

Tyler Rehabilitation Hospital, Inc.
Form S-4
March 30, 2007
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As filed with the Securities and Exchange Commission on March 30, 2007.

Registration Statement No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

HEALTHSOUTH CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

8062
(Primary Standard Industrial
Classification Code Number)
One HealthSouth Parkway

63-0860407
(I.R.S. Employer
Identification No.)

Birmingham, Alabama 35243

(205) 967-7116

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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John P. Whittington

Executive Vice President, General Counsel and Corporate Secretary

HealthSouth Corporation

One HealthSouth Parkway

Birmingham, Alabama 35243

(205) 967-7116

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of all communications to:

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4 Times Square

New York, New York 10036-6522

(212) 735-3000

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

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. "

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 statement number of the earlier effective registration statement 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. "

CALCULATION OF REGISTRATION FEE

Title Of Each Class Of Securities	Amount To Be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price(1)	Amount Of Registration Fee
To Be Registered				
Floating Rate Senior Notes Due 2014	\$375,000,000	100%	\$375,000,000	\$11,513
10.75% Senior Notes Due 2016	\$625,000,000	100%	\$625,000,000	\$19,187

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Guarantees related to the Notes(2)				
Total	\$ 1,000,000,000	100%	\$ 1,000,000,000	\$ 30,700

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) promulgated under the Securities Act of 1933, as amended.

(2) Pursuant to Rule 457(n) of the Securities Act, no separate fee is payable with respect to the guarantees.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the 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 of 1933 or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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Exact Name of Registrant as Specified in its Charter and Address, Including Zip Code, and Telephone Number, Including Area Code of Registrant's Principal Executive Offices*	State or other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification Number
Advantage Health Corporation	Delaware	8069	04-2772046
Advantage Health Development Corp.	Massachusetts	8069	63-1105930
Advantage Health Harmarville Rehabilitation Corporation	Pennsylvania	8069	52-1960506
Advantage Rehabilitation Clinics, Inc.	Massachusetts	8049	04-3177879
ASC Network Corporation	Delaware	8011	95-438431
Baton Rouge Rehab, Inc.	Delaware	8069	74-2478651
Beaumont Rehab Associates Limited Partnership	Delaware	8069	25-1656648
Chiron, Inc.	Nevada	8011	88-0122716
CMS Development and Management Company, Inc.	Delaware	8069	25-1570583
CMS Jonesboro Rehabilitation, Inc.	Delaware	8069	62-1347455
CMS Topeka Rehabilitation, Inc.	Delaware	8069	74-2498820
Collin County Rehab Associates Limited Partnership	Delaware	8069	25-1661222
Continental Medical of Arizona, Inc.	Delaware	8069	25-1622263
Continental Medical Systems, Inc.	Delaware	8069	72-1051812
Continental Rehabilitation Hospital of Arizona, Inc.	Delaware	8069	25-1622264
Diagnostic Health Corporation	Delaware	8071	63-1059483
HEALTHSOUTH Bakersfield Rehabilitation Hospital Limited Partnership	Alabama	8069	63-1184845
HEALTHSOUTH Diagnostic Center of Colorado Springs Limited Partnership	Alabama	8071	72-1383580
HEALTHSOUTH Diagnostic Centers of Tennessee Limited Partnership	Alabama	8071	63-1184829
HEALTHSOUTH Diagnostic Centers of Texas Limited Partnership	Alabama	8071	63-1184833
HEALTHSOUTH Diagnostic Centers, Inc.	Alaska	8071	63-1184671
HEALTHSOUTH Holdings, Inc.	Delaware	8049	63-1133454
HEALTHSOUTH LTAC of Sarasota, Inc.	Delaware	8069	63-1283287
HEALTHSOUTH Medical Center, Inc.	Alabama	8062	63-0872396
HEALTHSOUTH Meridian Point Rehabilitation Hospital Limited Partnership	Alabama	8049	63-1184846
HEALTHSOUTH Northern Kentucky Rehabilitation Hospital Limited Partnership	Alabama	8069	63-1184835
HEALTHSOUTH of Alexandria, Inc.	Delaware	8069	48-1266084
HEALTHSOUTH of Altoona, Inc.	Delaware	8069	63-1105927
HEALTHSOUTH of Austin, Inc.	Delaware	8069	63-1105908
HEALTHSOUTH of Charleston, Inc.	Delaware	8069	63-1106610
HEALTHSOUTH of Dothan, Inc.	Alabama	8069	63-1097851
HEALTHSOUTH of East Tennessee, Inc.	Delaware	8069	63-1028003
HEALTHSOUTH of Erie, Inc.	Delaware	8069	63-1105904
HEALTHSOUTH of Fort Smith, Inc.	Delaware	8069	63-1105919
HEALTHSOUTH of Ft. Lauderdale Limited Partnership	Alabama	8069	63-1134714
HEALTHSOUTH of Henderson, Inc.	Delaware	8069	63-1262946
HEALTHSOUTH of Houston, Inc.	Delaware	8069	63-1105909
HEALTHSOUTH of Largo Limited Partnership	Alabama	8069	63-1134645
HEALTHSOUTH of Mechanicsburg, Inc.	Delaware	8069	63-1105923
HEALTHSOUTH of Midland, Inc.	Delaware	8069	63-1105911
HEALTHSOUTH of Montgomery, Inc.	Alabama	8069	63-1106107
HEALTHSOUTH of New Mexico, Inc.	New Mexico	8069	63-0923407
HEALTHSOUTH of Nittany Valley, Inc.	Delaware	8069	63-1105924

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HEALTHSOUTH of Ohio Limited Partnership	Alabama	8069	63-1184830
HEALTHSOUTH of Pittsburgh, Inc.	Delaware	8069	63-1105926
HEALTHSOUTH of Reading, Inc.	Delaware	8069	72-1397929
HEALTHSOUTH of San Antonio, Inc.	Delaware	8069	63-1105930
HEALTHSOUTH of Sarasota Limited Partnership	Alabama	8069	63-1134650
HEALTHSOUTH of Sewickley, Inc.	Delaware	8069	63-1227357
HEALTHSOUTH of South Carolina, Inc.	Delaware	8069	63-0974715
HEALTHSOUTH of Spring Hill, Inc.	Delaware	8069	63-1244181
HEALTHSOUTH of Tallahassee Limited Partnership	Alabama	8069	63-1134713
HEALTHSOUTH of Texarkana, Inc.	Delaware	8069	63-1105916
HEALTHSOUTH of Texas, Inc.	Texas	8069	63-0923506
HEALTHSOUTH of Toms River, Inc.	Delaware	8069	63-1105897
HEALTHSOUTH of Treasure Coast, Inc.	Delaware	8069	63-1105921
HEALTHSOUTH of Utah, Inc.	Delaware	8069	63-1105917
HEALTHSOUTH of York, Inc.	Delaware	8069	63-1105925
HEALTHSOUTH of Yuma, Inc.	Delaware	8069	95-4895912
HEALTHSOUTH Properties Corporation	Delaware	8011	63-1133453
HEALTHSOUTH Real Property Holding Corporation	Delaware	8011	63-1044004
HEALTHSOUTH Rehabilitation Center of New Hampshire, Ltd.	Alabama	8069	63-1102594
HEALTHSOUTH Rehabilitation Center, Inc.	South Carolina	8069	57-0775688
HEALTHSOUTH Rehabilitation Hospital of Arlington Limited Partnership	Alabama	8069	63-1184844
HEALTHSOUTH Rehabilitation Hospital of Odessa, Inc.	Delaware	8069	33-1039783
HEALTHSOUTH Rehabilitation Institute of Tucson, LLC	Alabama	8069	63-1184847
HEALTHSOUTH S.C. of Portland, Inc.	Delaware	8011	94-3418398
HEALTHSOUTH S.C. of Scottsdale-Bell Road, Inc.	Delaware	8011	63-1190153
HEALTHSOUTH Specialty Hospital, Inc.	Texas	8082	63-1114772
HEALTHSOUTH Sub-Acute Center of Mechanicsburg, Inc.	Delaware	8069	63-1105903
HEALTHSOUTH Surgery Center of Fairfield, Inc.	Delaware	8011	63-1176243
HEALTHSOUTH Surgery Centers-West, Inc.	Delaware	8011	68-0282268
HEALTHSOUTH Surgical Center of Tuscaloosa, Inc.	Alabama	8011	63-1138507
HEALTHSOUTH Valley of the Sun Rehabilitation Hospital Limited Partnership	Alabama	8069	63-1184848
HSC of Beaumont, Inc.	Tennessee	8011	62-150273
HVPG of California, Inc.	California	8011	33-0044383
Lakeland Physicians Medical Building, Inc.	Mississippi	8011	75-2261520
Lakeshore System Services of Florida, Inc.	Florida	8069	63-1119356
Lakeview Rehabilitation Group Partners	Kentucky	8069	25-1573943
Little Rock-SC, Inc.	Arkansas	8011	74-2397267
National Imaging Affiliates, Inc.	Delaware	8071	74-2627497
National Surgery Centers, Inc.	Delaware	8011	36-3549627
Neuro Imaging Institute, Inc.	Florida	8071	59-3387335
New England Rehabilitation Hospital, Inc.	Massachusetts	8069	04-2443258
New England Rehabilitation Management Co., Inc.	New Hampshire	8069	02-0393832
North Louisiana Rehabilitation Center, Inc.	Louisiana	8069	72-1091113
Northeast Surgery Center, L.P.	Texas	8011	76-0428226
NSC Connecticut, Inc.	Connecticut	8011	06-1492451
NSC Houston, Inc.	Texas	8011	76-0509159

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NSC Seattle, Inc.	Washington	8011	91-1553479
Pacific Rehabilitation & Sports Medicine, Inc.	Delaware	8049	93-1072052
Rebound, Inc.	Delaware	8069	62-1178229
Rehab Concepts Corp.	Delaware	8049	25-1650793
Rehabilitation Hospital Corporation of America, Inc.	Delaware	8069	23-2655290
Rehabilitation Hospital of Colorado Springs, Inc.	Delaware	8069	25-1612420
Rehabilitation Hospital of Nevada - Las Vegas, Inc.	Delaware	8069	25-1694347
Rehabilitation Hospital of Nevada - Las Vegas, L.P.	Delaware	8069	25-1693810
Rehabilitation Hospital of Plano, Inc.	Texas	8069	25-1612423
Rehabilitation Institute Of Western Massachusetts, Inc.	Massachusetts	8069	04-2987822
Sarasota LTAC Properties, LLC	Florida	8069	20-0978999
SCA - Roseland, Inc.	New Jersey	8011	62-1510206
SCA-Dalton, Inc.	Tennessee	8011	71-0923702
SCA-Shelby Development Corp.	Tennessee	8011	62-1179532
SelectRehab, Inc.	Delaware	8069	25-1649024
Sherwood Rehabilitation Hospital, Inc.	Delaware	8069	25-1604215
Southeast Texas Rehabilitation Hospital, Inc.	Texas	8069	25-1595744
Southern Arizona Regional Rehabilitation Hospital, L.P.	Delaware	8069	25-1654947
Surgery Center Holding Corporation	Delaware	8011	62-1739361
Surgical Care Affiliates, Inc.	Delaware	8011	62-1149229
Surgical Health Corporation	Delaware	8011	58-1941168
Surgicare of Huntsville, Inc.	Alabama	8011	75-2305255
Surgicare of Laguna Hills, Inc.	California	8011	75-2501088
Tarrant County Rehabilitation Hospital, Inc.	Texas	8069	25-1587575
Terre Haute Regional Rehabilitation Hospital, L.P.	Delaware	8069	25-1675783
Terre Haute Rehabilitation Hospital, Inc.	Delaware	8069	25-1672916
Tyler Rehabilitation Hospital, Inc.	Texas	8069	25-1667731
Western Medical Rehab Associates, L.P.	Delaware	8069	33-0695017
Western Neuro Care, Inc.	Delaware	8069	25-1572589

* All Registrants have the following principal executive offices:
c/o HealthSouth Corporation
One HealthSouth Parkway
Birmingham, Alabama 35243
(205)967-7116

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

SUBJECT TO COMPLETION, DATED MARCH 30, 2007

PROSPECTUS

HealthSouth Corporation

OFFER TO EXCHANGE

\$375 million aggregate principal amount of Floating Rate Senior Notes due 2014 in exchange for \$375 million aggregate principal amount of Floating Rate Senior Notes due 2014, which have been registered under the Securities Act of 1933, as amended

AND

\$625 million aggregate principal amount of 10.75% Senior Notes due 2016 in exchange for \$625 million aggregate principal amount of 10.75% Senior Notes due 2016, which have been registered under the Securities Act of 1933, as amended

In this prospectus we refer to the Floating Rate Senior Notes due 2014 (the Floating Rate Notes) and the 10.75% Senior Notes due 2016 (the Fixed Rate Notes) that have been registered under the Securities Act of 1933, as amended (the Securities Act) as the Exchange Notes, and we refer to the Floating Rate Notes and the Fixed Rate Notes that have not been registered under the Securities Act as the Restricted Notes .

The Exchange Offer will expire at 5:00 p.m., New York City time, on _____, 2007,

unless earlier terminated or extended by us.

Terms of the Exchange Offer:

We will exchange Exchange Notes for all outstanding Restricted Notes that are validly tendered and not withdrawn prior to the expiration or termination of the Exchange Offer.

You may withdraw tenders of Restricted Notes at any time prior to the expiration or termination of the Exchange Offer.

The terms of the Exchange Notes are substantially identical to those of the Restricted Notes, except that the issuance of the Exchange Notes has been registered under the Securities Act and the transfer restrictions, registration rights and additional interest provisions relating to the Restricted Notes do not apply to the Exchange Notes.

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The exchange of Restricted Notes for Exchange Notes will not be a taxable transaction for United States federal income tax purposes, but you should see the discussion under the caption **Certain U.S. Federal Income Tax Considerations** for more information.

We will not receive any proceeds from the Exchange Offer.

We issued the Restricted Notes in a transaction not requiring registration under the Securities Act and, as a result, their transfer is restricted. We are conducting the Exchange Offer to satisfy your registration rights, as a holder of the Restricted Notes. Each broker-dealer that receives Exchange 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 Exchange Notes. The letter of transmittal 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. 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 Exchange Notes received in exchange for Restricted Notes where such Exchange Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of up to 180 days after the closing of this Exchange Offer, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See **Plan of Distribution**.

There is no established trading market for the Exchange Notes. We have not applied, and do not currently intend to apply, to list the Exchanged Notes on any securities exchange.

See Risk Factors beginning on page 11 for certain risks incorporated herein by reference and discussed herein that you should consider prior to tendering your Restricted Notes for exchange.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2007.

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ABOUT THIS PROSPECTUS

In this prospectus, unless otherwise stated, HealthSouth, the company, we, us and our refer to HealthSouth Corporation and its subsidiaries.

This prospectus incorporates by reference important business and financial information about us that is not included in or delivered with this document. Copies of this information are available, without charge to any person to whom this prospectus is delivered, upon written or oral request to:

HealthSouth Corporation

One HealthSouth Parkway

Birmingham, Alabama 35243

Attn: Investor Relations

(205) 967-7116

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains historical information, as well as forward-looking statements that involve known and unknown risks and relate to future events, our future financial performance, or our projected business results. In some cases, you can identify forward-looking statements by terminology such as may, will, should, expects, plans, anticipates, believes, estimates, predicts, targets, potential, or cont these terms or other comparable terminology. Such forward-looking statements are necessarily estimates based upon current information and involve a number of risks and uncertainties. Actual events or results may differ materially from the results anticipated in these forward-looking statements as a result of a variety of factors. While it is impossible to identify all such factors, factors that could cause actual results to differ materially from those estimated by us include:

each of the factors discussed in under the heading *Risk Factors*, starting on page 11 of this prospectus or incorporated herein by reference, including the risks described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2006, as amended by our Form 10-K/A filed with the SEC on March 22, 2007;

the outcome of our plan to reposition our primary focus on the post-acute care sector, including the results of our attempts to divest our surgery centers, outpatient and diagnostic divisions;

changes or delays in or suspension of reimbursement for our services by governmental or private payors;

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changes in the regulations of the health care industry at either or both of the federal and state levels;

changes in reimbursement for health care services we provide;

competitive pressures in the health care industry and our response to those pressures;

our ability to obtain and retain favorable arrangements with third-party payors;

our ability to attract and retain nurses, therapists, and other health care professionals in a highly competitive environment with often severe staffing shortages; and

general conditions in the economy and capital markets.

The cautionary statements referred to in this section also should be considered in connection with any subsequent written or oral forward-looking statements that may be issued by us or persons acting on our behalf. We undertake no duty to update these forward-looking statements, even though our situation may change in the future. Furthermore, we cannot guarantee future results, events, levels of activity, performance, or achievements.

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SUMMARY

The following summary is qualified in its entirety by the more detailed information included elsewhere or incorporated by reference in this prospectus. Because this is a summary, it may not contain all the information that may be important to you. You should read the entire prospectus, as well as the information incorporated by reference, before making an investment decision.

Our Company

HealthSouth is the largest provider of rehabilitative health care and ambulatory surgery services in the United States, with 978 facilities and approximately 33,000 full- and part-time employees as of December 31, 2006. We provide these services through a national network of inpatient and outpatient rehabilitation facilities, diagnostic centers, and other health care facilities. Shares of our common stock began trading on the New York Stock Exchange on October 26, 2006 under the ticker symbol **HLS**.

This prospectus relates to the exchange of Exchange Notes for all outstanding Restricted Notes that are validly tendered and not withdrawn prior to the expiration or termination of the Exchange Offer. The terms of the Exchange Notes are substantially identical to those of the Restricted Notes, except that the issuance of the Exchange Notes has been registered under the Securities Act and the transfer restrictions, registration rights and additional interest provisions relating to the Restricted Notes do not apply to the Exchange Notes. The exchange of Restricted Notes for Exchange Notes will not be a taxable transaction for United States federal income tax purposes, but you should see the discussion under the caption **Certain U.S. Federal Income Tax Considerations** for more information. We will not receive any proceeds from the Exchange Offer.

We issued the Restricted Notes in a transaction not requiring registration under the Securities Act and, as a result, their transfer is restricted. We are making the Exchange Offer to satisfy the registration rights of the holders of the Restricted Notes. Each broker or dealer that receives Exchange Notes for its own account in exchange for Restricted Notes that were acquired by such broker-dealer as a result of market-making or other trading activities must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. See **Plan of Distribution**.

HealthSouth was incorporated under the laws of the State of Delaware. Our principal executive offices are located at One HealthSouth Parkway, Birmingham, Alabama 35243, and our telephone number is (205) 967-7116. Our Internet website address is www.healthsouth.com. Information on our website does not constitute part of this prospectus and should not be relied upon in connection with making any investment decision with respect to the Exchange Notes.

Significant Recent Events

On March 12, 2007, the Company announced it had amended its existing Senior Secured Credit Facilities to lower the applicable interest rates and modify certain other covenants. The amendment and related supplement reduce the interest rate on the Term Loan B to LIBOR plus 2.5%, as well as reduce the applicable participation rate on the Tranche A letter of credit facility to 2.5%. The amendment also gives the Company the appropriate approvals for its divestiture activities.

On March 25, 2007, we entered into a Stock Purchase Agreement with ASC Acquisition LLC (**ASC**), a Delaware limited liability company and newly-formed affiliate of TPG Partners V, L.P. (**TPG**), pursuant to which ASC will acquire our surgery centers division for approximately \$945 million. The purchase price consists

of cash consideration of \$920 million, subject to certain adjustments, and an equity interest whereby we will have an option to acquire 5% of ASC's primary shares acquired by TPG at closing at an exercise price that will

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escalate at 15% annually, which option is estimated to be worth between \$25 and \$30 million assuming a five-year horizon. The closing of the transactions is subject to the satisfaction of closing conditions set forth in the Stock Purchase Agreement, including certain regulatory and other approvals. The closing is anticipated to occur in the third quarter of 2007.

The Exchange Offer

On June 14, 2006, we issued and sold \$375.0 million aggregate principal amount of Floating Rate Senior Notes due 2014 and \$625.0 million aggregate principal amount of 10.75% Senior Notes due 2016, which we refer to together as the Restricted Notes, in an offering under Rule 144A and Regulation S of the Securities Act of 1933, as amended (the Securities Act), that was not registered under the Securities Act. Simultaneously with this transaction, we entered into a registration rights agreement with the initial purchasers of those Restricted Notes (the Registration Rights Agreement) in which we agreed, among other things, to deliver this prospectus to you and to commence this Exchange Offer for the Restricted Notes. Below is a summary of the Exchange Offer. You should read the discussion under the headings The Exchange Offer and Description of the Exchange Notes for further information regarding the notes to be issued in the Exchange Offer.

Restricted Notes

\$375.0 million principal amount of Floating Rate Senior Notes due 2014 (the Floating Rate Restricted Notes) and \$625.0 million principal amount of Fixed Rate Senior Notes due 2016 (the Fixed Rate Restricted Notes and, together with the Floating Rate Restricted Notes, the Restricted Notes), in each case, which have not been registered under the Securities Act.

Exchange Notes

Up to \$375.0 million principal amount of Floating Rate Senior Notes due 2014 (the Floating Rate Exchange Notes) and \$625.0 million principal amount of Fixed Rate Senior notes due 2016 (the Fixed Rate Exchange Notes and, together with the Floating Rate Exchange Notes, the Exchange Notes), in each case, the issuance of which has been registered under the Securities Act. The Floating Rate Exchange Notes and Fixed Rate Exchange Notes will be issued under separate indentures, each dated as of June 14, 2006 (together, the Indentures), in each case, among us, the guarantors named therein and The Bank of Nova Scotia Trust Company of New York, as trustee.

The form and terms of the Exchange Notes are substantially identical to those of the applicable series of Restricted Notes, except that issuance of the Exchange Notes has been registered under the Securities Act and the transfer restrictions, registration rights and additional interest provisions relating to the Restricted Notes do not apply to the Exchange Notes.

Exchange Offer

We are offering to exchange:

- (i) \$375.0 million principal amount of Floating Rate Exchange Notes for a like principal amount of the Floating Rate Restricted Notes; and
- (ii) \$625.0 million principal amount of Fixed Rate Exchange Notes for a like principal amount of the Fixed Rate Restricted Notes

to satisfy our obligations under the registration rights agreement that we entered into when the Restricted Notes were issued in reliance upon the exemption from registration provided by Rule 144A and Regulation S of the Securities Act. Once the Exchange Offer is

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complete, you will no longer be entitled to exchange or registration rights with respect to the Restricted Notes.

In order to be exchanged, a Restricted Note must be properly tendered and accepted. All Restricted Notes that are validly tendered and not withdrawn will be exchanged.

Expiration Date; Tenders

The Exchange Offer will expire at 5:00 p.m., New York City time, on _____, 2007, unless earlier terminated or extended by us.

By tendering your Restricted Notes, you represent to us:

that any Exchange Notes received in exchange for your Restricted Notes in the Exchange Offer are being acquired by you or any other person receiving such Exchange Notes in the ordinary course of your or such other person's business;

that at the time of the commencement of the Exchange Offer, you do not, or any other person who will receive Exchange Notes in exchange for your Restricted Notes does not, have any arrangement or understanding with any person to participate in the distribution (as defined in the Securities Act) of the Exchange Notes in violation of the Securities Act;

that you are not holding Restricted Notes that have, or are reasonably likely to have, the status of an unsold allotment;

that you are not, or such other person receiving Exchange Notes in exchange for your Restricted Notes is not, an affiliate (as defined in Rule 405 under the Securities Act) of HealthSouth Corporation., or if you are, or such other person is, an affiliate of HealthSouth Corporation., that you or such other person will comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction;

if you are not, or such other person receiving Exchange Notes in exchange for your Restricted Notes is not, a broker-dealer, that you are not, or such other person is not, engaged in, and you do not, or such other person does not, intend to engage in, the distribution of the Exchange Notes; and

if you are a broker-dealer, that you will receive the Exchange Notes for your own account in exchange for Restricted Notes that were acquired by you as a result of your market-making or other trading activities and that you will deliver a prospectus in connection with any resale of the Exchange Notes you receive in the Exchange Offer. For further information regarding resales of the Exchange Notes by participating broker-dealers, see the discussion below under the caption Plan of Distribution.

Withdrawal; Non-Acceptance

You may withdraw any Restricted Notes tendered in the Exchange Offer at any time prior to 5:00 p.m., New York City time, on _____, 2007, unless the Exchange Offer is earlier

terminated. If we extend the Exchange Offer, you may withdraw Restricted Notes

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tendered at any time prior to the expiration date, as extended. If we decide for any reason not to accept any Restricted Notes for exchange, the Restricted Notes will be returned to you at our expense promptly after the expiration or termination of the Exchange Offer. See The Exchange Offer Terms of the Exchange Offer.

Conditions to the Exchange Offer

The Exchange Offer is subject to customary conditions, which we may waive. See the discussion below under the caption See The Exchange Offer Conditions to the Exchange Offer .

Resales

Based on interpretations by the staff of the SEC, as detailed in a series of no-action letters issued to third parties, we believe that the Exchange Notes you receive in the Exchange Offer may be offered for resale, resold or otherwise transferred by you without compliance with the registration and prospectus delivery requirements of the Securities Act. However, you or any other person receiving Exchange Notes in exchange for your Restricted Notes will not be able to freely transfer the Exchange Notes if:

you are, or such other person receiving Exchange Notes in exchange for your Restricted Notes is, an affiliate (as defined in Rule 405 under the Securities Act) of HealthSouth Corporation;

you are not, or any other person receiving Exchange Notes in exchange for your Restricted Notes is not, acquiring the Exchange Notes in the Exchange Offer in the ordinary course of your or such other person's business; or

you are, or such other person receiving Exchange Notes in exchange for your Restricted Notes is, participating, intends to participate or has an arrangement or understanding with any person to participate, in the distribution of the Exchange Notes you or such other person will receive in the Exchange Offer.

If you fall within one of the exceptions listed above, or if you are a broker-dealer that receives Exchange Notes for your own account in the Exchange Offer in exchange for Restricted Notes that were acquired by you as a result of your market-making or other trading activities, you must comply with the registration and prospectus delivery requirements of the Securities Act or qualify for a registration exemption in connection with any resale transaction involving the Exchange Notes. For further information regarding resales of the Exchange Notes by participating broker-dealers, see the discussion under the caption Plan of Distribution.

By executing the letter of transmittal relating to this offer, or by agreeing to the terms of the letter of transmittal, you represent to us that you, or any other person receiving Exchange Notes in exchange for your Restricted Notes, satisfy each of these conditions. If you, or any other person receiving Exchange Notes in exchange for your Restricted Notes, does not satisfy any of these conditions and you, or any other person receiving Exchange Notes in exchange for your

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Restricted Notes, transfers any exchange note without delivering a proper prospectus or without qualifying for a registration exemption, you or such other person may incur liability under the Securities Act. Moreover, our belief that transfers of Exchange Notes would be permitted without registration or prospectus delivery under the conditions described above is based on SEC interpretations given to other, unrelated issuers in similar exchange offers. We cannot assure you that the SEC would make a similar interpretation with respect to our Exchange Offer. We will not be responsible for or indemnify you against any liability you may incur under the Securities Act.

If you are an affiliate of ours, are engaged in or intend to engage in or have any arrangement or understanding with any person to participate in the distribution of the Exchange Notes:

you cannot rely on the applicable interpretations of the staff of the SEC;

you will not be entitled to participate in the Exchange Offer; and

you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

See the discussion below under the caption **The Exchange Offer Consequences of Failure to Exchange Restricted Notes** and **The Exchange Offer Consequences of Exchanging Restricted Notes** for more information.

Procedures for Tendering the Restricted Notes

A tendering holder must, on or prior to the expiration date:

transmit a properly completed and duly executed letter of transmittal, including all other documents required by the letter of transmittal, to the Exchange Agent at the address listed in this prospectus; or

if Restricted Notes are tendered in accordance with the book-entry procedures described in this prospectus, the tendering holder must transmit (i) a letter of transmittal (along with all other documents required by the letter of transmittal), or (ii) an agent's message; in each case, to the Exchange Agent at the address listed in this prospectus.

See **The Exchange Offer Procedures for Tendering** .

Special Procedures for Beneficial Owners

If you are the beneficial owner of Restricted Notes that are registered in the name of your broker, dealer, commercial bank, trust company or other nominee and you wish to tender in the Exchange Offer, you should promptly contact the person in whose name your Restricted Notes are registered and instruct that person to tender on your behalf. If you wish to tender in the Exchange Offer on your own behalf, you must, prior to completing and executing the letter of transmittal and delivering your Restricted Notes, either make appropriate

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arrangements to register ownership of the Restricted Notes in your name or obtain a properly completed bond power from the person in whose name the Restricted Notes are registered. See The Exchange Offer Procedures for Tendering.

Use of Proceeds

We will not receive any proceeds from the Exchange Offer.

Exchange Agent

The Bank of Nova Scotia Trust Company of New York has been appointed Exchange Agent for the Exchange Offer. You can find the address and telephone number of the Exchange Agent below under the caption The Exchange Offer Exchange Agent .

Broker-Dealer

Each broker or dealer that receives Exchange Notes for its own account in exchange for Restricted Notes that were acquired by such broker-dealer as a result of market-making or other trading activities must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. See Plan of Distribution .

Furthermore, any broker-dealer that acquired any of its Restricted Notes directly from us:

may not rely on the applicable interpretation of the staff of the SEC's position contained in Exxon Capital Holdings Corp., SEC no-action letter (April 13, 1988), Morgan, Stanley & Co. Inc., SEC no-action letter (June 5, 1991) and Shearman & Sterling, SEC no-action letter (July 2, 1993); and

must also be named as a selling noteholder in connection with the registration and prospectus delivery requirements of the Securities Act relating to any resale transaction.

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 Exchange Notes received in exchange for Restricted Notes which were received by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that for a period of not more than 180 days after the consummation of the Exchange Offer, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution for more information.

Accounting Treatment

We will not recognize any gain or loss for accounting purposes upon the consummation of the Exchange Offer. We will amortize the expense of the Exchange Offer over the term of the Exchange Notes in accordance with generally accepted accounting principles.

Consequences of Failure to Exchange the Restricted Notes

If you do not exchange your Restricted Notes in the Exchange Offer, your Restricted Notes will continue to be subject to the restrictions on transfer currently applicable to the Restricted Notes. In general, you may offer or sell your Restricted Notes only:

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if they are registered under the Securities Act and applicable state securities laws;

if they are offered or sold under an exemption from registration under the Securities Act and applicable state securities laws; or

if they are offered or sold in a transaction not subject to the Securities Act and applicable state securities laws.

We do not currently intend to register the Restricted Notes under the Securities Act. If you do not participate in the Exchange Offer and other holders' Restricted Notes are accepted for exchange, the trading market, if any, for the Restricted Notes would be adversely affected due to a reduction in market liquidity. After the Exchange Offer is completed, you will not be entitled to any exchange or registration rights with respect to your Restricted Notes, except under limited circumstances. Under certain circumstances, certain holders of Restricted Notes (including certain holders who are not permitted to participate in the Exchange Offer or who do not receive freely tradeable Exchange Notes in the Exchange Offer) may require us to file and cause to become effective a shelf registration statement which would cover resales of Restricted Notes by these holders. See "The Exchange Offer - Consequences of Failure to Exchange Restricted Notes" and "Description of the Exchange Notes - Registration Rights Agreement."

Registration Rights Agreement

When we issued the Restricted Notes in June 2006, we entered into a registration rights agreement with the initial purchasers of the Restricted Notes, under which we have agreed to:

on or prior to the day that is 30 days after the we are required under the Exchange Act to file our Annual Report on Form 10-K for the fiscal year ended December 31, 2006 (after giving effect to all applicable extensions under the Exchange Act), file a registration statement with the SEC with respect to the Exchange Offer;

use our reasonable best efforts to cause such registration statement to be declared effective under the Securities Act no later than 180 days after the date of filing thereof;

as soon as practicable after the effectiveness of such registration statement, offer the Exchange Notes in exchange for the Restricted Notes, and keep such offer open for not less than 30 days after notice thereof to the holders; and

file a shelf registration statement for the resale of the Notes under certain circumstances.

If we do not comply with these obligations under the registration rights agreement, we will be required to pay additional interest to the holders of the Restricted Notes. See "The Exchange Offer - Additional Interest."

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Certain U.S. Federal Income Tax Considerations

The exchange of Restricted Notes for Exchange Notes generally will not be a taxable event to a holder of Restricted Notes for U.S. federal income tax purposes. See Certain U.S. Federal Income Tax Considerations .

Summary Description of 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 registered Floating Rate Notes and the registered Fixed Rate Notes are referred to herein as the Exchange Notes, and the Exchange Notes together with the Restricted Notes are referred to together as the Notes. The Description of the Exchange Notes section of this prospectus contains a more detailed description of the terms and conditions of the Exchange Notes.

Issuer

HealthSouth Corporation.

Notes Offered

\$375,000,000 aggregate principal amount of Floating Rate Notes
\$625,000,000 aggregate principal amount of Fixed Rate Notes

Maturity

For the Floating Rate Notes: June 15, 2014.
For the Fixed Rate Notes: June 15, 2016.

Interest

Interest on the Floating Rate Notes accrues at the rate of LIBOR plus 6.0% per annum, reset semi-annually, from the issue date or from the most recent date to which interest has been paid, and is payable in cash semi-annually in arrears on June 15 and December 15 of each year to the persons who are registered holders of the Floating Rate Notes at the close of business on the preceding June 1 or December 1, as the case may be.

Interest on the Fixed Rate Notes accrues at the rate of 10.75% per annum from the issue date or from the most recent date to which interest has been paid, and is payable in cash semi-annually in arrears on June 15 and December 15 of each year to the persons who are registered holders of the Fixed Rate Notes at the close of business on the preceding June 1 or December 1, as the case may be.

Optional redemption

Floating Rate Notes:

We may redeem the Floating Rate Notes, in whole or in part, at any time on or after June 15, 2009, at the redemption prices set forth in this prospectus.

Prior to June 15, 2009, we may redeem up to 35% of the aggregate principal amount of the Floating Rate Notes with the net cash proceeds of certain equity offerings, at a redemption price equal to 100% of their principal amount plus a premium equal to the interest rate per annum on the Floating Rate Notes applicable on the date that notice of redemption is given, plus accrued and unpaid interest thereon, if any, to the redemption date, if at least 65% of the aggregate principal amount of the Floating Rate Notes remains outstanding after giving effect to such redemption.

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In addition, at any time prior to June 15, 2009, we may at our option redeem all, but not less than all, of the Floating Rate Notes, at a redemption price equal to 100% of the principal amount plus a make-whole premium, plus accrued and unpaid interest thereon, if any, to the redemption date.

See Description of the Exchange Notes Optional Redemption .

Fixed Rate Notes:

We may redeem the Fixed Rate Notes, in whole or in part, at any time on or after June 15, 2011, at the redemption prices set forth in this prospectus.

Prior to June 15, 2009, we may redeem up to 35% of the aggregate principal amount of the Fixed Rate Notes with the net cash proceeds of certain equity offerings, at a redemption price equal to 110.75% of their principal amount, plus accrued and unpaid interest thereon, if any, to the redemption date, if at least 65% of the aggregate principal amount of the Fixed Rate Notes remains outstanding after giving effect to such redemption.

In addition, at any time prior to June 15, 2011, we may at our option redeem all, but not less than all, of the Fixed Rate Notes, at a redemption price equal to 100% of principal amount plus a make-whole premium, plus accrued and unpaid interest thereon, if any, to the redemption date.

See Description of the Exchange Notes Optional Redemption .

Guarantees

The Exchange Notes will be jointly and severally guaranteed on a senior unsecured basis by all of our existing and future subsidiaries that guarantee borrowings under our senior secured credit facilities or certain of our other debt. However, certain of our subsidiaries will not guarantee the Exchange Notes. For a discussion of the risks relating to the guarantees, see Risk Factors Not all of our subsidiaries will be guarantors. The Exchange Notes will be effectively junior to the indebtedness and other liabilities of our non-guarantor subsidiaries .

Ranking

The Exchange Notes and the guarantees will be senior unsecured obligations of HealthSouth Corporation and our guaranteeing subsidiaries. The Exchange Notes will rank equal in right of payment to our current and future senior debt and will rank senior in right of payment to our current and future subordinated debt. The Exchange Notes will be effectively subordinated to our current and future secured debt, including borrowings under our senior secured credit facilities, to the extent of the value of the assets securing such debt. See Description of the Exchange Notes Ranking . In addition, the Notes and the guarantees will be effectively subordinated to any liabilities, including trade payables, of our non-guarantor subsidiaries.

Mandatory offers to purchase

The occurrence of a change of control will be a triggering event requiring us to offer to purchase the Exchange Notes at a price equal to 101% of their principal amount, together with accrued and unpaid

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interest, if any, to the date of purchase. Certain asset dispositions will be triggering events which may require us to use the proceeds from those asset dispositions to make an offer to purchase the Exchange Notes at 100% of their principal amount, together with accrued and unpaid interest, if any, to the date of purchase if such proceeds are not otherwise used within 365 days to repay senior indebtedness, including indebtedness under our amended credit agreement (with a corresponding reduction in commitment), or to invest in capital assets related to our business.

Change of Control

Upon the occurrence of a Change of Control (as defined in this prospectus), each holder of the Exchange Notes will have the right to require us to repurchase such holder's Notes at a purchase price in cash equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase. See "Description of the Exchange Notes - Change of Control."

Covenants

The Indentures governing the Exchange Notes contain covenants that, among other things, limit our ability and the ability of our subsidiaries to:

incur or guarantee indebtedness;

pay dividends on, redeem or repurchase our capital stock; or redeem or repurchase our subordinated obligations;

make investments;

incur obligations that restrict the ability of our subsidiaries to make dividends or other payments to us;

sell assets;

engage in transactions with affiliates;

create certain liens;

enter into sale/leaseback transactions; and

merge, consolidate, or transfer all or substantially all of our assets.

These covenants are subject to important qualifications and exceptions, which are described under the heading "Description of the Exchange Notes" in this prospectus.

Absence of public market

The Exchange Notes generally will be freely transferable but will be new securities for which there will not initially be a market. Accordingly, there can be no assurance as to the

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development or liquidity of any market for the Exchange Notes.

Risk Factors

Investing in the Exchange Notes involves risks. See **Risk Factors** beginning on page 11 and the other information in this prospectus incorporated herein by reference for a discussion of factors you should carefully consider before deciding to invest in the Notes.

Ratio of Earnings to Fixed Charges

Our ratio of earnings to fixed charges for the years ended December 31, 2006, 2005, 2004, 2003 and 2002 were 0, 0, 1.15x, 0 and 0, respectively. See **Ratio of Earnings to Fixed Charges**.

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RISK FACTORS

Participating in the Exchange Offer involves a number of risks. You should carefully consider the specific risks described below, the risks described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2006, as amended by our Form 10-K/A filed with the SEC on March 22, 2007, which are incorporated herein by reference, the risk factors described under the caption "Risk Factors" in any applicable prospectus supplement and any risk factors set forth in our other filings with the SEC, pursuant to Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act before making an investment decision. See "Where You Can Find More Information."

Risks Related to the Exchange Notes

Our substantial indebtedness may impair our financial condition and prevent us from fulfilling our obligations under the Indentures governing the Exchange Notes and our other debt instruments.

We are highly leveraged. As of December 31, 2006, we had approximately \$3.3 billion of long-term debt outstanding (including that portion of long-term debt classified as current and excluding \$149.5 million in capital leases). As discussed in our Annual Report on Form 10-K for the year ended December 31, 2006, as amended by our Form 10-K/A filed with the SEC on March 22, 2007, in Item 1, *Business*, Completion of Recapitalization and Other Significant Financial Transactions, we have prepaid substantially all of our prior indebtedness with proceeds from a series of recapitalization transactions and replaced it with approximately \$3 billion of new long-term debt. Although we remain highly leveraged, we believe these recapitalization transactions have eliminated a number of uncertainties regarding our capital structure and have improved our financial condition by reducing our refinancing risk, increasing our liquidity, improving our operational flexibility, improving our credit profile, and reducing our interest rate exposure.

Our substantial indebtedness could have important consequences to you, including:

preventing us from fulfilling our obligations under the Indentures governing the Exchange Notes and our other debt instruments;

limiting our ability to borrow additional amounts to fund working capital, capital expenditures, acquisitions, debt service requirements, execution of our business strategy and other general corporate purposes;

requiring us to dedicate a substantial portion of our cash flow from operations to pay principal and interest on our debt, which would reduce availability of our cash flow to fund working capital, capital expenditures, acquisitions, execution of our business strategy and other general corporate purposes;

making us more vulnerable to adverse changes in general economic, industry and competitive conditions, in government regulation and in our business by limiting our flexibility in planning for, and making it more difficult for us to react quickly to, changing conditions;

placing us at a competitive disadvantage compared with our competitors that have less debt; and

exposing us to risks inherent in interest rate fluctuations because some of our borrowings, including the Floating Rate Notes, will be at variable rates of interest, which could result in higher interest expense in the event of increases in interest rates.

We are required to use a substantial portion of our cash flow to service our debt. A substantial downturn in earnings could jeopardize our ability to make our interest payments and could impair our ability to obtain additional financing, if necessary. Certain trends in our business, including declining revenues resulting from the 75% Rule, acute care volume weakness and pricing pressure have created a challenging operating environment, and future changes could place additional pressure on our revenues and cash flow. In addition, we are subject to numerous contingent liabilities and are subject to prevailing economic conditions and to financial, business, and other factors beyond our control. Although we expect to make scheduled interest payments and principal reductions, we cannot assure you that changes in our business or other factors will

not occur that may have the effect of preventing us from satisfying obligations under our debt.

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Despite current indebtedness levels, we may still be able to incur more debt. This could further exacerbate the risks associated with our substantial indebtedness.

Subject to specified limitations, the Indentures governing the Exchange Notes and the credit agreement governing our senior secured credit facilities permit us and our subsidiaries to incur substantial additional debt. If new debt is added to our or any of our subsidiaries' current debt levels, the risks described in the immediately preceding risk factor could intensify. See "Description of the Exchange Notes—Certain Covenants—Limitation on Indebtedness" for additional information.

The restrictive covenants in our senior secured credit facilities and the Indentures governing the Exchange Notes and our other debt instruments may affect our ability to operate our business successfully.

The Indentures governing the Exchange Notes and our other debt instruments and the terms of our senior secured credit facilities do, and our future debt instruments may, contain various provisions that limit our ability to, among other things:

incur additional indebtedness;

make restricted payments;

create certain liens;

sell assets;

enter into sale and leaseback transactions;

issue or sell certain types of preferred stock;

in the case of our restricted subsidiaries, restrict them from making dividends or other payments to us;

in the case of our restricted subsidiaries, incur or guarantee debt;

engage in transactions with affiliates;

create unrestricted subsidiaries; and

consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries (if any) on a consolidated basis. These covenants could adversely affect our ability to finance our future operations or capital needs and pursue available business opportunities.

In addition, our senior secured credit facilities require us to maintain specified financial ratios and satisfy certain financial condition tests. Events beyond our control, including changes in general economic and business conditions, may affect our ability to meet those financial ratios and financial condition tests. We cannot assure you that we will meet those tests or that the lenders will waive any failure to meet those tests. A

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breach of any of these covenants or any other restrictive covenants contained in our senior secured credit facilities or the Indentures could (after giving effect to applicable grace periods, if any) result in an event of default. If an event of default under our senior secured credit facilities or the Indentures occurs, the holders of the affected indebtedness could declare all amounts outstanding, together with accrued interest, to be immediately due and payable, which, in turn, could cause the default and acceleration of the maturity of our other indebtedness. If we were unable to pay such amounts, the lenders under our senior secured credit facilities could proceed against the collateral pledged to them. We have pledged substantially all of our assets to the lenders under our senior secured credit facilities. In such an event, we cannot assure you that we would have sufficient assets to pay amounts due on the Exchange Notes. As a result, you may receive less than the full amount you would otherwise be entitled to receive on the Exchange Notes. See Note 9, *Long-term Debt* to our consolidated financial statements and Item 2, *Properties* in our Annual Report on Form 10-K for the fiscal year ended December 31, 2006, as amended by our Form 10-K/A filed with the SEC on March 22, 2007, and *Description of the Exchange Notes - Certain Covenants* in this prospectus for additional information.

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The Exchange Notes and the guarantees will not be secured by any of our assets. Our senior secured credit facilities are secured and our senior lenders have a prior claim on substantially all of our assets.

The Exchange Notes and the guarantees will not be secured by any of our assets. However, our senior secured credit facilities are secured by substantially all of our assets, including the stock of substantially all of our domestic wholly-owned subsidiaries (including future subsidiaries, if any). If we become insolvent or are liquidated, or if payment under any of the instruments governing our secured debt is accelerated, the lenders under those instruments will be entitled to exercise the remedies available to a secured lender under applicable law and pursuant to the instruments governing such debt. Accordingly, the lenders under our senior secured credit facilities have a prior claim on our assets securing the debt owed to them. In that event, because the Exchange Notes and the guarantees will not be secured by any of our assets, it is possible that our remaining assets might be insufficient to satisfy your claims in full.

As of December 31, 2006, the aggregate amount of our senior secured indebtedness was approximately \$2.2 billion, excluding approximately \$197.7 million that we had available for additional borrowing under the revolving portion of our senior secured credit facilities. We will be permitted to borrow substantial additional secured indebtedness in the future under the terms of the Indentures. See Description of the Exchange Notes Certain Covenants Limitation on Indebtedness and Description of the Exchange Notes Certain Covenants Limitation on Liens.

Not all of our subsidiaries will be guarantors. The Exchange Notes are effectively junior to the indebtedness and other liabilities of our non-guarantor subsidiaries.

Not all of our subsidiaries will guarantee the Exchange Notes. The Exchange Notes will be guaranteed by all of our current and future subsidiaries that guarantee borrowings under our senior secured credit facilities or incur or guarantee any outstanding capital markets debt. Our current subsidiary guarantors are listed on the cover page of this the registration statement of which this prospectus forms a part. Certain of our 100% owned subsidiaries and all of our non-wholly-owned subsidiaries, which are not guarantors of our senior secured credit facilities and through which we conduct a significant portion of our business, will not guarantee the Exchange Notes due to, among other things, restrictions in their constituent documents or other agreements. The Exchange Notes are effectively subordinated to the outstanding indebtedness and other liabilities, including trade payables, of our non-guarantor subsidiaries. In the event of a bankruptcy, liquidation or reorganization of any of our non-guarantor subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to us.

The lenders under the senior secured credit facilities will have the discretion to release the guarantors under the senior secured credit agreement under certain circumstances, which will cause those guarantors to be released from their guarantees of the Exchange Notes.

While any obligations under the senior secured credit facilities remain outstanding, any guarantee of the Exchange Notes may be released without action by, or consent of, any holder of the Exchange Notes or the trustee under the Indentures governing the Exchange Notes, at the discretion of lenders under the senior secured credit facilities, if the related guarantor is no longer a guarantor of obligations under the senior secured credit facilities and does not have or guarantee any outstanding capital markets indebtedness. See Description of the Exchange Notes. The lenders under the senior secured credit facilities will have the discretion to release the guarantees under the senior secured credit facilities under certain circumstances. You will not have a claim as a creditor against any subsidiary that is no longer a guarantor of the Exchange Notes, and the indebtedness and other liabilities, including trade payables, of those subsidiaries will effectively be senior to claims of any holder of the Exchange Notes.

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We will require a significant amount of cash to service all our indebtedness, including the Exchange Notes, and our ability to generate sufficient cash depends upon many factors, some of which are beyond our control.

Our ability to make payments on and refinance our debt and to fund working capital needs and planned capital expenditures depends on our ability to generate cash flow in the future. To some extent, this is subject to general economic, financial, competitive, legislative and regulatory factors and other factors that are beyond our control. We cannot assure you that our business will continue to generate cash flow from operations at levels sufficient to permit us to pay principal, premium, if any, and interest on our indebtedness or that our cash needs will not increase. If we are unable to generate sufficient cash flow from operations in the future to service our debt and meet our other needs, we may have to refinance all or a portion of our debt, obtain additional financing or reduce expenditures or sell assets that we deem necessary to our business. We cannot assure you that any of these measures would be possible or that any additional financing could be obtained. The inability to obtain additional financing could have a material adverse effect on our financial condition and on our ability to meet our obligations to you under the Exchange Notes.

We may not have the funds to purchase the Exchange Notes upon the change of control offer as required by the Indentures governing the Exchange Notes.

Upon a change of control, as defined in the Indentures, subject to certain conditions, we are required to offer to repurchase all outstanding Exchange Notes at 101% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the date of repurchase. The source of funds for that purchase of Exchange Notes will be our available cash, cash generated from our operations or the operations of our subsidiaries or other potential sources, including borrowings, sales of assets or sales of equity. We cannot assure you that sufficient funds from such sources will be available at the time of any change of control to make required repurchases of Exchange Notes tendered. In addition, the terms of our senior secured credit facilities will limit our ability to repurchase your Exchange Notes and will provide that certain change of control events will constitute an event of default thereunder. Our future debt agreements may contain similar restrictions and provisions. If the holders of the Exchange Notes exercise their right to require us to repurchase all the Exchange Notes upon a change of control, the financial effect of this repurchase could cause a default under our other debt, even if the change of control itself would not cause a default. Accordingly, it is possible that we will not have sufficient funds at the time of the change of control to make the required repurchase of the Exchange Notes and our other debt or that restrictions in our senior secured credit facilities and the Indentures will not allow such repurchases. In addition, certain corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a change of control under the Indentures. See Description of the Exchange Notes Change of Control in this prospectus for additional information.

There is no established trading market for the Exchange Notes.

There is no existing trading market for the Notes. We cannot assure you that an active trading market will develop for the Exchange Notes. We do not intend to apply for listing of the Exchange Notes on any securities exchange. Although we are obligated, subject to some exceptions, to seek to exchange the Restricted Notes for Exchange Notes, we may not be able to do so. See the description of the proposed Exchange Offer under Description of the Exchange Notes Registered Exchange Offer; Registration Rights. Whether or not the Restricted Notes are exchanged for Exchange Notes in the Exchange Offer, an active market for the Exchange Notes may not develop. If a market for the Exchange Notes does not develop, you may not be able to resell your Exchange Notes for an extended period of time, if at all. Consequently, your lenders may be reluctant to accept the Exchange Notes as collateral for loans. Moreover, if markets for the Exchange Notes do develop in the future, we cannot assure you that these markets will continue indefinitely or that the Exchange Notes can be sold at a price equal to or greater than their initial offering price. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Exchange Notes. The market for the Exchange Notes, if any, may be subject to similar disruptions. Any such disruptions may materially adversely affect you as a holder of the Exchange Notes. In addition, in response to

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prevailing interest rates and market conditions generally, as well as our performance and our ability to effect the Exchange Offer, the Exchange Notes could trade at a price lower than their initial offering price.

Federal and state statutes could allow courts, under specific circumstances, to void the subsidiary guaranties, subordinate claims in respect of the Exchange Notes and require note holders to return payments received from subsidiary guarantors.

Under U.S. bankruptcy law and comparable provisions of state fraudulent transfer laws, a court could void a subsidiary guaranty or claims related to a guarantor or subordinate a subsidiary guaranty to all other debts of a subsidiary guarantor if, among other things, the subsidiary guarantor, at the time it incurred the indebtedness evidenced by its subsidiary guaranty:

intended to hinder, delay or defraud any present or future creditor or received less than reasonably equivalent value or fair consideration for the incurrence of such indebtedness;

was insolvent or rendered insolvent by reason of such incurrence;

was engaged in a business or transaction for which the subsidiary guarantor's remaining assets constituted unreasonably small capital; or

intended to incur, or believed that it would incur, debts beyond the subsidiary guarantor's ability to pay such debts as they mature. In addition, a court could void any payment by a subsidiary guarantor pursuant to the Exchange Notes or a subsidiary guaranty and require that payment to be returned to such subsidiary guarantor or to a fund for the benefit of the creditors of the subsidiary guarantor. The measures of insolvency for purposes of fraudulent transfer laws will vary depending upon the governing law in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a subsidiary guarantor would be considered insolvent if:

the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets;

the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they become due.

On the basis of historical financial information, recent operating history and other factors, we believe that we will not be insolvent, will not have insufficient capital for the business in which we are engaged and will not have incurred debts beyond our ability to pay such debts as they mature. There can be no assurance, however, as to what standard a court would apply in making such determinations or that a court would agree with our or any subsidiary guarantor's conclusions in this regard.

Risks Related to the Exchange Offer

You may have difficulty selling the Restricted Notes which you do not exchange, since Restricted Notes will continue to have restrictions on transfer and cannot be sold without registration under securities laws or exemptions from registration.

If a large number of Restricted Notes are exchanged for Exchange Notes issued in the Exchange Offer, it may be difficult for holders of Restricted Notes that are not exchanged in the Exchange Offer to sell the Restricted Notes, since those Restricted Notes may not be offered or sold unless they are registered or there are exemptions from registration requirements under the Securities Act or state laws that apply to them. In addition, if there are only a small number of Restricted Notes outstanding, there may not be a very liquid market in those Restricted Notes. There may be few investors that will purchase unregistered securities in which there is not a liquid market. See The Exchange

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Offer Consequences of Exchanging Restricted Notes and The Exchange Offer Consequences of Failure to Exchange Restricted Notes .

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In addition, if you do not tender your Restricted Notes or if we do not accept some Restricted Notes, those notes will continue to be subject to the transfer and exchange provisions of the applicable Indenture and the existing transfer restrictions of the Restricted Notes that are described in the legend on such notes and in the offering memorandum relating to the Restricted Notes.

Late deliveries of Restricted Notes or any other failure to comply with the Exchange Offer procedures could prevent a holder from exchanging its Restricted Notes.

Noteholders are responsible for complying with all Exchange Offer procedures. The issuance of Exchange Notes in exchange for Restricted Notes will only occur upon completion of the procedures described in this prospectus under The Exchange Offer. Therefore, holders of Restricted Notes who wish to exchange them for Exchange Notes should allow sufficient time for timely completion of the exchange procedure. Neither we nor the Exchange Agent are obligated to extend the offer or notify you of any failure to follow the proper procedure.

If you do not exchange your Restricted Notes in the Exchange Offer, you will no longer be entitled to an increase in interest payments on Restricted Notes that the Indenture provides for if we fail to complete the Exchange Offer.

Once the Exchange Offer has been completed, holders of outstanding Restricted Notes will not be entitled to any increase in the interest rate on their notes, which the Indenture provides for if we fail to complete the Exchange Offer. Holders of Restricted Notes will not have any further rights to have their Restricted Notes registered, except in limited circumstances, once the Exchange Offer is completed.

If you exchange your Restricted Notes, you may not be able to resell the Exchange Notes you receive in the Exchange Offer without registering them and delivering a prospectus.

If you exchange your Restricted Notes in the Exchange Offer for the purpose of participating in a distribution of the Exchange Notes, you may be deemed to have received restricted securities and, if so, you will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Based on interpretations by the SEC in no-action letters, we believe, with respect to Exchange Notes issued in the Exchange Offer, that:

holders who are not affiliates of ours within the meaning of Rule 405 of the Securities Act,

holders who acquire their notes in the ordinary course of business and

holders who do not engage in, intend to engage in, or have arrangements to participate in a distribution (within the meaning of the Securities Act) of the notes do not have to comply with the registration and prospectus delivery requirements of the Securities Act. Holders described in the preceding sentence must represent to us that they meet these criteria. Holders that do not meet these criteria can not rely on interpretations of the SEC in no-action letters, and will have to register the Exchange Notes they receive in the Exchange Offer and deliver a prospectus for them. In addition, holders that are broker-dealers may be deemed underwriters within the meaning of the Securities Act in connection with any resale of Exchange Notes acquired in the Exchange Offer. Holders that are broker-dealers must acknowledge that they acquired their Restricted Notes in market-making activities or other trading activities and must deliver a prospectus when they resell the Exchange Notes they acquire in the Exchange Offer in order not to be deemed an underwriter. Our obligation to make this prospectus available to broker-dealers is limited. We cannot guarantee that a proper prospectus will be available to broker-dealers wishing to resell their Exchange Notes.

You should review the more detailed discussion in The Exchange Offer Procedures for Tendering , The Exchange Offer Consequences of Exchanging Restricted Notes and The Exchange Offer Consequences of Failure to Exchange Restricted Notes .

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RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges on a historical basis for the periods indicated:

2006	2005	Year ended December 31, 2004	2003	2002
*	*	1.15x	*	*

* For the years ended December 31, 2006, 2005, 2003, and 2002, the Company had an earnings-to-fixed charges coverage deficiency of approximately \$472.8 million, \$250.1 million, \$372.3 million, and \$271.8 million, respectively.

In computing the ratio of earnings to fixed charges: (1) earnings have been based on income from continuing operations before income taxes, fixed charges (exclusive of interest capitalized), and distributed income of equity investees and (2) fixed charges consist of interest and amortization of debt discounts and fees expense (including amounts capitalized), the estimated interest portion of rents, and dividends on our convertible perpetual preferred stock.

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USE OF PROCEEDS

The Exchange Offer is intended to satisfy certain obligations under the registration rights agreement we entered into with the initial purchasers of the Restricted Notes. We will not receive any proceeds from the issuance of the Exchange Notes in the Exchange Offer. In consideration for issuing the Exchange Notes in the Exchange Offer, we will receive the Restricted Notes in like principal amount, the form and terms of which are substantially the same as the form and terms of the Exchange Notes (which replace the Restricted Notes and which represent the same indebtedness). The Restricted Notes surrendered in exchange for the Exchange Notes will be retired and canceled and cannot be reissued. Accordingly, the issuance of the Exchange Notes will not result in any increase or decrease in our indebtedness.

The proceeds of the issuance and sale of the Restricted Notes were approximately \$969 million, after deducting the discount payable to the initial purchasers of the Restricted Notes and estimated offering expenses payable by us. Such proceeds, together with cash on hand, were used to repay all outstanding borrowings under our Interim Loan Agreement that were incurred as part of our Recapitalization Transactions. See *Business Completion of Recapitalization and Other Significant Financial Transactions* in our Annual Report on Form 10-K for the fiscal year ended December 31, 2006, filed with the SEC on March 1, 2007, as amended by our Form 10-K/A filed with the SEC on March 22, 2007.

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We derived the selected historical consolidated financial data presented below for the years ended December 31, 2006, 2005, and 2004 from our audited consolidated financial statements and related notes contained in our Annual Report on Form 10-K for the year ended December 31, 2006, as amended by our Form 10-K/A filed with the SEC on March 22, 2007. We derived the selected historical consolidated financial data presented below for the years ended December 31, 2003 and 2002 from our audited consolidated financial statements and related notes included in our comprehensive Form 10-K for the years ended December 31, 2003 and 2002. The selected historical financial data should be read in conjunction with our annual report, as well as other information that has been filed with the SEC. The historical results included below and elsewhere in this document may not be indicative of future performance.

	2006	For the year ended December 31,			2002
		2005	2004	2003	
		(In Millions, Except Per Share Data)			
Income Statement Data:					
Net operating revenues	\$ 3,000.1	\$ 3,117.0	\$ 3,409.7	\$ 3,544.9	\$ 3,519.7
Salaries and benefits	1,398.4	1,386.1			