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): May 8, 2001 (May 7, 2001)

Corrections Corporation of America
(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, Nashville, Tennessee 37215
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (615) 263-3000

Not Applicable
(Former name or former address, if changed since last report)

ITEM 5. OTHER EVENTS AND REGULATION FD DISCLOSURE.

DECLARATION OF REVERSE STOCK SPLIT.

The Board of Directors of Corrections Corporation of America, a Maryland corporation (the "Company"), has declared a reverse stock split of the Company's common stock at a ratio of one-for-ten (the "Reverse Stock Split"). The Reverse Stock Split, which will be effective Friday, May 18, 2001, was previously approved by the Company's stockholders at the Company's 2000 Annual Meeting of Stockholders held on December 13, 2000.

The Company will effect the Reverse Stock Split by filing an amendment to its Charter with the State of Maryland on Thursday, May 17, 2001 which will be automatically effective at 12:01 a.m., New York City time, on Friday, May 18, 2001 (the "Charter Amendment"). Pursuant to the Charter Amendment, every ten shares of the Company's common stock, $0.01 par value per share, issued and outstanding immediately prior to the effective time specified in the Charter Amendment will be reclassified and changed into one fully paid and nonassessable share of the Company's common stock, also $0.01 par value per share. The Company will pay cash in lieu of issuing fractional shares in the Reverse Stock Split based on the closing price of the common stock on the New York Stock Exchange (the "NYSE") on Thursday, May 17, 2001. Following the completion of the Reverse Stock Split, it is expected that the Company will have approximately 25.2 million shares of common stock issued and outstanding.

As a result of the foregoing, the Company anticipates that the Common Stock will trade on the NYSE on a post-Reverse Stock Split Basis beginning with the opening of trading on Friday, May 18, 2001. American Stock Transfer & Trust Company, the Company's newly appointed transfer agent and registrar, will effect the exchange of certificates representing the shares of the Company's common stock.

A form of the Charter Amendment to be filed with the State of Maryland is included as Exhibit 3.1 hereto and is incorporated herein in its entirety. The press release issued by the Company on May 7, 2001, with respect to, among other things the Reverse Stock Split, is filed herewith as Exhibit 99.1 and is also incorporated herein in its entirety.

FORWARD LOOKING STATEMENTS.

This Current Report on Form 8-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Actual results could differ materially from those as set forth in the forward-looking statements.

ITEM 7(c). EXHIBITS.

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

| Exhibit Number | Description of Exhibits |
| --- | --- |
| 3.1 | Form of Amendment to the Company's Charter effecting the Reverse Stock Split. |
| 99.1 | Company press release, dated May 7, 2001, announcing, among other things, the Board of Directors declaration of the Reverse Stock Split. |

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: May 8, 2001

CORRECTIONS CORPORATION OF AMERICA

By: /s/ Irving E. Lingo, Jr.
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Its: Executive Vice President,
Chief Financial Officer and Secretary

# EXHIBIT INDEX

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EXHIBIT 3.1

CORRECTIONS CORPORATION OF AMERICA

FORM OF ARTICLES OF AMENDMENT

Corrections Corporation of America, a Maryland corporation (the "Corporation"), certifies as follows:

FIRST: The charter of the Corporation is hereby amended by deleting the first paragraph of Article V thereof and inserting in its place the following:

> The total number of shares of stock which the Corporation shall have authority to issue is One Hundred Thirty Million (130,000,000), of which Eighty Million (80,000,000) shares are of a class denominated common stock, $0.01 par value per share (the "Common Stock"), and Fifty Million (50,000,000) shares of a class denominated preferred stock, $0.01 par value per share (the "Preferred Stock"). The aggregate par value of all shares of all classes is $1,300,000. Four Million Three Hundred Thousand (4,300,000) shares of the Preferred Stock shall be designated as "8.0% Series A Cumulative Preferred Stock" (the "Series A Preferred Stock"). Twelve Million (12,000,000) shares of the Preferred Stock shall be designated as "Series B Cumulative Convertible Preferred Stock" (the "Series B Preferred Stock"). Effective at 12:01 a.m. (New York City time) on May 18, 2001, each ten shares of stock of the Corporation of a class formerly denominated common stock, $0.01 par value per share, issued and outstanding at that time and held by a stockholder shall be changed, without any action on the part of the stockholder, into one fully paid and nonassessable share of Common Stock. The Corporation shall not issue fractional shares of Common Stock.

SECOND: The total number of shares of stock of all classes which the Corporation had authority to issue immediately before the foregoing amendment was Four Hundred Fifty Million (450,000,000), of which Four Hundred Million (400,000,000) shares were of a class designated common stock, $0.01 par value per share, and Fifty Million (50,000,000) shares were of a class denominated preferred stock, $0.01 par value per share. The aggregate par value of all shares of all classes was $4,500,000.

THIRD: The total number of shares of stock of all classes which the Corporation has authority to issue after the foregoing amendment is One Hundred Thirty Million (130,000,000), of which Eighty Million (80,000,000) shares are of a class denominated common stock, $0.01 par value per share, and Fifty Million (50,000,000) shares are of a class denominated preferred stock, $0.01 par value per share. The aggregate par value of all shares of all classes is $1,300,000.

FOURTH: Except as set forth in Article FIRST above, the description of each class of authorized stock, including the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption, was not changed by the amendment.

FIFTH: The foregoing amendment was advised by the board of directors and approved by the stockholders of the Corporation.

SIXTH: These Articles of Amendment shall become effective at 12:01 a.m. (New York City time) on May 18, 2001.

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be signed in its name and on its behalf on this ____ day of May, 2001, by its President who acknowledges that these Articles of Amendment are the act of the Corporation and that, to the best of his knowledge, information and belief and under penalties for perjury, all matters and facts contained in these Articles of Amendment are true in all material respects.

ATTEST: CORRECTIONS CORPORATION OF AMERICA

By:

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Irving E. Lingo, Jr. John D. Ferguson

Secretary President

EXHIBIT 99.1

Contact:
Corrections Corporation of America, Nashville
Karin Demler - (615)263-3005

CORRECTIONS CORPORATION OF AMERICA ANNOUNCES
FIRST QUARTER RESULTS AND REVERSE STOCK SPLIT

NASHVILLE, Tenn.--(BUSINESS WIRE)--May 7, 2001--Corrections Corporation of America (NYSE:CXW - news; the "Company") (formerly Prison Realty Trust, Inc.) today announced its operating results for the three months ended March 31, 2001. In addition, the Company announced that its Board of Directors has declared a 1 for 10 reverse split of the Company's common shares to be effective May 18, 2001.

The first quarter results discussed below include the operating results of the former operating company that was acquired October 1, 2000, and the former service companies that were acquired December 1, 2000. As a result of these acquisitions, the operating results of the Company for the first quarter of 2001 and the first quarter of 2000 are not comparable. Because the reverse split will not be effective until May 18, all per share amounts reported for the first quarter are prior to adjustment for the reverse split.

The Company reported a net loss of $10.1 million, or $0.04 per share, for the first quarter of 2001 compared with a net loss of $35.9 million, or $0.30 per share, for the first quarter of 2000. Results for the first quarter of 2001 include the effect of a non-cash charge of $6.0 million, or approximately $0.025 per share, related to the accounting for an interest rate swap agreement in accordance with Statement of Financial Accounting Standards No. 133 ("SFAS 133") discussed below. First quarter consolidated revenues amounted to $240.4 million. Consolidated EBITDA for the quarter was $47.1 million while average compensated occupancy for the quarter was 88.3%.

Commenting on the first quarter operating results, President and CEO John Ferguson stated, "We are pleased with the Company's first quarter results. We achieved solid increases in occupancy and operating margins while consolidated EBITDA increased to $47.1 million. In addition, we have sold two assets this year generating net proceeds of over $90 million which were used to retire debt." Ferguson continued, "In 1999 the Company had received a going concern opinion from its independent accountants. We were therefore pleased to receive an unqualified audit opinion with respect to our recently released 2000 financial statements."

REVERSE STOCK SPLIT

The Company's Board of Directors has declared a 1 for 10 reverse split of the Company's common stock effective May 18, 2001, as part of the Company's efforts to enhance the marketability of its common stock and maintain its listing on the New York Stock Exchange ("NYSE"). It is anticipated that the Company's common stock will begin trading on the NYSE on a post reverse stock split basis on May 18 under its current symbol "CXW." Commenting on the reverse split, Ferguson stated, "The Board believes the reverse split is in the best interest of the Company and its stockholders. In addition to maintaining our listing on the NYSE, increasing the share price of the common stock through the reverse split should make our shares more attractive to a broader universe of investors."

American Stock Transfer and Trust Company, the Company's newly appointed transfer agent, will effect the exchange of pre-split stock certificates from the Company's registered stockholders for new certificates in the name of Corrections Corporation of America. Cash will be paid in lieu of issuing fractional shares of common stock as a result of the reverse stock split based on the closing price of the common stock on the NYSE on May 17. Except for the payment of cash in lieu of a fractional share, the reverse stock split will not affect any stockholder's proportionate equity interest in the Company, nor will it change any of the rights of the holders of the common stock. Immediately after the reverse split, the Company estimates that it will have approximately 25.2 million common shares issued and outstanding.

NON-CASH CHARGE

Included in the results for the first quarter of 2001 was a non-cash charge of $6.0 million related to the accounting for an interest rate swap agreement in accordance with SFAS 133. The interest rate swap agreement is maintained by the Company as required under the terms of its senior credit facility. The charge resulted from adjusting such swap agreement to its estimated market value. The Company will continue to adjust the interest rate swap agreement to its estimated market value on a quarterly basis, potentially resulting in additional non-cash charges or gains. However, as the Company does not expect to terminate the swap agreement prior to maturity, the non-cash charge is expected to reverse into earnings prior to December 31, 2002.

ASSET SALES

During the quarter, the Company sold its Mountain View correctional facility located in Spruce Pine, North Carolina, for net proceeds of approximately $24.9 million. During April 2001, the Company also sold its interest in its Agecroft prison facility located in Salford, England, for approximately $65.7 million. Proceeds from these sales were used to immediately pay-down amounts outstanding under the Company's senior credit facility.

CASH POSITION

EBITDA for the quarter amounted to $47.1 million while debt service cost for the quarter, excluding non-cash items, amounted to approximately $30.0 million. At March 31, 2001, the Company had cash on hand of approximately $58.9 million and had $50.0 million available under its working capital line of credit.

OPERATIONS UPDATE

At March 31, 2001, key operating statistics for the Company were as follows:

| Metric | Quarter Ended March 31, 2001 | Pro Forma Quarter Ended December 31, 2000 |
|---|---|---|
| Average Available Beds | 61,462 | 61,462 |
| Average Compensated Occupancy | 88.3% | 86.9% |
| Total Compensated Man-Days | 4,883,865 | 4,915,894 |
| Revenue per Compensated Man-Day | $ 47.91 | $ 46.96 |
| Operating Cost per Compensated Man-Day | $ 37.06 | $ 38.71 |
| Operating Margin per Compensated Man-Day | $ 10.85 | $ 8.25 |
| Operating Margin Rate | 22.6% | 17.6% |

During the quarter the Company successfully renewed contracts at increased rates in five jurisdictions representing approximately 1,900 beds. President and CEO John Ferguson stated, "We continue to emphasize the importance of filling existing beds and improving our operating margins. Along these lines, we increased average occupancy to 88.3% during the first quarter of 2001 from 86.9% during the fourth quarter of 2000 and significantly improved our operating margin over the previous quarter. In addition, three facilities received accreditation from the American Correctional Association. We are proud of the fact that 75% of our facilities have earned this certification."

Ferguson continued, "Year-to-date, the Company has made significant progress in a number of areas. With respect to the balance sheet, we have reduced outstanding indebtedness by over $90 million through the successful sale of two assets. This represents an excellent start toward our goal of refinancing our long-term debt and rationalizing our capital structure. From an operational perspective, we generated strong EBITDA growth, improved occupancies and successfully renewed five contracts. We believe these results reflect the success of our ongoing efforts to reinvent the Company."

ABOUT THE COMPANY

The Company is the nation's largest provider of detention and corrections services to governmental agencies with approximately 61,000 beds in 65 facilities under contract for management in the United States and Puerto Rico. The Company's full range of services includes management of new or existing jails and prisons for adults and juveniles, long distance transportation services and the design, construction and renovation of prison facilities.

FORWARD-LOOKING STATEMENTS

This press release contains statements that are forward-looking statements as defined within the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made. Factors that could cause operating and financial results to differ are described in the Company's Form 10-K, as well as in other documents filed with the Securities and Exchange Commission, and these factors include, but are not limited to, the growth of the private corrections and detention industry, the Company's ability to obtain and maintain facility management contracts and general market conditions. The Company does not undertake any obligation to publicly release the result of any revisions to forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
(FORMERLY PRISON REALTY TRUST, INC.)
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED AND IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

| ASSETS | March 31, 2001 | December 31, 2000 |
|---|---|---|
| Cash and cash equivalents | $ 58,901 | $ 20,889 |
| Restricted cash | 9,031 | 9,209 |
| Accounts receivable, net of allowance of $1,619 and $1,486, respectively | 133,314 | 132,306 |
| Income tax receivable | 2,090 | 32,662 |
| Prepaid expenses and other current assets | 17,609 | 18,726 |
| Assets held for sale under contract | 65,432 | 24,895 |
| Total current assets | 286,377 | 238,687 |
| Property and equipment, net | 1,602,463 | 1,615,130 |
| Investment in direct financing lease | 23,532 | 23,808 |
| Assets held for sale | 71,850 | 138,622 |

| | | |
|---|---|---|
| Goodwill | 110,671 | 109,006 |
| Other assets | 46,255 | 51,739 |
| | ---------- | ---------- |
| Total assets | $2,141,148 | $2,176,992 |
| | ========== | ========== |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Accounts payable and accrued expenses | $ 226,317 | $ 243,312 |
| Income taxes payable | 7,014 | 8,437 |
| Distributions payable | 11,253 | 9,156 |
| Current portion of long-term debt | 384,123 | 14,594 |
| | ---------- | ---------- |
| Total current liabilities | 628,707 | 275,499 |
| Long-term debt, net of current portion | 738,978 | 1,137,976 |
| Deferred tax liabilities | 59,267 | 56,450 |
| Fair value of interest rate swap agreement | 10,364 | - |
| Other liabilities | 19,055 | 19,052 |
| | ---------- | ---------- |
| Total liabilities | 1,456,371 | 1,488,977 |
| | ---------- | ---------- |
| Commitments and contingencies | | |
| Preferred stock - $0.01 par value; 50,000 shares authorized: | | |
| Series A - 4,300 shares issued and outstanding; stated at liquidation preference of $25.00 per share | 107,500 | 107,500 |
| Series B - 3,407 and 3,297 shares issued and outstanding at March 31 2001 and December 31, 2000, respectively; stated at liquidation preference of $24.46 per share | 83,334 | 80,642 |

| | | |
|---|---|---|
| Common stock - $0.01 par value; 400,000 shares authorized; 243,886 and 235,395 shares issued and 243,874 and 235,383 shares outstanding at March 31, 2001 and December 31, 2000, respectively | 2,439 | 2,354 |
| Additional paid-in capital | 1,307,666 | 1,299,390 |
| Deferred compensation | (2,491) | (2,723) |
| Retained deficit | (809,034) | (798,906) |
| Treasury stock, 12 shares, at cost | (242) | (242) |
| Accumulated other comprehensive loss | (4,395) | - |
| Total stockholders' equity | 684,777 | 688,015 |
| Total liabilities and stockholders' equity | $2,141,148 | $2,176,992 |

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
(FORMERLY PRISON REALTY TRUST, INC.)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED AND AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

| | For the Three Months Ended March 31, | |
|---|---|---|
| | 2001 | 2000 |
| REVENUE: | | |
| Management and other | $237,972 | $ - |
| Rental | 2,410 | 11,460 |
| Licensing fees from affiliates | - | 2,576 |
| | 240,382 | 14,036 |
| EXPENSES: | | |
| Operating | 184,655 | - |
| General and administrative | 8,600 | 2,536 |
| Depreciation and amortization | 12,701 | 12,924 |
| Write-off of amounts under lease arrangements | - | 4,000 |
| | 205,956 | 19,460 |
| OPERATING INCOME (LOSS) | 34,426 | (5,424) |
| OTHER (INCOME) EXPENSE: | | |
| Equity (earnings) loss and amortization of deferred gain, net | 85 | (162) |
| Interest expense, net | 34,069 | 28,482 |
| Strategic investor fees | - | 7 |
| Change in fair value of interest rate swap agreement | 5,969 | - |
| Unrealized foreign currency transaction loss | 385 | - |
| | 40,508 | 28,327 |

| | | |
|---|---|---|
| LOSS BEFORE INCOME TAXES | (6,082) | (33,751) |
| Benefit for income taxes | 775 | - |
| NET LOSS | (5,307) | (33,751) |
| Distributions to preferred stockholders | (4,821) | (2,150) |
| NET LOSS AVAILABLE TO COMMON STOCKHOLDERS | $(10,128) | $(35,901) |
| BASIC NET LOSS AVAILABLE TO COMMON STOCKHOLDERS PER COMMON SHARE | $ (0.04) | $ (0.30) |
| DILUTED NET LOSS AVAILABLE TO COMMON STOCKHOLDERS PER COMMON SHARE | $ (0.04) | $ (0.30) |
| WEIGHTED AVERAGE COMMON SHARES OUTSTANDING, BASIC AND DILUTED | 236,034 | 118,395 |