
UNITED STATES 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): December 14, 2005 (December 8, 2005)

Corrections Corporation of America

(Exact name of registrant as specified in its charter)

Maryland
(State or Other Jurisdiction of Incorporation)

001-16109
(Commission File Number)

62-1763875
(I.R.S. Employer
Identification No.)

10 Burton Hills Boulevard, Nashville, Tennessee 37215

(Address of principal executive offices) (Zip Code)

(615) 263-3000

(Registrant's telephone number, including area code)

Not Applicable

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement***Accelerated Vesting of Employee and Executive Officer Stock Options***

On December 9, 2005, Corrections Corporation of America (the "Company") announced that effective December 30, 2005, its Board of Directors, through its Compensation Committee, will accelerate the vesting of unvested, outstanding options previously awarded to its employees. In addition, to prevent unintended benefits to the Company's executive officers and other employees, (i) resale restrictions will be imposed on shares obtained through the accelerated vesting process and (ii) certain key employees will be required to enter into non-solicitation, non-disclosure and non-compete agreements.

The Resale Restriction Agreements that the Company will enter into with each of these employees as of December 30, 2005, prevent the sale of any shares acquired from the exercise of an accelerated option prior to the earlier of (i) the original vesting date of the option or (ii) the individual's termination of employment. In addition, the Resale Restriction Agreements that the Company will enter into with certain key employees require the employees to enter into non-solicitation, non-disclosure and non-compete agreements with a term of one year following the employee's termination of employment.

The terms of the Resale Restriction Agreements are generally as described above, subject in all respects to the terms and conditions of the Forms of Resale Restriction Agreement, which are filed as a part of this Current Report as [Exhibit 10.1](#) and [Exhibit 10.2](#), respectively, and are incorporated herein in their entirety by this reference.

A copy of the press release announcing the foregoing is filed as a part of this Current Report as [Exhibit 99.1](#) and is incorporated herein in its entirety by this reference.

Modification of Cash Retainers for Non-Employee Directors

The Company also announced that its Board of Directors, upon recommendation of its Compensation Committee, has modified the cash retainers that will be paid to the Company's non-employee directors in 2006. The retainers and meeting fees to be paid to non-employee directors for 2005 and 2006 are set forth below.

Retainers and Fees	2005 (Current)	2006 (Modified)
Board retainer	\$ 45,000	\$ 50,000
Board meeting fee	\$ 3,000	\$ 3,000
Audit chair retainer	\$ 7,500	\$ 10,000
Audit member retainer	\$ 2,000	\$ 2,000
Compensation, Nominating and Governance chair retainer	\$ 2,000	\$ 5,000
Committee chair meeting fee (excluding Executive)	\$ 2,500	\$ 2,500
Non-chair committee meeting fee	\$ 2,000	\$ 2,000

In addition to the cash compensation set forth above, each non-employee director receives a nondiscretionary annual grant of a non-qualified option for the purchase of 4,000 shares of the Company's common stock. The option has an exercise price equal to the fair market value of the stock on the grant date and is fully vested as of the grant date. The terms and amounts of the nondiscretionary option grants were not modified with respect to 2005 or 2006.

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Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

- 10.1 Form of Resale Restriction Agreement, to be dated as of December 30, 2005.
 - 10.2 Form of Resale Restriction Agreement for certain key employees, to be dated as of December 30, 2005.
 - 99.1 Press Release dated December 9, 2005.
-

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

Date: December 14, 2005

CORRECTIONS CORPORATION OF AMERICA

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

RESALE RESTRICTION AGREEMENT

This RESALE RESTRICTION AGREEMENT (the "Agreement") with respect to certain stock option award agreements (the "Option Agreements") issued under the Corrections Corporation of America Amended and Restated 1997 Employee Share Incentive Plan (the "1997 Plan") and the Corrections Corporation of America Amended and Restated 2000 Stock Incentive Plan, as amended (the "2000 Plan" and together with the 1997 Plan, the "Plans"), is made by and between Corrections Corporation of America, a Maryland corporation (the "Company"), and the holder of the Company's options named in Exhibit A hereto (the "Holder").

WHEREAS, the Holder has been granted one or more options (the "Options") to acquire shares of common stock of the Company in such quantities and at the exercise prices set forth in Exhibit A hereto pursuant to the Option Agreements (the "Shares");

WHEREAS, the Options upon execution hereof shall be deemed fully vested and exercisable by reason of an action of the Company's Board of Directors effective December 30, 2005 (the "Acceleration"); and

WHEREAS, the Company wishes, and the Holder has agreed, to impose certain resale restrictions on the Shares underlying to the Options as provided herein on the terms and conditions contained herein.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, it is agreed as follows:

1. The Holder acknowledges that he or she has reviewed this Agreement in full.
2. As consideration for the benefit of the Acceleration bestowed upon the Holder by the Company, the Holder agrees not to sell, contract to sell, grant any option to purchase, transfer the economic risk of ownership in, make any short sale of, pledge or otherwise transfer or dispose of any Shares (or any interest in any Shares) until the Shares have been released from the foregoing resale restrictions, as further described below (such restrictions are hereinafter referred to as the "Resale Restrictions").
3. Except with respect to Shares that are listed as "Current" on Exhibit A (as set forth in Section 4 below), the Resale Restrictions shall lapse on the dates set forth in the "Lapse Date" column of Exhibit A and with respect to the number of unexercised Shares as set forth in the "Unexercised Shares" column of Exhibit A.
4. The Company agrees that the Shares denoted as "Current" in the "Lapse Date" column in Exhibit A shall not be subject to the Resale Restrictions.

5. Notwithstanding the foregoing, in the event the Holder's employment or service with the Company is terminated for any reason, 100% of the Shares underlying the Options shall become free from the Resale Restrictions on the effective date of termination.

6. This Agreement shall be effective as of December 30, 2005.

7. The Holder represents and warrants that he or she has full power to enter into this Agreement.

8. Except as set forth herein, all other terms and conditions applicable to the Options shall remain the same. This Agreement, the Option Agreements and the Plans constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior understandings and agreements of the Company and the Holder with respect to the subject matter hereof, and may not be modified except by means of a writing signed by the Company and the Holder. In the event any terms of this Agreement, the Option Agreements or the Plans differ, the terms of this Agreement shall prevail. This Agreement is to be construed in accordance with and governed by the internal laws of the State of Maryland without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Maryland to the rights and duties of the parties. Nothing in this Agreement (except as expressly provided herein) is intended to confer any rights or remedies on any persons other than the parties. Should any provision of this Agreement be determined to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

9. This Agreement shall be binding upon the Company and the Holder as well as the successors and assigns (if any) of the Company and the Holder.

[The following page is the Signature Page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered on the date set forth beside such party's signature.

Dated: December __, 2005

CORRECTIONS CORPORATION OF AMERICA

By: _____

Name: John Ferguson

Title: Chief Executive Officer

Dated: December __, 2005

HOLDER:

(Signature)

(Printed/Typed Name)

EXHIBIT A

OPTION INFORMATION

NAME OF HOLDER: _____

ORIGINAL OPTION GRANT DATE	ORIGINAL QUANTITY OF SHARES	UNEXERCISED SHARES	APPLICABLE PLAN	EXERCISE PRICE	LAPSE DATE(1)
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(1) IN THE EVENT OF A "CHANGE IN CONTROL" OR "POTENTIAL CHANGE IN CONTROL" OF THE COMPANY (AS SUCH TERMS ARE DEFINED IN THE APPLICABLE PLAN), THE LAPSE DATES SET FORTH HEREIN SHALL ACCELERATE TO THE DATE OF SUCH "CHANGE IN CONTROL" OR "POTENTIAL CHANGE IN CONTROL" IN THE SAME MANNER THAT THE VESTING OF AN OPTION ACCELERATES UNDER THE APPLICABLE PLAN.

RESALE RESTRICTION AGREEMENT

This RESALE RESTRICTION AGREEMENT (the "Agreement") with respect to certain stock option award agreements (the "Option Agreements") issued under the Corrections Corporation of America Amended and Restated 1997 Employee Share Incentive Plan (the "1997 Plan") and the Corrections Corporation of America Amended and Restated 2000 Stock Incentive Plan, as amended (the "2000 Plan" and together with the 1997 Plan, the "Plans"), is made by and between Corrections Corporation of America, a Maryland corporation (the "Company"), and the holder of the Company's options named in Exhibit A hereto (the "Holder").

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1. The Holder acknowledges that he or she has reviewed this Agreement in full.

2. As consideration for the benefit of the Acceleration bestowed upon the Holder by the Company, the Holder agrees not to sell, contract to sell, grant any option to purchase, transfer the economic risk of ownership in, make any short sale of, pledge or otherwise transfer or dispose of any Shares (or any interest in any Shares) until the Shares have been released from the foregoing resale restrictions, as further described below (such restrictions are hereinafter referred to as the "Resale Restrictions").

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6. This Agreement shall be effective as of December 30, 2005.

7. The Holder represents and warrants that he or she has full power to enter into this Agreement.

8. As additional consideration for the benefit of the Acceleration bestowed upon the Holder by the Company, the Holder hereby agrees to enter into, on or before December 30, 2005, a Non-Competition, Non-Solicitation and Non-Disclosure Agreement with the Company in form and substance satisfactory to the Company and the Holder.

9. Except as set forth herein, all other terms and conditions applicable to the Options shall remain the same. This Agreement, the Option Agreements and the Plans constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior understandings and agreements of the Company and the Holder with respect to the subject matter hereof, and may not be modified except by means of a writing signed by the Company and the Holder. In the event any terms of this Agreement, the Option Agreements or the Plans differ, the terms of this Agreement shall prevail. This Agreement is to be construed in accordance with and governed by the internal laws of the State of Maryland without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Maryland to the rights and duties of the parties. Nothing in this Agreement (except as expressly provided herein) is intended to confer any rights or remedies on any persons other than the parties. Should any provision of this Agreement be determined to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

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Dated: December __, 2005

CORRECTIONS CORPORATION OF AMERICA

By: _____

Name: John Ferguson

Title: Chief Executive Officer

Dated: December __, 2005

HOLDER:

(Signature)

(Printed/Typed Name)

EXHIBIT A

OPTION INFORMATION

NAME OF HOLDER: _____

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NEWS RELEASE

[CCA LOGO]
CORRECTIONS CORPORATION OF AMERICA

Contact: Karin Demler, Investor Relations 615-263-3005

CORRECTIONS CORPORATION OF AMERICA ANNOUNCES ACCELERATED VESTING OF
STOCK OPTIONS COMBINED WITH RESALE RESTRICTION AGREEMENTS

NASHVILLE, TENN., DECEMBER 9, 2005 - CORRECTIONS CORPORATION OF AMERICA (NYSE: CXW) (the "Company") today announced that its Board of Directors, through its Compensation Committee, approved the acceleration, effective December 30, 2005, of the vesting of outstanding options previously awarded to executive officers and employees under its Amended and Restated 1997 Employee Share Incentive Plan and its Amended and Restated 2000 Stock Incentive Plan. As a result of the acceleration, approximately 980,000 unvested options will become exercisable, 45% of which were scheduled to vest in February 2006. All of the unvested options are currently "in-the-money" with a range of exercise prices from \$15.40 to \$39.50 per share.

In order to prevent unintended benefits to the holders of these stock options, the Company has imposed resale restrictions to prevent the sale of any shares acquired from the exercise of an accelerated option prior to the original vesting date of the option. The resale restrictions automatically expire upon the individual's termination of employment. All other terms and conditions applicable to such options, including the exercise prices, remain unchanged. As an additional condition of acceleration, the Company will require certain key employees to enter into non-solicitation, non-disclosure and non-compete agreements for a period of one year following the employee's termination of employment.

The purpose of the accelerated vesting of stock options is to enable the Company to avoid recognizing compensation expense associated with these options in future periods as required by Statement of Financial Accounting Standards (SFAS) No. 123R, "Share Based Payment", which the Company is required to adopt January 1, 2006. The Company expects to reduce the non-cash, pre-tax compensation expense it would otherwise be required to record by an estimated \$3.8 million in 2006, \$2.0 million in 2007, and \$0.5 million in 2008. As a result of the acceleration, the Company expects to take a non-cash, pre-tax charge ranging from \$1.0 million to \$1.3 million in the fourth quarter of 2005, the exact amount of which will be based on the closing price of the Company's stock on December 30, 2005, the effective date of the acceleration. This fourth quarter non-cash, pre-tax charge was not contemplated at the time guidance was provided in the Company's third quarter earnings release issued on November 3, 2005.

President and CEO John Ferguson stated, "In making the decision to accelerate these options, the Company considered the interest of the stockholders in reducing future earnings charges for a number of years, while inserting restrictions to prevent unintended benefits for the individuals prior to the original vesting dates."

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ABOUT THE COMPANY

The Company is the nation's largest owner and operator of privatized correctional and detention facilities and one of the largest prison operators in the United States, behind only the federal government and three states. The Company currently operates 63 facilities, including 39 company-owned facilities, with a total design capacity of approximately 71,000 beds in 19 states and the District of Columbia. The Company specializes in owning, operating and managing prisons and other correctional facilities and providing inmate residential and prisoner transportation services for governmental agencies. In addition to providing the fundamental residential services relating to inmates, the Company's facilities offer a variety of rehabilitation and educational programs, including basic education, religious services, life skills and employment training and substance abuse treatment. These services are intended to reduce recidivism and to prepare inmates for their successful re-entry into society upon their release. The Company also provides health care (including medical, dental and psychiatric services), food services and work and recreational programs.

FORWARD-LOOKING STATEMENTS

This press release contains statements as to the Company's beliefs and expectations of the outcome of future events that are forward-looking statements as defined within the meaning of 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. These include, but are not limited to, the risks and uncertainties associated with: (i) fluctuations in the Company's operating results because of, among other things, changes in occupancy levels, competition, increases in cost of operations, fluctuations in interest rates and risks of operations; (ii) changes in the privatization of the corrections and detention industry, the public acceptance of the Company's services and the timing of the opening of and demand for new prison facilities; (iii) the Company's ability to obtain and maintain correctional facility management contracts, including as the result of sufficient governmental appropriations and as the result of inmate disturbances; (iv) increases in costs to construct or expand correctional facilities that exceed original estimates, or the inability to complete such projects on schedule as a result of various factors, many of which are beyond the Company's control, such as weather, labor conditions and material shortages, resulting in increased construction costs; and (v) general economic and market conditions. Other factors that could cause operating and financial results to differ are described in the filings made from time to time by the Company with the Securities and Exchange Commission.

The Company takes no responsibility for updating the information contained in this press release following the date hereof to reflect events or circumstances occurring after the date hereof or the occurrence of unanticipated events or for any changes or modifications made to this press release or the information contained herein by any third-parties, including, but not limited to, any wire or internet services.

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