

OIL STATES INTERNATIONAL, INC

Form S-4

September 01, 2011

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As filed with the Securities and Exchange Commission on September 1, 2011
Registration No. 333-

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

OIL STATES INTERNATIONAL, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware <i>(State or Other Jurisdiction of Incorporation or Organization)</i>	3533 <i>(Primary Standard Industrial Classification Code Number)</i>	76-0476605 <i>(I.R.S. Employer Identification Number)</i>
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Three Allen Center, 333 Clay Street, Suite 4620
Houston, Texas 77002
(713) 652-0582
*(Address, Including Zip Code, and Telephone Number,
Including Area Code, of Registrant's Principal Executive Offices)*
Bradley J. Dodson
Senior Vice President, Chief Financial Officer and Treasurer
Three Allen Center, 333 Clay Street, Suite 4620
Houston, Texas 77002
(713) 652-0582
*(Name, Address, Including Zip Code, and Telephone Number,
Including Area Code, of Agent For Service)*

Copies to:
Matthew R. Pacey
Vinson & Elkins L.L.P.
1001 Fannin, Suite 2500
Houston, Texas 77002-6760

(713) 758-2222

Approximate date of commencement of proposed sale of the securities 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.

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.

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. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issue Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

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Title of Each Class of Securities to be Registered	Amount to be Registered	Amount of Registration Fee(1)
6.50% Senior Notes due 2019	\$600,000,000	\$69,660
Guarantees of 6.50% Senior Notes due 2019(2)		None(3)

(1) Calculated pursuant to Rule 457(f)(2) under the Securities Act of 1933.

(2) Acute Technological Services, Inc., Capstar Drilling LP, L.L.C., Capstar Holding, L.L.C., Capstar Drilling, Inc., Capstar Drilling GP, L.L.C., General Marine Leasing, LLC, Oil States Energy Services, Inc., Oil States Management, Inc., Oil States Industries, Inc., Oil States Skagit SMATCO, LLC, PTI Group USA LLC, PTI Mars Holdco 1, LLC, Sooner Inc., Sooner Pipe, L.L.C., Sooner Holding Company, Specialty Rental Tools & Supply, L.L.C., Stinger Wellhead Protection, Incorporated, and Well Testing, Inc., our existing material domestic subsidiaries, will guarantee the notes being registered.

(3) Pursuant to Rule 457(n) of the Securities Act of 1933, no registration fee is required for the Guarantees.

Each 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 the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

TABLE OF ADDITIONAL REGISTRANT GUARANTORS

Exact Name of Registrant Guarantors(1)	State or Other Jurisdiction of Incorporation or Formation	IRS Employer Identification Number
Acute Technological Services, Inc.	Texas	20-5786381
Capstar Drilling LP, L.L.C	Delaware	22-3861885
Capstar Holding, L.L.C.	Delaware	75-1950400
Capstar Drilling, Inc.	Texas	75-1226273
Capstar Drilling GP, L.L.C.	Delaware	
General Marine Leasing, LLC	Delaware	55-0809699
Oil States Energy Services, Inc.	Delaware	76-0562413
Oil States Management, Inc.	Delaware	55-0809703
Oil States Industries, Inc.	Delaware	75-0734429
Oil States Skagit SMATCO, LLC	Delaware	72-1518822
PTI Group USA LLC	Delaware	27-1509846
PTI Mars Holdco 1, LLC	Delaware	27-3611340
Sooner Inc.	Delaware	73-1558443

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Sooner Pipe, L.L.C	Delaware	73-0552990
Sooner Holding Company	Delaware	73-1498779
Specialty Rental Tools & Supply, L.L.C.	Delaware	76-0286357
Stinger Wellhead Protection, Incorporated	Texas	75-2239172
Well Testing, Inc.	Delaware	26-0440252

- (1) The address for each of the Registrant Guarantors is Three Allen Center, 333 Clay Street, Suite 4620, Houston, Texas 77002, and the telephone number for each of the Registrant Guarantor is (713) 652-0582. The Primary Industrial Classification Code for each of the Registrant Guarantors is 3533.
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The information in this prospectus is not complete and may be changed. We may not sell 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 it is not soliciting an offer to buy these securities in any jurisdiction where the offering is not permitted.

SUBJECT TO COMPLETION, DATED SEPTEMBER 1, 2011

PROSPECTUS

**Offer to Exchange
Up To \$600,000,000 of
6.50% Senior Notes due 2019
That Have Not Been Registered Under
The Securities Act of 1933
For
Up To \$600,000,000 of
6.50% Senior Notes due 2019
That Have Been Registered Under
The Securities Act of 1933**

Terms of the New 6.50% Senior Notes due 2019 Offered in the Exchange Offer:

The terms of the new notes are identical to the terms of the old notes that were issued on June 1, 2011, except that the new notes will be registered under the Securities Act of 1933 and will not contain restrictions on transfer, registration rights or provisions for additional interest.

Terms of the Exchange Offer:

We are offering to exchange up to \$600,000,000 of our old notes for new notes with materially identical terms that have been registered under the Securities Act of 1933 and are freely tradable.

We will exchange all old notes that you validly tender and do not validly withdraw before the exchange offer expires for an equal principal amount of new notes.

The exchange offer expires at 5:00 p.m., New York City time, on _____, 2011, unless extended.

Tenders of old notes may be withdrawn at any time prior to the expiration of the exchange offer.

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

You should carefully consider the risk factors beginning on page 8 of this prospectus before participating 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. 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 old notes where such old notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. Please read Plan of Distribution.

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

The date of this prospectus is _____, 2011

This prospectus is part of a registration statement we filed with the Securities and Exchange Commission. In making your investment decision, you should rely only on the information contained in this prospectus and in the accompanying letter of transmittal. We have not authorized anyone to provide you with any other information. We are not making an offer to sell these securities or soliciting an offer to buy these securities in any jurisdiction where an offer or solicitation is not authorized or in which the person making that offer or solicitation is not qualified to do so or to anyone whom it is unlawful to make an offer or solicitation. You should not assume that the information contained in this prospectus is accurate as of any date other than its respective date.

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In this prospectus, we, us, our, the Company, and Oil States refer to Oil States International, Inc. and its material domestic subsidiaries, unless otherwise indicated or the context otherwise requires.

This prospectus incorporates important business and financial information about us that is not included or delivered with this prospectus. Such information is available without charge to holders of old notes upon written or oral request made to Oil States International, Inc., Three Allen Center, 333 Clay Street, Suite 4620, Houston, TX 77002 (Telephone (713) 652-0582). To obtain timely delivery of any requested information, holders of old notes must make any request no later than five business days prior to the expiration of the exchange offer.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

We include the following cautionary statement to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act and Section 21E of the Exchange Act, for any forward-looking statement made by us, or on our behalf. The factors identified in this cautionary statement are important factors (but not necessarily all of the important factors) that could cause actual results to differ materially from those expressed in any forward-looking statement made by us, or on our behalf. You can typically identify forward-looking statements by the use of forward-looking words such as may, will, could, project, believe, expect, estimate, potential, plan, forecast, and other similar words. All statements other than statements of historical facts contained in this prospectus, including statements regarding our future financial position, budgets, capital expenditures, projected costs, plans and objectives of management for future operations and possible future strategic transactions, are forward-looking statements. Where any such forward-looking statement includes a statement of the assumptions or bases underlying such forward-looking statement, we caution that, while we believe such assumptions or bases to be reasonable and make them in good faith, assumed facts or bases almost always vary from actual results. The differences between assumed facts or bases and actual results can be material, depending upon the circumstances. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading Risk Factors included in this prospectus.

In any forward-looking statement where we, or our management, express an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, there can be no assurance that the statement of expectation or belief will result or be achieved or accomplished. Taking this into account, the following are identified as important factors that could cause actual results to differ materially from those expressed in any forward-looking statement made by, or on behalf of, our company:

- the level of demand for and supply of oil and natural gas;
- fluctuations in the current and future prices of oil and natural gas;
- the level of activity and developments in the Canadian oil sands;
- the level of drilling and completion activity;
- the level of mining activity in Australia and demand for coal from Australia;
- the level of onshore and offshore oil and natural gas developmental activities;
- general economic conditions and the pace of recovery from the recent recession;
- our ability to find and retain skilled personnel;
- the availability and cost of capital; and
- the other factors identified under the caption Risks Factors in this prospectus.

Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no responsibility to publicly release the result of any revision of our forward-looking statements after the date they are made.

Should one or more of the risks or uncertainties described in this prospectus occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

All forward-looking statements, expressed or implied, included in this prospectus are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue.

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PROSPECTUS SUMMARY

This summary highlights some of the information contained in this prospectus and does not contain all of the information that may be important to you. You should read this entire prospectus before making an investment decision. You should carefully consider the information set forth under Risk Factors beginning on page 8 of this prospectus and the risk factors and other cautionary statements. In addition, certain statements include forward-looking information that involves risks and uncertainties. See Cautionary Statement Regarding Forward-Looking Statements.

In this prospectus we refer to the notes to be issued in the exchange offer as the new notes and the notes issued on June 1, 2011 as the old notes. We refer to the new notes and the old notes collectively as the notes.

Oil States International, Inc.

Oil States, through its subsidiaries, is a leading provider of specialty products and services to natural resources companies throughout the world. We operate in a substantial number of the world's active oil, natural gas and coal producing regions, including Canada, onshore and offshore U.S., Australia, West Africa, the North Sea, South America and Southeast and Central Asia. Our customers include many national oil companies, major and independent oil and natural gas companies, onshore and offshore drilling companies, other oilfield service companies and mining companies. We operate in four principal business segments, accommodations, offshore products, well site services and tubular services, and have established a leadership position in certain of our product or service offerings in each segment.

Our principal executive offices are located at Three Allen Center, 333 Clay Street, Suite 4620, Houston, Texas 77002, and our telephone number at that address is (713) 652-0582.

Risk Factors

Investing in the notes involves substantial risks. You should carefully consider all the information contained in this prospectus prior to participating in the exchange offer. In particular, we urge you to consider carefully the factors set forth under Risk Factors beginning on page 8 of this prospectus.

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Exchange Offer

On June 1, 2011, we completed a private offering of the old notes. We entered into a registration rights agreement with the initial purchasers in the private offering in which we agreed to deliver to you this prospectus and to use commercially reasonable efforts to complete the exchange offer within 365 days after the date we issued the old notes.

Exchange Offer	We are offering to exchange new notes for old notes.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on _____, 2011, unless we decide to extend it.
Condition to the Exchange Offer	The registration rights agreement does not require us to accept old notes for exchange if the exchange offer, or the making of any exchange by a holder of the old notes, would violate any applicable law or interpretation of the staff of the Securities and Exchange Commission. The exchange offer is not conditioned on a minimum aggregate principal amount of old notes being tendered.
Procedures for Tendering Old Notes	<p>To participate in the exchange offer, you must follow the procedures established by The Depository Trust Company, which we call "DTC," for tendering notes held in book-entry form. These procedures, which we call "ATOP," require that (i) the exchange agent receive, prior to the expiration date of the exchange offer, a computer generated message known as an "agent's message" that is transmitted through DTC's automated tender offer program, and (ii) DTC confirm that:</p> <p style="padding-left: 40px;">DTC has received your instructions to exchange your notes, and</p> <p style="padding-left: 40px;">you agree to be bound by the terms of the letter of transmittal.</p> <p>For more information on tendering your old notes, please refer to the section in this prospectus entitled "Exchange Offer Terms of the Exchange Offer" and "Procedures for Tendering."</p>
Guaranteed Delivery Procedures	None.
Withdrawal of Tenders	You may withdraw your tender of old notes at any time prior to the expiration date. To withdraw, you must submit a notice of withdrawal by telegram, facsimile transmission or letter to the exchange agent using ATOP procedures before 5:00 p.m., New York City time, on the expiration date of the exchange offer. Please refer to the section in this prospectus entitled "Exchange Offer Withdrawal of Tenders."
Acceptance of Old Notes and Delivery of New Notes	If you fulfill all conditions required for proper acceptance of old notes, we will accept any and all old notes that you properly tender in the exchange offer on or before 5:00 p.m. New York City time on the expiration date. We will return any old note that we do not accept for exchange to you without expense promptly after the expiration date and acceptance of the old notes for exchange. Please refer to the section in this prospectus

entitled Exchange Offer Terms of the Exchange Offer.

Fees and Expenses

We will bear expenses related to the exchange offer. Please refer to the section in this prospectus entitled Exchange Offer Fees and Expenses.

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Use of Proceeds	The issuance of the new notes will not provide us with any new proceeds. We are making this exchange offer solely to satisfy our obligations under our registration rights agreement.
Consequences of Failure to Exchange Old Notes	If you do not exchange your old notes in this exchange offer, you will no longer be able to require us to register the old notes under the Securities Act of 1933 (the Securities Act) except in limited circumstances provided under the registration rights agreement. In addition, you will not be able to resell, offer to resell or otherwise transfer the old notes unless we have registered the old notes under the Securities Act, or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act.
U.S. Federal Income Tax Consequences	The exchange of new notes for old notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes. Please read Material United States Federal Income Tax Consequences .
Exchange Agent	<p>We have appointed Wells Fargo Bank, N.A. as exchange agent for the exchange offer. You should direct questions and requests for assistance, additional copies of this prospectus or the letter of transmittal to the exchange agent addressed as follows:</p> <p>Wells Fargo Bank, N.A. Corporate Trust Operations MAC N9303-121 Sixth & Marquette Avenue Minneapolis, MN 55479</p> <p>Eligible institutions may make requests by facsimile at (612) 667-6282 and may confirm facsimile delivery by calling (800) 344-5128.</p>

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Terms of the New Notes

The new notes will be identical to the old notes except that the new notes are registered under the Securities Act and will not have restrictions on transfer, registration rights or provisions for additional interest. The new notes will evidence the same debt as the old notes, and the same indenture will govern the new notes and the old notes.

The following summary contains basic information about the new notes and is not intended to be complete. It does not contain all information that may be important to you. For a more complete understanding of the new notes, please refer to the section entitled "Description of the Notes" in this prospectus.

Issuer	Oil States International, Inc.
Notes Offered	\$600 million aggregate principal amount of 6.500% senior notes due 2019.
Maturity	June 1, 2019.
Interest Payment Dates	Interest on the new notes will be paid semi-annually in arrears on June 1 and December 1 of each year commencing on December 1, 2011. Interest on each new note will accrue from the last interest payment date on which interest was paid on the old note tendered in exchange thereof, or, if no interest has been paid on the old note, from the date of the original issue of the old note.
Guarantees	Our obligations under the new notes will be fully and unconditionally guaranteed on a senior unsecured basis by our existing material domestic subsidiaries and by certain of our future subsidiaries. See "Description of the Notes" - Guarantees.
Ranking	<p>The new notes will be our general unsecured senior obligations. The new notes will:</p> <ul style="list-style-type: none"> rank equally in right of payment with all of our existing and future senior indebtedness; rank senior in right of payment to any of our future subordinated indebtedness; and effectively rank junior in right of payment to all of our existing and future secured indebtedness and other obligations, including borrowings under our credit facilities, to the extent of the value of the assets securing such indebtedness and other obligations. <p>The guarantees will be the guarantors' general senior unsecured obligations and will:</p> <ul style="list-style-type: none"> rank equally in right of payment with any existing and future senior indebtedness of such guarantor;

rank senior in right of payment to any future subordinated indebtedness of such guarantor; and

effectively rank junior in right of payment to existing and future secured indebtedness and other obligations of such guarantor to the extent of the value of the assets securing such indebtedness and other obligations.

Optional Redemption

We will have the option to redeem the new notes, in whole or in part, at any time on or after June 1, 2014, in each case at the redemption prices described in this prospectus under the heading

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Description of the Notes Optional Redemption, together with any accrued and unpaid interest to the date of redemption.

Prior to June 1, 2014, we may redeem the new notes, in whole or in part, at a make-whole redemption price described under Description of the Notes Optional Redemption, together with any accrued and unpaid interest to the date of redemption.

In addition, prior to June 1, 2014, we may, at any time or from time to time, redeem up to 35% of the aggregate principal amount of the notes with the net proceeds of certain equity offerings at a redemption price equal to 106.500% of the principal amount of the new notes, plus any accrued and unpaid interest to the date of redemption.

Mandatory Offers to Purchase

Upon the occurrence of a change of control, holders of the new notes will have the right to require us to purchase all or a portion of the new notes at a price equal to 101% of the principal amount, together with any accrued and unpaid interest to the date of purchase.

Certain Covenants

We will issue the new notes under an indenture, dated June 1, 2011, with Wells Fargo Bank, N.A., as trustee. The indenture, among other things, limits our ability and the ability of our restricted subsidiaries to:

incur, assume or guarantee additional indebtedness or issue redeemable stock;

pay dividends on stock, repurchase stock or redeem subordinated debt;

make investments;

enter into transactions with affiliates;

create liens on our assets;

sell or otherwise dispose of assets, including capital stock of subsidiaries;

restrict dividends, loans or other asset transfers from our restricted subsidiaries; and

consolidate with or merge with or into, or sell all or substantially all of our properties to, another person.

However, many of these covenants will terminate if:

either Standard & Poor's Ratings Services or Moody's Investors Service, Inc. assigns the notes an investment grade rating; and

no default under the indenture exists.

These covenants are subject to important exceptions and qualifications,
which are described under Description of the Notes Certain Covenants.

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Transfer Restrictions; Absence of a Public Market for the Notes	The new notes generally will be freely transferable, but will also be new securities for which there will not initially be a market. There can be no assurance as to the development or liquidity of any market for the new notes. We do not intend to apply for a listing of the new notes on any securities exchange or any automated dealer quotation system.
Risk Factors	Investing in the notes involves risks. See Risk Factors beginning on page 8 for a discussion of certain factors you should consider in evaluating an investment in the new notes.

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The following table sets forth our ratios of consolidated earnings to fixed charges for the periods presented:

	Six Months Ended June 30, 2011	2010	Year Ended December 31,			2006
			2009	2008	2007	
Ratio of earnings to fixed charges	7.82	12.81	6.63	15.06	11.79	11.81

For purposes of computing the ratio of earnings to fixed charges, earnings consists of the sum of pre-tax income from continuing operations before income or loss from equity investees, adjusted to reflect actual distributions from equity investments, fixed charges, amortization of capitalized interest less interest capitalized and the non-controlling interest in pre-tax income of subsidiaries that have not incurred fixed charges. Fixed charges consists of the sum of interest costs expensed and capitalized, amortized discounts and debt issue costs related to indebtedness and the portion of rental expense, which we believe represents an interest factor.

We did not have any preferred stock outstanding and there were no preferred stock dividends paid or accrued during the periods presented above.

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RISK FACTORS

You should carefully consider the information included in this prospectus, including the matters addressed under Cautionary Statement Regarding Forward-Looking Statements, and the following risks before investing in the notes.

We are subject to certain risks and hazards due to the nature of the business activities we conduct. The risks discussed below, any of which could materially and adversely affect our business, financial condition, cash flows, and results of operations, are not the only risks we face. We may experience additional risks and uncertainties not currently known to us, or, as a result of developments occurring in the future, conditions that we currently deem to be immaterial may also materially and adversely affect our business, financial condition, cash flows, and results of operations.

Risks Relating to the Notes

If you do not properly tender your old notes, you will continue to hold unregistered old notes and your ability to transfer old notes will remain restricted and may be adversely affected.

We will only issue new notes in exchange for old notes that you timely and properly tender. Therefore, you should allow sufficient time to ensure timely delivery of the old notes and you should carefully follow the instructions on how to tender your old notes. Neither we nor the exchange agent is required to tell you of any defects or irregularities with respect to your tender of old notes.

If you do not exchange your old notes for new notes pursuant to the exchange offer, the old notes you hold will continue to be subject to the existing transfer restrictions. In general, you may not offer or sell the old notes except under an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not plan to register old notes under the Securities Act unless our registration rights agreement with the initial purchasers of the old notes requires us to do so. Further, if you continue to hold any old notes after the exchange offer is consummated, you may have trouble selling them because there will be fewer of these notes outstanding.

We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the notes.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness, including the notes. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments and the indenture governing the notes may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt

service and other obligations. The Amended and Restated Credit Agreement (the Credit Agreement) governing our U.S. and Canadian credit facilities and the indenture governing the notes restrict our ability to dispose of assets and use the proceeds from the disposition. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them and these proceeds may not be adequate to meet any debt service obligations then

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due. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations.

If we are unable to comply with the restrictions and covenants in the agreements governing our notes and other debt, there could be a default under the terms of these agreements, which could result in an acceleration of payment of funds that we have borrowed and would impact our ability to make principal and interest payments on the notes.

If we are unable to comply with the restrictions and covenants in the Credit Agreement and the indenture governing the notes or in current or future debt financing agreements, there could be a default under the terms of these agreements. Our ability to comply with these restrictions and covenants, including meeting financial ratios and tests, may be affected by events beyond our control. As a result, we cannot assure you that we will be able to comply with these restrictions and covenants or meet these tests. Any default under the agreements governing our indebtedness, including a default under our Credit Agreement, that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness, could prevent us from paying principal, premium, if any, and interest on the notes and substantially decrease the market value of the notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants in the instruments governing our indebtedness (including covenants in our Credit Agreement and the indenture governing the notes), we could be in default under the terms of the agreements governing such indebtedness, including our Credit Agreement and the indenture governing the notes. In the event of such default:

the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest;

the lenders under our Credit Agreement could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets; and

we could be forced into bankruptcy or liquidation.

If our operating performance declines, we may in the future need to obtain waivers from the required lenders under our Credit Agreement to avoid being in default. If we breach our covenants under our Credit Agreement and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under our Credit Agreement, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation.

We may not be able to repurchase the notes in certain circumstances.

Under the terms of the indenture governing the notes, you may require us to repurchase all or a portion of your notes if we sell certain assets or in the event of a change of control. We may not have enough funds to pay the repurchase price on a purchase date. Our existing and any future credit agreements or other debt agreements to which we become a party may provide that our obligation to purchase or redeem the notes would be an event of default under such agreement. As a result, we may be restricted or prohibited from repurchasing or redeeming the notes. If we are prohibited from repurchasing or redeeming the notes, we could seek the consent of our then-existing lenders to repurchase or redeem the notes or we could attempt to refinance the borrowings that contain such prohibition. If we are unable to obtain a consent or refinance the debt, we could not repurchase or redeem the notes. Our failure to redeem tendered notes would constitute a default under the indenture governing the notes and might constitute a default under the terms of other indebtedness that we incur.

The term "change of control" is limited to certain specified transactions and may not include other events that might adversely affect our financial condition. Our obligation to repurchase the notes upon a change of control would not necessarily afford holders of notes protection in the event of a highly leveraged transaction, reorganization, merger or similar transaction involving us.

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One of the circumstances under which a change of control may occur is upon the sale or disposition of all or substantially all of our assets. However, the phrase "all or substantially all" will likely be interpreted under applicable state law and will be dependent upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or disposition of "all or substantially all" of our assets has occurred, in which case, the ability of a holder of the notes to obtain the benefit of an offer to repurchase all or a portion of the notes held by such holder may be impaired.

Any guarantees of the notes by our subsidiaries could be deemed fraudulent conveyances under certain circumstances, and a court may subordinate or void the subsidiary guarantees.

A court could subordinate or void the subsidiary guarantees under various fraudulent conveyance or fraudulent transfer laws. Generally, a subsidiary guarantee may be voided as a fraudulent conveyance or held unenforceable if a U.S. court was to find that at the time one of our subsidiaries entered into a subsidiary guarantee and either:

the subsidiary incurred the guarantee with the intent to hinder, delay, or defraud any present or future creditor, or contemplated insolvency with a design to favor one or more creditors to the exclusion of others; or

the subsidiary did not receive fair consideration or reasonably equivalent value for issuing the subsidiary guarantee and, at the time it issued the subsidiary guarantee, the subsidiary:

was insolvent or became insolvent as a result of issuing the subsidiary guarantee,

was engaged or about to engage in a business or transaction for which the remaining assets of the subsidiary constituted unreasonably small capital, or