

Alliance HealthCare Services, Inc
Form S-4/A
June 30, 2010
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As filed with the Securities and Exchange Commission on June 30, 2010

Registration No. 333-166384

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1 TO
FORM S-4
REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

ALLIANCE HEALTHCARE SERVICES, INC.

(Exact Name of Registrant as Specified in its Charter)

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Delaware
(State or Other Jurisdiction
of Incorporation or Organization)

8071
(Primary Standard Industrial
Classification Code Number)
100 Bayview Circle, Suite 400

33-0239910
(I.R.S. Employer
Identification Number)

Newport Beach, California 92660

(949) 242-5300

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Office)

Eli H. Glovinsky

Executive Vice President, General Counsel and Secretary

Alliance HealthCare Services, Inc.

100 Bayview Circle, Suite 400

Newport Beach, California 92660

(949) 242-5300

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copy to:

Keith Benson, Esq.

Latham & Watkins LLP

505 Montgomery Street, Suite 2000

San Francisco, CA 94111

(415) 391-0600

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration number for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier, effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this registration statement shall become effective on such date as the SEC, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not exchange these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and we are not soliciting offers to buy these securities, in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JUNE 30, 2010

PRELIMINARY PROSPECTUS

ALLIANCE HEALTHCARE SERVICES, INC.

OFFER TO EXCHANGE

\$190,000,000 principal amount of its

8.00% Series B Senior Notes due 2016

which have been registered under the Securities Act,

for any and all of its outstanding 8.00% Senior Notes due 2016

The exchange offer expires at 5:00 p.m., New York City time, on _____, 2010, unless extended.

We will exchange all outstanding notes that are validly tendered and not validly withdrawn for an equal principal amount of a new series of notes which are registered under the Securities Act.

The exchange offer is not subject to any conditions other than that it not violate applicable law or any applicable interpretation of the staff of the Securities and Exchange Commission.

You may withdraw tenders of outstanding notes at any time before the exchange offer expires.

The exchange of notes will not be a taxable event for U.S. federal income tax purposes.

We will not receive any proceeds from the exchange offer.

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The terms of the new series of notes are substantially identical to the outstanding notes, except for transfer restrictions and registration rights relating to the outstanding notes.

You may tender outstanding notes only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Our affiliates may not participate in the exchange offer.

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. The letter of transmittal delivered with this prospectus states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933, as amended. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities.

Please refer to Risk Factors beginning on page 10 of this prospectus for a description of the risks you should consider when evaluating this offer to exchange.

We are not making this exchange offer in any state where it is not permitted.

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

The date of this prospectus is _____, 2010.

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We have not authorized any dealer, salesperson or other people to give any information or to make any representations to you other than the information contained in this prospectus. You must not rely on any information or representations not contained in this prospectus unless we authorize it. This prospectus does not offer to sell or solicit an offer to buy any securities other than the registered notes to which it relates, nor does it offer to buy any of these notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

The information contained in this prospectus is current only as of the date on the cover page of this prospectus, and may change after that date.

This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. This information is available without charge to you upon written or oral request. If you would like a copy of any of this information, please submit your request to Alliance HealthCare Services, Inc., 100 Bayview Circle, Suite 400, Newport Beach, California 92660, Attention: Investor Relations, or call (949) 242-5300 and ask to speak to Investor Relations. In addition, to obtain timely delivery of any information you request, you must submit your request no later than _____, 2010, which is five business days before the date the exchange offer expires.

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CAUTIONARY DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

We have made statements under the captions Prospectus Summary, Risk Factors, Use of Proceeds, Management's Discussion and Analysis of Financial Condition and Results of Operations, Business and elsewhere in this prospectus and in the documents incorporated by reference herein that are forward-looking statements, within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The safe harbor provisions of the Private Securities Litigation Reform Act of 1995 do not apply to statements made in connection with this offer to exchange these outstanding notes pursuant to this prospectus. In some cases you can identify these statements by forward-looking words such as may, will, should, expect, plans, anticipate, believe, estimate, predict, seek, intend and continue or similar words. Forward-looking statements may also use different phrases. Forward-looking statements address, among other things, our future expectations, projections of our future results of operations or of our financial condition and other forward-looking information.

We believe it is important to communicate our expectations to our investors. However, there may be events in the future that we are not able to accurately predict or that we do not fully control that could cause actual results to differ materially from those expressed or implied by our forward-looking statements, including:

our high degree of leverage and our ability to service our debt;

factors affecting our leverage, including interest rates;

the risk that the counter-parties to our interest rate swap agreements fail to satisfy their obligations under these agreements;

our ability to obtain financing;

the effect of operating and financial restrictions in our debt agreements;

the accuracy of our estimates regarding our capital requirements;

intense levels of competition in our industry;

changes in the rates or methods of third-party reimbursements for diagnostic imaging and radiation oncology services;

fluctuations or unpredictability of our revenues, including as a result of seasonality;

changes in the healthcare regulatory environment;

our ability to keep pace with technological developments within our industry;

the growth in the market for MRI and other services;

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the disruptive effect of hurricanes and other natural disasters;

adverse changes in general domestic and worldwide economic conditions and instability and disruption of credit markets;

our ability to successfully integrate acquisitions; and

other factors discussed under Risk Factors.

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MARKET AND INDUSTRY DATA

This prospectus contains and incorporates statistical data that we obtained from public industry publications. These publications generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. Although we believe that the publications are reliable, we have not independently verified market industry data provided by third parties. Similarly, while we believe our management's estimates with respect to our industry are reliable, our estimates have not been verified by any independent sources, and we cannot assure you that they are accurate.

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PROSPECTUS SUMMARY

In this prospectus, unless we indicate otherwise, the words we, us, our, Alliance and the Company refer to Alliance HealthCare Services, Inc, the issuer of the notes, and its subsidiaries. The following summary contains basic information about the Company and this offering. You should read this entire prospectus, including our financial statements, the notes to those financial statements and the other financial information included and incorporated by reference in this prospectus, carefully before making an investment decision. It likely does not contain all the information that is important to you. For a more complete understanding of this offering, we encourage you to read this entire document and the documents we have referred you to. Our fiscal year ends on December 31 of each year.

We will refer to the offering of the private notes as the private offering. Unless indicated otherwise, the term notes refers to both the private notes and the exchange notes.

Our Company

We are a leading national provider of outpatient diagnostic imaging services, based upon annual revenue and number of diagnostic imaging systems deployed, and a provider of radiation oncology services. Our principal sources of revenue are derived from magnetic resonance imaging (MRI) and positron emission tomography/computed tomography (PET/CT). We provide imaging and therapeutic services primarily to hospitals and other healthcare providers on a shared-service and full-time service basis. We also provide services through a growing number of fixed-site imaging centers, primarily to hospitals or health systems. Our services normally include the use of our imaging systems, technologists to operate the systems, equipment maintenance and upgrades and management of day-to-day shared-service and fixed-site diagnostic imaging operations. We also provide non-scan-based services, which include only the use of our imaging systems under a short-term contract.

We have also leveraged our leadership in MRI and PET/CT to expand into radiation oncology. Our radiation oncology business includes a wide range of services for cancer patients covering initial consultation, preparation for treatment, simulation of treatment, radiation oncology delivery, therapy management and follow-up care. Our services include the use of our linear accelerators, therapists to operate such systems, administrative staff, equipment maintenance and upgrades, and management of day-to-day operations.

For the quarter ended March 31, 2010, MRI, PET/CT and radiation oncology services generated 45%, 41% and 9% of our revenue, respectively. The remaining revenue was comprised of other modality diagnostic imaging services revenue, primarily computed tomography (CT), and management contract revenue. At March 31, 2010, our 507 diagnostic imaging and radiation oncology systems included 297 MRI systems and 125 PET or PET/CT systems, and served over 1,000 clients in 45 states. We operated 119 fixed-site imaging centers (three in unconsolidated joint ventures), which constitutes systems installed in hospitals or other medical buildings on hospital campuses, including modular buildings, systems installed inside medical groups' offices, and free-standing fixed-site imaging centers, which include systems installed in a medical office building, ambulatory surgical center, or other retail space. We also operated 25 radiation oncology centers and stereotactic radiosurgery facilities (including two radiation oncology centers in unconsolidated joint ventures) as of March 31, 2010.

Approximately 81% of our revenues for the quarter ended March 31, 2010 were generated by providing services to hospitals and other healthcare providers, which we refer to as wholesale revenues. Our wholesale revenues are due to us independent of our clients' receipt of reimbursement from third-party payors. For shared-service customers, we typically deliver our services for a set number of days per week through exclusive, long-term contracts with hospitals and other healthcare providers. The initial terms of these contracts average approximately three years in length and many contain automatic renewal provisions. The initial terms of our contracts for our fixed-site imaging centers average approximately five to 10 years in length. Our contracts for radiation oncology services average approximately 10 to 20 years in length.

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Our clients, primarily small-to-mid-sized hospitals, contract with us to provide diagnostic imaging and radiation oncology systems and services in order to:

take advantage of our extensive diagnostic imaging, radiation oncology and project management experience;

avoid capital investment and financial risk associated with the purchase of their own systems;

provide access to MRI, PET/CT, radiation oncology and other services for their patients when the demand for these services does not justify the purchase of dedicated, full-time systems;

benefit from upgraded systems and technology without direct capital expenditures;

eliminate the need to recruit, train and manage qualified technologists, therapists and oncologists;

make use of our ancillary services; and

gain access to services under our regulatory and licensing approvals when they do not have these approvals.

Our Competitive Strengths

We believe we benefit from the following competitive strengths:

Our position as a leading national provider of shared-service and fixed-site MRI and PET/CT services, based on annual revenue and number of diagnostic imaging systems deployed. As of March 31, 2010, we had 297 MRI systems, 125 PET or PET/CT systems, and 49 other diagnostic imaging systems in operation. Our size allows us to achieve operating, sourcing and administrative efficiencies, including (i) the ability to maximize utilization through efficient deployment of our mobile systems and (ii) equipment and medical supply sourcing savings and favorable maintenance contracts from equipment manufacturers and other suppliers;

Our ability to expand into radiation oncology using our leading national position in MRI and PET/CT services. We have relationships with more than 1,000 hospitals and healthcare providers in 45 states throughout the nation. This national footprint has enabled us to leverage our position as a trusted partner to healthcare providers to expand our services beyond diagnostic imaging and into radiation oncology, transforming us into a more complete outsourced service provider to our clients;

Our ability to provide comprehensive diagnostic and treatment solutions. We offer our clients a comprehensive diagnostic imaging and radiation oncology solution, as well as ancillary services, such as marketing support, education, training and billing assistance. In many cases, we provide services under our regulatory and licensing approvals for clients who lack such authority. We believe that a comprehensive service solution is an important factor when potential clients select a diagnostic imaging or radiation oncology provider;

Our exclusive, long-term contracts with a diverse client base. We primarily generate revenues from exclusive, long-term contracts with hospitals and other healthcare providers. These contracts average approximately three years in length for mobile services,

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approximately five to 10 years in length for fixed-site arrangements and approximately 10 to 20 years in length for radiation oncology contracts. During the quarter ended March 31, 2010, no single client accounted for more than 2% of our revenue;

Our reduced reimbursement risk. For the quarter ended March 31, 2010, we generated approximately 81% of our revenues by billing hospitals and other healthcare providers, which we refer to as wholesale revenues, rather than billing patients or other third-party payors. These payments are due to us regardless of the clients' receipt of payment from patients or reimbursement from third-party payors (including commercial payors, Medicare and Medicaid). Importantly, this contrasts with the vast

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majority of the diagnostic imaging and radiation oncology providers, who typically collect directly from patients and third-party payors and are therefore directly exposed to reimbursement cuts and higher experiences of bad debt. With our wholesale model, our exposure to patient bad debt is minimized, as evidenced by our bad debt expense of only 0.5% of revenues for the year ended December 31, 2009. Further, short-term exposure to Medicare reimbursement cuts is limited as approximately 4% of our imaging revenues came from Medicare for the year ended December 31, 2009;

Our generation of stable and significant cash flows and maintenance of attractive margins over a sustained period of time. We attribute our strong cash flows and margins to: (1) comprehensive imaging and treatment solutions, (2) the substantial value proposition for customers, (3) the strength of our customer relationships, (4) the largely wholesale nature of the our revenues and (5) our economies of scale;

Our management experience. Our experienced management team, including our four senior executive officers who average approximately 20 years of industry experience; and

Our advanced MRI, PET/CT and radiation therapy systems. Our technologically advanced imaging systems can perform high quality scans more rapidly and can be used for a wider variety of imaging applications than less advanced systems. Moreover, technological change in this field is gradual and most of our systems can be upgraded with software and hardware enhancements, which should allow us to continue to provide advanced technology without replacing the entire system. Our radiation oncology services utilize the most advanced radiation oncology technology, including image guided radiation therapy (IGRT), intensity modulated radiation therapy (IMRT) and stereotactic radiosurgery systems.

Despite the competitive strengths discussed above, we face a number of challenges in growing our business. We currently have a substantial amount of indebtedness, which places financial and other limitations on our business. Our business is also subject to a number of other risks described in Risk Factors.

Our Services

We provide our outsourcing services on the following bases:

shared service;

full-time service; and

interim and rental services.

Our Strategy

Key components of our strategy include:

further expanding our presence in growth markets with fixed-site imaging and radiation oncology services;

improvement of our sales management and sales support infrastructure to improve the pace of new business;

improved operating efficiency, including reducing our cost structure and improving asset allocation;

focus on patient care and customer service; and

bolster our market positions through strategic acquisitions and de novo expansion activity.

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Our Sponsors

On April 16, 2007, OCM Principal Opportunities Fund IV, L.P., MTS Health Investors II, L.P., and affiliated funds (together, the Oaktree Parties), acquired approximately 49.7% of our outstanding shares of common stock from a fund controlled by an affiliate of Kohlberg Kravis Roberts & Co., L.P. (*KKR*). KKR no longer owns any shares of the Company. OCM Principal Opportunities Fund IV, L.P. is a commingled investment fund managed by Oaktree Capital Management, L.P. (*Oaktree*), a leading alternative asset manager that manages in excess of \$67 billion in capital on behalf of institutional and high net worth investors in non-mainstream and alternative investment strategies, including high yield bonds, convertible securities, distressed debt, private equity, mezzanine, real estate, emerging market equities and Japanese equities. Oaktree is headquartered in Los Angeles, California and maintains offices in Beijing, Frankfurt, Hong Kong, London, New York, Paris, Seoul, Shanghai, Singapore, Stamford (Connecticut), Tokyo and, through fund affiliates, Amsterdam and Luxembourg.

MTS Health Investors, LLC (*MTS*), located in New York, New York, is a healthcare private equity firm that makes equity investments in the buyout, recapitalization or growth financing of healthcare operating companies. MTS focuses on businesses that operate in services sectors of the healthcare industry—managed care/health insurance, providers of healthcare services, distributors of medical products and pharmaceuticals, manufacturers of medical products and low-technology devices and providers of outsourced services to the healthcare industry.

We are a Delaware corporation with our principal executive offices located at 100 Bayview Circle, Suite 400, Newport Beach, California 92660. Our telephone number at that location is (949) 242-5300. Our website is located at www.alliancehealthcareservices-us.com. The information contained on our website is not a part of this prospectus.

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The Exchange Offer

The Exchange Offer	We are offering to exchange the exchange notes for the outstanding private notes that are properly tendered and accepted. You may tender outstanding private notes only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. We will issue the exchange notes on or promptly after the exchange offer expires. As of the date of this prospectus, \$190,000,000 aggregate principal amount of private notes are outstanding.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on _____, 2010, (the 21st business day following commencement of the exchange offer) unless extended, in which case the expiration date will mean the latest date and time to which we extend the exchange offer.
Conditions to the Exchange Offer	The exchange offer is not subject to any condition other than that it not violate applicable law or any applicable interpretation of the staff of the Securities and Exchange Commission (the "SEC"). The exchange offer is not conditioned upon any minimum principal amount of private notes being tendered for exchange.
Procedures for Tendering Private Notes	If you wish to tender your private notes for exchange notes pursuant to the exchange offer, you must complete and sign a letter of transmittal in accordance with the instructions contained in the letter and forward it by mail, facsimile or hand delivery, together with any other documents required by the letter of transmittal, to the Exchange Agent (as defined below), either with the private notes to be tendered or in compliance with the specified procedures for guaranteed delivery of notes. Certain brokers, dealers, commercial banks, trust companies and other nominees may also effect tenders by book-entry transfer. Holders of private notes registered in the name of a broker, dealer, commercial bank, trust company or other nominee are urged to contact such person promptly if they wish to tender private notes pursuant to the exchange offer. See "The Exchange Offer" Procedures for Tendering.
Letters of transmittal and certificates representing private notes should not be sent to us. Such documents should only be sent to the Exchange Agent. Questions regarding how to tender private notes and requests for information should be directed to the Exchange Agent. See "The Exchange Offer" Exchange Agent.	
Acceptance of the Private Notes and Delivery of the Exchange Notes	Subject to the satisfaction or waiver of the conditions to the exchange offer, we will accept for exchange any and all private notes which are validly tendered in the exchange offer and not withdrawn before 5:00 p.m., New York City time, on the expiration date.
Withdrawal Rights	You may withdraw the tender of your private notes at any time before 5:00 p.m., New York City time, on the expiration date, by complying with the procedures for withdrawal described in this prospectus under the heading "The Exchange Offer" Withdrawal of Tenders.

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Material U.S. Federal Income Tax Consequences	The exchange of notes will not be a taxable event for U.S. federal income tax purposes. For a discussion of the material U.S. federal income tax consequences relating to the notes, see Material U.S. Federal Income Tax Consequences.
Exchange Agent	The Bank of New York Mellon Trust Company, N.A., the trustee under the indenture governing the notes, is serving as the exchange agent (the Exchange Agent).
Consequences of Failure to Exchange	If you do not exchange your private notes for exchange notes, you will continue to be subject to the restrictions on transfer provided in the private notes and in the indenture governing the private notes. In general, the private notes may not be offered or sold, unless registered under the Securities Act of 1933, as amended (the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not currently plan to register the resale of any private notes under the Securities Act.
Registration Rights Agreement	You are entitled to exchange your private notes for exchange notes with substantially identical terms. This exchange offer satisfies this right. After the exchange offer is completed, you will no longer be entitled to any exchange or registration rights with respect to your private notes. We explain the exchange offer in greater detail beginning on page 27.

The Exchange Notes

The summary below describes the principal terms of the exchange notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of the Notes section of this prospectus contains a more detailed description of the terms and conditions of the exchange notes.

The form and terms of the exchange notes are the same as the form and terms of the private notes, except that the exchange notes will be registered under the Securities Act and, therefore, the exchange notes will not be subject to the transfer restrictions, registration rights and provisions providing for an increase in the interest rate applicable to the private notes. The exchange notes will evidence the same debt as the private notes and are governed by the same indenture as the private notes.

Issuer	Alliance HealthCare Services, Inc.
Securities Offered	\$190,000,000 aggregate principal amount of 8% Series B Senior Notes due 2016.
Maturity	December 1, 2016.
Interest Rate	8% per year (calculated using a 360-day year).
Interest Payment Dates	June 1 and December 1 of each year, beginning on June 1, 2010.

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Ranking	The exchange notes are unsecured senior obligations of the Company, rank equally in right of payment to all of our existing and future senior indebtedness and senior in right of payment to all of our existing and future subordinated indebtedness. The exchange notes are effectively subordinated in right of payment to our secured indebtedness (including obligations under our credit facility) to the extent of the value securing such indebtedness, and all obligations of each of our existing and future subsidiaries. As of March 31, 2010, we had approximately \$660.0 million of indebtedness, approximately \$472.4 million of which was secured (excluding \$4.4 million of undrawn letters of credit and up to \$115.6 million of additional borrowing capacity under the New Revolving Credit Facility) and our subsidiaries had total liabilities, together with guarantees of indebtedness, of approximately \$486.1 million (of which \$458.9 million represents guarantees of indebtedness under the New Credit Facility). See Selected Consolidated Financial Data, Risk Factors Risks Related to Our Indebtedness.
Optional Redemption	We may redeem the exchange notes, in whole or in part, at any time on or after December 1, 2012 at the redemption prices listed under Description of the Notes Optional Redemption. We may redeem some or all of the exchange notes at any time prior to December 1, 2012 at a price equal to 100% of the principal amount of the exchange notes plus a make-whole premium as set forth under Description of the Notes Optional Redemption.
Optional Redemption After Equity Offerings	We may redeem up to 35% of the outstanding exchange notes with money that we raise in one or more equity offerings at any time (which may be more than once) prior to December 1, 2012, at a redemption price of 108.0% of the principal amount of the exchange notes plus accrued and unpaid interest and liquidated damages, if any, as long as at least 65% of the aggregate principal amount of exchange notes issued remains outstanding afterwards. See Description of the Notes Optional Redemption.
Change of Control	If a change in control of the Company occurs, we must give holders of the exchange notes the opportunity to sell us their exchange notes at 101% of their face amount, plus accrued interest. We might not be able to pay you the required price for exchange notes you present to us at the time of a change of control because: we might not have enough funds at that time; and the terms of our credit facility may prevent us from paying. See Risk Factors Risks Related to the Notes We may not be able to repurchase notes upon a change of control, which would be an event of default under the indenture.

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Asset Sale Proceeds

If we or our subsidiaries engage in asset sales, we generally must either invest the net cash proceeds from such sales in our business within a period of time, prepay certain debt or make an offer to purchase a principal amount of the exchange notes equal to the excess net cash proceeds. The purchase price of the notes will be 100% of their principal amount, plus accrued interest.

Certain Indenture Provisions

The indenture governing the exchange notes contains covenants limiting our (and most or all of our subsidiaries) ability to:

pay dividends or make certain other restricted payments or investments;

incur additional indebtedness and issue disqualified stock;

create liens on assets;

merge, consolidate, or sell all or substantially all of our and our restricted subsidiaries assets;

enter into certain transactions with affiliates;

create restrictions on dividends or other payments by our restricted subsidiaries; and

create guarantees of indebtedness by restricted subsidiaries.

These covenants are subject to a number of important limitations and exceptions. See Description of the Notes Certain Covenants.

Use of Proceeds

We will not receive any cash proceeds from the exchange offer.

We explain the exchange notes in greater detail beginning on page 99.

Risk Factors

You should carefully consider all of the information in this prospectus. In particular, for a discussion of some specific factors that you should consider in evaluating an investment in the notes, see Risk Factors beginning on page 10 of this prospectus, Risk Factors beginning on page 23 of our Annual Report on Form 10-K for the year ended December 31, 2009 and Item 1A Risk Factors of our quarterly report on Form 10-Q for the quarter ended March 31, 2010, both of which are incorporated by reference herein.

Table of Contents**Summary Consolidated Financial Information**

We derived the following summary historical consolidated financial information presented below from our financial statements. The following summary historical consolidated financial information with respect to each year in the three-year period ended December 31, 2009 are derived from our audited consolidated financial statements. We derived the summary historical consolidated financial information as of and for each of the three months ended March 31, 2009 and 2010 from our unaudited consolidated financial information. Our unaudited consolidated financial information for each of the three months ended March 31, 2009 and 2010 includes, in the opinion of management, all adjustments consisting of normal recurring adjustments necessary for a fair presentation of the results for the period. The results of interim periods are not indicative of our results for the full year. The summary historical consolidated financial information provided below should be read in conjunction with

Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and notes thereto included and incorporated by reference in this prospectus.

	Year Ended December 31,			Three Months Ended	
	2007	2008	2009	March 31, 2009	2010
Consolidated Statements of Operations Data:					
Revenues	\$ 444,919	\$ 495,834	\$ 505,513	\$ 131,788	\$ 118,661
Costs and expenses:					
Cost of revenues, excluding depreciation and amortization	235,471	261,753	270,381	68,879	65,226
Selling, general and administrative expenses	57,049	62,728	67,579	17,893	16,117
Transaction costs			893	431	351
Severances and related costs	682	636	1,404	182	462
Loss on extinguishment of debt		61	14,600		
Depreciation expense	82,703	87,728	94,918	23,650	23,691
Amortization expense	5,195	8,696	11,000	2,776	2,806
Interest expense and other, net	42,362	48,392			