

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): February 23, 2000

Prison Realty Trust, Inc.

(Exact name of registrant as specified in its charter)

Maryland	0-25245	62-1763875
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

10 Burton Hills Boulevard, Suite 100, Nashville, Tennessee 37215

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (615) 263-0200

Not Applicable

(Former name or former address, if changed since last report)

ITEM 5. OTHER EVENTS.

On Wednesday, February 23, 2000, the board of directors of Prison Realty Trust, Inc. (the "Company") received an unsolicited proposal from Pacific Life Insurance Company ("Pacific Life") regarding a transaction intended to serve as an alternative to the previously announced restructuring transactions which included a sale of up to \$350.0 million in convertible securities to a group of investors led by an affiliate of Fortress Investment Group LLC and affiliates of The Blackstone Group, together with an affiliate of Bank of America Corporation. The text of Pacific Life's proposal is filed as Exhibit 99.1 herewith and is incorporated herein in its entirety. In connection with the receipt of the unsolicited proposal, the Company's board of directors has determined, after reviewing the proposal with its financial and legal advisors, that it is appropriate for the Company and its financial advisors to commence negotiations with Pacific Life regarding a potential transaction. The press release issued by the Company with respect to the announcement of these events is filed as Exhibit 99.2 herewith and is incorporated herein in its entirety. The Company does not intend to report on the status of negotiations with Pacific Life or provide updates on the terms of Pacific Life's proposal prior to reaching a definitive agreement with Pacific Life or prior to determining that no definitive agreement will be reached.

Also in connection with the board's receipt of the unsolicited proposal and its determination to have the Company and its financial advisors commence negotiations with Pacific Life regarding a potential transaction, the Company has entered into an amendment to the Securities Purchase Agreement governing the previously announced restructuring transactions which is intended to clarify certain provisions contained therein. The amendment is filed as Exhibit 10.1 herewith and is incorporated herein in its entirety.

This Form 8-K contains forward-looking statements within the meaning of Section 27(a) of the Securities Act of 1933, as amended, and Section 21(e) of the Securities Exchange Act of 1934, as amended. The Company's actual results could differ materially from those set forth in the forward-looking statements.

ITEM 7(C). EXHIBITS.

The following exhibits are filed as part of this Current Report:

- 10.1 First Amendment to Securities Purchase Agreement, dated as of February 28, 2000, by and among the Company, Corrections Corporation of America, a Tennessee corporation, Prison Management Services, Inc., a Tennessee corporation, and Juvenile and Jail Facility Management Services, Inc., a Tennessee corporation, on the one hand, and Prison Acquisition Company, L.L.C., a Delaware limited liability company, on the other hand.
- 99.1 Letter to the Board of Directors of the Company, dated February 22, 2000, from Pacific Life Insurance Company.
- 99.2 Company Press Release, dated February 29, 2000.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the undersigned Registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 29, 2000

PRISON REALTY TRUST, INC.

By: /s/ DOCTOR R. CRANTS

Its: Chief Executive Officer

EXHIBIT INDEX

Exhibit Number -----	Description of Exhibits -----
10.1	First Amendment to Securities Purchase Agreement, dated as of February 28, 2000, by and among the Company, Corrections Corporation of America, a Tennessee corporation, Prison Management Services, Inc., a Tennessee corporation, and Juvenile and Jail Facility Management Services, Inc., a Tennessee corporation, on the one hand, and Prison Acquisition Company, L.L.C., a Delaware limited liability company, on the other hand.
99.1	Letter to the Board of Directors of the Company, dated February 22, 2000, from Pacific Life Insurance Company.
99.2	Company Press Release, dated February 29, 2000.

FIRST AMENDMENT TO SECURITIES PURCHASE AGREEMENT

This FIRST AMENDMENT (the "First Amendment") to that certain Securities Purchase Agreement (the "Agreement"), dated as of December 26, 1999, by and among Prison Realty Trust, Inc., a Maryland corporation ("Prison Realty"), Corrections Corporation of America, a Tennessee corporation ("CCA"), Prison Management Services, Inc., a Tennessee corporation ("PMSI"), and Juvenile and Jail Facility Management Services, Inc., a Tennessee corporation ("JJFMSI") (Prison Realty, CCA, PMSI and JJFMSI are collectively referred to herein as the "Companies"), on the one hand, and Prison Acquisition Company L.L.C., a Delaware limited liability company ("Prison Acquisition Company L.L.C."), on the other hand, is dated as of February 28, 2000.

WITNESSETH:

WHEREAS, subsequent to the execution and delivery of the Agreement the parties thereto identified certain provisions that are ambiguous in terms of their actual application, as well as a typographical error;

WHEREAS, the Companies and Prison Acquisition Company L.L.C. are agreeable to clarifying such ambiguities as described below; and

WHEREAS, both the Companies and Prison Acquisition Company L.L.C. agree that such typographical error should be corrected as described below.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representation and warranties contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. The last sentence of Section 7.6(b) is amended to read in its entirety as follows:

Notwithstanding the foregoing, none of the Companies will be precluded from providing information to, or discussing, negotiating and, subject to Section 7.6(c), executing agreements with, any person or entity that makes a written proposal pursuant to which such other person or entity would (i) make a significant equity investment in one or more of the Companies, (ii) acquire all or a substantial portion of the assets of one or more of the Companies or (iii) acquire one or more of the Companies, if and to the extent that its Board of Directors reasonably determines in good faith (after consultation with outside counsel) that they are required to authorize such actions by their fiduciary duties.

2. Section 7.6(c) of the Agreement is amended and restated in its entirety as follows:

At such time as the Board of Directors of any of the Companies has determined in good faith, after consultation with its financial, accounting and legal advisors, that such company is prepared to terminate this Agreement pursuant to Section 10.1(e) and enter into a definitive agreement with respect to a Competing Transaction, the Companies shall, prior to terminating and entering into such definitive agreement with respect to such Competing Transaction, send a written notice to the Investors attaching a copy of the definitive written agreement relating to such Competing Transaction (together with all related exhibits and schedules), together with a copy of such definitive agreement revised appropriately for the purpose of execution by the Investors, which copy shall be executed by the Companies. Upon receipt of the notice and such executed definitive written agreement, the Investors shall have the right to match the terms and conditions of such Competing Transaction for five business days commencing on the day following the date of receipt and ending at midnight on the fifth business day by delivering written notice to the Companies to such effect, together with a copy of the definitive agreement executed by Prison Acquisition Company L.L.C. If the Investors deliver such notice and executed definitive agreement to the Companies within the prescribed time period, the Companies shall cease discussions with any outside parties in accordance with the provisions of Section 7.6(a) hereof and this Agreement shall be deemed to have been terminated pursuant to Section 10.1(a) hereof. If the Investors do not deliver such written notice and executed definitive agreement within the prescribed time period, or advise the Companies that they do not intend to exercise their right to match the terms of the Competing Transaction, then, subject to Section 7.6(d) hereof, the Companies shall be free to enter into the definitive agreement relating to such Competing Transaction in the form previously delivered to the Investors.

3. The last paragraph of Section 10.1 is amended to read in its entirety as follows:

In the event that this Agreement shall be terminated pursuant to Article X, all further obligations of the parties under this Agreement, other than the obligations set forth in Section 7.3, Section 7.6(d) and Article XII, shall be terminated without further liability of any party to any other party, provided that nothing herein shall relieve any party from liability for its willful breach of this Agreement.

4. Section 10.1(e) is amended to read in its entirety as follows:

by the Companies (subject to the Companies' compliance with Section 7.6(c)) or the Investors if the Board of Directors of any of the Companies determine to recommend or enter into a Third-Party Agreement;

5. Miscellaneous.

(a) Authorization. Each party to this First Amendment hereby represents and warrants that the execution, delivery and performance of this First Amendment are within the powers of each party and have been duly authorized by the party, the execution and performance of this First Amendment by each party have been duly authorized by all applicable laws and regulations, and this First Amendment constitutes the valid and enforceable obligation of each party in accordance with its terms.

(b) Effect of First Amendment. Each party acknowledges that this First Amendment constitutes a written instrument as contemplated by Section 12.4 of the Agreement. Except as modified or amended herein, all terms and provisions of the Agreement shall continue and remain in full force and effect.

(c) Counterparts. This First Amendment may be executed in any number of counterparts, each of which may be executed by only one of the parties hereto, each of which shall be enforceable against the party actually executing such counterpart, and all of which shall together constitute one instrument.

(d) Titles and Subtitles. The titles and subtitles used in this First Amendment are used for convenience only and are not to be considered in construing or interpreting this First Amendment.

(e) Governing Law. This First Amendment shall be construed in accordance with the laws of the State of Maryland without giving effect to conflicts of laws principles thereof.

(f) Severability. Should any part of this First Amendment be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity and enforceability of the remaining portion.

(g) Entire Agreement. This First Amendment constitutes the entire agreement of the parties hereto and supersedes all prior agreements and presentations with respect to the subject matter hereof.

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IN WITNESS WHEREOF, each of the undersigned has caused this First Amendment to be executed as of the date first above written.

COMPANIES:

PRISON REALTY TRUST, INC.

By: /s/ DOCTOR R. CRANTS

Name: Doctor R. Crants
Title: Chief Executive Officer

CORRECTIONS CORPORATION OF AMERICA

By: /s/ DOCTOR R. CRANTS

Name: Doctor R. Crants
Title: Chief Executive Officer

PRISON MANAGEMENT SERVICES, INC.

By: /s/ DARRELL K. MASSENGALE

Name: Darrell K. Massengale
Title: Chief Executive Officer

JUVENILE AND JAIL FACILITY MANAGEMENT SERVICES, INC.

By: /s/ DARRELL K. MASSENGALE

Name: Darrell K. Massengale
Title: Chief Executive Officer

PRISON ACQUISITION COMPANY L.L.C.

By: /s/ CHAD R. PIKE

Name: Chad R. Pike
Title:

By: /s/ WILLIAM B. DONIGER

Name: William B. Doniger
Title:

[PACIFIC LIFE LETTERHEAD]

Board of Directors
c/o Mr. Thomas W. Beasley, Chairman
Prison Realty Trust, Inc.
10 Burton Hills Blvd, Suite 100
Nashville, Tennessee 37215

February 22, 2000

Gentlemen:

We own beneficially approximately 5 million shares of Prison Realty Trust, Inc. (the "Company").

We support the goals of the Board of Directors to strengthen the financial position of the Company, to simplify its corporate structure and to create a new management team and Board of Directors. However, we believe those goals and existing shareholders of the Company would be better served not by the transaction with Fortress Investment Group LLC, The Blackstone Group and Bank of America ("Blackstone Proposal"), but rather by acceptance of the proposal ("Shareholder Proposal") we are making. Enclosed is a Shareholder Proposal Summary ("Summary").

Advantages of Shareholder Proposal

The Shareholder Proposal would provide the Company with comparable net proceeds, but has the advantages to existing shareholders over the Blackstone Proposal as shown in the enclosed comparison of the two Proposals ("Comparison"). Let me highlight four advantages in particular:

1. The Shareholder Proposal is designed to encourage 100% shareholder participation and, if existing shareholders fully participate, they would be diluted only approximately 10% in our offer compared to suffering dilution of a minimum of 31% under the Blackstone Proposal.

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2. Existing shareholders will receive \$260 million in Series C Preferred Stock or \$2.20 per share. This upfront value lowers their net investment and they will own 24% more shares compared to the Blackstone Proposal. For a shareholder with 100 shares, the shareholder would invest \$65 and own 115 fully diluted shares under Blackstone as compared to receiving \$52 net value and owning 142 fully diluted shares under the Shareholder Proposal (see Summary).

3. Existing shareholders would receive greater annual returns under differing scenarios ranging from 9% to 38% in the Shareholder Proposal compared to (3%) and 23% in the Blackstone Proposal. Unlike the Blackstone Proposal which would require the Company to pay an 18% minimum annual return to the Blackstone Group at a considerable cost to existing shareholders, the Shareholder Proposal does not require any guaranteed minimum annual return to Pacific Life.

4. The Company would generate substantially higher free cash flows under the Shareholder Proposal due to lower cash dividends. For example, over the next five years the Company would retain between \$45 and \$123 million in additional free cash flow as compared to the Blackstone Proposal.

Offer

The Shareholder Proposal would build on the work being done by the Company to (1) refinance its existing debt with up to a new \$1.2 billion term loan and revolving credit facility from Credit Suisse First Boston and/or Lehman Brothers, and (2) make a rights offering to existing shareholders. Specifically, our proposal is the following:

1. The Company would retain its REIT status for 1999 and distribute to all shareholders (to satisfy REIT and other dividend requirements) a 12% PIK Series C Preferred Stock, callable after 3 years with mandatory redemption in 10 years. Retaining REIT status for 1999 and paying the dividend in a Series C Preferred Stock would save the Company more than \$140 million in taxes. Our tax advisors confirm that paying such a dividend would satisfy the REIT dividend requirement.

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2. The Shareholder Proposal intends to match the number of shares and cash paid to the shareholders of Corrections Corporation of America, Prison Management Services, Inc., and Juvenile and Jail Facility Management Services, Inc. as part of the combination with the Company.

3. The Company would make available to all shareholders a \$200 million rights offering of its Common Stock at the lower of \$4 per share or 75% of average market stock price. The rights would be transferable (unlike the Blackstone Proposal) so shareholders who choose not to exercise the rights may nonetheless realize the value of the rights. Because existing shareholders can fully participate, the price per share does not cause dilution in itself.

4. Pacific Life would make a standby commitment for the unsubscribed portion of the \$200 million rights offering and would receive in exchange 20 million Common Stock Warrants (or if greater, warrants for 10% of outstanding Common Stock on a fully diluted basis) with a term of 15 years and with an exercise price set at a 125% premium to the rights offering price up to a maximum of \$5 per share. To the extent that shares of Common Stock are not subscribed, Pacific Life would purchase an equal dollar amount of Series B Preferred Stock convertible at the rights offering price.

5. In the event the Company needs further assistance in its refinancing efforts, Pacific Life believes that there are alternatives including securing senior debt from other lenders, high-yield/mezzanine financing and/or sale of certain assets.

This offer has been approved by all necessary corporate actions on the part of Pacific Life. We do not need financing. We are prepared to negotiate and enter into an agreement substantially the same as the Securities Purchase Agreement dated December 26, 1999 (including the governance provisions) with only such changes as necessary to reflect the differences in the two transactions. We are, however, amenable to having the governance provisions lapse when the Company achieves a minimum level of EBITDA for 6 quarters. We do not want a cash financing fee, a break-up fee or an annual monitoring fee, only reimbursement of our reasonable, substantiated out-of-pocket expenses. We would want an opportunity to review and understand the disclosure schedules.

We have included a copy of our most recent annual report to demonstrate that we have the financial resources to make this offer. Pacific Life is one of the largest life insurance companies in the United States, with total assets at 12/31/99 in excess of \$40 billion. We are a highly rated company, with claim-paying ratings of Aa3 from Moody's and AA+ from Standard & Poor's and Duff & Phelps.

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We, along with our advisors including Cahill Gordon & Reindel, are prepared to meet with you and your advisors as soon as you are able to under the terms of the Securities Purchase Agreement. Quite obviously this is a written proposal pursuant to which Pacific Life would make a significant equity investment in the Company and we believe that you should reasonably determine in good faith that you are required at the least to explore and discuss our offer with us.

Please feel free to contact at Pacific Life, me (949) 219-3978 or Sam Tang (949) 219-4523 and at Cahill Gordon, Gerald Tanenbaum (212) 701-3224 or Les Duffy (212) 701-3840.

Very truly yours,

/s/ LARRY J. CARD

Larry J. Card

LJC:m1

COMPARISON BETWEEN
BLACKSTONE AND SHAREHOLDER PROPOSALS

TERM	BLACKSTONE	SHAREHOLDER
Closing of Stated Transaction	Uncertain	Highly Certain
Transaction, Break-up and Monitoring Fees to Sponsor	\$16 - \$23+MM	\$0
Warrants	29.6 MM	\$20 MM
Guaranteed Minimum Return	18% p.a. with year 5 put option	None
Loss of Company Control	Indefinite	Finite with Performance Targets
Size of Rights Offering to Existing Shareholders	\$75 MM	\$200 MM
Participation Available to Existing Shareholders	21% - 24%	100%
Rights Offering Participation Contingent on Voting for Proposal	Yes	No
Transferability of Rights (liquidity)	None	Fully
Pro-forma Ownership: Existing Shareholders	60% - 69%	Up to 90%
Net Equity Proceeds (after taxes)	\$174 - \$209 MM	\$200 MM
Value Today to Existing Shareholders	None	\$260 MM in Series C Preferred
Gain (Loss) to Existing Shareholders (Based on 100 shares) at		
\$ 3 per share	(\$200)	(\$22)
\$ 5 per share	\$0	\$262
\$10 per share	\$548	\$972
Lower Cash Dividends on Preferred Over Next 5 Years	N/A	\$45 - \$123 MM

SHAREHOLDER PROPOSAL SUMMARY

INTRODUCTION

As one of the larger existing shareholders of Prison Realty Trust, Inc. ("Company"), Pacific Life is presenting to the Board of Directors for its consideration an alternative proposal ("Shareholder Proposal") to the Blackstone proposal.

The Shareholder Proposal not only delivers comparable net proceeds but offers the following advantages:

- No built-in fees to and no conflicts with the sponsoring group
- Maximizes shareholder participation
- Less dilutive to existing shareholders
- Builds on work being performed on behalf of Company
- Generates higher free cash flow to Company
- More value today to existing shareholders
- Offers higher future returns to existing shareholders

DESCRIPTION

Shareholder Proposal requires that the Company merge with Corrections Corporation of America, Prison Management Services, Inc. and Juvenile and Jail Facility Management Services, Inc. (collectively "Operating Companies") and become a C-corp effective year 2000.

Shareholder Proposal assumes that the Company can meet the REIT qualification tests for 1999 and has the Company declare a subsequent year dividend for 1999 before the due date of its 1999 tax return.

Shareholder Proposal essentially substitutes for Blackstone's equity (a) new equity from existing shareholders via a Rights Offering of Common Stock which will be back stopped 100% by Pacific Life and (b) savings in taxes.

RIGHTS OFFERING

Rights Offering will be made 100% available to existing shareholders equal to their proportionate ownership interest. Existing shareholders will receive transferable rights to purchase up to \$200 million of Common Stock.

The Rights Offering exercise price will be the lower of \$4.00 per share and 75% of the average closing market stock price for a specified number of trading days prior to the commencement of Rights Offering. The minimum number of shares of Common Stock to be issued will be 50 million shares (\$200 million / \$4.00 per share).

BACKSTOP

Pacific Life will provide a 100% backstop (up to \$200 million) to the Company for any unexercised rights. For providing this commitment, Pacific Life will receive 15-year Warrants to purchase up to the greater of 20 million shares and 10% of Common Stock on a fully diluted basis.

The Warrant exercise price will be set at 125% of the Rights Offering exercise price or up to \$5.00 per share (125% premium x \$4.00 per share Rights Offering exercise price).

In the event there are unexercised rights, Pacific Life will make an investment in Series B Preferred Stock ("Preferred B") equal to the difference between \$200 million and the gross proceeds received under the Rights Offering.

Pacific Life will exercise all of the rights it receives, subject to a minimum investment in Series B Preferred.

SERIES B PREFERRED

Preferred B will be 6% cash pay and 4% PIK per annum over the first three years and 10% cash pay per annum thereafter, payable quarterly in arrears. There is no 18% guaranteed minimum return at the end of 5 years.

Preferred B will rank on a pari passu basis with outstanding Preferred A. Preferred B will be convertible into Common Stock at a conversion price equal to the Rights Offering exercise price.

MANAGEMENT

As part of Pacific Life's investment in Preferred B, an investment committee will be established similar to the one required under the Blackstone Proposal. However, if the Company meets certain EBITDA performance targets over 6 consecutive quarters, the investment committee will be dissolved.

BOARD OF DIRECTORS

Shareholder Proposal is the same as Blackstone reducing the board from 12 to 10. Pacific Life will designate 4 directors.

INVESTMENT COMMITTEE

Investment Committee will be comprised of 7 directors with 4 Pacific Life designated directors, 1 non-executive director member, 1 executive director member and 1 outside member jointly selected by Board of Directors and Pacific Life.

MANAGEMENT

Investment Committee to approve new CEO and CFO.

STOCK OPTION PLAN

If not already in process, Investment Committee to hire an outside consultant to recommend a stock option plan to attract and retain senior management.

1999 DIVIDEND

To meet the remaining portion of earnings and profits distribution for the acquisition of Corrections Corp. and/or the mandatory minimum dividend required to qualify as a REIT for 1999, the Shareholder Proposal requires that the Company issue to existing shareholders Series C Preferred in lieu of cash.

The amount of Series C Preferred is dependent on the cash amount needed to meet both the special and mandatory minimum dividends, and the fair market value of Series C Preferred as required by the Internal Revenue Service to qualify as a REIT for 1999. For modeling purposes, the Shareholder Proposal assumes that the issuance of \$260 million Series C Preferred meets these criteria.

SERIES C PREFERRED

Preferred C will be 12% PIK per annum over the first three years and 12% cash pay thereafter, payable quarterly in arrears. Preferred C will not be convertible into Common Stock.

At the Company's option, Preferred C can be called after 3 years at par and has a mandatory redemption at the end of 10 years at par.

NO FEES AND NO CONFLICTS

There will be no transaction, break-up and/or monitoring fees due to or payable to Pacific Life under the Shareholder Proposal. Pacific Life will be reimbursed for expenses including outside

legal counsel, accountants, financial advisors and consultants.

There will be no 18% guaranteed minimum return that causes conflicts of interest between the existing shareholders and Blackstone, especially under more conservative operating scenarios.

MAXIMIZE PARTICIPATION

The Rights Offering exercise price will be set at a discount to the market price of the Common Stock. This discount will encourage existing shareholders to participate in the Rights Offering.

LESS DILUTION

Assuming 100% participation in the Rights, existing shareholders will experience only approximately 10% dilution. The discounted Rights Offering exercise price itself will not cause dilution because all existing shareholder can participate proportionately. This proposal allows existing shareholders to capture almost all of the enterprise value created going forward.

In contrast, the Blackstone proposal will result in a minimum of 31% dilution assuming full participation by existing shareholders and up to 40% assuming no existing shareholder participation on a fully diluted basis.

BUILDS ON WORK

SENIOR DEBT

Shareholder Proposal is the same as Blackstone where the Company refinances its existing debt with up to a \$1.2 billion term loan and revolving credit facility from either existing and/or new lenders.

In the event the Company is unsuccessful in its refinancing efforts, Pacific Life is in discussions with other lenders who would refinance the Company's existing \$1 billion bank facility. If there is any shortfall, Pacific Life believes that high yield/mezzanine financing and/or the sale of certain assets could fill this gap.

SUBORDINATED DEBT

Pacific Life is both a general partner and limited partner of PMI Mezzanine Fund, L.P. ("PMI") which owns \$30 million in subordinated debt. Under the Blackstone proposal, this debt will need to be repaid.

However, under the Shareholder Proposal, PMI has indicated that it would look favorably to either extending the maturity of the debt and/or exchanging it for a security similar to Preferred B.

OPERATING COMPANIES

The Shareholder Proposal intends to match the number of shares and cash paid to the shareholders of the Operating Companies.

----- COMPARABLE NET PROCEEDS

The uses under the Shareholder Proposal are estimated to be lower by at least \$141 million due to no tax reserves and payments for 1999.

Shareholder Proposal will provide roughly the same net proceeds to the Company by injecting \$200 million in equity compared to between \$174 and \$209 million under the Blackstone proposal (\$315 and \$350 million Blackstone equity - \$141 million taxes).

----- HIGHER FREE CASH FLOW

The Company will generate higher cash available to Common Stock under Shareholder Proposal because of the lower cash dividend requirements as compared to Blackstone.

Depending on the participation level of the Rights Offering, the Shareholder Proposal should generate between \$45 and \$123 million more cash available to Common Stock than Blackstone proposal over the next five years. This additional cash could be utilized by the Company to fund its external growth plans.

Note - Under the Blackstone Proposal, the \$350 million Preferred B/C has an 18% minimum return resulting in 6% (18% - 12%) additional annual yield.

----- MORE VALUE TODAY

Under the Shareholder Proposal, existing shareholders will receive \$260 million Series C Preferred or \$2.20 per share. This upfront receipt of value will lower the existing shareholders' net investment and they will own more shares as compared to the Blackstone Proposal.

The following table presents a simplified example for an existing shareholder who owns 100 shares of Common Stock and participates to the maximum extent possible under both proposals.

	Blackstone		Shareholder	
	Shares(1)	\$	Shares(1)	\$
INVESTMENT				
Old Common @ \$5.00	100	500	100	500
New Common @ \$4.00	-	-	42	168
Preferred C @ \$6.50	10	65	-	-
Preferred C	-	-	-	(220)
Warrants @ \$7.50	5	-	-	-
	-----	-----	-----	-----
	115	565	142	448
IMMEDIATE VALUE (2)				
\$3.00		365		426
\$5.00		565		710
\$7.50		825		1,065
\$10.00		1,113		1,420

- (1) Gives effect to issuable on conversion and exercise of securities purchased in Blackstone's rights offering.
- (2) Higher of face or converted value for Preferred and net value for Warrants. Excludes dividends.

The Shareholder Proposal shows higher immediate value to existing shareholders at all common price per share scenarios.

MORE VALUE TODAY

Shareholder Proposal generates higher returns to existing shareholders than Blackstone proposal under differing operating scenarios. The projected annual IRRs to existing shareholders are summarized below:

Case	Blackstone	Shareholder
Low	-2.8%	9.3%
High	22.5%	38.2%

Note: Assumes Same Multiple under Both Proposals

In the low case, Blackstone's 18% guaranteed minimum return causes negative returns to existing shareholders.

Under the Shareholder Proposal, the Company's Common Stock is expected to trade at higher multiples because of the discount associated with vulture investor-led deals. A higher multiple would increase the returns to existing shareholders even more.

FOR IMMEDIATE RELEASE

CONTACT: ALEX SINGAL (615) 263-3005

BOARD OF DIRECTORS OF PRISON REALTY TRUST, INC. RECEIVES
UNSOLICITED OFFER FROM PACIFIC LIFE INSURANCE COMPANY

NASHVILLE, Tenn., February 29 / PRNewswire / -- Prison Realty Trust, Inc. (NYSE: PZN) announced today that on Wednesday, February 23, 2000 its board of directors received an unsolicited proposal from Pacific Life Insurance Company ("Pacific Life") regarding a transaction intended to serve as an alternative to the previously announced restructuring transactions led by a group of investors consisting of an affiliate of Fortress Investment Group LLC and affiliates of The Blackstone Group, together with an affiliate of Bank of America Corporation. In order to provide full information on the specific terms of the Pacific Life proposal, Prison Realty will include the text of Pacific Life's proposal in a Current Report on Form 8-K to be filed with the U.S. Securities and Exchange Commission via EDGAR.

The Prison Realty board of directors has determined, after reviewing the proposal with its financial and legal advisors, that it is appropriate for Prison Realty and its financial advisors to commence negotiations with Pacific Life regarding a potential transaction. Prison Realty does not intend to report on the status of negotiations with Pacific Life or provide updates on the terms of Pacific Life's proposal prior to reaching a definitive agreement with Pacific Life or determining that no definitive agreement will be reached.

This news release contains forward-looking statements within the meaning of Section 27(a) of the Securities Act of 1933, as amended, and Section 21(e) of the Securities Exchange Act of 1934, as amended. Actual results could differ materially from those set forth in the forward-looking statements.