all of our obligations under such indebtedness, which would materially adversely affect our financial condition and results of operations.

Servicing our indebtedness will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control and we may not be able to generate the cash required to service our indebtedness.

Our ability to make payments on our indebtedness and to fund planned capital expenditures will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

Our business may not be able to generate sufficient cash flow from operations or future borrowings may not be available to us under our senior credit facility or otherwise in an amount sufficient to enable us to pay our indebtedness or debt securities, including the 6.625% senior notes, the 5.125% senior notes, the 5.875% senior notes due 2022, and the 5.875% senior notes due 2024, or to fund our other liquidity needs. As a result, we may need to refinance all or a portion of our indebtedness on or before maturity. However, we may not be able to complete such refinancing on commercially reasonable terms or at all. If for any reason we are unable to meet our debt service obligations, we would be in default under the terms of the agreements governing our outstanding debt. If such a default were to occur, the lenders under the senior credit facility, and holders of the 6.625% senior notes, the 5.125% senior notes, the 5.875% senior notes due 2022 and the 5.875% senior notes due 2024 could elect to declare all amounts outstanding immediately due and payable, and the lenders would not be obligated to continue to advance funds under the senior credit facility. If the amounts outstanding under the senior credit facility or other agreements governing our outstanding debt, were accelerated, our assets may not be sufficient to repay in full the money owed to our lenders and holders of the 6.625% senior notes, the 5.125% senior notes, the 5.875% senior notes due 2022 and the 5.875% senior notes due 2024 and any other debt holders.

Because portions of our senior indebtedness have floating interest rates, a general increase in interest rates would adversely affect cash flows.

Borrowings under our senior credit facility bear interest at a variable rate. As a result, to the extent our exposure to increases in interest rates is not eliminated through interest rate protection agreements, such increases will result in higher debt service costs which will adversely affect our cash flows. We currently do not have interest rate protection agreements in place to protect against interest rate fluctuations on borrowings under our senior credit facility. As of December 31, 2015, we had $777.5 million of indebtedness outstanding under our senior credit facility, and a one percent increase in the interest rate applicable to the senior credit facility would increase our annual interest expense by approximately $8.0 million.

We depend on distributions from our subsidiaries to make payments on our indebtedness. These distributions may not be made.

A substantial portion of our business is conducted by our subsidiaries. Therefore, our ability to meet our payment obligations on our indebtedness is substantially dependent on the earnings of certain of our subsidiaries and the payment of funds to us by our subsidiaries as dividends, loans, advances or other payments. Our subsidiaries are separate and distinct legal entities and, unless they expressly guarantee any indebtedness of ours, they are not obligated to make funds available for payment of our indebtedness in the form of loans, distributions or otherwise. Our subsidiaries ability to make any such loans, distributions or other payments to us will depend on their earnings, business results, the terms of their existing and any future indebtedness, tax considerations and legal or contractual restrictions to which they may be subject. If our subsidiaries do not make such payments to us, our ability to repay our indebtedness may be materially adversely affected. For the year ended December 31, 2015, our subsidiaries accounted for 73.8% of our consolidated revenues, and as of December 31, 2015, our subsidiaries accounted for 90.9% of our total assets.

Risks Related to the Notes

The notes and the related guarantees are effectively subordinated to our and our subsidiary guarantors senior secured indebtedness and structurally subordinated to the indebtedness of our subsidiaries that do not guarantee the notes.

The notes and the related guarantees are unsecured and therefore will be effectively subordinated to our secured indebtedness, including borrowings under the senior credit facility, to the extent of the value of the assets securing such indebtedness. Our total consolidated indebtedness as of December 31, 2015, on an as adjusted basis after giving effect to the consummation of the offering of the notes and the application of the net proceeds therefrom (and assuming all of the 6.625% senior notes are purchased in the tender offer), was approximately $1,909.9 million, excluding non-recourse debt of $247.1 million and including capital lease obligations of $9.9 million and other debt of $1.4 million, primarily consisting of $777.5 million of secured indebtedness under the senior credit facility, $300.0 million of the 5.125% senior notes, $250.0 million of the 5.875% senior notes due 2022, $250.0 million of the 5.875% senior notes due 2024 and the notes offered hereby. As of December 31, 2015, on an as adjusted basis after giving effect to the consummation of the offering of the notes and the application of the net proceeds therefrom, we had $54.3 million outstanding in letters of credit and $456.2 million in borrowings outstanding under the revolver. Also as of December 31, 2015, on an as adjusted basis after giving effect to the consummation of the offering of the notes and the application of the net proceeds therefrom, we had the ability to borrow $189.5 million under the revolver after applying the limitations and restrictions in our debt covenants and subject to our satisfying the relevant borrowing conditions under the senior credit facility with respect to the incurrence of additional indebtedness. In addition, the indenture governing the 6.625% senior notes, the indenture governing the 5.125% senior notes, the indenture governing the 5.875% senior notes due 2022, the indenture governing the 5.875% senior notes due 2024 and the indenture governing the notes will allow us and our subsidiary guarantors to incur a significant amount of additional indebtedness and to secure indebtedness, including any indebtedness incurred under credit facilities. In the event we or the guarantors become the subject of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding, our assets and the assets of the guarantors securing indebtedness could not be used to pay you until after all secured claims against us and the guarantors have been fully paid.

In addition, the notes and the related guarantees will be structurally subordinated to all existing and future liabilities of our subsidiaries that do not guarantee the notes, including the trade payables. Our subsidiaries that are not providing note guarantees generated approximately 79% of our consolidated revenues and 71% of our consolidated EBITDA for the fiscal year ended December 31, 2015, and held approximately 80% of our consolidated assets as of December 31,

2015. In addition, as of December 31, 2015, our non-guarantor subsidiaries had $324.1 million of liabilities, including $247.1 million of indebtedness.

Table of Contents

There is no public market for the notes.

The notes are a new issue of securities for which there is currently no trading market. Although the underwriters have advised us that they currently intend to make a market in the notes following completion of this offering, they have no obligation to do so and may discontinue such activity at any time without notice. We cannot be sure that an active trading market will develop for the notes or, if developed, that it will continue. Moreover, if a market were to develop, the notes could trade at prices that may be lower than their initial offering price because of many factors, including, but not limited to:

- prevailing interest rates for similar securities;
- general economic conditions;
- our financial condition, performance or prospects; and
- the prospects for other companies in the same industry.

We may not be able to satisfy our repurchase obligations in the event of a change of control because the terms of our indebtedness or lack of funds may prevent us from doing so.

Upon a change of control as specified in Description of Notes, each holder of the notes, each holder of the 6.625% senior notes, each holder of the 5.125% senior notes, each holder of the 5.875% senior notes due 2022, and each holder of the 5.875% senior notes due 2024 will have the right to require us to repurchase their notes at 101% of their principal amount, plus accrued and unpaid interest, and, liquidated damages, if any, to the date of repurchase. The terms of the senior credit facility limit our ability to repurchase the notes in the event of a change of control. Any future agreement governing any of our indebtedness may contain similar restrictions and provisions. Accordingly, it is possible that restrictions in the senior credit facility or other indebtedness that may be incurred in the future will not allow the required repurchase of the notes, the 6.625% senior notes, the 5.125% senior notes, the 5.875% senior notes due 2022, and the 5.875% senior notes due 2024 upon a change of control. Even if such repurchase is permitted by the terms of our then existing indebtedness, we may not have sufficient funds available to satisfy our repurchase obligations. Our failure to purchase the notes would be a default under the indenture governing the notes, which in turn would trigger a default under the senior credit facility and the indentures governing the 6.625% senior notes, the 5.125% senior notes, the 5.875% senior notes due 2022 and the 5.875% senior notes due 2024.

Fraudulent conveyance laws may permit courts to avoid the subsidiary guarantees of the notes and/or payments made under the subsidiary guarantees in specific circumstances, which would interfere with the payment under the subsidiary guarantees.

Under the federal bankruptcy laws and comparable provisions of state fraudulent transfer laws, any guarantee or payments thereunder made by any of our subsidiaries could be avoided, or claims under the guarantee of any of our subsidiaries could be subordinated to all other obligations of any such subsidiary, if the subsidiary, at the time it incurred the obligations under any guarantee:

incurred the obligations with the intent to hinder, delay or defraud creditors; or

received less than reasonably equivalent value, or did not receive fair consideration, in exchange for incurring those obligations; and

(1) was insolvent or rendered insolvent by reason of that incurrence;

(2) was engaged in a business or transaction for which the subsidiary s remaining assets constituted unreasonably small capital; or