SECURITIES AND EXCHANGE COMMISSION

# FORM S-4

Registration of securities issued in business combination transactions

Filing Date: **2004-01-29**
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## FILER

**EMCARE OF NEW MEXICO INC**
CIK:**1277684**| IRS No.: **752764326** | State of Incorp.:**NM** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-96** | Film No.: **04553205**
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**EMCARE OF NORTH CAROLINA INC**
CIK:**1277685**| IRS No.: **752764322** | State of Incorp.:**NC** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-95** | Film No.: **04553204**
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**EMCARE OF NORTH DAKOTA INC**
CIK:**1277687**| IRS No.: **752763877** | State of Incorp.:**ND** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-94** | Film No.: **04553203**
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**EMCARE OF OHIO INC**
CIK:**1277689**| IRS No.: **752763876** | State of Incorp.:**OH** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-93** | Film No.: **04553202**
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**EMCARE OF OKLAHOMA INC**
CIK:**1277694**| IRS No.: **752754565** | State of Incorp.:**OK** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-92** | Film No.: **04553201**
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**EMCARE OF OREGON INC**
CIK:**1277697**| IRS No.: **752763874** | State of Incorp.:**OR** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-91** | Film No.: **04553200**
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**EMCARE OF PENNSYLVANIA INC**
CIK:**1277698**| IRS No.: **752763873** | State of Incorp.:**PA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-90** | Film No.: **04553199**
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## EMCARE OF RHODE ISLAND INC

CIK:1277699| IRS No.: **752697459** | State of Incorp.:**RI** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-89** | Film No.: **04553198**

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## EMCARE OF SOUTH CAROLINA INC

CIK:1277702| IRS No.: **582479880** | State of Incorp.:**SC** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-88** | Film No.: **04553197**

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## EMCARE OF TENNESSEE INC

CIK:1277717| IRS No.: **752759523** | State of Incorp.:**TN** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-87** | Film No.: **04553196**

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## EMCARE OF TEXAS INC

CIK:1277719| IRS No.: **752849713** | State of Incorp.:**TX** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-86** | Film No.: **04553195**

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## EMCARE OF VERMONT INC

CIK:1277722| IRS No.: **752764310** | State of Incorp.:**VT** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-85** | Film No.: **04553194**

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## EMCARE OF VIRGINIA INC

CIK:1277723| IRS No.: **752764309** | State of Incorp.:**VA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-84** | Film No.: **04553193**

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## EMCARE OF WASHINGTON INC

CIK:1277725| IRS No.: **752764308** | State of Incorp.:**WA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-128** | Film No.: **04553237**

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## EMCARE OF WEST VIRGINIA INC

CIK:1277726| IRS No.: **341700097** | State of Incorp.:**WV** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-127** | Film No.: **04553236**

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## EMCARE OF WISCONSIN INC

CIK:1277727| IRS No.: **752764307** | State of Incorp.:**WI** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-126** | Film No.: **04553235**

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## EMCARE PHYSICIAN SERVICES INC

CIK:1277729| IRS No.: **510345538** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-125** | Film No.: **04553234**

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## EMCARE SERVICES OF ILLINOIS INC

CIK:1277731| IRS No.: **362670076** | State of Incorp.:**IL** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-124** | Film No.: **04553233**

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## EMCARE SERVICES OF MASSACHUSETTS INC

CIK:1277732| IRS No.: **752772211** | State of Incorp.:**MA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-123** | Film No.: **04553232**

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## EMCARE INC

CIK:1277734| IRS No.: **751732351** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-122** | Film No.: **04553231**

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## EM CODE REIMBURSEMENT SOLUTIONS INC

CIK:1277736| IRS No.: **752790529** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-121** | Film No.: **04553230**

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## EMERGENCY MEDICINE EDUCATION SYSTEMS INC

CIK:1277738| IRS No.: **752706238** | State of Incorp.:**TX** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-120** | Film No.: **04553229**

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## JETTON NORMAN BRUCE INC

CIK:1277739| IRS No.: **953192465** | State of Incorp.:**CA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-119** | Film No.: **04553228**

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## OLD STAT INC

CIK:1277741| IRS No.: **760443952** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-117** | Film No.: **04553226**

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## PACIFIC EMERGENCY SPECIALISTS MANAGEMENT INC

CIK:1277743| IRS No.: **330082696** | State of Incorp.:**CA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-116** | Film No.: **04553225**

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## REIMBURSEMENT TECHNOLOGIES INC

CIK:1277746| IRS No.: **232634599** | State of Incorp.:**PA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-115** | Film No.: **04553224**

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## STAT PHYSICIANS INC

CIK:1277747| IRS No.: **593413300** | State of Incorp.:**FL** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-114** | Film No.: **04553223**

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## GOULD GROUP INC

CIK:1277748| IRS No.: **752378809** | State of Incorp.:**TX** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-113** | Film No.: **04553222**

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## LAIDLAW MEDICAL TRANSPORTATION INC

CIK:1277749| IRS No.: **752474011** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-112** | Film No.: **04553221**

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## EMCARE PHYSICIAN PROVIDERS INC

CIK:1277751| IRS No.: **430972570** | State of Incorp.:**MO** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-111** | Film No.: **04553220**

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## CONCORDE ADJUSTERS INC

CIK:1277752| IRS No.: **752648718** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-110** | Film No.: **04553219**

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## CHATHAM COACH LINES INC

CIK:1277753| IRS No.: **980062854** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-109** | Film No.: **04553217**

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## LAIDLAW INTERNATIONAL FINANCE CORP INC

CIK:1277754| IRS No.: **980142586** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-107** | Film No.: **04553215**

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## LAIDLAW TRANSIT HOLDINGS INC

CIK:1277756| IRS No.: **133837025** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-106** | Film No.: **04553214**

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## LAIDLAW TRANSIT MANAGEMENT CO INC

CIK:1277757| IRS No.: **232320563** | State of Incorp.:**PA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-105** | Film No.: **04553213**

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## LAIDLAW TRANSIT SERVICES INC

CIK:1277758| IRS No.: **521929641** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-108** | Film No.: **04553216**

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## LAIDLAW TRANSIT INC

CIK:1277759| IRS No.: **592634035** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-14** | Film No.: **04553119**

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## LAIDLAW MEDICAL HOLDINGS INC

CIK:1277760| IRS No.: **752753271** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-13** | Film No.: **04553118**

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## LAIDLAW TRANSPORTATION HOLDINGS INC

CIK:1277761| IRS No.: **752753269** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-12** | Film No.: **04553117**

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## LAIDLAW TRANSPORTATION MANAGEMENT INC

CIK:1277762| IRS No.: **042848505** | State of Incorp.:**OH** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-11** | Film No.: **04553116**

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## LAIDLAW TRANSPORTATION INC

CIK:1277763| IRS No.: **510214148** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-10** | Film No.: **04553115**

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## LAIDLAW TWO INC

CIK:1277764| State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-17** | Film No.: **04553123**

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## LAIDLAW USA INC

CIK:1277765| IRS No.: **752577496** | State of Incorp.:**NY** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-09** | Film No.: **04553114**

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## VAN TRAN OF TUCSON INC

CIK:1277766| IRS No.: **860611715** | State of Incorp.:**AZ** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-08** | Film No.: **04553113**

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## LINC TRANSPORTATION LLC

CIK:1277767| IRS No.: **980390488** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-07** | Film No.: **04553112**

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## SC FOOD SERVICES USA INC

CIK:1277784| IRS No.: **232568040** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-06** | Film No.: **04553111**

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## SAFE RIDE SERVICES INC

CIK:1277786| IRS No.: **860644802** | State of Incorp.:**AZ** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-05** | Film No.: **04553110**

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## SUTRAN INC

CIK:1277787| IRS No.: **943238900** | State of Incorp.:**SD** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-04** | Film No.: **04553109**

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## ALLIED BUS SALES INC

CIK:1277788| IRS No.: **481133142** | State of Incorp.:**IA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-03** | Film No.: **04553108**

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## AL LEASING INC

CIK:1277789| IRS No.: **593403850** | State of Incorp.:**FL** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-02** | Film No.: **04553107**

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## AMERICAN MEDICAL PATHWAYS INC

CIK:1277790| IRS No.: **752766681** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-01** | Film No.: **04553106**

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## AMERICAN MEDICAL RESPONSE HOLDINGS INC

CIK:1277791| IRS No.: **841370651** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-82** | Film No.: **04553191**

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## AMERICAN MEDICAL RESPONSE MANAGEMENT INC

CIK:1277792| IRS No.: **84135181** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-81** | Film No.: **04553190**

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## AMERICAN MEDICAL RESPONSE NORTHWEST INC

CIK:1277793| IRS No.: **930567420** | State of Incorp.:**OR** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-83** | Film No.: **04553192**

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## AMERICAN MEDICAL RESPONSE OF COLORADO INC

CIK:1277797| IRS No.: **841231591** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-80** | Film No.: **04553189**

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## AMERICAN MEDICAL RESPONSE OF CONNECTICUT INC

CIK:1277799| IRS No.: **061356148** | State of Incorp.:**CT** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-79** | Film No.: **04553188**

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## AMERICAN MEDICAL RESPONSE OF MASSACHUSETTS INC

CIK:1277800| IRS No.: **042574482** | State of Incorp.:**MA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-78** | Film No.: **04553187**

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## AMERICAN MEDICAL RESPONSE OF NORTH CAROLINA INC

CIK:1277801| IRS No.: **561931968** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-77** | Film No.: **04553186**

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## AMERICAN MEDICAL RESPONSE OF OKLAHOMA INC

CIK:1277802| IRS No.: **731462014** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-76** | Film No.: **04553185**

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## AMERICAN MEDICAL RESPONSE OF SOUTH CAROLINA INC

CIK:1277803| IRS No.: **571024233** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-75** | Film No.: **04553184**

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## AMERICAN MEDICAL RESPONSE OF TENNESSEE INC

CIK:1277804| IRS No.: **621642499** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-74** | Film No.: **04553183**

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## AMERICAN MEDICAL RESPONSE OF TEXAS INC

CIK:1277805| IRS No.: **760487923** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-73** | Film No.: **04553182**

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## AMERICAN MEDICAL RESPONSE WEST

CIK:1277806| IRS No.: **770324739** | State of Incorp.:**CA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-72** | Film No.: **04553181**

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## ATLANTIC KEY WEST AMBULANCE INC

CIK:1277807| IRS No.: **330506809** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-71** | Film No.: **04553180**

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## ATLANTIC PALM BEACH AMBULANCE INC

CIK:1277808| IRS No.: **330506808** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-70** | Film No.: **04553179**

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## BROWARD AMBULANCE INC

CIK:1277809| IRS No.: **330506810** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-69** | Film No.: **04553178**

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## DESERT VALLEY MEDICAL TRANSPORT INC

CIK:1277810| IRS No.: **331755338** | State of Incorp.:**CA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-68** | Film No.: **04553177**

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## EIVA COUNTIES AMBULANCE SERVICE INC

CIK:1277811| IRS No.: **112127997** | State of Incorp.:**NY** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-67** | Film No.: **04553176**

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## FLORIDA EMERGENCY PARTNERS INC

CIK:1277812| IRS No.: **593425254** | State of Incorp.:**NY** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-66** | Film No.: **04553175**

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## FOUNTAIN AMBULANCE SERVICE INC

CIK:1277814| IRS No.: **631058995** | State of Incorp.:**AL** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-65** | Film No.: **04553174**

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## HANKS ACQUISITION CORP

CIK:1277817| IRS No.: **330569883** | State of Incorp.:**AL** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-64** | Film No.: **04553173**

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## HEMET VALLEY AMBULANCE SERVICE INC

CIK:1277818| IRS No.: **952841215** | State of Incorp.:**CA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-63** | Film No.: **04553172**

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## INTERNATIONAL LIFE SUPPORT INC

CIK:1277820| IRS No.: **990114256** | State of Incorp.:**HI** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-62** | Film No.: **04553171**

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## KUTZ AMBULANCE SERVICE INC

CIK:1277821| IRS No.: **390827456** | State of Incorp.:**WI** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-61** | Film No.: **04553170**

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## LITECARE AMBULANCE SERVICE INC

CIK:1277822| IRS No.: **363799039** | State of Incorp.:**IL** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-60** | Film No.: **04553169**

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## LIFEFLEET SOUTHEAST INC

CIK:1277823| IRS No.: **591395439** | State of Incorp.:**FL** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-58** | Film No.: **04553167**

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## MEDEVAC MEDICAL RESPONSE INC

CIK:1277825| IRS No.: **431097068** | State of Incorp.:**MO** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-59** | Film No.: **04553168**

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## MEDEVAC MIDAMERICA INC

CIK:1277826| IRS No.: **953743718** | State of Incorp.:**MO** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-57** | Film No.: **04553166**

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## MEDIC ONE AMBULANCE SERVICES INC

CIK:1277827| IRS No.: **721276358** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-56** | Film No.: **04553165**

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## MEDIC ONE OF COBB INC

CIK:1277828| IRS No.: **581944370** | State of Incorp.:**GA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-55** | Film No.: **04553164**

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## MED CAR AMBULANCE SERVICE INC

CIK:1277829| IRS No.: **591892079** | State of Incorp.:**FL** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-54** | Film No.: **04553163**

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## MED CAR SYSTEMS INC

CIK:1277830| IRS No.: **591996927** | State of Incorp.:**FL** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-53** | Film No.: **04553162**

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## MEDLIFE EMERGENCY MEDICAL SERVICE INC

CIK:1277831| IRS No.: **631154514** | State of Incorp.:**AL** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-52** | Film No.: **04553161**

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## MERCY AMBULANCE OF EVANSVILLE INC

CIK:1277837| IRS No.: **351494500** | State of Incorp.:**IA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-51** | Film No.: **04553160**

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## MERCY LIFE CORP

CIK:1277841| IRS No.: **942619315** | State of Incorp.:**CA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-50** | Film No.: **04553158**

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## MERCY INC

CIK:1277842| IRS No.: **942619315** | State of Incorp.:**CA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-49** | Film No.: **04553156**

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## METRO AMBULANCE SERVICE RURAL INC

CIK:1277843| IRS No.: **721275309** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-48** | Film No.: **04553155**

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## METRO AMBULANCE SERVICES INC

CIK:1277845| IRS No.: **581036407** | State of Incorp.:**GA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-47** | Film No.: **04553154**

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## METROPOLITAN AMBULANCE SERVICE

CIK:1277847| IRS No.: **941701773** | State of Incorp.:**CA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-46** | Film No.: **04553153**

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## MIDWEST AMBULANCE MANAGEMENT CO

CIK:1277848| IRS No.: **363973137** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-45** | Film No.: **04553152**

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## MOBILE MEDIC AMBULANCE SERVICE INC

CIK:1277849| IRS No.: **043171173** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-44** | Film No.: **04553151**

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## TIDEWATER AMBULANCE SERVICE INC

CIK:**1277850**| IRS No.: **541244307** | State of Incorp.:**VA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-43** | Film No.: **04553150**

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## TROUP COUNTY EMERGENCY MEDICAL SERVICES INC

CIK:**1277851**| IRS No.: **581313603** | State of Incorp.:**GA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-42** | Film No.: **04553149**

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## PARK AMBULANCE SERVICE INC

CIK:**1277854**| IRS No.: **132508653** | State of Incorp.:**NY** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-41** | Film No.: **04553148**

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## PHYSICIANS & SURGEONS AMBULANCE SERVICE INC

CIK:**1277857**| IRS No.: **34859642** | State of Incorp.:**OH** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-40** | Film No.: **04553147**

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## PUCKETT AMBULANCE SERVICE INC

CIK:**1277858**| IRS No.: **581572034** | State of Incorp.:**GA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-39** | Film No.: **04553146**

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## RANDLE EASTERN AMBULANCE SERVICE INC

CIK:**1277860**| IRS No.: **590737717** | State of Incorp.:**FL** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-38** | Film No.: **04553145**

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## REGIONAL EMERGENCY SERVICES LP

CIK:**1277862**| IRS No.: **593383586** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-37** | Film No.: **04553143**

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## SEMINOLE COUNTY AMBULANCE INC

CIK:**1277863**| IRS No.: **330506811** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-35** | Film No.: **04553141**

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## SPRINGS AMBULANCE SERVICE INC

CIK:**1277864**| IRS No.: **952426613** | State of Incorp.:**CA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-36** | Film No.: **04553142**

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## SUNRISE HANDICAP TRANSPORT CORP

CIK:**1277865**| IRS No.: **112569671** | State of Incorp.:**NY** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-34** | Film No.: **04553140**

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## TEK INC

CIK:**1277867**| IRS No.: **362915559** | State of Incorp.:**IL** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-33** | Film No.: **04553139**

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## ADAM TRANSPORTATION SERVICE INC

CIK:**1277869**| IRS No.: **133541209** | State of Incorp.:**NY** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-32** | Film No.: **04553138**

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## AMBULANCE ACQUISITION INC

CIK:**1277875**| IRS No.: **510352561** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-31** | Film No.: **04553137**

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## AMERICAN MEDICAL RESPONSE DE VALLEY LLC

CIK:**1277876**| IRS No.: **742895618** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-30** | Film No.: **04553136**

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## AMERICAN MEDICAL RESPONSE MID ATLANTIC INC

CIK:1277877| IRS No.: **232195702** | State of Incorp.:**PA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-29** | Film No.: **04553135**

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## AMERICAN MEDICAL RESPONSE OF GEORGIA INC

CIK:1277880| IRS No.: **582193430** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-28** | Film No.: **04553134**

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## AMERICAN MEDICAL RESPONSE OF ILLINOIS INC

CIK:1277881| IRS No.: **363978701** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-27** | Film No.: **04553133**

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## AMERICAN MEDICAL RESPONSE OF INLAND EMPIRE

CIK:1277882| IRS No.: **952223085** | State of Incorp.:**CA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-26** | Film No.: **04553132**

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## AMERICAN MEDICAL RESPONSE OF SOUTHERN CALIFORNIA

CIK:1277883| IRS No.: **951488421** | State of Incorp.:**CA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-25** | Film No.: **04553131**

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## AMR BROCKTON LLC

CIK:1277885| IRS No.: **043502200** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-24** | Film No.: **04553130**

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## ASSOCIATED AMBULANCE SERVICE INC

CIK:1277886| IRS No.: **112163989** | State of Incorp.:**NY** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-23** | Film No.: **04553129**

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## ATLANTIC AMBULANCE SERVICES ACQUISITION INC

CIK:1277888| IRS No.: **330506806** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-22** | Film No.: **04553128**

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## METRO AMBULANCE SERVICE INC

CIK:1277889| IRS No.: **721275309** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-21** | Film No.: **04553127**

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## ECEP INC

CIK:1277617| IRS No.: **364330833** | State of Incorp.:**MO** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-148** | Film No.: **04553257**

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## HELIX PHYSICIANS MANAGEMENT INC

CIK:1277633| IRS No.: **680323716** | State of Incorp.:**CA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-142** | Film No.: **04553251**

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## EMCARE OF MICHIGAN INC

CIK:1277673| IRS No.: **752764279** | State of Incorp.:**MI** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-104** | Film No.: **04553212**

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## EMCARE OF MINNESOTA INC

CIK:1277675| IRS No.: **752764279** | State of Incorp.:**MN** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-103** | Film No.: **04553211**

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## EMCARE OF MISSISSIPPI INC

CIK:1277676| IRS No.: **752760070** | State of Incorp.:**MI** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-102** | Film No.: **04553210**

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## EMCARE OF MISSOURI INC

CIK:1277679| IRS No.: **752789939** | State of Incorp.:**MO** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-101** | Film No.: **04553209**

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## EMCARE OF NEVADA INC

CIK:1277680| IRS No.: **752731501** | State of Incorp.:**NV** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-100** | Film No.: **04553208**

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## EMCARE OF NEW HAMPSHIRE INC

CIK:1277681| IRS No.: **752764327** | State of Incorp.:**NH** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-98** | Film No.: **04553207**

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## EMCARE OF NEW JERSEY INC

CIK:1277683| IRS No.: **752769525** | State of Incorp.:**NJ** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-97** | Film No.: **04553206**

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## PROVIDER ACCOUNT MANAGEMENT INC

CIK:1277610| IRS No.: **752964700** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-153** | Film No.: **04553262**

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## PHYSICIAN ACCOUNT MANAGEMENT INC

CIK:1277613| IRS No.: **030373713** | State of Incorp.:**FL** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-152** | Film No.: **04553261**

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## AMERICAN EMERGENCY PHYSICIANS MANAGEMENT INC

CIK:1277614| IRS No.: **944194045** | State of Incorp.:**CA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-151** | Film No.: **04553260**

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## MITCHELL CHARLES T INC

CIK:1277615| IRS No.: **990175057** | State of Incorp.:**HI** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-150** | Film No.: **04553259**

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*6308483000*

## COORDINATED HEALTH SERVICES INC

CIK:1277616| IRS No.: **232666117** | State of Incorp.:**PA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-149** | Film No.: **04553258**

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## EMCARE ANESTHESIA SERVICES INC

CIK:1277618| IRS No.: **650743208** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-147** | Film No.: **04553256**

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## EMCARE CONTRACT OF ANKANSAS INC

CIK:1277619| IRS No.: **752780794** | State of Incorp.:**AK** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-146** | Film No.: **04553255**

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## EMERGENCY SPECIALISTS OF ARKANSAS INC II

CIK:1277621| IRS No.: **752599775** | State of Incorp.:**TX** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-145** | Film No.: **04553254**

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## FIRST MEDICAL EMCARE INC

CIK:1277626| IRS No.: **953580100** | State of Incorp.:**CA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-144** | Film No.: **04553253**

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## HEALTHCARE ADMINISTRATIVE SERVICE INC

CIK:1277628| IRS No.: **431787964** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-143** | Film No.: **04553252**

Business Address
*55 SHUMAN BLVD*
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*NAPERVILLE IL 60563*

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## AMERICAN INVESTMENT ENTERPRISES INC

CIK:**1277740**| IRS No.: **880206998** | State of Incorp.:**NV** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-118** | Film No.: **04553227**

Mailing Address
*6200 S SYRACUSE WAY*
*SUITE 200*
*GREENWOOD VILLAGE CO*
*80111-4737*

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## PARAMED INC

CIK:**1278015**| IRS No.: **382142110** | State of Incorp.:**MI** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-16** | Film No.: **04553122**

Mailing Address
*6200 S SYRACUSE WAY*
*SUITE 200*
*GREENWOOD VILLAGE MI*
*80111-4737*

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## EMCARE OF NEW YORK INC

CIK:**1278020**| IRS No.: **752764324** | State of Incorp.:**NY** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-15** | Film No.: **04553121**

Mailing Address
*1717 MAIN STREET*
*SUITE 5200*
*DALLAS TX 75201*

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## TIFTON MANAGEMENT SERVICES INC

CIK:**1277634**| IRS No.: **581327293** | State of Incorp.:**GA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-141** | Film No.: **04553250**

Mailing Address
*1717 MAIN STREET*
*SUITE 5200*
*DALLAS TX 75201*

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## EMCARE OF ALABAMA INC

CIK:**1277635**| IRS No.: **752764325** | State of Incorp.:**AL** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-140** | Film No.: **04553249**

Mailing Address
*1717 MAIN STREET*
*SUITE 5200*
*DALLAS TX 75201*

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## EMCARE OF ARIZONA INC

CIK:**1277636**| IRS No.: **751764321** | State of Incorp.:**AZ** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-139** | Film No.: **04553248**

Mailing Address
*1717 MAIN STREET*
*SUITE 5200*
*DALLAS TX 75201*

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## EMCARE OF CALIFORNIA INC

CIK:**1277638**| IRS No.: **942246075** | State of Incorp.:**CA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-138** | Film No.: **04553247**

Mailing Address
*1717 MAIN STREET*
*SUITE 5200*
*DALLAS TX 75201*

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## TUCKER EMERGENCY SERVICES INC

CIK:**1277639**| IRS No.: **581521816** | State of Incorp.:**GA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-137** | Film No.: **04553246**

Mailing Address
*1717 MAIN STREET*
*SUITE 5200*
*DALLAS TX 75201*

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## EMCARE OF COLORADO INC

CIK:**1277640**| IRS No.: **752764320** | State of Incorp.:**CO** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-136** | Film No.: **04553245**

Mailing Address
*1717 MAIN STREET*
*SUITE 5200*
*DALLAS TX 75201*

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## EMCARE OF CONNECTICUT INC

CIK:**1277647**| IRS No.: **331015195** | State of Incorp.:**CT** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-135** | Film No.: **04553244**

Mailing Address
*1717 MAIN STREET*
*SUITE 5200*
*DALLAS TX 75201*

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## EMCARE OF FLORIDA INC

CIK:**1277651**| IRS No.: **591317432** | State of Incorp.:**FL** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-134** | Film No.: **04553243**

Mailing Address
*1717 MAIN STREET*
*SUITE 5200*
*DALLAS TX 75201*

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## EMCARE OF GEOGIA INC

CIK:**1277653**| IRS No.: **752764317** | State of Incorp.:**FL** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-154** | Film No.: **04553263**

Mailing Address
*1717 MAIN STREET*
*SUITE 5200*
*DALLAS TX 75201*

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## EMCARE OF HAWAII INC

CIK:**1277654**| IRS No.: **990158218** | State of Incorp.:**FL** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-155** | Film No.: **04553264**

Mailing Address
*1717 MAIN STREET*
*SUITE 5200*
*DALLAS TX 75201*

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## EMCARE OF INDIANA INC

CIK:**1277656**| IRS No.: **752793483** | State of Incorp.:**IN** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-132** | Film No.: **04553241**

Mailing Address
*1717 MAIN STREET*
*SUITE 5200*
*DALLAS TX 75201*

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*

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## EMCARE OF IOWA INC

CIK:**1277657**| IRS No.: **752764281** | State of Incorp.:**IA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-131** | Film No.: **04553240**

Mailing Address
*1717 MAIN STREET*
*SUITE 5200*
*DALLAS TX 75201*

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## EMCARE OF KENTUCKY INC

CIK:**1277659**| IRS No.: **752764280** | State of Incorp.:**KY** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-130** | Film No.: **04553239**

Mailing Address
*1717 MAIN STREET*
*SUITE 5200*
*DALLAS TX 75201*

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## EMCARE OF LOUISIANA INC

CIK:**1277669**| IRS No.: **752759529** | State of Incorp.:**LA** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-129** | Film No.: **04553238**

Mailing Address
*1717 MAIN STREET*
*SUITE 5200*
*DALLAS TX 75201*

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## EMCARE OF MARYLAND LLC

CIK:**1277672**| IRS No.: **752584537** | State of Incorp.:**MD** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-133** | Film No.: **04553242**

Mailing Address
*1717 MAIN STREET*
*SUITE 5200*
*DALLAS TX 75201*

Business Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## LAIDLAW INTERNATIONAL INC

CIK:**737874**| IRS No.: **980390488** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309** | Film No.: **04553120**
SIC: **4100** Local & suburban transit & interurban hwy passenger trans

Mailing Address
*55 SHUMAN BLVD.*
*SUITE 400*
*NAPERVILLE IL 60563*

Business Address
*55 SHUMAN BLVD.*
*SUITE 400*
*NAPERVILLE IL 60563*
*6308483000*

## AMERICAN MEDICAL RESPONSE INC

CIK:**888675**| IRS No.: **043147881** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **S-4** | Act: **33** | File No.: **333-112309-19** | Film No.: **04553125**
SIC: **4100** Local & suburban transit & interurban hwy passenger trans

Mailing Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60523*

Business Address
*6200 S SYRACUSE WAY*
*SUITE 200*
*GREENWOOD VILLAGE CO*
*80111-4737*
*6308483000*

## EMCARE HOLDINGS INC

CIK:**900083**| IRS No.: **133645287** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **S-4** | Act: **33** | File No.: **333-112309-18** | Film No.: **04553124**
SIC: **8093** Specialty outpatient facilities, nec

Mailing Address
*55 SHUMAN BLVD*
*STE 400*
*NAPERVILLE IL 60563*

Business Address
*1717 MAIN STREET*
*SUITE 5200*
*DALLAS TX 75201*
*6308483000*

## LAIDLAW ONE INC

CIK:**1003122**| IRS No.: **752619597** | State of Incorp.:**DE** | Fiscal Year End: **0831**
Type: **S-4** | Act: **33** | File No.: **333-112309-20** | Film No.: **04553126**
SIC: **4953** Refuse systems

Mailing Address
*55 SHUMAN BLVD*
*SUITE 400*
*NAPERVILLE IL 60563*

Business Address
*600 SIX FLAGS DRIVE*
*SUITE 300*
*ARLINGTON TX 76011-6329*
*6308483000*

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As filed with the Securities and Exchange Commission on January 29, 2004

Registration No. 333-

# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

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# Form S-4

**REGISTRATION STATEMENT**
**UNDER**
**THE SECURITIES ACT OF 1933**

---

# Laidlaw International, Inc.

*(Exact name of registrant as specified in its charter)*

| **Delaware** | **4100** | **98-0390488** |
|---|---|---|
| *(State or other jurisdiction of incorporation or organization)* | *(Primary standard industrial classification code number)* | *(I.R.S. employer identification number)* |

---

**55 Shuman Boulevard, Suite 400**

**Naperville, Illinois 60563**
**(630) 848-3000**
*(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)*

---

**See table of additional registrants**

**Douglas A. Carty**

**Senior Vice President and**
**Chief Financial Officer**
**Laidlaw International, Inc.**
**55 Shuman Boulevard, Suite 400**
**Naperville, Illinois 60563**
**(630) 848-3000**
*(Name, address, including zip code, and telephone number, including area code, for agent for service)*

---

***Copies to:***

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**Office of the General Counsel**
**Laidlaw International, Inc.**
**55 Shuman Boulevard, Suite 400**
**Naperville, Illinois 60563**
**(630) 848-3000**

**Peter Clarke, Esq.**
**Jones Day**
**77 West Wacker**
**Chicago, Illinois 60601-1692**
**(312) 782-3939**

---

**Approximate date of commencement of proposed sale of securities to the public:** As soon as practicable following 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 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 to be registered | Amount to be registered | Proposed maximum offering price per unit | Proposed maximum aggregate offering price(1) | Amount of registration fee |
|---|---|---|---|---|
| 10 3/4% Senior Notes Due 2011 | $406,000,000 | 100% | $406,000,000 | $51,440.20 |
| Guarantees of the $406,000,000 10 3/4% Senior Notes Due 2011(2) | N/A | N/A | N/A | N/A |
| Total registration fee | | | | $51,440.20 |

(1) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(f) of the Securities Act of 1933.

(2) The 10 3/4% Senior Notes Due 2011 of Laidlaw International, Inc. will be guaranteed by those of its subsidiaries that are listed in the table of additional registrants. Pursuant to Rule 457(n) under the Securities Act, no registration fee is required with respect to the guarantees.

---

**The registrant hereby amends this registration statement on such date 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 Section 8(a), may determine.**

---

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## TABLE OF ADDITIONAL REGISTRANTS

The name and address of the agent for service for each of the additional registrants listed below is the same as is set forth for Laidlaw International, Inc. on the cover page of this registration statement.

| Name | State or Other Jurisdiction of Incorporation or Organization | Address of Principal Executive Office | I.R.S. Employer Identification Number | Primary Standard Industrial Code Number |
|---|---|---|---|---|
| A1 Leasing, Inc. | Florida | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 59-3403850 | 4100 |
| Adam Transportation Service, Inc. | New York | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 13-3541209 | 4100 |
| Allied Bus Sales, Inc. | Indiana | 55 Shuman Blvd., Ste. 400 Naperville, IL 60563 | 48-1133142 | 4100 |
| Ambulance Acquisition, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 51-0352561 | 4100 |
| American Emergency Physicians Management, Inc. | California | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 94-4194045 | 4100 |
| American Investment Enterprises, Inc. | Nevada | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 88-0206998 | 4100 |
| American Medical Pathways, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 75-2766681 | 4100 |
| American Medical Response Delaware Valley, LLC | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 74-2895618 | 4100 |
| American Medical Response Holdings, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 84-1370651 | 4100 |
| American Medical Response Management, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 84-1351841 | 4100 |
| American Medical Response Mid-Atlantic, Inc. | Pennsylvania | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 23-2195702 | 4100 |
| American Medical Response Northwest, Inc. | Oregon | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 93-0567420 | 4100 |
| American Medical Response of Colorado, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 84-1231591 | 4100 |

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| | | | | |
|---|---|---|---|---|
| American Medical Response of Connecticut, Incorporated | Connecticut | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 06-1356148 | 4100 |
| American Medical Response of Georgia, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 58-2193430 | 4100 |
| American Medical Response of Illinois, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 36-3978701 | 4100 |
| American Medical Response of Inland Empire | California | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 95-2223085 | 4100 |

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| Name | State or Other Jurisdiction of Incorporation or Organization | Address of Principal Executive Office | I.R.S. Employer Identification Number | Primary Standard Industrial Code Number |
|---|---|---|---|---|
| American Medical Response of Massachusetts, Inc. | Massachusetts | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 04-2574482 | 4100 |
| American Medical Response of North Carolina, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 56-1931968 | 4100 |
| American Medical Response of Oklahoma, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 73-1462014 | 4100 |
| American Medical Response of South Carolina, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 57-1024333 | 4100 |
| American Medical Response of Southern California | California | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 95-1488421 | 4100 |
| American Medical Response of Tennessee, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 62-1642499 | 4100 |
| American Medical Response of Texas, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 76-0487923 | 4100 |
| American Medical Response West | California | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 77-0324739 | 4100 |
| American Medical Response, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 04-3147881 | 4100 |
| AMR Brockton, L.L.C. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 04-3502200 | 4100 |
| Associated Ambulance Service, Inc. | New York | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 11-2163989 | 4100 |
| Atlantic Ambulance Services Acquisition, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 33-0506806 | 4100 |
| Atlantic/Key West Ambulance, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 33-0506809 | 4100 |
| Atlantic/Palm Beach Ambulance, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 33-0506808 | 4100 |

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| | | | | |
|---|---|---|---|---|
| Broward Ambulance, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 33-0506810 | 4100 |
| Charles T. Mitchell, Inc. | Hawaii | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 99-0175057 | 4100 |
| Chatham Coach Lines, Inc. | Delaware | 55 Shuman Blvd., Suite 400 Naperville, IL 60563 | 98-0062854 | 4100 |
| Concorde Adjusters, Inc. | Delaware | 600 Six Flags Drive, Suite 300 Arlington, TX 76011-6329 | 75-2648718 | 4100 |
| Coordinated Health Services, Inc. | Pennsylvania | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 23-2666117 | 4100 |

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| Name | State or Other Jurisdiction of Incorporation or Organization | Address of Principal Executive Office | I.R.S. Employer Identification Number | Primary Standard Industrial Code Number |
|---|---|---|---|---|
| Desert Valley Medical Transport, Inc. | California | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 33-0753384 | 4100 |
| ECEP, Inc. | Missouri | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 36-4330833 | 4100 |
| EmCare Anesthesia Services, Inc. | Delaware | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 65-0743208 | 4100 |
| EmCare Contract of Arkansas, Inc. | Arkansas | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2780794 | 4100 |
| EmCare Holdings Inc. | Delaware | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 13-3645287 | 4100 |
| EmCare of Alabama, Inc. | Alabama | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2764325 | 4100 |
| EmCare of Arizona, Inc. | Arizona | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2764321 | 4100 |
| EmCare of California, Inc. | California | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 94-2246075 | 4100 |
| EmCare of Colorado, Inc. | Colorado | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2764320 | 4100 |
| EmCare of Connecticut, Inc. | Connecticut | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 33-1015195 | 4100 |
| EmCare of Florida, Inc. | Florida | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 59-1317432 | 4100 |
| EmCare of Georgia, Inc. | Georgia | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2764317 | 4100 |
| EmCare of Hawaii, Inc. | Hawaii | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 99-0158218 | 4100 |
| EmCare of Indiana, Inc. | Indiana | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2793483 | 4100 |
| EmCare of Iowa, Inc. | Iowa | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2764281 | 4100 |
| EmCare of Kentucky, Inc. | Kentucky | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2764280 | 4100 |
| EmCare of Louisiana, Inc. | Louisiana | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2759529 | 4100 |
| EmCare of Maryland, LLC | Maryland | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2584537 | 4100 |
| EmCare of Michigan, Inc. | Michigan | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2764279 | 4100 |
| EmCare of Minnesota, Inc. | Minnesota | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2764277 | 4100 |
| EmCare of Mississippi, Inc. | Mississippi | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2760070 | 4100 |

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| | | | | |
|---|---|---|---|---|
| EmCare of Missouri, Inc. | Missouri | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2789939 | 4100 |
| EmCare of Nevada, Inc. | Nevada | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2731501 | 4100 |
| EmCare of New Hampshire, Inc. | New Hampshire | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2764327 | 4100 |

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| Name | State or Other Jurisdiction of Incorporation or Organization | Address of Principal Executive Office | I.R.S. Employer Identification Number | Primary Standard Industrial Code Number |
|---|---|---|---|---|
| EmCare of New Jersey, Inc. | New Jersey | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2769525 | 4100 |
| EmCare of New Mexico, Inc. | New Mexico | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2764326 | 4100 |
| EmCare of New York, Inc. | New York | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2764324 | 4100 |
| EmCare of North Carolina, Inc. | North Carolina | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2764322 | 4100 |
| EmCare of North Dakota, Inc. | North Dakota | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2763877 | 4100 |
| EmCare of Ohio, Inc. | Ohio | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2763876 | 4100 |
| EmCare of Oklahoma, Inc. | Oklahoma | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2754565 | 4100 |
| EmCare of Oregon, Inc. | Oregon | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2763874 | 4100 |
| EmCare of Pennsylvania, Inc. | Pennsylvania | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2763873 | 4100 |
| EmCare of Rhode Island, Inc. | Rhode Island | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2697459 | 4100 |
| EmCare of South Carolina, Inc. | South Carolina | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 58-2479880 | 4100 |
| EmCare of Tennessee, Inc. | Tennessee | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2759523 | 4100 |
| EmCare of Texas, Inc. | Texas | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2849713 | 4100 |
| EmCare of Vermont, Inc. | Vermont | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2764310 | 4100 |
| EmCare of Virginia, Inc. | Virginia | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2764309 | 4100 |
| EmCare of Washington, Inc. | Washington | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2764308 | 4100 |
| EmCare of West Virginia, Inc. | West Virginia | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 34-1700097 | 4100 |
| EmCare of Wisconsin, Inc. | Wisconsin | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2764307 | 4100 |
| EmCare Physician Providers, Inc. | Missouri | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 43-0972570 | 4100 |
| EmCare Physician Services, Inc. | Delaware | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 51-0345538 | 4100 |
| EmCare Services of Illinois, Inc. | Illinois | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 36-2670076 | 4100 |
| EmCare Services of Massachusetts, Inc. | Massachusetts | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2772211 | 4100 |

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|---|---|---|---|---|
| EmCare, Inc. | Delaware | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-1732351 | 4100 |
| EM-CODE Reimbursement Solutions, Inc. | Delaware | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2790529 | 4100 |

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|---|---|---|---|---|
| Emergency Medicine Education Systems, Inc. | Texas | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2706238 | 4100 |
| Emergency Specialists of Arkansas, Inc. II | Texas | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2599775 | 4100 |
| First Medical/EmCare, Inc. | California | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 95-3580100 | 4100 |
| Five Counties Ambulance Service, Inc. | New York | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 11-2127997 | 4100 |
| Florida Emergency Partners, Inc. | Texas | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 59-3383583 | 4100 |
| Fountain Ambulance Service, Inc. | Alabama | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 63-1058995 | 4100 |
| Hank’ s Acquisition Corp. | Alabama | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 33-0569883 | 4100 |
| Healthcare Administrative Services, Inc. | Delaware | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 43-1787964 | 4100 |
| Helix Physicians Management, Inc. | California | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 68-0323716 | 4100 |
| Hemet Valley Ambulance Service, Inc. | California | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 95-2841215 | 4100 |
| International Life Support, Inc. | Hawaii | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 99-0114256 | 4100 |
| Kutz Ambulance Service, Inc. | Wisconsin | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 39-0827456 | 4100 |
| Laidlaw International Finance Corporation Inc. | Delaware | 600 Six Flags Drive, Suite 300 Arlington, TX 76011-6329 | 98-0142586 | 4100 |
| Laidlaw Medical Transportation, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 75-2474011 | 4100 |
| Laidlaw One, Inc. | Delaware | 600 Six Flags Drive, Suite 300 Arlington, TX 76011-6329 | 75-2619597 | 4100 |
| Laidlaw Transit Holdings, Inc. | Delaware | 55 Shuman Blvd., Suite 400 Naperville, IL 60563 | 13-3837025 | 4100 |
| Laidlaw Transit Management Company, Inc. | Pennsylvania | 55 Shuman Blvd., Suite 400 Naperville, IL 60563 | 23-2320563 | 4100 |

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| | | | | |
|---|---|---|---|---|
| Laidlaw Transit Services, Inc. | Delaware | 5360 College Blvd., Suite 200 Overland Park, KS 66211 | 52-1929641 | 4100 |
| Laidlaw Transit, Inc. | Delaware | 55 Shuman Blvd., Suite 400 Naperville, IL 60563 | 59-2364035 | 4100 |
| Laidlaw Medical Holdings, Inc. | Delaware | 600 Six Flags Drive, Suite 300 Arlington, TX 76011-6329 | 75-2753271 | 4100 |

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| Laidlaw Transportation Holdings, Inc. | Delaware | 600 Six Flags Drive, Suite 300 Arlington, TX 76011-6329 | 75-2753269 | 4100 |
| Laidlaw Transportation Management Inc. | Ohio | 600 Six Flags Drive, Suite 300 Arlington, TX 76011-6329 | 04-2848505 | 4100 |
| Laidlaw Transportation, Inc. | Delaware | 600 Six Flags Drive, Suite 300 Arlington, TX 76011-6329 | 51-0214148 | 4100 |
| Laidlaw Two, Inc. | Delaware | 600 Six Flags Drive, Suite 300 Arlington, TX 76011-6329 | N/A | 4100 |
| Laidlaw USA, Inc. | New York | 600 Six Flags Drive, Suite 300 Arlington, TX 76011-6329 | 75-2577496 | 4100 |
| LifeCare Ambulance Service, Inc. | Illinois | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 36-3799039 | 4100 |
| LifeFleet Southeast, Inc. | Florida | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 59-1395439 | 4100 |
| LINC Transportation, LLC | Delaware | 55 Shuman Blvd., Suite 400 Naperville, IL 60563 | 98-0390488 | 4100 |
| Medevac Medical Response, Inc. | Missouri | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 43-1097068 | 4100 |
| Medevac MidAmerica, Inc. | Missouri | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 95-3743718 | 4100 |
| Medic One Ambulance Services, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 72-1276358 | 4100 |
| Medic One of Cobb, Inc. | Georgia | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 58-1944370 | 4100 |
| Medi-Car Ambulance Service, Inc. | Florida | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 59-1892079 | 4100 |
| Medi-Car Systems, Inc. | Florida | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 59-1996927 | 4100 |
| MedLife Emergency Medical Service, Inc. | Alabama | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 63-1154514 | 4100 |
| Mercy Ambulance of Evansville, Inc. | Indiana | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 35-1494500 | 4100 |

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|---|---|---|---|---|
| Mercy Life Care | California | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 94-2619315 | 4100 |
| Mercy, Inc. | Nevada | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 88-0125707 | 4100 |
| Metro Ambulance Service (Rural), Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 72-1275309 | 4100 |
| Metro Ambulance Service, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 72-1275308 | 4100 |
| Metro Ambulance Services, Inc. | Georgia | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 58-1036407 | 4100 |

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| Metropolitan Ambulance Service | California | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 94-1701773 | 4100 |
| Midwest Ambulance Management Company | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 36-3973137 | 4100 |
| Mobile Medic Ambulance Service, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 04-3171173 | 4100 |
| Norman Bruce Jetton, Inc. | California | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 95-3192465 | 4100 |
| Old STAT, Inc. | Delaware | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 76-0443952 | 4100 |
| Pacific Emergency Specialists Management, Inc. | California | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 33-0082696 | 4100 |
| Paramed, Inc. | Michigan | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 38-2142110 | 4100 |
| Park Ambulance Service Inc. | New York | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 13-2508653 | 4100 |
| Physician Account Management, Inc. | Florida | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 03-0373713 | 4100 |
| Physicians & Surgeons Ambulance Service, Inc. | Ohio | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 34-0859642 | 4100 |
| Provider Account Management, Inc. | Delaware | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2964700 | 4100 |
| Puckett Ambulance Service, Inc. | Georgia | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 58-1572034 | 4100 |
| Randle Eastern Ambulance Service, Inc. | Florida | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 59-0737717 | 4100 |
| Regional Emergency Services, L.P. | Delaware | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 59-3383586 | 4100 |
| Reimbursement Technologies, Inc. | Pennsylvania | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 23-2634599 | 4100 |
| S.C. Food Services (U.S.A.), Inc. | Delaware | 816 South Military Trail, Bldg. #6 Deerfield Beach, FL 33442 | 23-2568040 | 4100 |

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| | | | | |
|---|---|---|---|---|
| Safe Ride Services, Inc. | Arizona | 5360 College Blvd., Suite 200<br>Overland Park, KS 66211 | 86-0644802 | 4100 |
| Seminole County Ambulance, Inc. | Delaware | 6200 S. Syracuse Way, Ste. 200<br>Greenwood Village, CO<br>80111-4737 | 33-0506811 | 4100 |
| Springs Ambulance Service, Inc. | California | 6200 S. Syracuse Way, Ste. 200<br>Greenwood Village, CO<br>80111-4737 | 95-2426613 | 4100 |

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| Name | State or Other Jurisdiction of Incorporation or Organization | Address of Principal Executive Office | I.R.S. Employer Identification Number | Primary Standard Industrial Code Number |
|---|---|---|---|---|
| STAT Physicians, Inc. | Florida | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 59-3413300 | 4100 |
| Sunrise Handicap Transport Corp. | New York | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 11-2569671 | 4100 |
| SuTran, Inc. | South Dakota | 5360 College Blvd., Suite 200 Overland Park, KS 66211 | 94-3238900 | 4100 |
| TEK, Inc. | Illinois | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 36-2915559 | 4100 |
| The Gould Group, Inc. | Texas | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 75-2378809 | 4100 |
| Tidewater Ambulance Service, Inc. | Virginia | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 54-1244307 | 4100 |
| Tifton Management Services, Inc. | Georgia | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 58-1327293 | 4100 |
| Troup County Emergency Medical Services, Inc. | Georgia | 6200 S. Syracuse Way, Ste. 200 Greenwood Village, CO 80111-4737 | 58-1313603 | 4100 |
| Tucker Emergency Services, Inc. | Georgia | 1717 Main Street, Suite 5200 Dallas, TX 75201 | 58-1521816 | 4100 |
| VanTran of Tucson, Inc. | Arizona | 5360 College Blvd., Suite 200 Overland Park, KS 66211 | 86-0611715 | 4100 |

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The information in this prospectus is not complete and may be changed. We may not consummate the exchange offer 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 JANUARY 29, 2004**

**PROSPECTUS**

**Offer to Exchange**

**All $406,000,000 Outstanding 10 3/4% Senior Notes due 2011**
**For 10 3/4% Senior Notes due 2011**
**of**

# Laidlaw International, Inc.

**This Exchange Offer Will Expire at 5:00 p.m.,**

**New York City Time, on , 2004, unless Extended**

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**Material Terms of the Exchange Offer**

We are offering to exchange all outstanding notes that are validly tendered and not withdrawn for an equal principal amount of notes that are registered under the Securities Act of 1933.

The exchange offer is subject to conditions, including that the exchange offer does not violate any law or applicable interpretation of any law by the staff of the Securities and Exchange Commission.

You may withdraw your tender of outstanding notes at any time before the expiration of the exchange offer.

Any outstanding notes not validly tendered will remain subject to existing transfer restrictions.

The exchange of notes will not be a taxable exchange for United States federal income tax purposes.

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

Our affiliates may not participate in the exchange offer.

**The Exchange Notes**

The terms of the exchange notes to be issued are substantially identical to the terms of the outstanding notes, except that transfer restrictions and registration rights provisions relating to the outstanding notes will not apply to the exchange notes.

Interest on the exchange notes will accrue at the rate of 10 3/4% per year, payable in cash every six months on June 15 and December 15, with the first payment on June 15, 2004.

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The exchange notes will be fully and unconditionally guaranteed to the extent allowed by law, on a joint and several basis, by our subsidiary guarantors, as more fully described in this prospectus.

The exchange notes will be our unsecured senior obligations and will rank equal in right of payment to all of our existing and future senior unsecured debt.

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 those 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 by 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 outstanding notes where those outstanding notes were acquired by that broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the expiration date, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

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**Investing in the exchange notes involves risks. Please consider carefully the "Risk Factors" beginning on page 16 of this prospectus.**

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**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 , 2004.

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Opinion of Hackman Hulett & Cracraft, LLP
Opinion of Jaffe, Raitt, Heuer & Weiss, PC
Opinion of Kolesar & Leatham, Chtd.
Op. of Lisman, Webster, Kirkpatrick & Leckering,PC
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Opinion of Ober Kaler
Opinion of Oshima Chun Fong & Chung LLP
Opinions of Phelps Dunbar LLP



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Opinion of Reinhart Boener Van Deuren s.c.
Opinion of Robinson, Bradshaw & Hinson, P.A.
Opinion of Rose Law Firm
Opinions of Saul Ewing LLP
Opinion of Stoel Rives LLP
Amendment to Employment Agreement-Kevin E. Benson
Form of Indemnification Agreement
Third Amendment to Credit Agreement
Statement Regarding Computation of Ratios
Consent of PricewaterhouseCoopers LLP
Powers of Attorney
Statement of Eligibility and Qualification
Form of Letter of Transmittal
Form of Letter to Brokers, Dealers, etc.
Form of Notice of Guaranteed Delivery
Form of Letter to Clients

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**You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front cover of this prospectus.**

**We are not asking you for a proxy and you are requested not to send us a proxy.**

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## INDUSTRY, RANKING AND OTHER DATA

The data included in this prospectus regarding industries and ranking, including the size of specific markets and our position and the position of our competitors within these markets, is based on independent industry publications, reports from government agencies or other published industry sources and our estimates. Our estimates are based on information obtained from our customers, distributors, suppliers, trade and business organizations and other contacts in the markets in which we operate and our management' s knowledge and experience. Although we have not independently verified the accuracy of these estimates, we believe these estimates to be accurate in all material respects as of the date of this prospectus.



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## PROSPECTUS SUMMARY

*This summary highlights information that we believe is important concerning our business and the exchange offer. As a summary, it does not contain all of the information that may be important to you. You should carefully read the entire prospectus and the other documents to which this prospectus refers you, including the letter of transmittal. You should also read and consider the information in the section titled "Risk Factors" and the financial statements and notes related to those financial statements included elsewhere in this prospectus.*

*In this prospectus, unless otherwise indicated or the context requires otherwise, the terms (i) "Laidlaw International," "we," "our" or "us" refer to Laidlaw International, Inc., a Delaware corporation (formerly Laidlaw Investments Ltd.), and its subsidiaries on a consolidated basis after giving effect to the restructuring transactions and our emergence from bankruptcy described under "The Reorganization," (ii) "Laidlaw Investments" refers to Laidlaw Investments Ltd., an Ontario corporation, prior to our emergence from bankruptcy, (iii) "Laidlaw" or the "Predecessor Company" refer to our predecessor parent company, Laidlaw Inc., a Canadian corporation, (iv) "Greyhound Lines" refers to, collectively, Greyhound Lines, Inc., a Delaware corporation, Interstate Leasing, Inc., a Mississippi corporation, and Hotard Coaches, Inc., a Louisiana corporation, and each of their respective subsidiaries, (v) "Greyhound Canada" refers to, collectively, Greyhound Canada Transportation Corp., an Ontario corporation, and its subsidiaries and the inter-city bus transportation divisions of Laidlaw Transit Ltd., an Ontario corporation, and its subsidiaries, and (vi) "Greyhound" refers to, collectively, Greyhound Lines and Greyhound Canada. See "– Summary Historical Consolidated Financial Data" and "– Summary Restricted Group Historical Consolidated Financial Data."*

*As further described in this prospectus, Greyhound Lines does not guarantee the notes and is not subject to the restrictive covenants contained in the indenture governing the notes. Greyhound Canada Transportation Corp. and Laidlaw Transit Ltd. and each of their respective subsidiaries also do not guarantee the notes, however, Greyhound Canada Transportation Corp. and Laidlaw Transit Ltd. and each of their respective subsidiaries are members of the restricted group and are subject to the restrictive covenants contained in the indenture governing the notes. Unless otherwise specified, all references to "dollars" or "$" in this prospectus refer to the currency of the United States.*

### Our Business

We are primarily a bus and healthcare transportation provider in North America. We operate in five reportable business segments: education services, public transit services, healthcare transportation services, emergency management services and Greyhound services. Our education services business provides school bus transportation throughout Canada and the United States. As of August 31, 2003, our education services business had contracts with approximately 1,030 school boards and districts in the United States and Canada, providing transportation for approximately two million students each school day. With over 42,000 buses, we are the largest school bus operator in the United States and Canada. Through our public transit services business, we are a leading private provider of municipal public transportation services, specializing in paratransit and fixed route contract services.

Our healthcare transportation services business provides healthcare related transportation services to a variety of customers throughout the United States. We also provide emergency management services to hospital-based emergency departments throughout the United States. We are the largest provider of healthcare transportation services and emergency management services in the United States. Our Greyhound business provides scheduled inter-city bus transportation throughout North America and is the only national provider of this service in the United States and Canada.

During the year ended August 31, 2003 and the three months ended November 30, 2003, we had consolidated revenue of $4,482.8 million and $1,210.3 million, respectively, of which the unrestricted group under the indenture for the notes had consolidated revenue of $991.8 million and $230.2 million, respectively.



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See "− Summary Historical Consolidated Financial Data" and "− Summary Restricted Group Historical Consolidated Financial Data."

For the year ended August 31, 2003 and the three months ended November 30, 2003, revenue for our segments were as follows (dollars in millions):

| | Revenue | |
|---|---|---|
| | Year Ended August 31, 2003 | Three Months Ended November 30, 2003 |
| Education Services | $ 1,499.7 | $ 455.7 |
| Public Transit Services | 283.1 | 72.1 |
| Healthcare Transportation Services | 1,015.2 | 262.0 |
| Emergency Management Services | 480.6 | 133.4 |
| Greyhound | 1,204.2(1) | 287.1 (2) |
| | $ 4,482.8 | $ 1,210.3 |

(1) Consists of $991.8 from Greyhound Lines and $212.4 from Greyhound Canada.

(2) Consists of $230.2 from Greyhound Lines and $56.9 from Greyhound Canada.

***Education Services***

We are the largest school bus transportation provider in the United States and Canada. We operate over 42,000 school buses and special education vehicles, primarily under the names Laidlaw Transit and Laidlaw Education Services, in the United States and Canada. As of August 31, 2003, our education services business had contracts with approximately 970 school boards and districts in the United States and 60 school boards and districts in Canada, as well as various other educational institutions, providing transportation for approximately two million students each school day. Over the past two years, we have renewed over 90% of our contracts based on revenue with our customers in the education services business and continue to add new contracts each year.

***Public Transit Services***

We are a leading private provider of municipal public transportation services. Through our public transit business, we provide fixed-route and paratransit (transportation for mobility-impaired individuals) municipal bus transportation within the United States. As of August 31, 2003, we provided services to fixed-route and paratransit municipal bus transportation customers through 146 contracts in the United States.

***Healthcare Transportation Services***

We are the largest provider of municipal public transportation services in the United States, operating primarily under the American Medical Response name, or AMR. We provide healthcare transportation services in the United States, operating in 32 states. These services primarily consist of emergency response services, critical care transportation services and non-emergency ambulance and transfer services. In addition, we provide joint training, shared staffing and stationing arrangements and contracted dispatching. In fiscal 2003, we provided approximately 3.7 million ambulance transports. As of August 31, 2003, we had 149 agreements with municipal or county public safety agencies to provide performance-based contracts for 9-1-1 response. We also enter into contractual agreements with healthcare facilities to provide non-emergency transportation.

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***Emergency Management Services***

We are the largest provider of emergency management services in the United States to hospital-based emergency departments, operating primarily under the EmCare name. We recruit physicians, as well as other specially trained medical professionals, evaluate their credentials and arrange contracts and schedules for their



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services with hospital emergency department and inpatient settings. In addition, we assist in operational areas, including staff coordination, quality assurance, departmental accreditation, billing, recordkeeping, third-party payment and other administrative services. As of August 31, 2003, we had 265 contracts for the management of emergency departments and in fiscal 2003, provided emergency services in 36 states for more than 4.5 million patient visits.

In this prospectus, we refer to our healthcare transportation services and emergency management services businesses collectively as the "healthcare services businesses."

***Greyhound Services***

Greyhound is the leading provider of scheduled inter-city bus transportation services in the United States and Canada and is the only national provider of this service in those areas. Greyhound serves customers by offering scheduled passenger service that connects rural and urban markets throughout the United States and Canada. Greyhound also provides package delivery service, charter bus service and, in some terminals, food service. In addition, Greyhound provides passenger services under private contract and package tours to major tourist regions in the United States and Canada.

We operate our Greyhound services business in the United States through Greyhound Lines and in Canada through Greyhound Canada. Under the indenture governing the notes, Greyhound Lines is treated as an unrestricted entity, and Greyhound Canada, although part of the restricted group, does not guarantee the notes. During the year ended August 31, 2003 and the three months ended November 30, 2003, Greyhound Lines generated revenue of $991.8 million and $230.2 million, respectively, and Greyhound Canada generated revenue of $212.4 million and $56.9 million, respectively.

## The Reorganization and Financing Transactions

***The Reorganization***

On June 28, 2001, Laidlaw and five of its direct and indirect subsidiaries filed voluntary petitions for relief under chapter 11 of the U.S. Bankruptcy Code. In addition, Laidlaw and Laidlaw Investments commenced Canadian insolvency proceedings under the Canadian Companies' Creditors Arrangement Act in the Ontario Superior Court of Justice, or the Canadian Court, in Toronto, Ontario. None of Laidlaw' s operating subsidiaries was included in the filings. On February 27, 2003, the U.S. Bankruptcy Court for the Western District of New York, or the U.S. Bankruptcy Court, entered an order confirming Laidlaw' s Third Amended Joint Plan of Reorganization, or the Plan. On February 28, 2003, the Canadian Court issued an order recognizing the U.S. Bankruptcy Court' s confirmation order and implementing it in Canada with respect to Laidlaw' s Canadian insolvency proceeding.

The most significant factors leading to Laidlaw' s bankruptcy filing included the deterioration of operating results in its healthcare services businesses and issues involving its investment in Safety-Kleen Corp., a waste management services company. The impact of the declining operating results in Laidlaw' s healthcare services businesses on its consolidated operations was exacerbated in 2000 as a result of several adverse developments relating to its investment in Safety-Kleen. In 2000, Safety-Kleen announced possible accounting irregularities in its previously reported financial statements and subsequently filed a voluntary petition for relief under the U.S. Bankruptcy Code, both of which led to a significant decline in the market value of its common stock. As a result, Laidlaw took a $660.0 million charge during fiscal 2000 to write-off the value of its investment in Safety-Kleen and to provide for certain other related contingent obligations. In addition, during 2001, Safety-Kleen filed certain claims against Laidlaw. See "The Reorganization."

On June 23, 2003, we completed our restructuring when the Plan became effective. Pursuant to the Plan, more than $3.2 billion of unsecured debt, $370 million of accrued and unpaid interest and $400 million of various other liabilities were compromised. The creditor groups received a combination of $1,185.0 million in cash and 100 million shares of our common stock in exchange for the extinguishment of all claims, liabilities and debt against Laidlaw. In addition, we issued approximately 3.8 million shares of common stock to a trust

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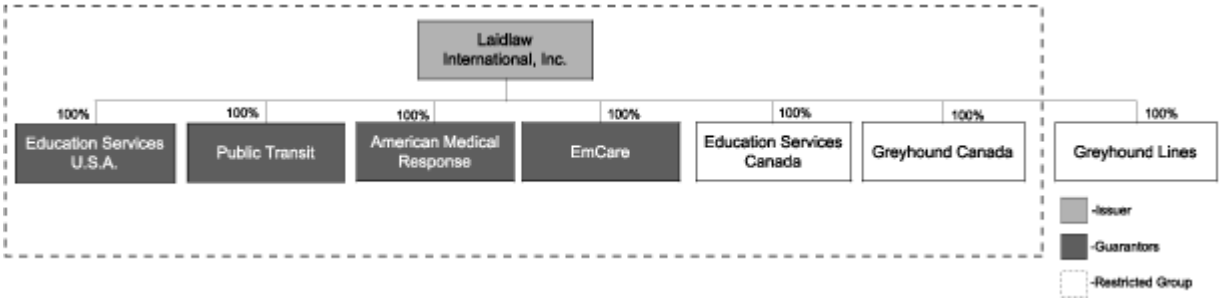
in connection with a settlement agreement with the United States Pension Benefit Guaranty Corporation relating to the funding level of certain subsidiary pension funds.

In accordance with the terms of the Plan, we engaged in an internal restructuring that resulted in our acquisition of, directly or indirectly, all of the assets of Laidlaw. Pursuant to the Plan, we domesticated into the United States as a Delaware corporation and changed our name to "Laidlaw International, Inc." The following chart shows how we are organized operationally:




***The Financing Transactions***

In connection with our emergence from bankruptcy, we entered into a senior secured credit facility consisting of (1) a $200.0 million revolving credit facility due June 2008, including a $50 million letter of credit sub-facility and a $35 million sublimit for Canadian dollar borrowings and Canadian dollar letters of credit, (2) a $100 million cash-collateralized letter of credit facility and (3) a $625 million term loan due June 2009, of which $100 million of the proceeds was used to cash-collateralize the letter of credit facility described in (2) above. In December 2003, we entered into an amendment to the senior secured credit facility. The amendment reduces the interest rate payable with respect to the term loan portion of the credit facility, thereby reducing borrowing costs over the remaining life of the credit facility. For a description of the terms of the senior secured credit facility, including certain restrictions on our ability to borrow under the revolving credit facility of our senior secured credit facility, see "Description of Other Indebtedness − Senior Secured Credit Facility." We used borrowings under the senior secured credit facility, along with the net proceeds from the outstanding notes, to fund a portion of the distributions provided for under the Plan.

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Our principal executive offices are located at 55 Shuman Blvd., Naperville, Illinois 60563, and our telephone number is (630) 848-3000. We also maintain a website at www.laidlaw.com. However, the information on our website is not a part of this prospectus, and you should rely only on the information contained in this prospectus when making a decision to exchange the notes.



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## The Exchange Offer

| | |
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| Purpose and Effect | We sold $406.0 million in aggregate principal amount of 10 3/4% senior notes due 2011, referred to in this prospectus as the "outstanding notes," on June 3, 2003 to Citigroup Global Markets Inc. and Credit Suisse First Boston LLC, to whom we refer collectively in this prospectus as the "initial purchasers." Simultaneously with that sale, we signed a registration rights agreement with the initial purchasers which requires us to conduct this exchange offer. |
| Registration Rights Agreement | You have the right under the registration rights agreement to exchange your outstanding notes for notes registered under the Securities Act with substantially identical terms. This exchange offer is intended to satisfy that right. After the exchange offer is complete, except as set forth below, you will no longer be entitled to any exchange or registration rights with respect to your outstanding notes.<br><br>Under the registration rights agreement, we are required to (1) use our reasonable best efforts to cause the registration statement of which this prospectus is a part to be declared effective by the Securities and Exchange Commission on or prior to April 28, 2004 and (2) complete the exchange offer described in this prospectus on or prior to June 14, 2004. If we fail to satisfy either of these registration obligations, we have agreed to pay special interest to each holder of outstanding notes equal to 0.50% per annum on the principal amount of the outstanding notes held by that holder with respect to the first 90-day period immediately following the occurrence of that registration default. The amount of special interest will increase by an additional 0.50% per annum on the principal amount of the outstanding notes with respect to each subsequent 90-day period until that registration default has been cured, up to a maximum amount of special interest for all registration defaults of 2.00% per annum. The accrual of special interest with respect to a registration default will cease upon the cure of that registration default.<br><br>After this exchange offer registration statement is declared effective, we are required to keep the registration statement effective for a period beginning when the exchange notes are first issued in the exchange offer and ending upon the earlier of (1) the expiration of the 180th day after the exchange offer is completed or (2) when holders that are broker-dealers no longer own any transfer restricted securities. Our failure to keep the exchange offer registration statement effective during that period would constitute a registration default, and we would be required to pay special interest to those broker-dealer holders in the same amounts as would be required for a registration default described in the preceding paragraph.<br><br>The registration rights agreement also requires us to file a shelf registration statement for a continuous offering in accordance with Rule 415 under the Securities Act for the benefit of any holders that are ineligible to participate in the exchange offer and indicate |



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| | that they wish to have their outstanding notes registered under the Securities Act. If we are required to file a shelf registration statement and are unable to meet our obligations relating to that shelf registration statement, we would be required to pay special interest to those holders of outstanding notes in the amounts described above. See "Registration Rights; Special Interest." |
| The Exchange Offer | We are offering to exchange $406.0 million in aggregate principal amount of 10 3/4% senior notes due 2011, which have been registered under the Securities Act of 1933 and which we refer to in this prospectus as the "exchange notes," for the outstanding notes. We refer collectively in this prospectus to the outstanding notes and the exchange notes as the "notes."<br><br>You may not participate in the exchange offer if you are:<br><br>our "affiliate" within the meaning of Rule 405 under the Securities Act; or<br><br>a broker-dealer that acquired outstanding notes directly from us.<br><br>To exchange your outstanding notes, you must properly tender them before the exchange offer expires. We will exchange all outstanding notes that are validly tendered and not withdrawn. We will issue the exchange notes promptly after the exchange offer expires.<br><br>You may tender your outstanding notes for exchange in whole or in part in integral multiples of $1,000 principal amount.<br><br>For a description of the procedures for tendering outstanding notes, see "The Exchange Offer − Procedures for Tendering Outstanding Notes." |
| Expiration Date | The exchange offer will expire at 5:00 p.m., New York City time, on , 2004, unless extended by us, in which case the expiration date will be the latest date and time to which the exchange offer is extended. |
| Consequences of Failure to Exchange Your Outstanding Notes | If you do not exchange your outstanding notes for exchange notes in the exchange offer, your outstanding notes will continue to be subject to the restrictions on transfer provided in the outstanding notes and the indenture governing the notes. In general, the outstanding notes, unless registered under the Securities Act, may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not plan to register the outstanding notes under the Securities Act. |
| Conditions to the Exchange Offer | The exchange offer is subject to the following conditions:<br><br>the exchange offer does not violate any law or applicable interpretation of any law by the staff of the Securities and Exchange Commission, or the SEC;<br><br>no action or proceeding has been instituted or threatened and no law has been adopted that would reasonably be expected to impair our ability to proceed with the exchange offer; |



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no stop order has been issued by the SEC or any state securities authority suspending the effectiveness of the registration statement;

all governmental approvals necessary for the consummation of the exchange offer have been obtained; and

no change in our business or financial affairs has occurred, which might materially impair our ability to proceed with the exchange offer.

The exchange offer is not conditioned upon any minimum principal amount of outstanding notes being tendered for exchange. We currently expect that each of the conditions will be satisfied and that no waiver of any condition will be necessary. See "The Exchange Offer − Conditions to the Exchange Offer."

We reserve the right, subject to applicable law, at any time and from time to time in our reasonable judgment:

to delay the acceptance of the outstanding notes;

to terminate the exchange offer if specified conditions have not been satisfied;

to extend the expiration date of the exchange offer and retain all tendered outstanding notes, subject, however, to the right of tendering holders to withdraw their tender of outstanding notes; and

to waive any condition or otherwise amend the terms of the exchange offer in any respect.

See "The Exchange Offer − Expiration Date; Extensions; Amendments."

Procedures for Tendering Outstanding Notes

If you wish to tender your outstanding notes for exchange, you must:

complete and sign the letter of transmittal in accordance with the instructions contained in the letter of transmittal; and

forward the letter of transmittal by mail or hand delivery, together with any other required documents, to the exchange agent, either with the outstanding notes that you tender or in compliance with the specified procedures for guaranteed delivery of your outstanding notes.

Some brokers, dealers, commercial banks, trust companies and other nominees may also effect tenders by book-entry transfer.

Please do not send your letter of transmittal or certificates representing your outstanding notes to us. You should send those documents only to the exchange agent. You should direct any information requests or questions regarding how to tender your outstanding notes to the exchange agent.



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| Special Procedures for Beneficial Owners | If your outstanding notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, we urge you to contact that person promptly if you wish to tender your outstanding notes in the exchange offer. |
| Withdrawal Rights | You may withdraw the tender of your outstanding notes at any time before the expiration date by delivering a written notice of your withdrawal to the exchange agent according to the withdrawal procedures described under the heading "The Exchange Offer − Withdrawal Rights." |
| United States Federal Income Tax Consequences | The exchange of outstanding notes for the exchange notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes. See "United States Federal Income Tax Considerations." |
| Resales of Exchange Notes | We believe that you will be able to offer for resale, resell or otherwise transfer exchange notes issued in the exchange offer without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that you are:<br><br>acquiring the exchange notes in the ordinary course of your business;<br><br>not participating, and have no arrangement or understanding with any person to participate, in the distribution of the exchange notes;<br><br>not an "affiliate" of us within the meaning of Rule 405 under the Securities Act; and<br><br>not a broker-dealer that acquired the outstanding notes directly from us.<br><br>Our belief is based on interpretations by the staff of the SEC, as set forth in no-action letters issued to third parties unrelated to us. The staff of the SEC has not considered this exchange offer in the context of a no-action letter. We cannot assure you that the staff of the SEC would make a similar determination with respect to this exchange offer.<br><br>If our belief is not accurate and you transfer an exchange note without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from those requirements, you may incur liability under the Securities Act. We do not and will not assume, or indemnify you against, this liability.<br><br>Each broker-dealer that receives exchange notes for its own account in exchange for outstanding notes, where the outstanding notes were acquired by that broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of those exchange notes. See "Plan of Distribution" in this prospectus. |
| Exchange Agent | The exchange agent for the exchange offer is Deutsche Bank Trust Company Americas. The address, telephone number and facsimile |



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| | number of the exchange agent are set forth in "The Exchange Offer − Exchange Agent" and in the letter of transmittal. |
| Appraisal or Dissenters' Rights | You have no appraisal or dissenters' rights in connection with the exchange offer. |

**The Exchange Notes**

The terms of the exchange notes and the outstanding notes are identical in all material respects, except:

the exchange notes will have been registered under the Securities Act;

the exchange notes will not contain transfer restrictions and registration rights that relate to the outstanding notes; and

the exchange notes will not contain provisions relating to the payment of special interest to be made to the holders of the outstanding notes under circumstances related to the timing of the exchange offer.

The following is a brief description of the material terms of the notes:

| | |
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| Exchange Notes | $406 million aggregate principal amount of 10 3/4% senior notes due 2011. |
| Maturity | June 15, 2011. |
| Interest Payments | June 15 and December 15, beginning on June 15, 2004. |
| Change of Control | If we experience specific kinds of changes of control, you will have the right, as a holder of notes, to require us to repurchase all of your notes at a repurchase price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of repurchase. |
| Guarantees | Except for our insurance subsidiaries and any future securitization entities, each of our existing and future U.S. restricted subsidiaries jointly and severally guarantee the notes on a senior unsecured basis. |
| Ranking | The notes are our unsecured senior obligations and rank equal in right of payment to all of our existing and future senior unsecured debt. As of November 30, 2003, we had approximately $1,284.8 million of outstanding debt, of which approximately $158.1 million was debt of non-guarantor subsidiaries, including approximately $151.7 million of debt of unrestricted subsidiaries. The notes are effectively subordinated to our secured debt and other secured obligations, including obligations under our senior secured credit facility and our agreement with the Pension Benefit Guaranty Corporation, and are subordinated to the obligations of our non-guarantor subsidiaries. Of the approximately $1,133.1 million of our and our restricted subsidiaries' debt, approximately $725.1 million was secured debt as of November 30, 2003. See "Risk Factors − Risks Relating to the Notes − The notes are effectively subordinated to our existing and future secured debt and other secured obligations, and the guarantees of the notes are effectively subordinated to the guarantors' secured debt and other secured obligations." For the year ended August 31, 2003, our non-guarantor subsidiaries, including our unrestricted subsidiaries, |



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| | |
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| | accounted for approximately 30.0% of our revenue and 32.1% of our total assets, with 22.1% and 17.2%, respectively, of our revenue and total assets attributable to our unrestricted subsidiaries. |
| Optional Redemption | We may redeem some or all of the notes at any time after June 15, 2007 at the redemption prices listed in the section entitled "Description of the Exchange Notes − Optional Redemption."<br><br>In addition, we may redeem up to 35% of the aggregate principal amount of the notes at any time before June 15, 2006, with the net cash proceeds of certain qualified equity offerings. |
| Certain Covenants | The indenture governing the notes contains certain covenants that will limit, among other things, our ability and the ability of our restricted subsidiaries to:<br><br>incur additional debt;<br><br>pay dividends on our capital stock or repurchase our capital stock;<br><br>make certain investments;<br><br>enter into certain types of transactions with affiliates;<br><br>make dividend payments to us;<br><br>use assets as security in other transactions;<br><br>enter into sale and leaseback transactions; and<br><br>sell certain assets or merge with or into other companies.<br><br>These covenants are subject to a number of important exceptions and limitations, which are described under the heading "Description of the Exchange Notes − Certain Covenants." The entities comprising Greyhound Lines are designated as "unrestricted subsidiaries" under the indenture governing the notes and, therefore, are not subject to these restrictive covenants. |
| Use of Proceeds | We will not receive any cash proceeds from the issuance of the exchange notes. |

## Risk Factors

You should consider carefully all of the information set forth in this prospectus and, in particular, should evaluate the specific factors set forth in the section entitled "Risk Factors."



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## Summary Historical Consolidated Financial Data

The following table sets forth our predecessor company' s summary historical consolidated financial data for the years ended August 31, 2001 and 2002, the nine months ended May 31, 2003 and the three months ended November 30, 2002. In addition, the following table sets forth our summary historical consolidated financial data for the three months ended August 31, 2003 and November 30, 2003. This table should be read in conjunction with "Management' s Discussion and Analysis of Financial Condition and Results of Operations," the consolidated financial statements and related notes and the report of our independent auditors included elsewhere in this prospectus.

| | Predecessor Company(a) | | | | Predecessor Company(a) | |
|---|---|---|---|---|---|---|
| | Year Ended August 31, | | For the period September 1, 2002 through | For the period June 1, 2003 through | Three Months Ended November 30, | |
| | 2001 | 2002 | May 31, 2003 | August 31, 2003 | 2002 | 2003 |
| | (Dollars in millions) | | | | | |
| **Consolidated Statements of Operations:** | | | | | | |
| Revenue | $ 4,418.3 | $ 4,432.1 | $ 3,485.7 | $ 997.1 | $ 1,162.2 | $ 1,210.3 |
| Operating, selling, general and administrative expenses | 4,034.9 | 4,011.1 | 3,092.9 | 933.5 | 1,030.1 | 1,060.1 |
| Depreciation and amortization | 350.3 | 358.8 | 229.3 | 52.1 | 76.4 | 80.7 |
| Income from operating segments | 33.1 | 62.2 | 163.5 | 11.5 | 55.7 | 69.5 |
| Interest expense(b) | (270.9 ) | (27.7 ) | (19.6 ) | (31.5 ) | (6.5 ) | (32.7 ) |
| Gain on discharge of debt | – | – | 1,482.8 | – | – | – |
| Fresh start accounting adjustments | – | – | (609.6 ) | – | – | – |
| Other financing related expenses(c) | (63.8 ) | (44.7 ) | (35.0 ) | – | (8.2 ) | – |
| Other income | 9.3 | 15.3 | 15.0 | 0.1 | 1.5 | 0.9 |
| Income (loss) from continuing operations before income taxes and cumulative effect of a change in | (292.3 ) | 5.1 | 997.1 | (19.9 ) | 42.5 | 37.7 |

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| accounting principle | | | | | | |
| Income tax recovery (expense) | 45.8 | 9.8 | (4.5) | 10.0 | (1.5) | (15.1) |
| Income (loss) from continuing operations before cumulative effect of a change in accounting principle | $ (246.5) | $ 14.9 | $ 992.6 | $ (9.9) | $ 41.0 | $ 22.6 |



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| | Predecessor Company(a) | | | | Predecessor Company(a) | |
|---|---|---|---|---|---|---|
| | Year Ended August 31, | | For the period September 1, 2002 through | For the period June 1, 2003 through | Three Months Ended November 30, | |
| | 2001 | 2002 | May 31, 2003 | August 31, 2003 | 2002 | 2003 |
| | (Dollars in millions) | | | | | |
| **Other Consolidated Financial Data:** | | | | | | |
| Net cash provided by (used in): | | | | | | |
| Operating activities | $ 447.7 | $ 433.8 | $ 208.5 | $ 187.0 | $ (8.1) | $ (51.6) |
| Investing activities | (281.5) | (275.7) | (364.6) | (76.0) | (79.8) | (47.0) |
| Financing activities | 7.0 | (95.8) | (164.0) | (34.1) | 2.6 | 73.4 |
| Capital expenditures | 254.3 | 239.2 | 208.7 | 87.2 | 67.6 | 39.3 |
| Ratio of earnings to fixed charges(d) | – | 1.1 x | 19.4 x | – | 3.3 x | 1.9 x |
| **Consolidated Balance Sheet Data (at period end):** | | | | | | |
| Cash and cash equivalents(e) | $ 281.2 | $ 343.5 | $ 23.4 * | $ 100.3 | $ 258.2 | $ 75.1 |
| Working capital(f) | 480.6 | 482.5 | 289.0 * | 253.2 | 564.6 | 413.5 |
| Property and equipment | 1,680.7 | 1,677.7 | 1,628.9* | 1,669.8 | 1,668.0 | 1,652.4 |
| Total assets | 6,219.8 | 6,211.8 | 3,895.3* | 3,852.7 | 4,094.4 | 3,979.5 |
| Total debt(g) | 280.2 | 224.7 | 1,239.1* | 1,214.5 | 227.2 | 1,284.8 |
| Liabilities subject to compromise | 3,978.5 | 3,977.1 | – * | – | 3,977.1 | – |
| Shareholders' equity (deficiency) | 1,029.5 | 954.1 | 1,309.3* | 1,290.3 | (1,210.2) | 1,338.0 |

* June 1, 2003 − Fresh start balances.

(a) As is more fully discussed in note 2 − "Fresh Start Accounting" of the notes to the consolidated financial statements for the fiscal year ended August 31, 2003, we adopted fresh start accounting pursuant to the guidance provided by the American Institute of Certified Public Accountant' s Statement of Position 90-7, "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code." For financial

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reporting purposes, the effective date of the reorganization was June 1, 2003, and our results of operations and cash flows have been separated as pre-June 1 and post-May 31, 2003 due to a change in basis of accounting in the underlying assets and liabilities. In this prospectus, we refer to our results prior to June 1, 2003 as results for the Predecessor Company, and we refer to our results after May 31, 2003 as results for our company. However, for the reasons described in note 2 of the notes to the consolidated financial statements for the fiscal year ended August 31, 2003 and due to other non-recurring adjustments, the Predecessor Company' s financial statements for the periods prior to our emergence from bankruptcy may not be comparable to our financial statements for the three months ended August 31, 2003 and November 30, 2003, and the Predecessor Company' s results of operations prior to emergence from bankruptcy, including the nine-month period ended May 31, 2003, are not indicative of future results. Readers should, therefore, review this material with caution and not rely on the information concerning the Predecessor Company as being indicative of our future results or providing an accurate comparison of financial performance.

(b) No interest expense was incurred on prepetition debt of the Predecessor Company and the other debtors in the Predecessor Company' s chapter 11 proceedings for the three months ended November 30, 2002, the nine months ended May 31, 2003 and the years ended August 31, 2002 and 2001. The total interest on prepetition debt that was not incurred during fiscal 2003 was approximately $214.1, compared to $274.2 for fiscal 2002 and $50.3 for fiscal 2001.



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(c) Other financing related expenses principally represent professional fees and other costs incurred by the Predecessor Company during the reorganization process. There were no other financing related expenses for the three months ended August 31, 2003 and November 30, 2003 as all such expenses were incurred prior to reorganization.

(d) The ratio of earnings to fixed charges is computed by dividing earnings by fixed charges. Earnings consist of earnings (loss) from continuing operations before income taxes and cumulative effect of change in accounting principles plus fixed charges. Fixed charges consist of interest expense and the portion of operating rental expense management believes represents the interest component of rent expense. The earnings deficiency was $292.3 during the year ended August 31, 2001 and $19.9 for the three months ended August 31, 2003, respectively.

(e) Cash and cash equivalents excludes $37.2, $75.8, $86.9, $44.7, $39.4 and $67.7 of restricted cash and cash equivalents as at August 31, 2001 and 2002, November 30, 2002, June 1, 2003, August 31, 2003 and November 30, 2003, respectively. Restricted cash and cash equivalents are assets of our wholly owned insurance subsidiaries and are used to support the current portion of claims liabilities under our self-insurance program.

(f) Working capital is defined as current assets less current liabilities.

(g) Represents long-term debt, including the current maturities of long-term debt.

**Summary Restricted Group Historical Consolidated Financial Data**

The following table sets forth our predecessor company' s summary restricted group historical consolidated financial data for the years ended August 31, 2001 and 2002, the nine months ended May 31, 2003 and the three months ended November 30, 2002. In addition, the following table sets forth our summary restricted group historical consolidated financial data for the three months ended August 31, 2003 and November 30, 2003. This table should be read in conjunction with "Management' s Discussion and Analysis of Financial Condition and Results of Operations," the consolidated financial statements and related notes and the report of our independent auditors included elsewhere in this prospectus. The restricted group is presented to provide investors with financial information which substantially reflects the restricted subsidiaries as defined for the purposes of the covenants under the indenture governing the notes.

| | Predecessor Company(a) | | | | Predecessor Company(a) | |
|---|---|---|---|---|---|---|
| | Year Ended August 31, | | For the period September 1, 2002 through | For the period June 1, 2003 through | Three Months Ended November 30, | |
| | 2001 | 2002 | May 31, 2003 | August 31, 2003 | 2002 | 2003 |
| | (Dollars in millions) | | | | | |
| **Consolidated Statements of Operations:** | | | | | | |
| Revenue(b): | | | | | | |
| Education services | $ 1,462.1 | $ 1,479.7 | $ 1,314.8 | $ 184.9 | $ 456.2 | $ 455.7 |
| Public transit services | 312.1 | 309.5 | 212.1 | 71.0 | 70.6 | 72.1 |
| Healthcare transportation services | 958.8 | 987.9 | 759.3 | 255.9 | 247.5 | 262.0 |

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| Emergency management services | 430.5 | 431.3 | 352.0 | 128.6 | 113.5 | 133.4 |
| Greyhound Canada | 204.3 | 203.8 | 148.0 | 64.4 | 48.1 | 56.9 |
| Total | 3,367.8 | 3,412.2 | 2,786.2 | 704.8 | 935.9 | 980.1 |
| Operating, selling, general and administrative expenses | 3,082.3 | 3,058.0 | 2,394.3 | 690.3 | 804.6 | 838.7 |
| Depreciation and amortization | 297.9 | 300.6 | 193.2 | 41.5 | 64.2 | 70.2 |



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| | Predecessor Company(a) | | | | Predecessor Company(a) | |
|---|---|---|---|---|---|---|
| | Year Ended August 31, | | For the period September 1, 2002 through | For the period June 1, 2003 through | Three Months Ended November 30, | |
| | 2001 | 2002 | May 31, 2003 | August 31, 2003 | 2002 | 2003 |
| | (Dollars in millions) | | | | | |
| Income (loss) from operating segments | (12.4) | 53.6 | 198.7 | (27.0) | 67.1 | 71.2 |
| Interest expense | (249.8) | (6.1) | (3.8) | (23.1) | (1.4) | (25.9) |
| Gain on discharge of debt | – | – | 1,482.8 | – | – | – |
| Other income | 10.0 | 12.7 | 13.5 | 0.3 | 1.5 | 1.1 |
| Fresh start accounting adjustments | – | – | (514.8) | – | – | – |
| Other financing related expenses | (60.5) | (42.3) | (35.0) | – | (8.2) | – |
| Income (loss) from continuing operations before income taxes and cumulative effect of a change in accounting principle | (312.7) | 17.9 | 1,141.4 | (49.8) | 59.0 | 46.4 |
| Income tax recovery (expense) | 47.0 | 9.1 | (3.4) | 20.0 | (1.1) | (18.6) |
| Income (loss) from continuing operations before cumulative effect of a change in accounting principle | $ (265.7) | $ 27.0 | $ 1,138.0 | $ (29.8) | $ 57.9 | $ 27.8 |

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| | | | | | | |
|---|---|---|---|---|---|---|
| **Other Financial Data:** | | | | | | |
| Cash flows provided by (used in): | | | | | | |
| Operating activities | $ 431.9 | $ 317.1 | $ 263.4 | $ 132.8 | $ (33.7) | $ (49.8) |
| Investing activities | (223.1) | (224.8) | (321.6) | (70.0) | (46.2) | (38.8) |
| Financing activities | (38.3) | (35.3) | (258.1) | (15.2) | (3.3) | 89.0 |
| Capital expenditures | $ 199.3 | $ 191.4 | 166.1 | 81.8 | 35.0 | 32.8 |
| Ratio of earnings to fixed charges (c) | – | 1.6 x | 58.7 x | – | 9.7 x | 2.5 x |
| **Balance Sheet Data (at period end)(d):** | | | | | | |
| Cash and cash equivalents(e) | $ 266.8 | $ 323.8 | $ 7.5 * | $ 55.1 | $ 240.6 | $ 55.5 |
| Working capital(f) | 528.9 | 546.4 | 378.3 * | 309.0 | 653.3 | 468.7 |
| Property and equipment, net | 1,272.1 | 1,282.0 | 1,246.8* | 1,291.2 | 1,252.1 | 1,280.7 |
| Total assets | 5,207.7 | 5,253.6 | 3,244.8* | 3,190.2 | 3,544.5 | 3,345.4 |
| Total debt(g) | 30.7 | 39.6 | 1,056.8* | 1,048.2 | 36.8 | 1,133.1 |
| Liabilities subject to compromise | 3,978.5 | 3,977.1 | – * | – | 3,977.1 | – |
| Shareholders' equity (deficiency) | 438.1 | 458.8 | 1,277.4* | 1,243.9 | (1,262.8) | 1,299.4 |



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* June 1, 2003 − Fresh start balances.

(a) As is more fully discussed in note 2 − "Fresh Start Accounting" of the notes to the consolidated financial statements for the fiscal year ended August 31, 2003, we adopted fresh start accounting pursuant to the guidance provided by the American Institute of Certified Public Accountant' s Statement of Position 90-7, "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code." For financial reporting purposes, the effective date of the reorganization was June 1, 2003, and our results of operations and cash flows have been separated as pre-June 1 and post-May 31, 2003 due to a change in basis of accounting in the underlying assets and liabilities. In this prospectus, we refer to our results prior to June 1, 2003 as results for the Predecessor Company, and we refer to our results after May 31, 2003 as results for our company. However, for the reasons described in note 2 of the notes to the consolidated financial statements for the fiscal year ended August 31, 2003 and due to other non-recurring adjustments, the Predecessor Company' s financial statements for the periods prior to our emergence from bankruptcy may not be comparable to our financial statements for the three months ended August 31, 2003 and November 30, 2003, and the Predecessor Company' s results of operations prior to emergence from bankruptcy, including the nine-month period ended May 31, 2003, are not indicative of future results. Readers should, therefore, review this material with caution and not rely on the information concerning the Predecessor Company as being indicative of our future results or providing an accurate comparison of financial performance.

(b) Our restricted subsidiaries consist of all of our subsidiaries other than Greyhound Lines.

(c) The ratio of earnings to fixed charges is computed by dividing earnings by fixed charges. Earnings consist of earnings (loss) from continuing operations before income taxes and cumulative effect of change in accounting principles plus fixed charges. Fixed charges consist of interest expense and the portion of operating rental expense management believes represents the interest component of rent expense. The earnings deficiency was $312.7 during the year ended August 31, 2001 and $49.8 for the three months ended August 31, 2003, respectively.

(d) The restricted group may be obligated with respect to commitments and contingencies to Greyhound Lines relating to defined benefit pension plans of Greyhound Lines, Inc. and certain of its subsidiaries, or the Greyhound Lines Plans, and certain Greyhound Lines operating leases. The restricted group may be required to fund the Greyhound Lines Plans in excess of the commitments required to be made under our agreement with the Pension Benefit Guaranty Corporation. See "Management' s Discussion and Analysis of Financial Condition and Results of Operations − Liquidity − Pension Plan Funding Requirements." Any affiliates of Greyhound Lines are jointly and severally responsible for any Greyhound Lines' pension funding requirements if Greyhound Lines is unable to satisfy those funding requirements. In addition, the restricted group has provided credit support in the form of corporate guarantees and letters of credit for certain Greyhound Lines operating leases. As of November 30, 2003, the restricted group had guaranteed $102.1 of future minimum lease payments on buses under lease by Greyhound Lines and provided $20.7 in letters of credit. As described under "Description of Other Indebtedness − Senior Secured Credit Facility," we are unable to borrow a portion of the revolving credit facility of our senior secured credit facility. The restricted amount of the revolving credit facility will only be made available to us to satisfy the restricted group' s guarantees of those leases and may be drawn upon only to the extent the guarantees are called. As of November 30, 2003, we had approximately $13.0 available for additional borrowings under the revolving credit facility. Further, Greyhound Lines' supplemental employee retirement plan has been funded through a rabbi trust with a $3.0 letter of credit issued by the restricted group. See "Certain Relationships and Related Transactions − Relationships with Greyhound Lines."

(e) Cash and cash equivalents excludes $37.2, $75.8, $86.9, $44.7, $39.4 and $67.7 of restricted cash and cash equivalents as at August 31, 2001 and 2002, November 30, 2002, June 1, 2003, August 31, 2003 and November 30, 2003. Restricted cash and cash equivalents are assets of our wholly owned insurance subsidiaries and are used to support the current portion of claims liabilities under our self-insurance program.

(f) Working capital is defined as current assets less current liabilities.

(g) Represents long-term debt, including the current maturities of long-term debt.

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## RISK FACTORS

*You should carefully consider the risk factors set forth below as well as the other information included in this prospectus in evaluating our company and our business before tendering your outstanding notes for exchange notes. The risks described below are not the only risks that we face. Additional risks and uncertainties not currently known to us may also impair our business operations. Any of these risks may have a material adverse effect on our business, financial condition, results of operations and cash flows. In that case, you may lose all or part of your investment in the notes.*

### Risks Relating to the Notes

***Our substantial indebtedness may adversely affect our financial health and prevent us from fulfilling our obligations under the notes.***

We have consolidated indebtedness that is substantial in relation to our shareholders' equity. As of November 30, 2003, we had $1,284.8 million of debt and our shareholders' equity was $1,338.0 million.

The degree to which we are leveraged could have important consequences to holders of the notes, including:

impairing our ability to make payments on the notes;

impairing our ability to obtain additional financing in the future for working capital, capital expenditures and other general corporate requirements;

reducing funds available to us for our operations or for capital expenditures as a result of the dedication of a substantial portion of our cash flow to the payment of principal of and interest on our indebtedness;

placing us at a relative competitive disadvantage compared to our competitors that have proportionately less debt; and

limiting our ability to adjust to rapidly changing market conditions and consequently increasing our vulnerability in the event of a downturn in general economic conditions or our business.

In addition to our debt service obligations, we must be able to fund capital and non-capital expenditures necessary to maintain the condition of our operating assets, as well as provide capacity for the growth of our business. Our ability to do so depends on our financial and operating performance and obtaining additional sources of financing, which, in turn, is subject to prevailing economic conditions and financial, business, competitive, legal and other factors, many of which are beyond our control. Moreover, we and our subsidiaries are and will be subject to covenants contained in present and future indebtedness. In addition, our ability to borrow under the revolving credit facility of the senior secured credit facility is subject to certain restrictions, as described under "Description of Other Indebtedness − Senior Secured Credit Facility." There can be no assurance that our operating results will be sufficient to make payments on our indebtedness or to fund our other expenditures or that we will be able to obtain financing to meet these requirements.

***Servicing our debt obligations requires a significant amount of cash, and our ability to generate cash depends on many factors that may be beyond our control.***

Our ability to satisfy our debt service obligations will depend, among other things, upon our future operating performance and our ability to refinance indebtedness when necessary. Each of these factors largely depends on economic, financial, competitive and other factors beyond our control. If, in the future, we cannot generate sufficient cash from our operations to meet our debt service obligations, we may need to reduce or delay capital expenditures or curtail anticipated revenue growth and operating improvements. In addition, we may need to refinance

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our debt, obtain additional financing or sell assets, which we may not be able to do on commercially reasonable terms, if at all. Our business may not generate sufficient cash flow to satisfy our debt service obligations, and we may not be able to obtain funding sufficient to do so. In addition, any



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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.

***Despite our indebtedness levels, we and our subsidiaries may be able to incur substantially more indebtedness, which may increase the risks created by our substantial indebtedness.***

The terms of the indenture governing the notes do not fully prohibit us or our subsidiaries from incurring additional indebtedness. If we or our subsidiaries are in compliance with the financial covenants set forth in the senior secured credit facility and the indenture governing the notes, we and our subsidiaries may be able to incur substantial additional indebtedness. In addition, our unrestricted subsidiaries are not subject to these financial covenants. If we or any of our subsidiaries incur additional indebtedness, the related risks that we and they now face may intensify. See "Description of Other Indebtedness − Senior Secured Credit Facility" and "Description of the Exchange Notes − Certain Covenants − Limitation on Incurrence of Additional Indebtedness and Issuance of Preferred Stock."

As of November 30, 2003, we were able to borrow up to an additional $13.0 million under the revolving credit facility. In addition, as of November 30, 2003, Greyhound Lines, Inc. was able to borrow up to an additional $44.1 million under its credit facility, or the Greyhound Facility.

***The notes are effectively subordinated to our existing and future secured debt and other secured obligations, and the guarantees of the notes are effectively subordinated to the guarantors' secured debt and other secured obligations.***

Holders of our secured debt and the secured debt of any guarantors will have claims that are prior to your claims as holders of the notes to the extent of the value of the assets securing that other debt. The senior secured credit facility is secured by first priority liens on substantially all of our assets and the assets of our existing and future U.S. restricted subsidiaries. In addition, under our agreement with the Pension Benefit Guaranty Corporation, or the PBGC, a United States government agency that administers the mandatory termination insurance program for defined benefit pension plans under the Employee Retirement Income Security Act of 1974, or ERISA, the PBGC has a second priority lien on all of those assets, subject to the first priority lien under the senior secured credit facility. The notes and the guarantees are effectively subordinated to all such secured debt to the extent of the value of its collateral. In the event of any distribution or payment of our or any guarantor' s assets in any foreclosure, dissolution, winding-up, liquidation, reorganization or other bankruptcy proceeding, holders of secured debt will have a prior claim to the assets that constitute their collateral. Holders of the notes will participate ratably with all holders of our unsecured senior debt, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor, in our remaining assets. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the notes. As a result, holders of notes may receive less, ratably, than holders of secured debt. As of November 30, 2003, we and our restricted subsidiaries had approximately $725.1 million of secured debt. We may also incur additional senior secured debt in the future, consistent with the terms of the indenture governing the notes and our other debt agreements.

***The notes are not obligations of our non-guarantor subsidiaries and are structurally subordinated to the claims of our non-guarantor subsidiaries' creditors.***

The notes are guaranteed only by our U.S. restricted subsidiaries other than our insurance subsidiaries and any future securitization entities, and are not guaranteed by our foreign subsidiaries or any of our unrestricted subsidiaries. Our subsidiaries are separate and distinct legal entities.

Except for the guarantors, our subsidiaries have no obligation to pay any amounts due on the notes or to provide us with funds for our payment obligations, whether by dividends, distributions, loans or other payments. Payments to us by our subsidiaries are also contingent upon our subsidiaries' earnings and business considerations. In addition, any payment of dividends, distributions, loans or advances by our subsidiaries to us could be subject to statutory or contractual restrictions. Our right to receive any assets of any of our non-

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guarantor subsidiaries upon their liquidation or reorganization, and therefore the right of the holders of the notes to receive a share of those assets, is structurally subordinated to the claims of each such subsidiary' s creditors, including bank and trade creditors. As such, with respect to the assets of that non-guarantor subsidiary, the creditors of such subsidiary would have a claim prior to that of the holders of the notes. In addition, even if we were a creditor of any of our subsidiaries, including any of the guarantors, our rights as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to that held by us.

***Federal and state statutes allow courts, under specific circumstances, to void guarantees and require noteholders to return payments received from guarantors.***

Under federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee could be voided, or claims in respect of a guarantee could be subordinated to all other indebtedness of a guarantor, if the guarantor at the time it incurred the indebtedness evidenced by its guarantee:

either:

- was insolvent or was rendered insolvent by reason of the incurrence of the guarantee;
- was engaged or was about to engage in a business or transaction for which that guarantor' s remaining assets constituted unreasonably small capital;
- was a defendant in an action for money damages or had a judgment for money damages docketed against it if, in either case, after a final judgment, the judgment was unsatisfied; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay those debts as they mature;

and

- received less than reasonable equivalent value or fair consideration for the incurrence of its guarantee; or
- incurred the guarantee or made related distributions or payments with the intent of hindering, delaying or defrauding creditors.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending on the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a 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.

The indenture requires that certain future U.S. subsidiaries guarantee the notes. These considerations also apply to their guarantees. In addition, each guarantee is limited to an amount not to exceed the maximum amount that can be guaranteed by the applicable guarantor, after giving effect to all of its other contingent and fixed liabilities without rendering the guarantee as it relates to that guarantor voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally. Under certain circumstances, a court could also subordinate a guarantee to all other indebtedness (including guarantees or other contingent liabilities) of the applicable guarantor and, depending on the amount of the indebtedness, a guarantor' s liability on its guarantee could be reduced to zero.

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On the basis of historical financial information, recent operating history and other factors, we believe that each guarantor, after giving effect to its guarantee of the notes, and its guarantee of the senior secured



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credit facility, is not insolvent, does not have unreasonably small capital for the business in which it is engaged and has not incurred debts beyond its ability to pay those debts as they mature. We cannot assure you, however, as to what standard a court would apply in making these determinations or that a court would agree with our conclusions in this regard. If a court did not agree with our conclusions, it could void the guarantees of the notes by one or more of our subsidiaries and require you to return any payments received from those subsidiaries.

***We may not have the ability to raise the funds to purchase notes upon a change of control as required by the indenture.***

Upon the occurrence of change of control events specified in the indenture governing the notes, each holder of notes may require us to repurchase all or a portion of its notes at a purchase price equal to 101% of the principal amount thereof, plus accrued interest to the date of repurchase. Our ability to repurchase the notes upon a change of control will be limited by the terms of our other debt. Upon a change of control, we may immediately be required to repay the outstanding principal, plus accrued interest, if any, and any other amounts owed by us under the senior secured credit facility. We cannot assure you that we would be able to repay amounts outstanding under the senior secured credit facility or obtain necessary consents under the senior secured credit facility to repurchase the notes. Any requirement to offer to purchase any outstanding notes may result in our having to refinance our other outstanding debt, which we may not be able to do. In addition, even if we were able to refinance this debt, the financing may not be on terms favorable to us.

***You may find it difficult to sell your notes because no public trading market for the notes currently exists.***

There is currently no existing market for the notes, and we cannot assure you that an active trading market will develop for the notes. If no active trading market develops, you may not be able to resell your notes at their fair market value or at all. Also, it is possible that the market for the notes will also be volatile. This volatility in price may affect your ability to resell your notes or the timing of their sale. Future trading prices of the notes will depend on many factors, including, among other things, prevailing interest rates, our results of operations and the market for similar securities.

***If you do not exchange your notes, you may have difficulty in transferring them at a later time.***

We will issue exchange notes in exchange for the outstanding notes after the exchange agent receives your outstanding notes, the letter of transmittal and all related documents. You should allow adequate time for delivery if you choose to tender your notes for exchange. Outstanding notes that are not exchanged will remain subject to restrictions on transfer and will not have rights to registration.

If you do not participate in the exchange offer, you must comply with the registration and prospectus delivery requirements of the Securities Act for any resale transaction. Each broker-dealer who holds notes for its own account due to market-making or other trading activities and who receives exchange notes for its own account must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. If any outstanding notes are not tendered in the exchange or are tendered but not accepted, the trading market for such notes could be negatively affected due to the limited amount of notes expected to remain outstanding following the completion of the exchange offer.

***Your outstanding notes will not be accepted for exchange if you fail to follow the exchange offer procedures and, as a result, your outstanding notes will continue to be subject to existing transfer restrictions, and you may not be able to sell your outstanding notes.***

We will not accept your outstanding notes for exchange if you do not follow the exchange offer procedures. You will receive exchange notes in exchange for your outstanding notes only if, before the expiration date, you deliver all of the following to the exchange agent:

certificates for the outstanding notes or a book-entry confirmation of a book-entry transfer of the outstanding notes into the exchange agent' s account at The Depository Trust Company, or DTC;

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the letter of transmittal, properly completed and duly executed by you, together with any required signature guarantees; and

any other documents required by the letter of transmittal.

You should allow sufficient time to ensure that the exchange agent receives all required documents before the exchange offer expires. Neither we nor the exchange agent has any duty to inform you of defects or irregularities with respect to the tender of your outstanding notes for exchange.

**Risks Relating to Our Business**

***Our operations will be restricted by the terms of our debt, which could have a material adverse effect on us.***

The indenture governing the notes, the senior secured credit facility and the agreements governing our other indebtedness contain a number of significant restrictive covenants. Moreover, our ability to borrow under the revolving credit facility of the senior secured credit facility is subject to certain restrictions, as described under "Description of Other Indebtedness − Senior Secured Credit Facility." These covenants and other restrictions could have a material adverse effect on us by limiting our ability to plan for or react to market conditions or to meet our capital needs. These covenants and other restrictions will, among other things, restrict our ability and the ability of our subsidiaries to:

incur additional debt;

pay dividends on, or repurchase, our equity interests;

make investments;

pay dividends or make other payments by our restricted subsidiaries to us;

enter into transactions with our affiliates;

use assets as security in other transactions; and

sell all or substantially all of our assets or merge with or into other companies.

In addition, the senior secured credit facility requires us to maintain specified financial ratios and meet other financial tests. Our failure to comply with these covenants could result in an event of default, which, if not cured or waived, could result in our being required to repay these borrowings before their scheduled due date. If we were unable to make this repayment or otherwise refinance these borrowings, the lenders under the senior secured credit facility could foreclose on our assets. In addition, these lenders could elect to declare all amounts borrowed under the senior secured credit facility, together with accrued interest, to be due and payable, which, in some instances, would be an event of default under the indenture governing the notes. If we were able to refinance these borrowings on less favorable terms, our results of operations and financial condition could be adversely impacted by increased costs and less favorable terms, including rates and covenants. Any future refinancing of the senior secured credit facility is likely to contain similar restrictive covenants.

***We are a holding company with no operations and no assets other than investments in our subsidiaries.***

We are a holding company that conducts all of our operations through our subsidiaries. All of our operating income is generated by our subsidiaries. We rely on dividends and other advances and transfers of funds from our subsidiaries to provide the funds necessary to meet our debt service obligations, which include payment of principal and interest on the senior secured credit facility and the notes. The ability of our

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subsidiaries to pay these dividends and make these advances and transfers is subject to applicable state and non-U.S. laws. Further, the Greyhound Facility currently restricts the payment of dividends by Greyhound Lines, Inc. to us, and subject to the terms of existing indebtedness, any future credit facilities our subsidiaries may enter into may restrict or prohibit distributions, dividends or loans from those subsidiaries to us. Claims of creditors, including general creditors, of our non-guarantor subsidiaries on the assets of these subsidiaries



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will generally have priority over our claims and claims by the holders of our indebtedness. As of November 30, 2003, our non-guarantor subsidiaries had approximately $158.1 million of indebtedness, of which $151.7 million was indebtedness of our unrestricted subsidiaries. The indenture governing the notes and the senior secured credit facility permit our restricted subsidiaries to incur additional indebtedness in specified circumstances.

***Our assets, including the capital stock of some of our subsidiaries, is subject to various liens and security interests.***

Our assets, including the capital stock of some of our subsidiaries, is subject to various liens and security interests. Specifically, the Greyhound Facility and the senior secured credit facility are each secured. See "Description of Other Indebtedness − Senior Secured Credit Facility" and "Description of Other Indebtedness − The Greyhound Facility." Additionally, our obligations under our agreement with the PBGC is secured by second priority liens on the assets that secure our obligations under our senior secured credit facility. See "Management' s Discussion and Analysis of Financial Condition and Results of Operations − Liquidity − Pension Plan Funding Requirements." If a holder of a security interest becomes entitled to exercise its rights as a secured party, that holder would have the right to foreclose upon, and sell or otherwise transfer, the collateral subject to its security interest. Accordingly, the collateral would be unavailable to us or the subsidiary owning the collateral and to other creditors, except to the extent, if any, that those other creditors have a superior or equal security interest in the affected collateral, or the value of the affected collateral exceeds the amount of indebtedness in respect of which those foreclosure rights are exercised.

***Over the past several years, we have experienced deteriorating financial results.***

Over the past several years, we have experienced deteriorating financial results in parts of our businesses and investments. In particular, in fiscal 2000, we reported a net loss from continuing operations of $637.6 million and an overall net loss of $2,253.1 million. These losses continued in fiscal 2001, resulting in a net loss from continuing operations of $246.5 million. Although, in fiscal 2002, we had income from continuing operations of $14.9 million, we continued to experience losses, with a net loss from continuing operations of $1,212.8 million for the nine months ended May 31, 2003 and a net loss from continuing operations of $9.9 million for the three months ended August 31, 2003. Although we have implemented, and expect to continue to implement, new strategic and operational initiatives intended to enhance revenues and operating income, our operations are subject to economic, financial, competitive, legal and other factors, many of which are beyond our control. Accordingly, there can be no assurance that we will be able to implement these initiatives or that these initiatives will return us to profitability.

***We depend on reimbursements by third-party payors and individuals.***

We receive a substantial portion of our payments for healthcare transportation services from third-party payors, including Medicare, Medicaid, private insurers, managed care organizations and hospitals. We received approximately 84% of our fee collections from such third-party payors during fiscal 2003, including approximately 40% from Medicare and Medicaid.

The reimbursement process is complex and can involve lengthy delays. Third-party payors are continuing their efforts to control expenditures for healthcare, including proposals to revise reimbursement policies. We recognize revenue when we provide healthcare transportation services; however, there can be delays before we receive payment. In addition, third-party payors may disallow, in whole or in part, requests for reimbursement based on determinations that certain amounts are not reimbursable under plan coverage, they were for services provided that were not medically necessary or additional supporting documentation is necessary. Retroactive adjustments may change amounts realized from third-party payors. We are subject to governmental audits of our Medicare and Medicaid reimbursement claims and may be required to repay these agencies if a finding is made that we were incorrectly reimbursed. See "Business − Legal Proceedings." Delays and uncertainties in the reimbursement process may adversely affect accounts receivable, increase the overall costs of collection and cause us to incur additional borrowing costs.



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We also may not be reimbursed in those instances where we provide uninsured individuals emergency ambulance service in service areas where an adequate subsidy is not provided. Amounts not covered by third-party payors are the obligations of individual patients. We may not receive whole or partial reimbursement from these uninsured individuals.

We establish an allowance for Medicare, Medicaid and contractual discounts and doubtful accounts based on credit risk applicable to certain types of payors, historical trends and other relevant information. We review our allowance for doubtful accounts on an ongoing basis and may increase or decrease such allowances from time to time, including in those instances when we determine that the level of effort and cost of collection of certain accounts receivable is unacceptable.

The risks associated with third-party payors and uninsured individuals and the inability to monitor and manage accounts receivable successfully could have a material adverse effect on our business, financial condition and results of operations. Our collection policies or our allowance for Medicare, Medicaid and contractual discounts and doubtful accounts receivable may not be adequate.

***Enhanced regulation of the healthcare industry could harm our financial condition and results of operations.***

Healthcare, as one of the largest industries in the United States, attracts much legislative interest and public attention. Changes in Medicare and Medicaid, hospital cost-containment initiatives by public and private payors, proposals to limit payments and healthcare spending and industry-wide competitive factors are highly significant to the healthcare industry. The healthcare industry is governed by a framework of federal and state laws, rules and regulations that are extremely complex and for which the industry has the benefit of little or no regulatory or judicial interpretation. If a determination is made that we were in material violation of such laws, rules or regulations, our financial condition and results of operations could be materially adversely affected.

The Balanced Budget Act of 1997 has had the effect of reducing payments to hospitals and other healthcare providers under the Medicare program. The reductions in payments and other changes mandated by the Balanced Budget Act of 1997 have had a significant effect on our revenues. In addition, there continues to be federal and state proposals that would, and actions that do, impose more limitations on payments to providers such as us and proposals to increase copayments and deductibles from patients.

The Balanced Budget Act mandates that fee schedules for reimbursement of ambulance services be developed through a negotiated rulemaking process and must consider (i) data from the industry and other organizations involved in the delivery of ambulance services, (ii) mechanisms to control increases in expenditures for ambulance services, (iii) appropriate regional and operational differences, (iv) adjustments to payment rates to account for inflation and other relevant factors, and (v) the phase-in of payment rates under the fee schedule in an efficient and fair manner.

The Balanced Budget Act also required that beginning January 1, 2001, ambulance service providers accept payment directly from Medicare, along with the co-payments and deductible paid by the patient, as payment in full. Further, the Balanced Budget Act stipulates that third parties may elect to no longer provide payments for cost sharing for co-insurance for dual qualified (Medicare and Medicaid) beneficiaries.

In January 1999, the United States Centers for Medicare and Medicaid Services, formerly named the Health Care Financing Administration, announced its intention to form a negotiated rulemaking committee to create the new fee schedule for Medicare reimbursement of ambulance services. That committee convened in February 1999. The fee schedule and the mandatory acceptance of assignment were implemented on April 1, 2002. The rules that were implemented revised the policy on Medicare coverage of ambulance services focusing on the medical necessity for the particular ambulance services. In addition, revisions to the physician certification requirements for coverage of non-emergency ambulance services were also implemented.

As a result of these regulations, the revenue actually received for our healthcare services is subject to uncertainties and subsequent adjustments to the recorded revenue could be material.

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***Our current and future financial condition or results of operations are not comparable to the financial condition or results of operations reflected in Laidlaw's historical financial statements.***

As a result of our reorganization, we operate Laidlaw' s former business under a new capital structure. In addition, we are subject to the fresh start accounting rules. As required by fresh start accounting, assets and liabilities are recorded at fair value, based on values determined in connection with the restructuring. Certain reported assets of our predecessor company did not give effect to the adjustments that resulted from the adoption of fresh start accounting and as a result, changed materially. Accordingly, our financial condition and results of operations are not comparable to the financial condition or results of operations reflected in Laidlaw' s historical financial statements included elsewhere in this prospectus.

***Greyhound Lines, Inc. received a report from its auditors, which indicates that there is substantial doubt as to whether the use of the "going concern" assumption is appropriate.***

In the audit report dated March 26, 2003, Greyhound Lines, Inc.' s auditors included an explanatory paragraph that stated that Greyhound Lines, Inc.' s consolidated financial statements had been prepared assuming Greyhound Lines, Inc. will continue as a "going concern." The report stated that the fact that Greyhound Lines, Inc. may not be in compliance with the financial covenants under the Greyhound Facility beginning with the first quarter of 2003 raised substantial doubt about its ability to continue as a "going concern." Based upon the current financial forecast for Greyhound Lines, we are unable to predict with reasonable assurance whether Greyhound Lines will remain in compliance with the terms of the Greyhound Facility. We are closely monitoring this situation and intend on requesting covenant amendments should it appear likely such amendments will be necessary to remain in compliance with the covenants. In addition, Greyhound Lines will be seeking an extension of the Greyhound Facility prior to its current maturity of October 24, 2004. Although Greyhound Lines has been successful in obtaining necessary amendments and extensions to the Greyhound Facility in the past, there can be no assurances that it will obtain additional modifications in the future if needed, or that the cost of any future modifications or other changes in the terms of the Greyhound Facility would not have a material effect on Greyhound Lines or us. If unsuccessful, this may impact Greyhound Lines' ability to continue as a going concern. If the "going concern" basis on which Greyhound Lines, Inc.' s consolidated financial statements were prepared was not appropriate for those consolidated financial statements, then significant adjustments would need to be made to the carrying value of the assets and liabilities, the reported revenue and expenses and the balance sheet classifications used. Accordingly if such changes were made to Greyhound Lines, Inc.' s consolidated financial statements, significant adjustments would be required to its and our consolidated financial statements and we may be required to honor certain Greyhound Lines, Inc. lease commitments and pension obligations.

***Our ability to obtain adequate bonding coverages has been adversely affected by Laidlaw's poor financial position and lack of liquidity.***

Our education services, public transit services and healthcare transportation businesses are highly dependent on our ability to obtain performance bond coverage sufficient to meet bid requirements imposed by potential customers. Our ability to obtain adequate bonding coverages has been adversely affected in the past several years by Laidlaw' s poor financial position and lack of liquidity. Furthermore, many school boards are requiring higher dollar-value performance bonds from their service providers. There can be no assurance that we will be able to obtain access to adequate bonding capacity or that bonding will be available on terms acceptable to us. If adequate bonding capacity is not available or if the terms of the bonding are too onerous, there would be a material adverse effect on our business, financial condition or results of operations.

***The loss of certain self-insurance authority or reduced availability of insurance could have a material adverse effect on our financial condition or results of operations.***

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Insurance coverage and risk management expense are key components of Greyhound Lines, Inc.' s cost structure. Greyhound Lines, Inc. is required by the Surface Transportation Board of the United States Department of Transportation, or the USDOT, some states and some of its insurance carriers to maintain collateral deposits or provide other security pursuant to its insurance program. The loss or modification of the



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self-insurance authority from the Surface Transportation Board or the states, or a decision by Greyhound Lines, Inc.' s insurers to modify Greyhound Lines, Inc.' s program substantially, by increasing cost, reducing availability or increasing collateral, could have a material adverse effect on our financial condition or results of operations.

In addition, we establish reserves for automobile liability, general liability, professional liability and workers' compensation claims that have been reported but not paid, and claims that have been incurred but not reported. These reserves are developed using actuarial principles and assumptions that consider a number of factors, including historical claim payment patterns and changes in claim reserves, the assumed rate of increase in healthcare costs and property damage repairs, ultimate court awards and the discount rate. The amount of these reserves could differ from our ultimate liability related to these claims due to changes in our accident reporting, claims payment and settlement practices or claims reserve practices, as well as differences between assumed and future cost increases and discount rates. There can be no assurance that we will not incur claims or liabilities for which we are not insured or that exceed the amount of our insurance coverage.

With respect to our emergency management services business, professional liability insurance for up to a limit of $1.0 million per occurrence is provided to the majority of physicians who are employed or contracted by companies under service agreements with our emergency management services business. Our previous insurance program with PHICO Insurance Company, or the PHICO Policies, which expired on January 1, 2001, provided an aggregate self-insurance retention for the first $27.0 million of claims incurred and reported during the period October 1, 1997 to January 1, 2001. The self-insurance retention amounts have been fully paid. In December 2000, we purchased an extended reporting period policy, or the ERP policy, for the PHICO Policies covering claims reported after January 1, 2001 but incurred during the coverage period of the PHICO Policies. The ERP policy has an aggregate limit of $40.0 million.

For calendar 2001, we purchased insurance from another third party insurer that provides up to $10.0 million of coverage on a first year claims-made basis. Effective January 1, 2002, we have self-insured professional liability claims for claims incurred during calendar 2001 and reported on or after January 1, 2002 and for claims occurring on or after January 1, 2002.

On February 1, 2002, PHICO was placed into liquidation by the Insurance Commissioner of the Commonwealth of Pennsylvania. Those claims arising under the PHICO Policies will be eligible for coverage under individual state guaranty funds, subject to various limitations and exclusions based upon net worth of the insured and the presence of other applicable insurance. The amount of coverage available under each state guaranty fund will vary according to the limits and specific provisions of those funds, and some state guaranty funds may deny coverage for any claims under the ERP policy brought after March 2, 2002. As of November 30, 2003, we had fully provided for the discounted amount of the estimated claims costs not covered by the state guaranty funds and the amount of the estimated claims exceeding the ERP policy' s aggregate limit. If these reserves, however, are not sufficient to cover the actual claims costs, it could have a material adverse effect on our financial condition or results of operations.

In addition, USDOT has granted Greyhound Lines, Inc. authority to self-insure its automobile liability exposure for interstate passenger service up to a maximum level of $5.0 million per occurrence. To maintain self-insurance authority, the Surface Transportation Board requires Greyhound Lines, Inc. to maintain a tangible net worth of $10.0 million and a $15.0 million trust fund to provide security for payment of claims. At September 30, 2003, Greyhound Lines, Inc.' s tangible net worth was below the minimum required by the USDOT to maintain self-insurance authority.

In March 2003, Greyhound Lines, Inc. sought a waiver from USDOT of the tangible net worth requirement. On July 25, 2003, the USDOT granted the waiver of this requirement through December 31, 2004. As a condition of the waiver, Greyhound Lines, Inc. was required to increase the self-insurance trust fund by $2.7 million. The USDOT will also require Greyhound Lines, Inc. to make additional trust fund contributions to the extent that self-insured reserves exceed (as measured semi-annually) the then balance in the trust fund. The trust fund level will be reduced back to $15 million once Greyhound Lines, Inc.' s tangible net worth exceeds $10 million. The loss or further modification of self-insurance authority from the USDOT



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could have a material adverse effect on Greyhound Lines, Inc.' s liquidity, financial condition and results of operations.

***We face increasing competitive and external pressures and our inability to effectively respond to these pressures may reduce our market share and harm our financial performance.***

*Education Services.* Through our subsidiaries, we compete with several large companies and a substantial number of smaller locally owned operators in the education services business segment. Moreover, most school districts operate their own school bus systems. In acquiring new school bus contracts and maintaining existing business, competition primarily exists in the areas of pricing and service.

*Public Transit Services.* Our public transit services business competes with several large companies and a number of smaller locally owned operations. Most municipalities operate their own fixed route municipal bus services; however, the majority of the paratransit bus routes are operated by private entities. In acquiring contracts and maintaining existing business, competition primarily exists in the areas of pricing and service.

*Healthcare Transportation Services.* Through our AMR business unit, we compete with several large companies and a substantial number of smaller locally owned operators in the healthcare transportation services industry. Moreover, many municipal, fire and paramedic departments and hospitals operate their own ambulance systems. In acquiring new healthcare transportation contracts and maintaining our business, we experience competition primarily in the areas of pricing and service.

*Emergency Management Services.* Emergency management services are also subject to vigorous competition. Competition for these services is generally based upon cost, the ability to make available physicians capable of providing high quality care and the reputation of our EmCare operations among hospitals and physicians. Competition is also based upon the proper utilization of the emergency department, as well as the ability to integrate the emergency department with other hospital departments and to provide value added services.

*Greyhound Services.* The inter-city transportation industry is highly competitive. Greyhound' s primary sources of competition for passengers are automobile travel, low cost air travel by both regional and national airlines and, in some markets, regional bus companies and trains. The automobile is the most significant form of competition to Greyhound. The out-of-pocket costs of operating an automobile are generally less expensive than bus travel, particularly for multiple persons traveling in a single car.

There can be no assurance that we will be able to compete successfully against these sources of competition or other competitive or external factors.

***We are subject to various regulations that could impose substantial costs upon us and may adversely affect our business, financial condition and results of operations.***

Our operations are subject to various federal, state, local and foreign laws and regulations relating to safety, driver qualifications, insurance and other matters, including those concerning emissions to the air, waste water and storm-water discharges, storage, treatment and disposal of waste and remediation of soil and groundwater contamination. See "Business − Greyhound Services − Regulation" for a discussion of certain of these laws and regulations. These laws and regulations frequently change and Canadian and U.S. state and local laws can vary significantly in every jurisdiction. Our operations and properties must comply with these legal requirements.

We have incurred, and expect to incur, costs for our operations to comply with these legal requirements, and these costs could increase in the future. Many of these legal requirements provide for substantial fines, orders, including orders to cease operations, and criminal sanctions for violations. Although we believe we are in material compliance with applicable safety laws and regulations, it is difficult to predict the future development of such laws and regulations or their impact on our business or results of operations. We anticipate that standards under these types of laws and regulations will continue to tighten and that compliance will require increased capital and other expenditures. In addition, we have been named as a "potentially responsible party" under the United States Comprehensive Environmental Response, Compensa-

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tion and Liability Act of 1980, as amended, at various third-party sites at which our waste was allegedly disposed, and received a demand for reimbursement for certain remediation costs at a site we formerly operated. In addition, we are investigating or engaged in remediation of past contamination at other sites used in our business. There can be no assurance that these matters will not result in or that new conditions will not be identified or arise that could result in material costs which exceed existing reserves or available insurance. Also, a significant order or judgment against us, the loss of a significant permit or license or the imposition of a significant fine or any other liability in excess of, or not covered by, our reserves or our insurance could adversely affect our business, financial condition and results of operations.

***Pension funding requirements could have a material adverse effect on our financial condition and results of operations and our ability to fund ongoing operations.***

Certain of our subsidiaries, most notably Greyhound Lines, Inc., sponsor some U.S. defined benefit pension plans, the most significant of which, the Amalgamated Transit Union Plan, or the ATU Plan, represented approximately 75% of the total plan assets and benefit obligation of the Greyhound Lines Plans as of August 31, 2003. Funding requirements under these defined benefit pension plans are mandated under federal legislation based on plan surpluses or shortfalls determined using market values of plan assets and benefit obligations calculated using actuarial mortality tables and discount rates prescribed under legislation passed by the U.S. Congress. To the extent that returns on plan assets are less than expected, changes are made to prescribed discount rates or prescribed actuarial mortality tables that would increase the plan benefit obligations in excess of expected increases, or legislative changes are made that accelerate the required funding of plan shortfalls, the resulting funding requirements could have a material adverse effect on our financial condition and results of operations and our ability to fund ongoing operations.

In addition, these pension plans are subject to ERISA, and the PBGC has the authority to terminate an underfunded plan under certain circumstances. In the event any of our U.S. pension plans, including the Greyhound Lines Plans, are terminated for any reason while the plans are underfunded, we will incur a liability to the PBGC that may be equal to the entire amount of the underfunding. Pursuant to the terms and conditions of an agreement with the PBGC, or the PBGC Agreement, we contributed $50.0 million in cash to the Greyhound Lines Plans and issued shares of our common stock equal in value to $50.0 million to a trust on June 23, 2003, the effective date of the Plan, and agreed to contribute an additional $50.0 million in cash to the Greyhound Lines Plans in June 2004. Under the PBGC Agreement, the trustee of the trust will sell the common stock, and all proceeds of the common stock sales will be contributed directly to the Greyhound Lines Plans. If the proceeds from the sales of our common stock exceed $50.0 million, the excess amount may be credited against our next-due minimum funding obligations, but will not reduce the June 2004 required contribution under the PBGC Agreement. If the proceeds from the sales of common stock do not aggregate $50.0 million, we will be required to contribute the amount of the shortfall in cash to the Greyhound Lines Plans by December 2004. In addition, our obligations under the PBGC Agreement are secured by a second priority lien on the assets of certain of our operating subsidiaries. See “Management’ s Discussion and Analysis of Financial Condition and Results of Operations − Liquidity − Pension Plan Funding Requirements.”

These contributions and transfers are in addition to the contributions to the pension plans, if any, required under the minimum funding requirements of ERISA. Based upon current regulations and plan asset values at November 30, 2003 and taking into account the contributions required under the PBGC Agreement, we do not anticipate any significant additional minimum funding requirements for the pension plans through 2005. This estimate is based on a continuation of the existing freeze of wage and service accruals under the ATU Plan and on various assumptions relating to future discount rates, mortality rates, returns on the investment of the assets of the pension plans, and applicable U.S. legal requirements. Nevertheless, there is no assurance that the pension plans will be able to earn the assumed rate of return, that new regulations or legislation will not result in changes in the prescribed actuarial mortality table or discount rates, that there will not be market driven changes in the discount rates, or that actual experience will not otherwise vary from current circumstances or assumptions, which would result in us being required to make significant additional minimum funding contributions through 2005. In addition, depending on investment performance of the



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pension plans through 2005 and other actuarial assumptions, we may be required to make significant additional minimum funding contributions to the Greyhound Lines Plans after 2005. Any significant additional minimum funding contributions could have a material adverse effect on our financial condition and results of operations and our ability to fund ongoing operations as well as reduce cash available to service our debt, including the notes.

***We are party to various lawsuits and governmental proceedings that could have a material adverse effect on our financial condition and results of operations.***

We are parties to various lawsuits and governmental proceedings that could have a material adverse effect on our financial condition and results of operations. See "Business − Legal Proceedings."

***Organized strikes or work stoppages by unionized employees may have a material adverse effect on our operations.***

We are party to collective bargaining agreements that cover the majority of our employees. See "Business − Education Services − Employees," "Business − Public Transit Services − Employees," "Business − Healthcare Transportation Services − Employees" and "Business − Greyhound Services − Employees." Our largest collective bargaining agreement is between Greyhound Lines, Inc. and the Amalgamated Transit Union, or the ATU. The ATU agreement covers approximately 5,300 of our U.S. employees, mostly drivers and maintenance employees, and expires on January 31, 2004. We have started contract negotiations in an attempt to enter into a new agreement prior to expiration, and have not reached an agreement on a new contract. There is no assurance that Greyhound Lines, Inc. will reach an agreement with the ATU. If any of our unionized employees were to engage in a strike or other work stoppage prior to the expiration of their agreements, or if we are unable to negotiate acceptable extensions of those agreements, including the ATU agreement, with labor unions resulting in a strike or other work stoppage by the affected workers, we could experience a significant disruption of operations and increased operating costs as a result of higher wages or benefits paid to union members, which could have a material adverse effect on our business, financial condition and results of operations.

***Our business may suffer if we do not retain our senior management.***

We depend on our senior management. In addition, as we continue to focus on and optimize our core strengths and competencies, certain actions will be taken to strengthen and change our management or the management of our operating subsidiaries. The loss of services of any of the members of our senior management could adversely affect our business until a suitable replacement can be found. There may be a limited number of persons with the requisite skills to serve in these positions, and we cannot assure you that we would be able to locate or employ such qualified personnel on acceptable terms.

***Our businesses are seasonal, and Greyhound, in particular, is dependent on peak travel periods.***

Our education services business historically experiences a significant decline in revenue and operating income in our fourth fiscal quarter ending August 31 because of school summer vacations. In addition, our Greyhound services business is seasonal in nature and generally follows the pattern of the travel industry as a whole, with peaks during the summer months and the holiday periods. As a result, a disproportionate amount of Greyhound' s annual cash flows is generated during the peak travel periods. The day of the week on which specific holidays occur, the length of specific holiday periods and the date on which those holidays occur within a fiscal quarter, may also affect Greyhound' s results of operations. Therefore, an event that adversely affects ridership during any of these peak periods in any year could have a material adverse effect on our financial condition and results of operations for that year.

***Rising fuel costs could materially adversely affect our business.***

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Fuel costs constitute a significant portion of our bus transportation expenses. Historically, fuel costs represent approximately 3% to 6% of our bus transportation revenue. Fuel costs were approximately 5.1% of



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our historical bus transportation revenue for fiscal 2003, 4.5% for fiscal 2002 and 5.4% for fiscal 2001. Fuel prices and supplies are influenced significantly by international political and economic circumstances. If a fuel supply shortage were to arise from OPEC production curtailments, a disruption of oil imports or otherwise, higher fuel prices and any price increases would materially affect our operating results.

***Terrorism and other acts of violence may have a material adverse effect on our Greyhound services business' operating results.***

Terrorist attacks, such as the attacks that occurred in New York and Washington, D.C. on September 11, 2001, the response by the United States on October 7, 2001, and other acts of violence or war in the United States or abroad, including the lingering effects of the war in Iraq, may affect our Greyhound services business' operations and profitability. Although our Greyhound services business began to experience improvement after September 11, 2001 as a result of airline passengers seeking alternative forms of transportation, the unrelated October 2001 incident involving a Greyhound passenger adversely affected these operations. The impact to date of these events has been a significant decrease in passenger volumes. Security expenses have also increased dramatically in response to these events. Further terrorist attacks against the United States or operators of U.S.-owned businesses outside the United States may occur, or hostilities could further escalate based on the current international situation. Any such further attack or escalation of hostilities could result in a significant decline in inter-city travel and decrease in passenger volumes. The potential near-term and long-term effect these attacks or hostilities may have on our business operations, our customers, the markets for our services, the U.S. economy and the Canadian economy is uncertain. The consequences of any terrorist attack, or any armed conflict, are unpredictable, and we may not be able to foresee events that could have an adverse effect on our Greyhound services business.

## THE REORGANIZATION

### Plan of Reorganization

On June 28, 2001, Laidlaw and five of its direct and indirect subsidiaries filed in the U.S. Bankruptcy Court voluntary petitions for relief under chapter 11 of the U.S. Bankruptcy Code. In addition, Laidlaw and Laidlaw Investments commenced Canadian insolvency proceedings under the Canadian Companies' Creditors Arrangement Act in the Canadian Court. None of Laidlaw' s operating subsidiaries was included in the filings.

The most significant factors leading to Laidlaw' s bankruptcy filing included the deterioration of operating results in its healthcare services businesses and issues involving its investment in Safety-Kleen. During the 1990' s, Laidlaw' s healthcare services businesses began to experience declining operating results. During that period, the level of Medicare and Medicaid reimbursements diminished, which had an adverse impact on the operating results of Laidlaw' s healthcare services businesses. In particular, a budget reform passed by the U.S. Congress in 1997 significantly changed the billing processing and reimbursement levels for Medicare and Medicaid, including payments relating to Laidlaw' s healthcare transportation services and emergency management services. Although it completed an internal restructuring in 1999, Laidlaw was unable to fully mitigate the impact of declining operating results in its healthcare services businesses prior to its bankruptcy filing.

During fiscal 2000, Laidlaw began experiencing significant negative operating cash flow. Prior to its chapter 11 filing, Laidlaw had approximately $1.172 billion in indebtedness outstanding under the amended and restated credit agreement, dated February 24, 1999, among Laidlaw, certain of its subsidiaries, Canadian Imperial Bank of Commerce and the other lender parties, which provided for a $1.425 billion syndicated bank facility. As a result of its substantial debt and significant negative operating cash flow, Laidlaw defaulted under certain financial covenants contained in that credit agreement.

The impact of the declining operating results in Laidlaw' s healthcare services businesses on its consolidated operations was exacerbated in 2000 as a result of several adverse developments relating to its investment in Safety-Kleen. In 2000, Safety-Kleen announced possible accounting irregularities in its previously reported financial statements and subsequently filed a voluntary petition for relief under the



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U.S. Bankruptcy Code, both of which led to a significant decline in the market value of its common stock. As a result, Laidlaw took a $660.0 million charge during fiscal 2000 to write-off the value of its investment in Safety-Kleen and to provide for certain other related contingent obligations. In addition, during 2001, Safety-Kleen filed certain claims against Laidlaw. These adverse developments relating to Safety-Kleen, combined with the declining operating results in its healthcare services businesses, resulted in Laidlaw' s bankruptcy filing.

On June 23, 2003, we completed our restructuring when the Plan became effective. Pursuant to the Plan, more than $3.2 billion of unsecured debt, $370 million of accrued and unpaid interest and $400 million of various other liabilities were compromised. The creditor groups received a combination of $1,185.0 million in cash and 100 million shares of our common stock in exchange for the extinguishment of all claims, liabilities and debt against Laidlaw. In addition, we issued approximately 3.8 million shares of common stock to a trust in connection with the PBGC Agreement relating to the funding level of the Greyhound Lines Plans.

In accordance with the terms of the Plan, we engaged in an internal restructuring that resulted in our acquisition of, directly or indirectly, all of the assets of Laidlaw. Pursuant to the Plan, we domesticated into the United States as a Delaware corporation and changed our name to "Laidlaw International, Inc."

**Resolution of Disputes Relating to Safety-Kleen and Certain Other Parties**

Laidlaw beneficially owned approximately 44% of the shares of common stock of Safety-Kleen. On June 9, 2000, Safety-Kleen announced that it and 73 of its U.S. subsidiaries had filed voluntary petitions for relief under chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware.

On November 7, 2000, we filed a proof of claim in Safety-Kleen' s chapter 11 cases asserting claims against Safety-Kleen, including claims for indemnification, contribution and reimbursement in connection with certain litigation matters, insurance claims, guaranty claims and contractual or other claims arising from environmental liabilities. On April 19, 2001, Safety-Kleen filed an adversary proceeding against us and certain of our subsidiaries in the Delaware bankruptcy court asserting claims, including, among other things, that the $200.0 million received by us and certain of our affiliates and the issuance of 11,320,755 shares of common stock of Safety-Kleen to us as consideration for a $350.0 million pay-in-kind debenture issued by Safety-Kleen prior to its chapter 11 filing was either a preferential payment or a fraudulent transfer.

On July 18, 2002, we and the various Safety-Kleen constituencies announced that we had reached a settlement. We refer in this prospectus to our settlement agreement with Safety-Kleen as the "Safety-Kleen Settlement Agreement." Pursuant to the Safety-Kleen Settlement Agreement, we withdrew with prejudice our claim of up to $6.5 billion in Safety-Kleen' s bankruptcy proceeding, we allowed a claim of $225.0 million as a general unsecured claim under the Plan in favor of Safety-Kleen, and other claims asserted against us by Safety-Kleen, the directors of Safety-Kleen and the Safety-Kleen secured lender group were deemed withdrawn with prejudice. In addition, as part of this compromise and settlement, claims against Safety-Kleen by certain of our current and former officers and directors for indemnity and contribution were deemed withdrawn with prejudice. As part of the Safety-Kleen Settlement Agreement, we were released from our indemnification obligations relating to certain environmental matters, and Safety-Kleen caused the claim of the South Carolina Department of Health and Environmental Control against us to be withdrawn with prejudice. Releases satisfactory to the parties were exchanged, and there was no admission of liability by any party to the agreement or any person providing releases under the agreement. The Safety-Kleen Settlement Agreement became effective in July 2003.

**Resolution of Disputes Among Laidlaw and the PBGC**

In connection with the Plan, we entered into an agreement with the PBGC relating to our pension plan funding requirements with respect to the Greyhound Lines Plans. For a description of the PBGC Agreement, see "Management' s Discussion and Analysis of Financial Condition and Results of Operations − Liquidity − Pension Plan Funding Requirements."



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**Director and Officer Claim Treatment Letter**

In connection with the Plan, we entered into the Director and Officer Claim Treatment Letter, or the D&O Claim Treatment Letter, among Laidlaw, the informal steering committees of Laidlaw' s lenders and bondholders and certain present or former directors of Laidlaw or its subsidiaries or affiliates, including Safety-Kleen, relating to indemnification and reimbursement claims by certain directors and officers against Laidlaw. See "Business − Legal Proceedings − Director and Officer Claim Treatment Letter."

In addition, as a result of our emergence from our chapter 11 proceedings, we settled various legal proceedings against us. We have no continuing direct exposure in these proceedings, and these cases are considered closed with respect to us, except as they relate to certain former directors and officers pursuant to the D&O Claim Treatment Letter. See "Business − Legal Proceedings."

## FORWARD-LOOKING STATEMENTS

You should carefully review the information contained in this prospectus. We make statements in this prospectus that are not historical facts. These "forward-looking statements" can be identified by the use of terminology such as "believe," "hope," "may," "anticipate," "should," "intend," "plan," "will," "expect," "estimate," "continue," "project," "positioned," "strategy" and similar expressions. You should be aware that those statements are only our predictions. The forward-looking statements included in this prospectus are not guarantees of future performances, and should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results could differ materially from those contemplated by these forward-looking statements. In the light of these risks and uncertainties, there can be no assurance that the results and events contemplated by the forward-looking information contained in this prospectus will in fact transpire. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates.

Such risks, uncertainties and contingencies are described in detail in "Risk Factors" and include, without limitation, the following:

- economic and other conditions in the markets in which we operate;
- Greyhound Lines, Inc.' s ability to continue as a going concern;
- governmental regulations, the competitive environment, actual accident claims experience and third-party payor healthcare reimbursement rates;
- the restrictive covenants contained in our senior secured credit facility;
- successful completion of labor negotiations including those at our Greyhound services business;
- potential pension plan funding requirements;
- our ability to realize revenue growth;
- our ability to implement initiatives designed to increase operating efficiencies and improve results;
- changes in interpretations of existing legislation or the adoption of new legislation;
- the loss of major customers;
- our ability to continue to satisfy bonding requirements for existing or new customers; and

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volatility in fuel and energy costs.

## USE OF PROCEEDS

We will not receive any cash proceeds for the issuance of the exchange notes. Because we are exchanging the exchange notes for the outstanding notes, which have substantially identical terms, the issuance of the exchange notes will not result in any increase in our indebtedness.



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## CAPITALIZATION

The following table sets forth our consolidated capitalization at November 30, 2003. You should read this table in conjunction with the information in this prospectus under the captions "Selected Consolidated Financial Data" and "Management' s Discussion and Analysis of Financial Condition and Results of Operations" and with our historical consolidated financial statements and related notes included elsewhere in this prospectus.

| | As of November 30, 2003 (Dollars in millions) |
|---|---|
| Cash and cash equivalents(1) | $ 75.1 |
| Debt: | |
| Senior secured credit facility: | |
| Revolving credit facility(2) | $ 93.1 |
| Term loan | 612.5 |
| Senior notes | 400.9 |
| Other | 26.6 |
| Greyhound Lines debt(3) | 151.7 |
| Total | 1,284.8 |
| Shareholders' equity | 1,338.0 |
| Total capitalization(4) | $ 2,622.8 |

(1) Excludes restricted cash and cash equivalents of $67.7 million.

(2) As of November 30, 2003, we had $13.0 million available for additional borrowings under the revolving credit facility.

(3) As of November 30, 2003, Greyhound Lines, Inc. had $44.1 million available for additional borrowings under the Greyhound Facility.

(4) The implementation of the exchange offer will not affect our capitalization.



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## SELECTED CONSOLIDATED FINANCIAL DATA

The following table sets forth (1) our predecessor company' s selected historical consolidated financial information as of and for each of the years in the four-year period ended August 31, 2002, as of and for the nine months ended May 31, 2003 and as of and for the three months ended November 30, 2002 and (2) our selected historical consolidated financial information as of and for the three months ended August 31, 2003 and November 30, 2003. The selected consolidated financial data as of and for each of the years in the four-year period ended August 31, 2002 and as of and for the nine months ended May 31, 2003 and the three months ended August 31, 2003 have been derived from our predecessor company' s and our consolidated financial statements, which were audited by PricewaterhouseCoopers LLP, our independent public accountants. The selected consolidated financial data as of and for the three months ended November 30, 2002 and 2003 have been derived from our predecessor company' s and our unaudited financial statements. You should read the information in this table in conjunction with the consolidated financial statements and the notes to those statements and "Management' s Discussion and Analysis of Financial Condition and Results of Operations," included elsewhere in this prospectus. The consolidated financial statements as of and for each of the periods presented were prepared in accordance with generally accepted accounting principles in the United States, or GAAP. On June 1, 2003, we adopted fresh start accounting rules. Accordingly, our financial condition and results of operations are not comparable to the financial condition and results of operations reflected in our predecessor company' s historical consolidated financial statements. See "Risk Factors − Risks Relating to Our Business − Our current and future financial condition or results of operations are not comparable to the financial condition or results of operations reflected in Laidlaw' s historical financial statements."

| | Predecessor Company | | | | | | Predecessor Company | |
|---|---|---|---|---|---|---|---|---|
| | Year Ended August 31, | | | | For the Period September 1, 2002 through | For the Period June 1, 2003 through | Three Months Ended November 30, | |
| | 1999 | 2000 | 2001 | 2002 | May 31, 2003 | August 31, 2003 | 2002 | 2003 |
| | (Dollars in millions, except per share amounts) | | | | | | | |
| **Statement of Operations Data:** | | | | | | | | |
| Revenue | $ 3,712.5 | $ 4,273.1 | $ 4,418.3 | $ 4,432.1 | $ 3,485.7 | $ 997.1 | $ 1,162.2 | $ 1,210.3 |
| Operating, selling, general and administrative expenses | 3,187.4 | 3,887.2 | 4,034.9 | 4,011.1 | 3,092.9 | 933.5 | 1,030.1 | 1,060.1 |
| Depreciation and amortization | 317.3 | 347.1 | 350.3 | 358.8 | 229.3 | 52.1 | 76.4 | 80.7 |
| Goodwill impairment losses | 260.0 | – | – | – | – | – | – | – |
| Income (loss) from operating segments | (52.2) | 38.8 | 33.1 | 62.2 | 163.5 | 11.5 | 55.7 | 69.5 |
| Interest expense | (185.8) | (275.1) | (270.9) | (27.7) | (19.6) | (31.5) | (6.5) | (32.7) |
| Gain on discharge of debt | – | – | – | – | 1,482.8 | – | – | – |
| Fresh start accounting adjustments | – | – | – | – | (609.6) | – | – | – |
| Other financing related expenses | – | (101.5) | (63.8) | (44.7) | (35.0) | – | (8.2) | – |
| Other income (loss) | 64.7 | (10.7) | 9.3 | 15.3 | 15.0 | 0.1 | 1.5 | 0.9 |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Income (loss) from continuing operations before income taxes and cumulative effect of change in accounting principles | (173.3) | (348.5) | (292.3) | 5.1 | 997.1 | (19.9) | 42.5 | 37.7 |
| Income tax recovery (expense) | (3.8) | (261.8) | 45.8 | 9.8 | (4.5) | 10.0 | (1.5) | (15.1) |



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| | Predecessor Company | | | | | | Predecessor Company | |
|---|---|---|---|---|---|---|---|---|
| | Year Ended August 31, | | | | For the Period September 1, 2002 through | For the Period June 1, 2003 through | Three Months Ended November 30, | |
| | 1999 | 2000 | 2001 | 2002 | May 31, 2003 | August 31, 2003 | 2002 | 2003 |
| | (Dollars in millions, except per share amounts) | | | | | | | |
| Income (loss) from continuing operations before cumulative effect of change in accounting principle | (177.1) | (610.3) | (246.5) | 14.9 | 992.6 | (9.9) | 41.0 | 22.6 |
| Cumulative effect of change in accounting principles | – | (27.3) | – | – | (2,205.4) | – | (2,205.4) | – |
| Income (loss) from continuing operations | (177.1) | (637.6) | (246.5) | 14.9 | (1,212.8) | (9.9) | (2,164.4) | 22.6 |
| Income (loss) from discontinued operations | (941.6) | (1,615.5) | 1,672.4 | – | – | – | – | – |
| Net income (loss) | $ (1,118.7) | $ (2,253.1) | $ 1,425.9 | $ 14.9 | $ (1,212.8) | $ (9.9) | $ (2,164.4) | $ 22.6 |
| Earnings (loss) per share from continuing operations | $ (0.54) | $ (1.95) | $ (0.76) | $ 0.05 | $ (3.72) | $ (0.10) | $ (6.64) | $ 0.23 |
| Earnings (loss) per share from discontinued operations | (2.85) | (4.94) | 5.13 | – | – | – | – | – |
| Earnings (loss) per share | (3.39) | (6.89) | 4.37 | 0.05 | (3.72) | (0.10) | (6.64) | 0.23 |
| Dividends per common share | 0.186 | 0.095 | – | – | – | – | – | – |
| Average number of common shares (in millions) | 330.2 | 327.0 | 325.9 | 325.9 | 325.9 | 100.0 | 325.9 | 100.0 |
| **Other Financial Data:** | | | | | | | | |

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| | | |

## MANAGEMENT' S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion should be read in conjunction with the historical consolidated financial statements and the notes to those statements and other financial information included elsewhere in this prospectus. This prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those indicated in the forward-looking statements. See "Risk Factors" and "Forward-Looking Statements."*

*In addition, the following Management's Discussion and Analysis of Financial Condition and Results of Operations provides information on the financial condition and results of operations of the restricted group and on the financial condition and results of operations of the unrestricted subsidiaries. As described in this prospectus, the restricted group consists of all of our subsidiaries other than Greyhound Lines. Greyhound Lines does not guarantee the notes and is not subject to the restrictive covenants in the indenture governing the notes. Please also refer to note 25 of the notes to the consolidated financial statements for the fiscal year ended August 31, 2003 and note 9 of the notes to the consolidated financial statements for the three months ended November 30, 2003 for further information relating to the restricted and unrestricted groups. The unrestricted subsidiaries are referred to as the "Excluded Subsidiaries" under the senior secured credit facility and in note 25 of the notes to the consolidated financial statements for the fiscal year ended August 31, 2003.*

### General

#### *Corporate Overview*

We are primarily a bus and healthcare transportation provider in the United States and Canada. We operate in five reportable segments: education services, public transit services, healthcare transportation services, emergency management services and Greyhound.

*Education services.* Through our education services segment, we provide school bus transportation in the United States and Canada. We operate school buses and special education vehicles, primarily under the Laidlaw Transit name. We also use our school bus fleet for charter purposes.

*Public transit services.* Through our public transit services segment, we provide municipal transit and paratransit bus transportation within the United States. There are two main businesses within this market: fixed-route municipal bus services, which principally operates in urban areas, and paratransit bus services, for riders with disabilities or who are unable to use scheduled services.

*Healthcare transportation services.* We provide healthcare transportation services in the United States. We operate in 32 states primarily under the American Medical Response name. We offer emergency response services, critical care transportation services and non-emergency ambulance and transfer services. We provide joint training, shared staffing and stationing arrangements and contracted dispatching. We also provide comprehensive onsite medical care and transport services for special events.

*Emergency management services.* We provide emergency management services in the United States to hospital-based emergency departments, operating primarily under the EmCare name.

*Greyhound.* Greyhound provides scheduled inter-city bus transportation services in the United States and Canada and is the only national provider of this service in those areas. Greyhound serves customers by offering scheduled passenger service that connects rural and urban markets throughout the United States and Canada. Greyhound also provides package delivery service, charter bus service and, in certain terminals, food service. In addition, Greyhound provides package tours to major tourist regions in the United States and Canada.

#### *Voluntary Petitions for Reorganization and Emergence from Chapter 11*

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On June 28, 2001, the Predecessor Company and five of its direct and indirect subsidiaries filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. 101-1330, in



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the U.S. Bankruptcy Court. In addition, the Predecessor Company and Laidlaw Investments commenced Canadian insolvency proceedings under the Canada Companies' Creditors Arrangement Act in the Canadian Court. None of the Predecessor Company' s operating subsidiaries was included in the filings.

The Predecessor Company reorganized its affairs under the protection of the Bankruptcy Code and the Canadian Companies' Creditors Arrangement Act and the Plan for itself and the other debtors. On February 27, 2003, the U.S. Bankruptcy Court entered an order confirming the Plan. On February 28, 2003, the Canadian Court issued an order recognizing the U.S. Bankruptcy Court' s confirmation order and implementing it in Canada with respect to the Predecessor Company' s Canadian insolvency proceeding. The Plan provided for the satisfaction of claims against and interests in the Predecessor Company and the other debtors, including the liabilities subject to compromise. On June 6, 2003 the Predecessor Company received final financing commitments and on June 23, 2003, the company emerged from bankruptcy protection. In accordance with the terms of the Plan, the Predecessor Company engaged in an internal restructuring that resulted in the transfer, directly or indirectly, of all the assets of the Predecessor Company to Laidlaw Investments, which domesticated into the United States as a Delaware corporation and changed its name to Laidlaw International, Inc.

**Critical Accounting Policies**

The preparation of financial statements requires management to make estimates and assumptions relating to the reporting of results of operations, financial condition and related disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates under different assumptions or conditions. The following are our most critical accounting policies, which are those that require management' s most difficult, subjective and complex judgments, requiring the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods.

***Claims Liability and Professional Liability Reserves***

We establish reserves for automobile liability, general liability, professional liability and workers' compensation claims that have been reported but not paid and claims that have been incurred but not reported. These reserves are developed using actuarial principles and assumptions which consider a number of factors, including historical claim payment patterns and changes in case reserves, the assumed rate of increase in healthcare costs and property damage repairs, ultimate court awards and the discount rate. The amount of these reserves could differ from our ultimate liability related to these claims due to changes in our accident reporting, claims payment and settlement practices or claims reserve practices, as well as differences between assumed and future cost increases and discount rates.

***Revenue Recognition in the Healthcare Services Businesses***

Revenue is recognized at the time of service and is recorded at amounts estimated to be recoverable, based upon recent experience, under reimbursement arrangements with third-party payors, including Medicare, Medicaid, private insurers, managed care organizations and hospitals or directly from patients. In 2003, we derived approximately 40% of our collections in the healthcare services segments from Medicare and Medicaid, 8% from contracted hospitals, 36% from private insurers, including prepaid health plans and other sources, and 16% directly from patients.

Healthcare reimbursement is complex and may involve lengthy delays. Third-party payors are continuing their efforts to control expenditures for healthcare and may disallow, in whole or in part, claims for reimbursement based on determinations that certain amounts are not reimbursable under plan coverage, were for services provided that were not determined medically necessary, or insufficient supporting information was provided.

***Income Tax Valuation Allowance***

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As discussed in note 17 of the notes to the consolidated financial statements for the fiscal year ended August 31, 2003, we have significant net deferred tax assets resulting from net operating losses, or NOL, and



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interest deduction carry forwards and other deductible temporary differences that will reduce taxable income in future periods. Statement of Financial Accounting Standards No. 109 "Accounting for Income Taxes" requires that a valuation allowance be established when it is "more likely than not" that all or a portion of net deferred tax assets will not be realized. A review of all available positive and negative evidence needs to be considered, including expected reversals of significant deductible temporary differences, a company' s recent financial performance, the market environment in which a company operates, tax planning strategies and the length of NOL and interest deduction carryforward period. Furthermore, the weight given to the potential effect of negative and positive evidence should be commensurate with the extent to which it can be objectively verified. Due to the highly leveraged capital structure (and related interest expense) and uncertain financial condition of the Predecessor Company, management concluded that it was appropriate to record a full valuation allowance against its net deferred income tax assets. Pursuant to the Plan, the level of debt we carried upon emergence from bankruptcy was substantially reduced. As a result, management concluded that it was more likely than not that $313.6 million of deferred tax assets would not be realized and, as part of our fresh start adjustment at June 1, 2003, we recorded a valuation allowance for that amount. Certain future events may result in the reduction of the valuation allowance. Up to $313.6 million of such reduction would reduce goodwill and other intangibles in existence at fresh start and thereafter would be reported as an addition to share premium.

***Pension***

The determination of our obligation and expense for pension benefits is dependent on the selection of certain assumptions and factors. These include assumptions about the discount rate, the expected return on plan assets and the rate of future compensation increase as determined by management. In addition, our actuarial consultants also use factors to estimate such items as retirement age and mortality tables. The assumptions and factors we use may differ materially from actual results due to changing market conditions, earlier or later retirement ages or longer or shorter life spans of participants. These differences may result in a significant impact to the amount of pension obligation or expense recorded by us. During fiscal 2002 and 2003, we experienced a reduction in interest rates and a deterioration in plan returns. If this trend continues, we may have to fund amounts to the pension plans in future years in addition to the funding discussed in note 11 of the notes to the consolidated financial statements for the fiscal year ended August 31, 2003, whereby we have committed to make substantial cash contributions to the Greyhound Lines Plans, in addition to contributions required under applicable law.

***Contingencies***

As discussed in note 22 of the notes to the consolidated financial statements for the fiscal year ended August 31, 2003, management is unable to make a reasonable estimate of the liabilities that may result from the final resolution of certain contingencies disclosed. Further assessments of the potential liability will be made as additional information becomes available. Management currently does not believe that these matters will have a material adverse affect on our consolidated financial position. It is possible, however, that results of operations could be materially affected by changes in management' s assumptions relating to these matters or the actual final resolution of these proceedings.

**Results of Operations**

As is more fully discussed in note 2 − "Fresh Start Accounting" of the notes to the consolidated financial statements for the fiscal year ended August 31, 2003 and note 1 − "Basis of Presentation" of the notes to the consolidated financial statements for the three months ended November 30, 2003, we adopted fresh start accounting pursuant to the guidance provided by the American Institute of Certified Public Accountant' s Statement of Position 90-7, "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code," or SOP 90-7. For financial reporting purposes, the effective date of the reorganization was June 1, 2003, and our results of operations and cash flows have been separated as pre-June 1 and post-May 31, 2003 due to a change in basis of accounting in the underlying assets and liabilities. For purposes of the following discussion, we refer to our results prior to June 1, 2003 as results for the Predecessor



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Company, and we refer to our results after May 31, 2003 as results for our company. The Predecessor Company financial data has been compared in the section "Comparison of the Predecessor Company Revenue for the Nine Months Ended May 31, 2003 to the Year Ended August 31, 2002" and certain financial data for the twelve month period ended August 31, 2003 has been combined ("the combined year ended August 31, 2003") and discussed in relation to the year ended August 31, 2002 in the section "Combined Year Ended August 31, 2003 Revenue Compared with the Year Ended August 31, 2002." However, for the reasons described in note 2 of the notes to the consolidated financial statements for the fiscal year ended August 31, 2003 and note 1 of the notes to the consolidated financial statements of the three months ended November 30, 2003 and due to other non-recurring adjustments, the Predecessor Company' s financial statements for the periods prior to our emergence from bankruptcy may not be comparable to our financial statements for the three months ended August 31, 2003 and November 30, 2003, and the Predecessor Company' s results of operations prior to emergence from bankruptcy, including the nine-month period ended May 31, 2003, are not indicative of future results. Readers should, therefore, review this material with caution and not rely on the information concerning the Predecessor Company as being indicative of our future results or providing an accurate comparison of financial performance.

In addition, the combined year ended August 31, 2003 information presented below does not comply with SOP 90-7, which calls for separate reporting for Laidlaw International and the Predecessor Company.

***Three Months Ended November 30, 2003 Compared with the Predecessor Company Three Months Ended November 30, 2002 Results of Operations***

| | Percentage of Revenue | | Percentage Increase (Decrease) |
|---|---|---|---|
| | Three Months Ended | | |
| | November 30, 2003 | November 30, 2002 | |
| Revenue | 100.0% | 100.0 % | 4.1 % |
| Compensation expense | 56.6 | 56.6 | 4.1 |
| Accident claims and professional liability expenses | 7.4 | 8.3 | (7.2 ) |
| Vehicle related costs | 5.8 | 5.7 | 5.1 |
| Occupancy costs | 4.1 | 4.2 | 2.7 |
| Fuel | 3.7 | 3.7 | 2.1 |
| Depreciation | 6.3 | 6.6 | (0.1 ) |
| Amortization | 0.4 | – | NM |
| Other operating expenses | 10.0 | 10.1 | 3.9 |
| Income from operating segments | 5.7 | 4.8 | 24.8 |
| Interest expense | (2.7 ) | (0.6 ) | |
| Other financing related expenses | – | (0.7 ) | |
| Other income | 0.1 | 0.1 | |
| Income before income taxes and cumulative effect of a change in accounting principle | 3.1 | 3.6 | |
| Income tax expense | (1.2 ) | (0.1 ) | |
| Income before cumulative effect of a change in accounting principle | 1.9 | 3.5 | |
| Cumulative effect of a change in accounting principle | – | (189.7) | |

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| | | |
|---|---|---|
| Net income (loss) | 1.9 % | (186.2)% |



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***Three Months Ended August 31, 2003 and Predecessor Company Nine Months Ended May 31, 2003 and Year Ended August 31, 2003, 2002 and 2001 Results of Operations***

| | Percentage of Revenue | | | | | Percentage Increase (Decrease) | | |
|---|---|---|---|---|---|---|---|---|
| | Three Months Ended August 31, 2003 | Nine Months Ended May 31, 2003 | Year Ended August 31, 2003 | 2002 | 2001 | Nine Months Ended May 31, 2003 Over 2002 | Year 2003 Over 2002 | Year 2002 Over 2001 |
| Revenue | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | (21.4)% | 1.1 % | 0.3 % |
| Compensation expenses | 58.3 | 57.4 | 57.6 | 56.9 | 57.3 | (20.7) | 2.4 | (0.4) |
| Accident claims expense and professional liability | 6.3 | 6.9 | 6.8 | 7.4 | 7.8 | (25.9) | (6.6) | (4.7) |
| Vehicle related costs | 7.5 | 5.8 | 6.2 | 6.1 | 6.1 | (25.7) | 1.7 | 1.9 |
| Occupancy costs | 5.2 | 4.3 | 4.5 | 4.6 | 4.3 | (25.6) | (0.2) | 5.9 |
| Fuel expense | 3.7 | 3.8 | 3.8 | 3.7 | 4.4 | (18.2) | 4.4 | (16.2) |
| Depreciation expense | 4.8 | 6.6 | 6.2 | 6.1 | 5.9 | (15.6) | 2.0 | 3.6 |
| Amortization expense | 0.4 | – | 0.1 | 2.0 | 2.0 | (99.0) | (94.0) | (1.1) |
| Other operating expense | 12.6 | 10.5 | 10.9 | 11.8 | 11.5 | (30.6) | (6.6) | 3.5 |
| Income from operating segments | 1.2 | 4.7 | 3.9 | 1.4 | 0.7 | 162.9 | 181.4 | 87.9 |
| Interest expense | (3.2) | (0.6) | (1.1) | (0.6) | (6.1) | | | |
| Gain on discharge of debt | – | 42.5 | 33.1 | – | – | | | |
| Fresh start accounting adjustments | – | (17.5) | (13.6) | – | – | | | |
| Other financing related expenses | – | (1.0) | (0.8) | (1.0) | (1.4) | | | |
| Other income | – | 0.5 | 0.3 | 0.3 | 0.2 | | | |
| Income (loss) from continuing operations before income taxes and cumulative effect of a change in | (2.0) | 28.6 | 21.8 | 0.1 | (6.6) | | | |

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| | | | | | |
|---|---|---|---|---|---|
| accounting principle | | | | | |
| Income tax recovery (expense) | 1.0 | (0.1) | 0.1 | 0.2 | 1.0 |
| Income (loss) from continuing operations before cumulative effect of a change in accounting principle | (1.0) | 28.5 | 21.9 | 0.3 | (5.6) |
| Cumulative effect of a change in accounting principle | – | (63.3) | (49.2) | – | – |
| Income (loss) from continuing operations | (1.0) | (34.8) | (27.3) | 0.3 | (5.6) |
| Income from discontinued operations | – | – | – | – | 37.9 |
| Net income (loss) | (1.0)% | (34.8)% | (27.3)% | 0.3 % | 32.3 % |

Several expense categories including compensation expense, vehicle related costs, occupancy costs and other operating expenses historically increase as a percentage of revenue in the last quarter of the fiscal year. This is a result of lower revenue in the fourth quarter as our education services segment experiences a significant decline in revenue due to school vacations whereas a majority of the fixed expenses continue to be absorbed. A notable exception is depreciation, which decreases as a percentage of revenue in the fourth quarter as education services depreciation is lower as fewer miles are driven during the summer period. Accordingly, income from operating segments is historically lower in the last quarter of the fiscal year.



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**Revenue**

Revenue by business segment and by restricted group and unrestricted group was as follows ($ in millions):

| | Revenue For the Three Months Ended | | | | |
|---|---|---|---|---|---|
| | November 30, 2003 | | November 30, 2002 | | Percentage Increase (Decrease) |
| Education services | $ 455.7 | 37.7 % | $ 456.2 | 39.2 % | (0.1 %) |
| Public transit services | 72.1 | 6.0 | 70.6 | 6.1 | 2.1 |
| Healthcare transportation services | 262.0 | 21.6 | 247.5 | 21.3 | 5.9 |
| Emergency management services | 133.4 | 11.0 | 113.5 | 9.8 | 17.5 |
| Greyhound | 287.1 | 23.7 | 274.4 | 23.6 | 4.6 |
| Total | $ 1,210.3 | 100.0% | $ 1,162.2 | 100.0% | 4.1 |
| Restricted group | $ 980.1 | 81.0 % | $ 935.9 | 80.5 % | 4.7 % |
| Unrestricted group | 230.2 | 19.0 | 226.3 | 19.5 | 1.7 |
| Total | $ 1,210.3 | 100.0% | $ 1,162.2 | 100.0% | 4.1 |

| | Revenue For the Three Months Ended August 31, 2003 | |
|---|---|---|
| Education services | $ 184.9 | 18.5 % |
| Public transit services | 71.0 | 7.1 |
| Healthcare transportation services | 255.9 | 25.7 |
| Emergency management services | 128.6 | 12.9 |
| Greyhound | 356.7 | 35.8 |
| Total | $ 997.1 | 100.0% |
| Restricted group | $ 704.8 | 70.7 % |
| Unrestricted group | 292.3 | 29.3 |
| Total | $ 997.1 | 100.0% |

| | Revenue | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | For the Year Ended August 31, | | | | | |
| | For the Nine Months Ended May 31, 2003 | | 2003 | | 2002 | | 2001 | |
| Education services | $ 1,314.8 | 37.7 % | $ 1,499.7 | 33.5 % | $ 1,479.7 | 33.4 % | $ 1,462.1 | 33.1 % |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Public transit services | 212.1 | 6.1 | 283.1 | 6.3 | 309.5 | 7.0 | 312.1 | 7.1 |
| Healthcare transportation services | 759.3 | 21.8 | 1,015.2 | 22.6 | 987.9 | 22.3 | 958.8 | 21.7 |
| Emergency management services | 352.0 | 10.1 | 480.6 | 10.7 | 431.3 | 9.7 | 430.5 | 9.7 |
| Greyhound | 847.5 | 24.3 | 1,204.2 | 26.9 | 1,223.7 | 27.6 | 1,254.8 | 28.4 |
| Total | $ 3,485.7 | 100.0% | $ 4,482.8 | 100.0% | $ 4,432.1 | 100.0% | $ 4,418.3 | 100.0% |
| Restricted group | $ 2,786.2 | 79.9 % | $ 3,491.0 | 77.9 % | $ 3,412.2 | 77.0 % | $ 3,367.8 | 76.2 % |
| Unrestricted group | 699.5 | 20.1 | 991.8 | 22.1 | 1,019.9 | 23.0 | 1,050.5 | 23.8 |
| Total | $ 3,485.7 | 100.0% | $ 4,482.8 | 100.0% | $ 4,432.1 | 100.0% | $ 4,418.3 | 100.0% |



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| | Percentage Increase (Decrease) | | |
|---|---|---|---|
| | | For the Year Ended August 31, | |
| | Nine Months Ended May 31 2003 | Year 2003 | Year 2002 |
| | Over Year 2002 | Over 2002 | Over 2001 |
| Education services | (11.1)% | 1.4 % | 1.2 % |
| Public transit services | (31.5) | (8.5 ) | (0.8) |
| Healthcare transportation services | (23.1) | 2.8 | 3.0 |
| Emergency management services | (18.4) | 11.4 | 0.2 |
| Greyhound | (30.7) | (1.6 ) | (2.5) |
| Total | (21.4) | 1.1 | 0.3 |
| Restricted group | (18.3)% | 2.3 % | 1.3 % |
| Unrestricted group | (31.4) | (2.8 ) | (2.9) |
| Total | (21.4) | 1.1 | 0.3 |

***Three Months Ended November 30, 2003 Revenue Compared with the Predecessor Company Three Months Ended November 30, 2002***

Revenue in the education services segment was flat as the effect of lost business ($29.0 million of which the City of Boston contract comprised $14.2 million) was offset by new contracts ($8.4 million), price increases ($12.8 million), the strengthening of the Canadian currency relative to the U.S. dollar and some internal growth on existing contracts.

The 2.1% increase in the public transit services revenue was primarily attributable to additional routes and services and, to a lesser extent, price increases.

The 5.9% increase in revenue in the healthcare transportation services segment is due to fee increases and improved collections resulting in an increase in revenue per transport.

The 17.5% increase in the emergency management services segment was primarily due to new contracts that resulted in an increased number of visits, as well as an increase in the revenue per visit recorded through improved collections.

The 4.6% increase in revenue in the Greyhound segment is primarily attributable to an increase in Canadian-based revenue due to the strengthening of the Canadian currency relative to the U.S. dollar and, to a lesser extent, an increase in tour and charter revenue in Greyhound Lines due to new contracts.

The 4.7% increase in the restricted group revenue was primarily a result of the increase in revenue in the healthcare transportation services and emergency management services segments discussed above.

The 1.7% increase in the unrestricted group revenue was primarily a result of an increase in tour and charter revenue at Greyhound Lines due to new contracts.

***Three Months Ended August 31, 2003***

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Due to the seasonal nature of the education services revenue, the corresponding percentage of total revenue generated from this segment is historically lower in the last quarter of the fiscal year. The last fiscal quarter is historically Greyhound' s highest revenue quarter due to the summer travel schedule. Greyhound' s percentage of total revenue in the fourth quarter is therefore correspondingly higher.



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For each of the periods described below, revenue from geographic components are as follows ($ in millions):

| | Revenue For the Three Months Ended August 31, 2003 | |
|---|---|---|
| United States | $ 911.9 | 91.5 % |
| Canada | 85.2 | 8.5 |
| Total | $ 997.1 | 100.0% |

| | Revenue | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | For the Nine Months Ended May 31, 2003 | | For the Year Ended August 31, | | | | | |
| | | | 2003 | | 2002 | | 2001 | |
| United States | $ 3,215.8 | 92.3 % | $ 4,127.7 | 92.1 % | $ 4,089.9 | 92.3 % | $ 4,073.7 | 92.2 % |
| Canada | 269.9 | 7.7 | 355.1 | 7.9 | 342.2 | 7.7 | 344.6 | 7.8 |
| Total | $ 3,485.7 | 100.0% | $ 4,482.8 | 100.0% | $ 4,432.1 | 100.0% | $ 4,418.3 | 100.0% |

| | Percentage Increase (Decrease) | | |
|---|---|---|---|
| | Nine Months Ended May 31 2003 | For the Year Ended August 31, | |
| | Over Year 2002 | Year 2003 Over 2002 | Year 2002 Over 2001 |
| United States | (21.4)% | 0.9% | 0.4 % |
| Canada | (21.1) | 3.8 | (0.7) |
| Total | (21.4) | 1.1 | 0.3 |

Revenue is predominantly derived from the United States. Canadian based revenue for the three months ended August 31, 2003 was higher than historical levels due to the strengthening of the Canadian currency relative to the U.S. dollar and not an increase in Canadian activities.

***Comparison of the Predecessor Company Revenue for the Nine Months Ended May 31, 2003 to the Year Ended August 31, 2002***

Revenue in the nine months ended May 31, 2003 decreased to $3,485.7 million from $4,432.1 million in the year ended August 31, 2002 as it reflects an operating period that is three months shorter than the year ended August 31, 2002.

The Predecessor Company had no results of operations after the effective date of the Plan. Accordingly, there are three fewer months in the period, which prevents a meaningful comparison between the periods.

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***Combined Year Ended August 31, 2003 Revenue Compared with Year Ended August 31, 2002***

The combined consolidated financial results for the year ended August 31, 2003, which represents the consolidated financial results for the Predecessor Company for the nine months ended May 31, 2003 and the consolidated results for Laidlaw International for the three months ended August 31, 2003, are compared with the Predecessor Company' s results for the year ended August 31, 2002.

The net 1.4% increase in the revenue in the education services segment is primarily attributable to price increases which increased revenue approximately 2.4%, new business which increased revenue approximately 2.4%, additional routes which increased revenue approximately 0.3% and the strengthening of the Canadian dollar against the U.S. dollar which increased revenue approximately 0.5%. Offsetting these increases was the effect of business not retained by the education services segment which decreased revenue by 4.2%.



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The 8.5% decrease in revenue in the public transit services segment was due to the loss of contracts representing $56.3 million in revenues which were only partially offset by new contracts ($11.0 million) and price and service increases under certain existing contracts ($18.9 million). Many of the contract losses resulted from low price bidding from competitors and the segment' s refusal to submit marginally profitable bids.

The 2.8% increase in revenue in the healthcare transportation services segment is primarily due to improved collection and fee increases, resulting in an increase in the revenue per transport recorded.

The 11.4% increase in revenue in the emergency management services segment is primarily due to an increase in the revenue per visit recorded through a focus on improved documentation and improved collections. The segment also experienced an increase in the volume of visits during 2003 because of new contractual relationships.

The 1.6% decrease in revenue in the Greyhound segment was primarily due to the slow recovery of the travel services market and the discontinuation of the Golden State Transportation operations. The travel services market continues to be negatively impacted by the general malaise in the U.S. economy, the lingering effect of the war in Iraq and, in Canada, the effects of SARS on the Canadian travel industry. Golden State, a 51.4% owned subsidiary, ceased operations effective August 20, 2002 and filed a voluntary petition for bankruptcy on September 30, 2002. Revenue from Golden State was $27.6 million in 2002.

The 2.3% increase in revenue in the restricted group is primarily due to revenue increases in the healthcare transportation services and emergency management services segment as discussed above. Modest increases in Greyhound Canada and education services offset declines incurred in the public transit services segment.

The 2.8% decrease in revenue in the unrestricted group is primarily due to the slow recovery of the travel services market and the discontinuation of the Golden State operations. The travel services market continues to be negatively impacted by the general malaise in the U.S. economy and the lingering effect of the war in Iraq.

***Year Ended August 31, 2002 Revenue Compared with Year Ended August 31, 2001***

The 1.2% increased revenue in the education services segment is primarily attributable to price and volume growth. Contract price increases and additional routes more than offset contracts lost. Contracts lost during the year include contracts in Anchorage, Alaska; Indianapolis, Indiana and the voluntary exit from the contract in Baltimore, Maryland. The period was also affected by a weakening of the Canadian dollar against the U.S. dollar.

The slight decrease (less than 1%) in the public transit services revenue was primarily attributable to the loss of contracts, most of which occurred in late fiscal 2001 and consisted of mainly smaller clients. Additional routes and services and price increases mitigated the impact of the contract losses.

The increase in revenue in the healthcare transportation services segment is primarily due to an increase in revenue per transport and the renegotiation of a significant ambulance service contract. These increases were partially offset by a reduction in the number of transports provided due to the loss of retail business to other operators.

The 0.2% increase in the emergency management services segment was primarily due to the sale of previously written off accounts receivables offset by some contract terminations in early fiscal 2001.

The 2.5% decrease in revenue in Greyhound segment is primarily attributable to a decline in passengers, which was partially offset by increases in average revenue per passenger over the same period in fiscal 2001. The decline in passengers was due to reduced ridership and travel service cancellations because of the impact of September 11, 2001, the unrelated October 3, 2001 incident involving a Greyhound passenger, lower fuel costs (resulting in more people utilizing their automobiles rather than the services of Greyhound) and the general

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economic downturn. The increase in average revenue per passenger was due to a significant increase in the average trip length. We believe that the increase in trip length was a result of some airline passengers



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preferring to travel by bus rather than taking an airplane after September 11, 2001. The period was also affected by a weakening of the Canadian dollar against the U.S. dollar.

The 1.3% increase in revenue in the restricted group is primarily due to revenue increases in the healthcare transportation services segment as discussed above.

The 2.9% decrease in revenue in the unrestricted group is primarily attributable to a decline in passengers, which was partially offset by increases in average revenue per passenger over the same period in fiscal 2001. The decline in passengers and increase in average revenue per passenger was due to the reasons discussed above in the Greyhound segment.

**EBITDA**

EBITDA is presented solely as a supplemental disclosure with respect to liquidity because management believes it provides useful information regarding our ability to service or incur debt. EBITDA is not calculated the same way by all companies. We define EBITDA as income from continuing operations before interest, income taxes, depreciation, amortization, other income, gain on discharge of debt, fresh start accounting adjustments, other financing related expenses and cumulative effect of a change in accounting principles. EBITDA is not intended to represent cash flow for the period, is not presented as an alternative to operating income as an indicator of operating performance, should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP and is not indicative of operating income or cash flow from operations as determined under GAAP.

The following is a reconciliation of our EBITDA to the net income (loss) and net cash provided by (used in) operating activities, the GAAP measures management believes to be most directly comparable to EBITDA:

| | Three Months Ended | |
|---|---|---|
| | November 30, 2003 | November 30, 2002 |
| EBITDA | $ 150.2 | $ 132.1 |
| Depreciation and amortization | (80.7) | (76.4) |
| Interest expense | (32.7) | (6.5) |
| Other income | 0.9 | 1.5 |
| Other financing related expenses | – | (8.2) |
| Income tax expense | (15.1) | (1.5) |
| Income from continuing operations before cumulative effect of a change in accounting principle | 22.6 | 41.0 |
| Cumulative effect of a change in accounting principle | – | (2,205.4) |
| Net income (loss) | $ 22.6 | $ (2,164.4) |



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| | Three Months Ended | |
|---|---|---|
| | November 30, 2003 | November 30, 2002 |
| EBITDA | $ 150.2 | $ 132.1 |
| Cash paid for interest | (20.2) | (11.3) |
| Cash paid for other financing related expenses | (5.7) | (9.6) |
| Other income | 0.9 | 1.5 |
| Cash received (paid) for income taxes | 1.1 | (1.0) |
| Increase in claims liabilities and professional liability reserves | 5.8 | 28.7 |
| Cash used in financing other working capital items | (184.8) | (135.7) |
| Decrease (increase) in restricted cash and cash equivalents | 1.2 | (11.1) |
| Other | (0.1) | (1.7) |
| Net cash used in operating activities | $ (51.6) | $ (8.1) |

| | Three Months Ended August 31, | Nine Months Ended May 31, | Year Ended August 31, | | |
|---|---|---|---|---|---|
| | 2003 | 2003 | 2003 | 2002 | 2001 |
| EBITDA | $ 63.6 | $ 392.8 | $ 456.4 | $ 421.0 | $ 383.4 |
| Depreciation and amortization | (52.1) | (229.3) | (281.4) | (358.8) | (350.3) |
| Interest expense | (31.5) | (19.6) | (51.1) | (27.7) | (270.9) |
| Gain on discharge of debt | – | 1,482.8 | 1,482.8 | – | – |
| Other income | 0.1 | 15.0 | 15.1 | 15.3 | 9.3 |
| Fresh start accounting adjustments | – | (609.6) | (609.6) | – | – |
| Other financing related expenses | – | (35.0) | (35.0) | (44.7) | (63.8) |
| Income tax recovery (expense) | 10.0 | (4.5) | 5.5 | 9.8 | 45.8 |
| Income (loss) from continuing operations before cumulative effect of a change in accounting principle | (9.9) | 992.6 | 982.7 | 14.9 | (246.5) |
| Cumulative effect of a change in accounting principle | – | (2,205.4) | (2,205.4) | – | – |
| Net income (loss) from continuing operations | (9.9) | (1,212.8) | (1,222.7) | 14.9 | (246.5) |
| Income from discontinued operations | – | – | – | – | 1,672.4 |
| Net income (loss) | $ (9.9) | $ (1,212.8) | $ (1,222.7) | $ 14.9 | $ 1,425.9 |



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| | Three Months Ended August 31, | Nine Months Ended May 31, | Year Ended August 31, | | |
|---|---|---|---|---|---|
| | 2003 | 2003 | 2003 | 2002 | 2001 |
| EBITDA | $ 63.6 | $ 392.8 | $ 456.4 | $ 421.0 | $ 383.4 |
| Cash paid for interest | (12.3) | (25.0) | (37.3) | (31.9) | (30.4) |
| Cash paid for other financing related expenses | (15.2) | (23.4) | (38.6) | (38.7) | (58.4) |
| Other income | 0.1 | 15.0 | 15.1 | 15.3 | 2.7 |
| Cash received for income taxes | 8.3 | 4.4 | 12.7 | 10.4 | 51.0 |
| Increase in claims liabilities and professional liability reserves | 4.7 | 56.1 | 60.8 | 61.6 | 126.9 |
| Pension contribution per the PBGC Agreement | – | (50.0) | (50.0) | – | – |
| Increase in pension liability | 0.6 | 0.7 | 1.3 | – | – |
| Cash provided by (used in financing) other working capital items | 144.9 | (147.1) | (2.2) | 46.2 | (43.2) |
| Decrease (increase) in restricted cash and cash equivalents | (0.7) | 0.9 | 0.2 | (38.6) | 8.2 |
| Other | (7.0) | (15.9) | (22.9) | (11.5) | 7.5 |
| Net cash provided by operating activities | $ 187.0 | $ 208.5 | $ 395.5 | $ 433.8 | $ 447.7 |

EBITDA by segment and by restricted group and unrestricted group are as follows ($ in millions):

| | EBITDA For the Three Months Ended | | | | |
|---|---|---|---|---|---|
| | November 30, 2003 | | November 30, 2002 | | Percentage Increase (Decrease) |
| Education services | $ 109.5 | 72.9 % | $ 106.6 | 80.7 % | 2.7 % |
| Public transit services | 0.5 | 0.3 | (0.1) | (0.1) | NM |
| Healthcare transportation services | 19.0 | 12.6 | 19.1 | 14.4 | (0.5) |
| Emergency management services | 10.6 | 7.1 | 8.0 | 6.1 | 32.5 |
| Greyhound | 10.6 | 7.1 | (1.5) | (1.1) | NM |
| Total | $ 150.2 | 100.0% | $ 132.1 | 100.0% | 13.7 |
| Restricted group | $ 141.4 | 94.1 % | $ 131.3 | 99.4 % | 7.7 % |
| Unrestricted group | 8.8 | 5.9 | 0.8 | 0.6 | NM |
| Total | $ 150.2 | 100.0% | $ 132.1 | 100.0% | 13.7 |



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| | EBITDA For the Three Months Ended August 31, 2003 | |
|---|---|---|
| Education services | $ (21.7) | (34.1)% |
| Public transit services | 9.2 | 14.5 |
| Healthcare transportation services | 7.6 | 11.9 |
| Emergency management services | 7.3 | 11.5 |
| Greyhound | 61.2 | 96.2 |
| Total | $ 63.6 | 100.0% |
| Restricted group | $ 14.5 | 22.8 % |
| Unrestricted group | 49.1 | 77.2 |
| Total | $ 63.6 | 100.0% |

| | EBITDA | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | For the Nine Months Ended May 31, 2003 | | For the Year Ended August 31, | | | | | |
| | | | 2003 | | 2002 | | 2001 | |
| Education services | $ 302.0 | 76.9 % | $ 280.3 | 61.4 % | $ 272.7 | 64.8 % | $ 258.3 | 67.4 % |
| Public transit services | 7.3 | 1.8 | 16.5 | 3.6 | (1.7) | (0.4) | 11.6 | 3.0 |
| Healthcare transportation services | 55.8 | 14.2 | 63.4 | 13.9 | 76.0 | 18.1 | 23.2 | 6.1 |
| Emergency management services | 21.9 | 5.6 | 29.2 | 6.4 | 20.4 | 4.8 | 5.0 | 1.3 |
| Greyhound | 5.8 | 1.5 | 67.0 | 14.7 | 53.6 | 12.7 | 85.3 | 22.2 |
| Total | $ 392.8 | 100.0% | $ 456.4 | 100.0% | $ 421.0 | 100.0% | $ 383.4 | 100.0% |
| Restricted group | $ 391.9 | 99.8 % | $ 406.4 | 89.0 % | $ 354.2 | 84.1 % | $ 285.5 | 74.5 % |
| Unrestricted group | 0.9 | 0.2 | 50.0 | 11.0 | 66.8 | 15.9 | 97.9 | 25.5 |
| Total | $ 392.8 | 100.0% | $ 456.4 | 100.0% | $ 421.0 | 100.0% | $ 383.4 | 100.0% |

| | Percentage Increase (Decrease) | | |
|---|---|---|---|
| | For the Nine Months Ended May 31, 2003 | For the Year Ended August 31, | |
| | | Year 2003 | Year 2002 |
| | Over Year 2002 | Over 2002 | Over 2001 |
| Education services | 10.7 % | 2.8 % | 5.6 % |
| Public transit services | NM | NM | NM |
| Healthcare transportation services | (26.6) | (16.6) | 227.6 |

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| | | | |
|---|---|---|---|
| Emergency management services | 7.4 | 43.1 | 308.0 |
| Greyhound | (89.2) | 25.0 | (37.2) |
| Total | (6.7) | 8.4 | 9.8 |
| Restricted group | 10.6 % | 14.7 % | 24.1 % |
| Unrestricted group | (98.7) | (25.1) | (31.8) |
| Total | (6.7) | 8.4 | 9.8 |



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**Income from Operations Before Depreciation and Amortization**

The following is a discussion of factors affecting the income from operations before depreciation and amortization, of our business segments for the reported periods. Note 23 of the notes to the consolidated financial statements for the fiscal year ended August 31, 2003 and note 8 of the notes to the consolidated financial statements for the three months ended November 30, 2003 show income from operations before depreciation and amortization for each of our business segments.

***Three Months Ended November 30, 2003 Compared to Predecessor Company Three Months Ended November 30, 2002***

In the three months ended November 30, 2003, the income from operations before depreciation and amortization in the education services segment was $2.9 million higher than the three months ended November 30, 2002. Reduced accident claims costs and a strengthening of the Canadian currency relative to the U.S. dollar were the primary factors.

In the three months ended November 30, 2003, the income from operations before depreciation and amortization in the public transit services segment was $0.6 million higher than 2002. The contribution associated with increased revenue and lower accident claims costs were the primary reasons for the increase.

In the three months ended November 30, 2003, the income from operations before depreciation and amortization in the healthcare transportation services segment was $0.1 million lower than 2002, as the increase in revenue was offset by increased compensation expenses.

In the three months ended November 30, 2003, the income from operations before depreciation and amortization in the emergency management services segment increased $2.6 million from 2002. The increase was primarily due to the contribution from the increased revenue.

In the three months ended November 30, 2003, the income from operations before depreciation and amortization in the Greyhound segment was $12.1 million higher than the three months ended November 30, 2002. The increase is principally the result of significant cost reductions at Greyhound Lines due to reduced miles operated and head count reductions as well as contributions from revenue increases.

In the three months ended November 30, 2003, the income from operations before depreciation and amortization in the restricted group was $10.1 million higher than the three months ended November 30, 2002 due to improvements in all segments as discussed above.

In the three months ended November 30, 2003, the income from operations before depreciation and amortization in the unrestricted group was $8.0 million higher than the three months ended November 30, 2002 due to cost reduction initiatives taken at Greyhound Lines.

***Three Months Ended August 31, 2003***

Income from operations before depreciation and amortization for the three months ended August 31, 2003 is historically lower than the other quarters due to the seasonality of the education services segment revenue as discussed previously. While revenue declines significantly, many of the corresponding expenses including general and administrative salaries, occupancy costs and vehicle related costs are incurred fairly evenly throughout the year.

The public transit services segment' s fourth quarter income from operations before depreciation and amortization benefited from a reduction in the actuarial estimate of the cost to settle prior year insurance claims and is unusually high. The healthcare transportation services segment' s fourth quarter income from operations before depreciation and amortization was lower due to an increase in the actuarial estimate of the cost to settle prior years insurance claims.

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Greyhound' s fourth quarter income from operations before depreciation and amortization is historically strong due to the seasonality of its revenue as previously discussed.



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***Comparison of the Predecessor Company Income from Operations Before Depreciation and Amortization for the Nine Months Ended May 31, 2003 to the Year Ended August 31, 2002***

Income from operations before depreciation and amortization in the period September 1, 2002 through May 31, 2003 decreased to $392.8 million from $421.0 million in the year ended August 31, 2002 as it reflects an operating period that is three months shorter than the year ended August 31, 2002. In addition, the decrease is partially offset by virtue of the seasonality of the fourth quarter, which is historically the lowest income from operations before depreciation and amortization quarter.

***Combined Year Ended August 31, 2003 Compared with Year Ended August 31, 2002***

The combined consolidated financial results for the year ended August 31, 2003, which represents the consolidated financial results for the Predecessor Company for the nine months ended May 31, 2003 and the consolidated results for Laidlaw International for the three months ended August 31, 2003, are compared with the Predecessor Company' s results for the year ended August 31, 2002. As noted above, these periods are not necessarily comparable.

In the year ended August 31, 2003, the increase of $7.6 million in income from operations before depreciation and amortization in the education services segment over the year ended August 31, 2002 was principally due to lower recruiting and training expenses of $1.0 million, lower legal and other administrative expenses of $1.7 million, and other reduced operating expenses of $4.0 million, including the absence of one-time charges incurred in the prior year relating to the exit of certain contracts in Alaska.

In the year ended August 31, 2003, the income from operations before depreciation and amortization in the public transit services segment increased $18.2 million over the year ended August 31, 2002. This increase was the result of a significant decline in accident claims costs of approximately $22.5 million. The segment also experienced an increase in health and welfare benefit costs ($1.9 million), primarily driven by increased cost of medical coverage for employees and a reduction in contribution due to the revenue decline.

In the year ended August 31, 2003, the income from operations before depreciation and amortization in the healthcare transportation services segment decreased $12.6 million from the year ended August 31, 2002. The decrease in the profit margins is primarily due to increased accident claims costs, increased wages, and an increase in health and welfare benefits. The increase in accident claims costs of $31.1 million was primarily a result of an increase of approximately $17.1 million in the actuarial estimate of the costs required to settle prior years' accident claims (predominantly workers compensation). These expense increases were partially offset by an increase in the revenue per transport.

In the year ended August 31, 2003, the income from operations before depreciation and amortization in the emergency management services segment was $8.8 million higher than the year ended August 31, 2002 due primarily to an increase in revenue per visit. The increase in revenue per visit was offset by an increase in physician wages and malpractice claims costs.

In the year ended August 31, 2003, the income from operations before depreciation and amortization in the Greyhound segment increased $13.4 million over the year ended August 31, 2002. The increase was primarily due to unusually high accident claims costs in the prior year. Accident claims costs declined $38.5 million over the prior year. Offsetting this somewhat was a reduction in ridership in both the core line haul business and the travel and charter business as well as increased fuel prices. Fuel costs, which can normally be passed through to the customer by raising ticket prices, have been absorbed by the segment because of the continued weakness in the travel industry.

In the year ended August 31, 2003, the income from operations before depreciation and amortization in the restricted group was $52.2 million higher than the year ended August 31, 2002 primarily as a result of the public transit services segment ($22.5 million) and the unusually high accident claims costs in the prior year related to adverse developments on pre-September 1, 2001 Greyhound Lines, Inc. claims that we insured, subject to a low deductible policy ($36.5 million).

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In the year ended August 31, 2003, the income from operations before depreciation and amortization in the unrestricted group decreased $16.8 million from the year ended August 31, 2002. The decrease was primarily due to reduction in ridership in both the core line haul business and the travel and charter business as well as increased fuel prices. Fuel costs, which can normally be passed through to the customer by raising ticket prices, have been absorbed by the unrestricted group because of the continued weakness in the travel industry.

***Year Ended August 31, 2002 Compared to Year Ended August 31, 2001***

In fiscal 2002, the income from operations before depreciation and amortization in the education services segment was $14.4 million higher than 2001. Price increases, reduced fuel prices and reduced accident claims costs ($5.5 million) more than offset the increases in wages and benefits experienced throughout the segment.

In fiscal 2002, the income from operations before depreciation and amortization in the public transit services segment was $13.3 million lower than 2001. Increases in wage costs associated with driver shortages and benefits, increased costs of medical coverage for employees of over 20% and higher accident claims costs ($7.6 million) were the primary reasons for the decline. Lower fuel prices partially offset the declines.

In fiscal 2002, the income from operations before depreciation and amortization in the healthcare transportation services segment was $52.8 million higher than 2001. The increase is due to reduced accident claims costs of $35.8 million, an increase in revenue per transport as a result of an improvement in cash collections and a reduction in a significant charge taken during fiscal 2001. In fiscal 2001, a provision of $19.5 million was recorded for the settlement of government audits of the unit' s Medicare and Medicaid reimbursement claims. In fiscal 2002, an additional provision of $3.5 million was recorded for settlement of government audits of the unit' s Medicare and Medicaid reimbursement claims. These items were partially offset by an increase in paramedic wages to remain competitive in a labor market experiencing low unemployment rates.

In fiscal 2002, the income from operations before depreciation and amortization in the emergency management services segment increased $15.4 million from 2001. The increase was primarily due to a one time benefit of $4 million from the sale of an old account receivable and a reduction in a significant charge taken during 2001. In fiscal 2001, a provision of $17 million was recorded for the estimated exposure at that time on the Predecessor Company' s preferential liability insurance with PHICO. PHICO was placed into liquidation by the Insurance Commissioner of the Commonwealth of Pennsylvania on February 1, 2002, leaving the Predecessor Company exposed for amounts not covered by the insurance guarantee funds provided by the respective states the professional liability claims originated. In fiscal 2002, an additional $5 million provision was recorded for the estimated exposure on the Predecessor Company' s professional liability insurance with PHICO. These items were partially offset by an increase in physician wages and increased professional liability costs.

In fiscal 2002, the income from operations before depreciation and amortization in the Greyhound segment was $31.7 million lower than 2001. Accident claims costs increased by $21.4 million primarily due to an increase in actuarial estimates of costs to settle prior years' accident claims. In addition, reduced ridership, an increase in the proportion of revenue derived from long haul ticket sales, increased security costs and the write-off of the Golden State investment also contributed to the decline. The decrease in overall ridership is because of the impact of September 11, 2001, the unrelated October 3, 2001 incident involving a Greyhound passenger, lower fuel prices and the general economic downturn. The increase in proportion of revenue derived from long haul ticket sales is the result of some airline passengers preferring to travel by bus rather than taking an airplane after September 11, 2001. Security costs have also increased in response to the September 11 and October 3, 2001 incidents.

In fiscal 2002, the income from operations before depreciation and amortization in the restricted group increased $68.7 million from 2001. The increase was principally due to an increase in the healthcare transportation services segment of $52.8 million and an increase of $15.4 million in the emergency management services segment as discussed above.



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In fiscal 2002, the income from operations before depreciation and amortization in the unrestricted group was $31.1 million lower than 2001 principally due to the reasons discussed above in the Greyhound segment.

**Depreciation Expense**

Depreciation expense for the three months ended November 30, 2003 was basically unchanged from the three months ended November 30, 2002, reflecting a $1.6 million increase in depreciation for the restricted group and a $1.7 million decrease in depreciation for the unrestricted group.

Depreciation expense for the three months ended August 31, 2003 was $47.7 million or 4.8% of revenue. Depreciation expense is historically lower in the last fiscal quarter of the year due to education services driving fewer miles during the summer period. The fresh start adjustment to fixed assets also resulted in reduced depreciation expense. See note 2 of the notes to the consolidated financial statements for the fiscal year ended August 31, 2003 included elsewhere in this prospectus.

Depreciation expense for the Predecessor Company for the nine months ended May 31, 2003 was $228.4 million, or 6.6% of revenue, compared to $270.6 million, or 6.1% of revenue, for the year ended August 31, 2002 as it reflects an operating period that is three months shorter than the year ended August 31, 2002.

Depreciation expense for the combined year ended August 31, 2003 was $276.1 million, $5.5 million higher than the year ended August 31, 2002 (of which $0.5 million of the increase was attributable to the unrestricted group) due to equipment purchases (mostly vehicles) during the year that were more expensive than the original cost of the equipment being replaced.

Similarly, depreciation expense for the year ended August 31, 2002 increased $9.5 million to $270.6 from the year ended August 31, 2001, of which $5.5 million of the increase was attributable to the unrestricted group. The increase was due to equipment purchases, largely vehicles, during fiscal 2002 that were more expensive than the original cost of the equipment being retired. As a result, depreciation expense increased.

**Amortization Expense**

Amortization expense for the three months ended November 30, 2003 increased $4.4 million to $4.6 million from $0.2 million due to the amortization of contract values and customer relationships that were established at fresh start. No amortization related to the unrestricted group.

Amortization expense in the three months ended August 31, 2003 was $4.4 million and was primarily the amortization of contracts and customer relationships recorded as fresh start adjustments.

Amortization expense for the Predecessor Company for the nine months ended May 31, 2003 was $0.9 million compared to $88.2 million in the year ended August 31, 2002. The decrease is a result of goodwill no longer being amortized. Instead, it is tested for impairment on at least an annual basis. This change in policy is due to new accounting rules implemented on September 1, 2002. See "− Cumulative Effect of Change in Accounting Principle." The amount of amortization expense relating to goodwill recorded during the year ended August 31, 2002 totaled $87.1 million.

Amortization expense for the combined year ended August 31, 2003 decreased $82.9 million (of which $12.0 million was attributable to the unrestricted group) to $5.3 million from $88.2 million in the year ended August 31, 2002 for the same reason described above.

Amortization expense for the Predecessor Company for the year ended August 31, 2002 decreased slightly to $88.2 million from $89.2 million in fiscal 2001.

**Interest Expense**

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In the three months ended November 30, 2003, interest expense increased to $32.7 million from $6.5 million in the three months ended November 30, 2002. The increase is primarily due to interest incurred



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on long-term debt associated with our senior secured credit facility and the notes. No interest expense was incurred on prepetition debt for the three months ended November 30, 2002. Interest expense for the unrestricted group increased $1.7 million, reflecting a higher effective interest rate on borrowings as a result of discounts on long-term debt recorded as fair value adjustments at fresh start.

Interest expense for the three months ended August 31, 2003 was $31.5 million and reflects interest charges on our $825.0 million senior secured credit facility, the notes and the Greyhound Facility.

If the senior secured credit facility and the notes had been outstanding for the full three months, additional interest expense of approximately $2.8 million would have been incurred.

Interest expense for the Predecessor Company for the nine months ended May 31, 2003 was $19.6 million compared to $27.7 million for the year ended August 31, 2002 as it reflects an operating period that is three months shorter. The $27.7 million of interest expense incurred in fiscal 2002 reflected a full year of interest on the Greyhound Facility and small amounts of interest bearing debt at the subsidiary level.

In the combined year ended August 31, 2003, interest expense increased to $51.1 million from $27.7 million in the year ended August 31, 2002. The increase is primarily due to interest incurred on long-term debt associated with our senior secured credit facility and the notes and a $0.6 million increase in interest expense for the unrestricted group due to slightly higher levels of borrowings. No interest expense was incurred on prepetition debt of the debtors for the nine months ended May 31, 2003 and for the year ended August 31, 2002. The total interest on prepetition debt that was not incurred during fiscal 2003 was approximately $214.1 million, compared to $274.2 million for fiscal 2002.

In fiscal 2002, interest expense decreased by 89.8% to $27.7 million from $270.9 million in 2001. No interest expense was accrued on prepetition debt of the Predecessor Company and the other debtors for fiscal 2002 and after June 28, 2001 for fiscal 2001. The total interest on prepetition debt that was not accrued during 2002 was approximately $274.2 million, compared to $50.3 million in fiscal 2001. Including this interest, total interest expense for fiscal 2002 would have been approximately $301.9 million, representing a 6.0% decrease from $321.2 million for the prior period. The majority of this decrease was due to a decrease in the cost of borrowing as a result of prevailing interest rates. Interest expense for the unrestricted group increased $0.5 million during fiscal 2002 due to slightly higher borrowing levels.

**Gain on Discharge of Debt**

As is more fully discussed in note 1 of the notes to the consolidated financial statements for the fiscal year ended August 31, 2003, as part of the reorganization and emergence from chapter 11, liabilities subject to compromise of the Predecessor Company in the amount of $3,977.1 million were discharged. As satisfaction of the liabilities subject to compromise, the Predecessor Company' s creditors received $1,185.0 million in cash and 100 million shares of Laidlaw International common stock with a value of $1,309.3 million. The resulting $1,482.8 million gain on discharge of debt has been recorded in the consolidated statement of operations for the period from September 1, 2002 through May 31, 2003. The gain on discharge of debt related only to the restricted group.

**Fresh Start Accounting Adjustments**

We applied fresh start accounting pursuant to the guidance provided by SOP 90-7. For financial reporting purposes, the effective date of the Plan was considered to be June 1, 2003. In accordance with the principles of fresh start accounting, we have adjusted our assets and liabilities to their estimated fair values as of June 1, 2003 with the excess of the reorganization value over the fair value of our tangible and identifiable intangible assets and liabilities reported as goodwill in the consolidated balance sheets. The net effect of all fresh start accounting adjustments resulted in a loss of $609.6 million, which is reflected in the Predecessor Company' s results for the period from September 1, 2002 through May 31, 2003. The restricted group' s loss as a result of the fresh start accounting adjustment was $514.8 million and the unrestricted group' s loss was $94.8 million.



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**Other Financing Related Expenses**

For the three months ended November 30, 2003, there were no other financing related expenses as all expenses were incurred prior to the reorganization.

Other financing related expenses for the Predecessor Company for the three months ended November 30, 2002 were $8.2 million (of which none was attributable to the unrestricted group). Other financing related expenses principally represent professional fees and other costs incurred by the Predecessor Company. The professional fees and other costs include financing, accounting, legal and consulting services incurred during the reorganization process.

For the three months ended August 31, 2003, there were no other financing related expenses as all such expenses were incurred prior to the reorganization. See note 16 of the notes to the consolidated financial statements for the fiscal year ended August 31, 2003 included elsewhere in this prospectus.

Other financing related expenses for the Predecessor Company for the nine months ended May 31, 2003 were $35.0 million (of which none was attributable to the unrestricted group) compared to $44.7 million for the year ended August 31, 2002. Other financing related expenses principally represent professional fees and other costs incurred by the Predecessor Company. The professional fees and other costs include financing, accounting, legal and consulting services incurred during the reorganization process.

During the year ended August 31, 2002, professional fees and other costs decreased $19.1 million (of which $0.9 million of the decrease was attributable to the unrestricted group) to $44.7 million from $63.8 million in the year ended August 31, 2001. This decrease was a result of higher fees incurred in fiscal 2001 associated with the reorganization.

**Other Income**

Other income was $0.9 million in the three months ended November 30, 2003, relatively unchanged from the $1.5 million in the three months ended November 30, 2002.

Other income was $0.1 million in the three months ended August 31, 2003.

Other income for the Predecessor Company for the nine months ended May 31, 2003 was $15.0 million compared to $15.3 million for the year ended August 31, 2002. The amount was proportionately higher because of $12.5 million relating to the settlement of certain Predecessor Company legal claims, partially offset by lower returns in the Predecessor Company' s investment portfolios.

Other income for the combined year ended August 31, 2003 was $15.1 million, down slightly from $15.3 million in the year ended August 31, 2002, reflecting a $1.3 million reduction in other income from the unrestricted group due to lower gains on sales of investments.

In fiscal 2002, other income increased $6.0 million (of which $3.3 million was attributable to the unrestricted group) to $15.3 million from $9.3 million in fiscal 2001. Fiscal 2001 included a $6.6 million loss realized on the sale of certain investments and $9.5 million of refund interest recorded as part of Irish tax refunds. Excluding these items, the prior year income of $6.4 million increased to $15.3 million because of $4.2 million received for various notes receivable previously written off and the reversal of $6.0 million in contingency accruals no longer required. Partially offsetting these amounts were lower returns experienced on the Predecessor Company' s investment portfolio.

**Cumulative Effect of a Change in Accounting Principle**

Effective September 1, 2002, we adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangibles," or SFAS 142, and, as a result, we ceased to amortize goodwill. SFAS 142 requires that goodwill be reviewed for impairment upon adoption of SFAS 142 and at least annually thereafter. Under SFAS 142, goodwill impairment is deemed to exist if the carrying value of a reporting unit exceeds its estimated fair value and the carrying amount of the goodwill exceeds its estimated fair value. To

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determine estimated fair value of the reporting units, we utilized independent valuations of the underlying businesses.

On adoption, we completed the transitional impairment assessment as required by SFAS 142 and determined that the carrying value of certain of our operations exceeded their fair value. As a result, we recorded a non-cash charge of $2,205.4 million on September 1, 2002 as a cumulative effect of a change in accounting principle. The restricted group recorded a loss of $1,775.9 million and the unrestricted group recorded a loss of $429.5 million.

**Income Tax Expense**

Income tax expense for the three months ended November 30, 2003 was $15.1 million compared to $1.5 million in the three months ended November 30, 2002. Tax expense in the prior period only represented estimated cash taxes as the Predecessor Company had established a full valuation allowance against its net deferred tax assets. Of the $15.1 million provided in the three months ended November 30, 2003, $1.0 million represents cash taxes payable and the balance reflects the utilization of deferred tax assets.

Income tax expense for the three months ended August 31, 2003 was a $10.0 million recovery, reflecting a recovery on the net loss before tax incurred.

For the Predecessor Company for the nine months ended May 31, 2003, income tax expense was $4.5 million compared to a recovery of $9.8 million in the year ended August 31, 2002. The increase was a result of the Predecessor Company reducing reserves in 2002 that were previously set up regarding U.S. Internal Revenue Services, or the IRS, audits because the IRS filed an amended claim in the Predecessor Company' s restructuring proceedings that was less than the previous claim filed.

Income tax for the combined year ended August 31, 2003 was a $5.5 million recovery compared to a recovery of $9.8 million in the fiscal year ended August 31, 2002 for the same reason noted previously.

During fiscal 2001, the Predecessor Company recorded $60.0 million in income tax refunds previously not recognized relating to its Irish subsidiary. The refunds are a result of intercompany loan losses taken in that subsidiary.

See also note 17 of the notes to the consolidated financial statements for the fiscal year ended August 31, 2003.

**Income From Discontinued Operations**

*Healthcare Businesses.* During fiscal 2001, the Predecessor Company concluded that the previously announced disposal of the healthcare businesses was no longer in the best interests of its stakeholders. The healthcare businesses were therefore reinstated as continuing operations in fiscal 2001.

As a result of recontinuing the healthcare businesses in fiscal 2001, the Predecessor Company reversed the remaining provision for loss on sale of discontinued operations. This reversal totaled $1,927.6 million, or $5.91 per share, in fiscal 2001.

*Safety-Kleen Corp.* The Predecessor Company owned 44% of the common shares of Safety-Kleen. On June 9, 2000, Safety-Kleen announced that it and 73 of its U.S. subsidiaries filed voluntary petitions for chapter 11 relief in the United States Bankruptcy Court for the District of Delaware.

During fiscal 2001, the Predecessor Company abandoned its investment in Safety-Kleen. As a result, a charge of $255.2 million was recorded in discontinued operations to reflect the impairment charge and other losses on the Safety-Kleen investment.

There was no income from discontinued operations for the unrestricted group in each of the periods.



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**Net Income (Loss) and Earnings (Loss) Per Share**

For the three months ended November 30, 2003, the net income was $22.6 million or $0.23 per share. The weighted average number of common shares was 100.0 million.

The net loss of the Predecessor Company was $(2,164.4) million or $(6.64) per share for the three months ended November 30, 2002. The weighted average number of common shares of the Predecessor Company for the period was 325.9 million.

For the three months ended August 31, 2003, the net loss was $9.9 million or $0.10 per share. The weighted average number of common shares was 100.0 million.

The net loss of the Predecessor Company was $1,212.8 million or $3.72 per share for the nine months ended May 31, 2003. Net income was $14.9 million or $0.05 per share and $1,425.9 million or $4.37 per share for the years ended August 31, 2002 and 2001, respectively. The weighted average number of common shares of the Predecessor Company for each of the periods was 325.9 million. The net loss of the unrestricted group was $555.0 million for the year ended August 31, 2003. Net income (loss) was ($12.1) million and $19.2 million for the years ended August 31, 2002 and 2001, respectively.

**Financial Condition**

As of August 31, 2003 and August 31, 2002, our capital consisted of ($ in millions):

| | | | Predecessor Company | | |
|---|---|---|---|---|---|
| | August 31, 2003 | | August 31, 2002 | | Change |
| Long-term debt (including the current portion) | $ 1,214.5 | 44.5 % | $ 224.7 | 4.3 % | $ 989.8 |
| Pension liability | 225.7 | 8.3 | 64.8 | 1.2 | 160.9 |
| Liabilities subject to compromise | – | – | 3,977.1 | 76.2 | (3,977.1) |
| Shareholders' equity | 1,290.3 | 47.2 | 954.1 | 18.3 | 336.2 |
| | $ 2,730.5 | 100.0% | $ 5,220.7 | 100.0% | $ (2,490.2) |

As a part of our emergence from chapter 11, we entered into a senior secured credit facility of $825 million and issued the outstanding notes of $406 million. Approximately $1.0 billion of this financing was used to fund a portion of the distributions to the debtors' creditors.

The $989.8 million increase in long-term debt is primarily a result of borrowings associated with the senior secured credit facility and the outstanding notes.

The $160.9 million increase in the pension liability is primarily due to the increased actuarial deficit in the pension plans, of which $156.0 million of the increase is attributable to the unrestricted group.

The decrease in the liabilities subject to compromise is a result of the discharge of those liabilities by the U.S. Bankruptcy Court.

Shareholders' equity increased by $336.2 million as a result of the distribution of new common shares, a reversal of previous deficits, share capital and accumulated other comprehensive losses, offset by the comprehensive loss in the year and a $448.9 million net loss in the unrestricted group.

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As of August 31, 2003 and August 31, 2002, the capital of the restricted group consisted of ($ in millions):

| | August 31, 2003 | | Predecessor Company August 31, 2002 | | Change |
|---|---|---|---|---|---|
| Long-term debt (including the current portion) | $ 1,048.2 | 45.6 % | $ 39.6 | 0.9 % | $ 1,008.6 |
| Pension liability | 4.9 | 0.2 | – | – | 4.9 |
| Liabilities subject to compromise | – | – | 3,977.1 | 88.9 | (3,977.1) |
| Shareholders' equity* | 1,243.9 | 54.2 | 458.8 | 10.2 | 785.1 |
| | $ 2,297.0 | 100.0% | $ 4,475.5 | 100.0% | $ (2,178.5) |

* including intercompany balances

As of August 31, 2003 and August 31, 2002, the capital of the unrestricted group consisted of ($ in millions):

| | August 31, 2003 | | Predecessor Company August 31, 2002 | | Change |
|---|---|---|---|---|---|
| Long-term debt (including the current portion) | $ 166.3 | 38.4 % | $ 185.1 | 24.8 % | $ (18.8 ) |
| Pension liability | 220.8 | 50.9 | 64.8 | 8.7 | 156.0 |
| Liabilities subject to compromise | – | – | – | – | – |
| Shareholders' equity* | 46.4 | 10.7 | 495.3 | 66.5 | (448.9) |
| | $ 433.5 | 100.0% | $ 745.2 | 100.0% | $ (311.7) |

* including intercompany balances

**Liquidity and Capital Resources**

*Three Months Ended November 30, 2003.* For the three months ended November 30, 2003, cash used in operating activities was $51.6 million (of which $1.8 million was attributable to the unrestricted group) compared to $8.1 million in the three months ended November 30, 2002. The increase in cash used in operating activities of $43.5 million is primarily a result of the increase in cash used to finance working capital of $34.4 million, principally associated with increased accounts receivable in both the healthcare transportation and emergency management services segments as a result of revenue growth.

Net expenditures for the purchase of capital assets for normal replacement requirements and increases in service decreased to $39.3 million in the three months ended November 30, 2003 from $67.6 million for the three months ended November 30, 2002. This decrease is primarily a result of curtailed capital spending. No portion of the purchases of capital assets for the reported periods were financed by notes payable, operating leases and/or capital leases.

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We require significant cash flows to finance capital expenditures and to meet our debt service and other continuing obligations. Although we will continue to be substantially leveraged, we believe that borrowings under the revolving credit facility of the senior secured credit facility, together with existing cash and cash flow from operations, will be sufficient to fund our anticipated capital expenditures and working capital requirements for the foreseeable future, including payment obligations under our indebtedness and other commitments described below.

*Three Years Ended August 31, 2003.* For the three months ended August 31, 2003, cash provided from operating activities was $187.0 million. This is primarily a result of cash provided by working capital items.



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Accounts receivable in the education services segment typically decline in the fourth quarter due to the seasonality of the revenue contracts.

Cash provided by operating activities decreased by $38.3 million to $395.5 million in the combined year ended August 31, 2003, primarily due to the $50.0 million contribution pursuant to the PBGC Agreement. In the year ended August 31, 2002, cash provided by continuing operating activities totalled $433.8 million, of which $116.7 million was attributable to the unrestricted group.

Cash and cash equivalents were $100.3 million, $23.4 million and $343.5 million at August 31, 2003, June 1, 2003 and August 31, 2002 respectively, of which $45.2 million, $15.9 million and $19.7 million were attributable to the unrestricted group.

Since August 31, 2002, working capital, excluding the current portion of long-term debt, has decreased by $180.2 million to $322.6 million at August 31, 2003. This decrease is primarily a result of the disbursement of cash of over $200 million, net of new financing received, associated with our emergence from chapter 11.

The $81.4 million of the restricted cash and cash equivalents and short-term deposits and marketable securities are assets of our wholly owned insurance subsidiaries in the restricted group and are used to support our self-insurance program. If these amounts are withdrawn from the subsidiaries, they would have to be replaced by other suitable financial assurances.

***Pension Plan Funding Requirements***

In connection with our bankruptcy reorganization, we have agreed with the PBGC to the economic terms relating to claims asserted by them against us regarding the funding levels of the Greyhound Lines Plans. Under the PBGC Agreement, upon the consummation of the Plan on June 23, 2003, we and our subsidiaries contributed $50 million in cash to the Greyhound Lines Plans and issued approximately 3.8 million shares of our common stock equal in value to $50 million to a trust, or Pension Plan Trust. Further, we will contribute an additional $50 million in cash to the Greyhound U.S. Plans in June 2004.

The trustee of the Pension Plan Trust will sell the common stock at our direction as soon as practicable, but in no event later than December 31, 2004. All proceeds from the common stock sales will be contributed directly to the Greyhound Lines Plans. If the proceeds from the common stock sales exceed $50 million, the excess amount may be credited against any future required minimum funding obligations of the Laidlaw group, but will not reduce the June 2004 required contribution under the PBGC Agreement. If the proceeds from the common stock sales are less than $50 million, we will be required to contribute the amount of the shortfall in cash to the pension plans in December 2004. Further, as discussed above, we will contribute an additional $50 million in cash to the pension plans in June 2004. These contributions and transfers will be in addition to the minimum funding obligations to the pensions plans, if any, required under current regulations. The PBGC has a second priority lien on the assets of some of our operating subsidiaries (other than Greyhound Lines). At August 31, 2003, all 3.8 million shares of our common stock remained in the Pension Plan Trust. Based upon the closing price of the common stock on the over the counter market, the shares had an aggregate market value of $51.9 million at January 16, 2004.

The ATU Plan represents approximately 75% of the total plan assets and benefit obligation as at August 31, 2003. Based upon current regulations and plan asset values at August 31, 2003, and assuming annual investment returns exceed 3% and that the contributions required under the PBGC Agreement are made along the timeframe outlined above, we do not anticipate any significant additional minimum funding requirements for the ATU Plan over the next several years. However, there is no assurance that the ATU Plan will be able to earn the assumed rate of return, that new regulations may prescribe changes in actuarial mortality tables and discount rates, or that there will be market driven changes in the discount rates, which would result in our being required to make significant additional minimum funding contributions in the future.

See also note 11 of the notes to the consolidated financial statements for the fiscal year ended August 31, 2003 included elsewhere in this prospectus.



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***Senior Secured Credit Facility; Senior Notes***

Upon our emergence from chapter 11, in June 2003, we established a $825.0 million senior secured credit facility. This facility consists of a $625.0 million Term B facility, or the Term B Facility, due June 2009 ($100.0 million of the proceeds from the Term B Facility is cash collateral for a $100.0 million letters of credit facility) and a $200.0 million senior secured revolving credit facility, or the Revolver, due June 2008. The Term B Facility provides for mandatory $6.25 million quarterly principal repayments beginning June 2003 through March 2008 followed by four $125.0 million quarterly installments. The Term B Facility and the Revolver are guaranteed, for the U.S. dollar borrowings, by us and all of our U.S. subsidiaries, except Greyhound Lines and any of our subsidiaries that are in the business of insurance and for the Canadian dollar borrowings, by the guarantors of the U.S. dollar borrowings and the Canadian subsidiaries (except subsidiaries incorporated under the laws of British Columbia). The Term B Facility and the Revolver are secured, on a senior secured basis, by our assets and the assets of all of our subsidiaries except Greyhound Lines and any of our subsidiaries that are in the business of insurance.

In December 2003, we amended the terms of our outstanding Term B advances under the senior secured credit facility. The amendment, among other things, reduced the interest rate on loans outstanding to LIBOR plus 375 basis points, down 125 basis points from LIBOR plus 500 basis points. Additionally, the LIBOR floor on minimum base rate was reduced to 1.75 percent, down from the previous floor of 2.0 percent. In addition, the lenders received a one-year, one percent call premium. In January 2004, we amended the senior secured credit facility to clarify, among other things, that an event of default under the senior secured credit facility would not occur solely from a bankruptcy filing by Greyhound Lines under any circumstance.

The Revolver, with a $35.0 million letter of credit sub-facility and a $35 million sub-limit for Canadian dollar borrowings and Canadian dollar letters of credit for use by our Canadian subsidiaries, was established to fund our working capital and letter of credit needs. As at November 30, 2003, $93.1 million was drawn on the Revolver for cash borrowings, $20.7 million for the issuance of letters of credit and $73.2 million was reserved for guarantee obligations on Greyhound vehicle leases, leaving the availability of $13.0 million.

Under the terms of the senior secured credit facility, we are required to meet certain financial covenants, including a fixed charge coverage ratio, leverage ratio, interest coverage ratio, net tangible asset ratio and maximum senior secured leverage ratio as well as certain non-financial covenants. As of November 30, 2003, we were in compliance with all such covenants.

For further information about the senior secured credit facility, see “Description of Other Indebtedness − Senior Secured Credit Facility.”

In addition, in connection with our emergence from chapter 11 in June 2003, we issued $406.0 million aggregate principal amount of 10 3/4% senior notes due 2011 at a discount for net proceeds of approximately $389.0 million. The notes bear interest at a rate of 10 3/4% payable semi-annually beginning on December 15, 2003 and are unsecured. We may redeem some or all of the notes at any time after June 15, 2007. The notes are guaranteed by our subsidiaries other than Greyhound Lines, our Canadian subsidiaries and any of our subsidiaries that are in the business of insurance. See “Description of the Exchange Notes.”

***The Greyhound Facility***

In October 2000, Greyhound Lines, Inc. entered into a revolving credit facility to fund working capital needs and for general corporate purposes. On May 14, 2003, Greyhound Lines, Inc. entered into an amended and restated revolving credit facility superceding the previous facility. Letters of credit or borrowings are available under the Greyhound Facility based upon the total of 80% of the appraised wholesale value of bus collateral, plus 65% of the quick sale value of certain real property collateral, minus $20 million (which at August 31, 2003, aggregated to $113.8 million), subject to a maximum of $125.0 million, inclusive of a $70.0 million letter of credit sub-facility. Borrowings under the Greyhound Facility are available at a rate equal to Wells Fargo Bank’ s prime rate plus 1.5% per annum or LIBOR plus 3.5% per annum as selected by Greyhound Lines, Inc. Letter of credit fees are 3.5% per annum. Borrowings under the Greyhound Facility mature on October 24, 2004. The Greyhound Facility is secured by liens on substantially all of the assets of

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Greyhound Lines, Inc. and the stock and assets of certain of its subsidiaries. The Greyhound Facility is subject to certain affirmative and negative operating and financial covenants, including maximum total debt to cash flow ratio; minimum cash flow to interest expense ratio; minimum cash flow; limitation on non-bus capital expenditures; limitations on additional liens, indebtedness, guarantees, asset disposals, advances, investment and loans; and restrictions on the redemption or retirement of certain subordinated indebtedness of equity interest, payment of dividends and transactions with affiliates, including Laidlaw International.

Based upon Greyhound Lines, Inc.' s current financial forecast, management is unable to predict with reasonable assurance whether Greyhound Lines, Inc. will remain in compliance with the terms of the Greyhound Facility. Management is closely monitoring this situation and intends on requesting covenant amendments should it appear likely such amendments will be necessary to remain in compliance with the covenants. In addition, Greyhound Lines, Inc. will be seeking an extension of this facility prior to its current maturity. Although Greyhound Lines, Inc. has been successful in obtaining necessary amendments and extensions to the Greyhound Facility in the past, there can be no assurances that they will obtain additional modifications in the future if needed, or that the cost of any future modifications or other changes in the terms of the Greyhound Facility would not have a material effect on Greyhound Lines, Inc. or us. If unsuccessful, this may impact Greyhound Lines, Inc.' s ability to continue as a going concern. If the "going concern" basis on which Greyhound Lines, Inc.' s consolidated financial statements were prepared was not appropriate for those consolidated financial statements, then significant adjustments would need to be made to the carrying value of the assets and liabilities, the reported revenue and expenses and balance sheet classifications used by Greyhound Lines, Inc. Accordingly, if such changes were made to Greyhound Lines, Inc.' s consolidated financial statements, significant adjustments would be required to our consolidated financial statements and we may be required to honor certain of Greyhound Lines, Inc.' s lease commitments and pension obligations. See "Risk Factors − Risks Relating to Our Business − Greyhound Lines, Inc. received a report from its auditors, which indicates that there is substantial doubt as to whether the use of the 'going concern' assumption is appropriate."

As of November 30, 2003, Greyhound Lines, Inc. had $15.0 million of cash borrowings under the Greyhound Facility, issued letters of credit of $56.8 million, had availability of $44.1 million and was in compliance with all covenants.

**Capital Expenditures and Capital Resources**

Net expenditures for the purchase of capital assets for normal replacement requirements and increases in service were $91.6 million, including $4.4 million of purchases of capital assets financed by notes payable, operating leases and/or capital leases, in the period June 1, 2003 through August 31, 2003. The last fiscal quarter is typically a heavy period of capital asset expenditures as the education services segment takes delivery of buses prior to the new school year.

Net expenditures for the purchase of capital assets for normal replacement requirements and increases in services increased to $321.4 million for the year ended August 31, 2003 (of which $66.2 million was attributable to the unrestricted group), including $25.5 million of purchases of capital assets financed by notes payable, operating leases and/or capital leases, from $270.5 million for the year ended August 31, 2002, including $31.3 million of purchases of capital assets financed by notes payable, operating leases and/or capital leases. This increase is primarily a result of curtailed capital spending in the prior period due to our financial position at that time.

Capital expenditures for the purchase of capital assets during fiscal 2004 are expected to be approximately $250 million. The expenditures represent normal replacement and upgrading requirements and purchases of additional capital assets necessary for planned increases in services. These expenditures will be primarily financed by our operating cash flows.

Historically, the Greyhound business segment has used operating lease financing as a method of acquiring vehicles for use. For further information, see note 22 of the notes to the consolidated financial statements for the fiscal year ended August 31, 2003 included elsewhere in this prospectus.



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**Off-Balance Sheet Arrangements**

As described in note 22 of the notes to the consolidated financial statements for the fiscal year ended August 31, 2003, our subsidiary, Greyhound Lines, Inc., has entered into vehicle operating leases that contain residual value guarantees. The residual value guarantees were included as part of these operating leases in order to reduce the leasing costs for these leases. Of those leases that contain these residual value guarantees, the aggregate residual value at lease expiration is $142.3 million, of which Greyhound Lines, Inc. guaranteed $104.7 million. To date, neither we nor Greyhound Lines, Inc. has incurred any liability as a result of the residual value guarantee.

**Contractual Obligations**

We have entered into certain contractual obligations that will require various payments over future periods as follows:

| | | Scheduled Payments in Fiscal Years | | | |
|---|---|---|---|---|---|
| | Total | 2004 | 2005-2006 | 2007-2008 | Thereafter |
| Long-term debt | $ 1,255.1 | $ 69.9 | $ 73.0 | $ 325.9 | $ 786.3 |
| Operating lease obligation | 453.9 | 125.6 | 176.1 | 89.8 | 62.4 |
| PBGC Agreement* | 50.0 | 50.0 | – | – | – |

* An additional contribution will be required should the net proceeds realized from the sale of the 3.8 million shares held in the Pension Plan Trust average less than $13.24 per share

**Quantitative And Qualitative Disclosures About Market Risk**

The following discussion about our market risk includes “forward-looking statements” that involve risks and uncertainties. Actual results could differ materially from these projections. We are currently exposed to market risk from changes in commodity prices for fuel, investment prices, foreign exchange and interest rates. We do not use derivative instruments for speculative or trading purposes.

*Commodity Prices.* We currently have exposure to commodity risk from our fuel inventory and advance purchase commitments for fuel. We have fuel inventory at August 31, 2003, at a carrying value of $3.3 million. Additionally, we have entered into forward purchase contracts for fuel whereby we have agreed to take delivery of a total of 31.5 million gallons through August 2005 at a fixed price of $27.1 million. We expect to purchase approximately 150 million gallons of fuel in fiscal 2004, of which 126.8 million gallons are currently not covered by forward purchase contracts. A 10% increase or decrease in the cost of fuel would not have a material effect on this commitment or our results of operations.

*Investment Prices.* We currently have exposure in the market price of our investments. At August 31, 2003, we had approximately $139.7 million held in cash, $42.0 million in short-term investments and $301.1 million of long term investments. A 10% decrease in the market price would not have a material effect on our financial position. As required by generally accepted accounting principles, we reported these investments at fair value, with any unrecognized gains or losses excluded from earnings and reported in a separate component of stockholders’ equity.

*Foreign Exchange.* We currently have exposure to foreign currency exchange rates from our Canadian dollar operations. Canadian based revenues naturally hedge Canadian based expenses and capital expenditures. Therefore changes in the Canadian foreign currency exchange rate have no material effect on our financial position or results from operations. We are not exposed to any other foreign currency exchange rates other than Canadian dollars.

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*Interest Rate Sensitivity.* We currently have exposure to interest rates from our long-term debt. At August 31, 2003, we had $648.8 million of floating rate debt, of which $618.7 million was subject to a 2% LIBOR floor. A 10% increase or decrease in variable interest rates would still result in a LIBOR rate below



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the LIBOR floor. Therefore, a 10% increase or decrease in variable interest rates would not have a material effect on our results of operations or cash flows.

The table below presents principal payments and related weighted average interest rates by contractual maturity dates for fixed rate debt as of August 31, 2003.

| Long Term Debt | 2004 | 2005 | 2006 | 2007 | 2008 | Thereafter | Total | Fair Value |
|---|---|---|---|---|---|---|---|---|
| | | | | | (In millions) | | | |
| Fixed Rate Debt | $ 14.8 | $ 11.9 | $ 11.1 | $ 156.2 | $ 0.9 | $ 411.3 | $ 606.2 | $ 574.3 |
| Weighted Average Rate | 8.3 % | 8.6 % | 9.3 % | 11.4 % | 11.4% | 10.7 % | | |

In addition, in December 2003, we entered into an interest rate swap agreement that effectively converted $110 million of the Term B Facility floating rate debt to fixed rate debt with an interest rate of 6.8%. The swap was entered into because we are required under the Term B Facility to have a fixed interest rate on a portion of the underlying debt. The swap is considered a cash flow hedge and expires in September 2006.



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# BUSINESS

## Corporate Overview

We are a parent holding company without business operations of our own. We were incorporated under the laws of Ontario, Canada under the name "Laidlaw Investments Ltd." on September 25, 1985. On June 20, 2003, in connection with our reorganization, we filed a certificate of domestication with the Secretary of State of the State of Delaware and became a Delaware corporation and, as part of our domestication, we changed our name to "Laidlaw International, Inc." See "The Reorganization."

We are primarily a bus and healthcare transportation provider in North America. We operate in five reportable business segments: education services, public transit services, healthcare transportation services, emergency management services and Greyhound services. Our education services business provides school bus transportation throughout Canada and the United States. As of August 31, 2003, our education services business had contracts with approximately 1,030 school boards and districts in the United States and Canada, providing transportation for approximately two million students each school day. With over 42,000 buses, we are the largest school bus operator in the United States and Canada. Through our public transit services business, we are a leading private provider of municipal public transportation services, specializing in paratransit and fixed route contract services.

Our healthcare transportation services business provides healthcare related transportation services to a variety of customers throughout the United States. We also provide emergency management services to hospital-based emergency departments throughout the United States. We are the largest provider of healthcare transportation services and emergency management services in the United States. Our Greyhound business provides scheduled inter-city bus transportation throughout North America and is the only national provider of this service in the United States and Canada.

For the year ended August 31, 2003 and the three months ended November 30, 2003, revenue for our segments were as follows (dollars in millions):

| | Revenue | |
|---|---|---|
| | Year Ended August 31, 2003 | Three Months Ended November 30, 2003 |
| Education Services | $ 1,499.7 | $ 455.7 |
| Public Transit Services | 283.1 | 72.1 |
| Healthcare Transportation Services | 1,015.2 | 262.0 |
| Emergency Management Services | 480.6 | 133.4 |
| Greyhound | 1,204.2(1) | 287.1 (2) |
| | $ 4,482.8 | $ 1,210.3 |

(1) Consists of $991.8 from Greyhound Lines and $212.4 from Greyhound Canada.

(2) Consists of $230.2 from Greyhound Lines and $56.9 from Greyhound Canada.

See also notes 23 and 8 to the notes to the consolidated financial statements for the fiscal year ended August 31, 2003 and for the three months ended November 30, 2003, respectively, each included elsewhere in this prospectus.

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Our principal executive offices are located at 55 Shuman Blvd., Naperville, Illinois 60563, and our telephone number is (630) 848-3000.



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## Competitive Strengths

### *Significant Scale*

We are the largest provider of school bus transportation and inter-city bus transportation in the United States and Canada and the largest provider of healthcare transportation in the United States. We believe our significant scale enables us to leverage our overhead and maintenance costs within each of these businesses better than our competitors, thereby reducing the marginal cost of providing services under our existing as well as new contracts. Our school bus fleet size allows us to effectively deploy buses across our network in order to meet or fulfill requirements for existing and new contracts. In addition, Greyhound' s extensive bus fleet provides us with the flexibility to add additional service where necessary, thereby effectively generating incremental revenue.

### *Strong Brand Recognition and Leading Industry Position*

Our strong brand recognition is supported by our leading market positions in the school bus transportation, healthcare transportation and inter-city bus transportation industries and our strong market position in the emergency management services industry. Our bus fleets in our education services and Greyhound operations prominently display the Laidlaw and Greyhound brand names, respectively. We believe our branding has enabled us to become recognized as the provider of choice for these bus transportation services. Similarly, we believe that the track records of AMR and EmCare for delivering high quality service will continue to position our healthcare services businesses to retain existing contracts and achieve new business.

### *Strong Safety Track Record*

We strive to maintain the highest safety standards in the bus and healthcare transportation industries. We have established standards for safety, which include extensive driver screening and initial training, mandatory continuing education meetings and ongoing compliance audits. In addition, we have developed and utilized safety technology such as crossing control arms, remote control mirrors and fire block seats to enhance our safety precautions. Moreover, we believe our strong emphasis on safety serves as an effective tool in bidding for new contracts.

### *Billing and Collections Capabilities in our Healthcare Services Businesses*

We believe our scale and experience in billing and collecting in the healthcare services businesses provide us with a significant competitive advantage in terms of billing accuracy and timeliness. Our recent focus in this area has led to substantial improvements in our billing and collection systems and procedures. This is reflected in our recent improvements in cash collection despite general declines in reimbursement rates. We feel this strength will be critical to remain competitive as the healthcare industry remains highly regulated with complex reimbursement requirements and rapidly evolving technology requirements.

### *Effective Fleet Management*

We own, operate and manage the largest fleet of vehicles in the school bus, healthcare and inter-city transportation industries. We have developed what we believe is leading expertise in fleet management and logistics within each of these industries. As a result, we are able to manage our fleet to more efficiently meet the requirements of our customers and increase vehicle utilization rates. For example, in our education services business, we are able to redeploy surplus buses to fulfill the requirements for other existing or new contracts.

## Strategy

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***Solidify and Grow Position as Industry Leader***

We intend to leverage our strong brand names and safety standards to strengthen and expand our market positions in each of our education services, healthcare transportation, public transit and Greyhound businesses.



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We believe that our scale and position as a market leader in these industries will allow us to leverage cost advantages within each market and more effectively compete for new business.

***Grow Revenues and Market Position Profitably***

Our goal is to leverage our core competencies of route planning, driver training, establishing and implementing safety standards, equipment design, fleet acquisition and maintenance, billing and collection to increase revenue and provide related services and additional business opportunities. While we will remain focused on revenue growth, we also intend to improve overall profitability by eliminating, as they expire, contracts in our businesses that do not meet our target return criteria.

***Focus on Operating Efficiencies and Reducing Costs***

We intend to continue with initiatives designed to decrease our operating costs and overhead across all of our operations. These initiatives include enhancing our information systems and leveraging corporate administrative functions. In addition, our goal is to utilize the size of our fleet to leverage purchasing power for vehicles, fuel, tires, maintenance supplies and parts as well as the sharing of route planning software, driver hiring and training programs, and other safety initiatives across our operations. We also seek to proactively address changes in the insurance market by continuing to develop expertise in procuring and maintaining cost effective insurance and to work more aggressively to resolve existing and new settlement claims.

***Maintain Leadership Position in Safety***

We intend to maintain and build on our leading position in the school bus transportation industry in developing safety initiatives, establishing safety standards and implementing safety technology. We believe this serves as an effective tool in containing insurance costs and marketing for new school bus transportation business.

**Education Services**

***General***

We are the largest school bus transportation provider in the United States and Canada. We operate over 42,000 school buses and special education vehicles, primarily under the names Laidlaw Transit and Laidlaw Education Services, in the United States and Canada. We have operations in 37 states and the District of Columbia in the United States and six provinces in Canada.

Our education services business is composed of four core activities including home-to-school, extracurricular, charter and transit, and other.

*Home-to-School.* This activity comprises all regularly scheduled services for the transportation of students to and from school, covered under a contract. Home-to-school represented approximately 89% of our education services revenue for fiscal 2003.

*Extra-curricular.* Extra-curricular revenue is non-contractual income resulting from transportation service not associated with regular home-to-school services of students. This activity represented approximately 4% of our education services revenue for fiscal 2003.

*Charter & Transit.* Charter service is generally non-contractual, non-regularly scheduled transportation service performed for a customer other than a school or school board. Transit services are available to the general public or are contracted through a government agency. Charter and transit activity represented approximately 3% of our education services revenue for fiscal 2003.

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*Other.* This is comprised of revenues from transportation services, primarily regularly scheduled routes, to non-school customers, from the leasing of transportation equipment or from other non-transportation services such as logistical support or maintenance contracts. Other revenues represented approximately 4% of our education services revenue for fiscal 2003.



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The school bus market provides bus services transporting approximately 23.5 million students to and from school daily in the United States utilizing approximately 450,000 buses. In 2001, the U.S. school bus market generated annual revenue of approximately $15.0 billion. The business is seasonal, operating during the school year, typically from September until June. There are over 16,000 school districts in the United States, and each school district is responsible for the operation of its own school bus transportation services. The district may either operate the service internally or outsource the operations to a private sector provider. In 2001, approximately 31% of school bus operations were outsourced. The school bus market is a highly regulated market with respect to equipment and operating conditions and requirements, but one that remains fragmented, with the top four operators having an approximately 51% share of the outsourced market and thousands of smaller operators having the remaining 49%.

We are the largest school bus transportation provider in the private sector. In 2001, our education services business had a market share of approximately 29% of the total outsourced market and approximately 9% of the total market. As of August 31, 2003, our education services business had contracts with approximately 970 school boards and districts in the United States and with 60 school boards and districts in Canada, as well as various other educational institutions, providing transportation for approximately two million students each school day. We also use our school bus fleet for charter purposes.

For fiscal 2003 and the three months ended November 30, 2003, our education services business generated revenue of $1,499.7 million and $455.7 million, respectively.

***Contracts***

Our education services contracts are generally with municipalities and school districts or boards of education. Rates are usually established on a per diem basis with variances for the number of buses and pupils and the length of each route. In Canada, contracts are generally negotiated and renewed annually. In the United States, contracts generally extend for three to five years, with the school boards holding options to extend the contracts or to solicit new bids. Over the past two years, we have renewed over 90% of our contracts based on revenue with our customers in the education services business and continue to add new contracts each year.

***Vehicle Fleet***

As of August 31, 2003, we operated over 42,000 school buses, special education vehicles, other revenue vehicles and service vehicles in our education services business, of which 93% are owned by us and the remaining are owned by our customers. The average age of our bus fleet is approximately 6.5 years. In fiscal 2003, the average purchase price of a new bus was approximately $51,000. Fleet replacements are based on contract requirements, age and useful life of the vehicle.

***Fuel***

For fiscal 2003, approximately 60% of our fuel costs for our education services business were fixed, primarily through forward purchase contracts. In 2003, fuel expense represented 4.2% of total revenue for our education services business. Wherever possible, we incorporate fuel protection measures to mitigate the effects of price fluctuations. Many of our contracts have two-way fuel cost adjustments or escalation provisions. We continue to incorporate these clauses into new contracts and seek amendments in existing agreements to reduce our exposure to increases in fuel costs.

***Employees***

As of August 31, 2003, our education services business employed approximately 46,000 people, of which 95% were involved directly in operations. Part-time employees comprised over 90% of all employees. Approximately 42% of our employees in our education services

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business are represented by 175 collective bargaining agreements. During fiscal 2004, 25% of the collective bargaining agreements, representing approximately 6,800 employees, are subject to renegotiation. The existence of many local union contracts limits the impact of any individual labor disruption on our operations. Our education services workforce is



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primarily composed of drivers, mechanics and bus monitors. We believe that our relations with our employees in our education services business are good. During the past five years, we have not had any significant labor disruption in our education services business that had a material adverse effect on our business, financial condition or results of operations.

***Competition***

We compete with both the few large companies, all of which are smaller than us, in the school busing industry and with the substantial number of smaller locally owned operators. However, most school districts operate their own school bus systems. In acquiring new school bus contracts and in maintaining our education services business, we experience competition primarily in the areas of pricing and service. For further discussion about the competition we face in our education services business, see "Risk Factors − Risks Relating to Our Business − We face increasing competitive and external pressures and our inability to effectively respond to these pressures may reduce our market share and harm our financial performance."

***Seasonality***

Our education services business is seasonal with operations following the school year from September to June. As a result, our education services business historically experiences a significant decline in revenue and operating income in the fourth fiscal quarter because of school summer vacations.

***Regulation***

Companies operating in the school busing industry are not subject to licensing requirements in the United States, however, U.S. regulations require all drivers of school buses to have commercial driver' s licenses. In Canada, licenses to carry passengers are granted by provincial boards upon proof of public convenience and necessity. The provincial boards exercise control over the issuance, extension and transfer of licenses and regulate the general conduct of a licensee' s business. Various states, provinces and school boards set standards for insurance, qualification of drivers and safety equipment.

**Public Transit Services**

***General***

We provide public transit services within the United States. Our public transit services business is conducted by Laidlaw Transit Services, Inc. Laidlaw Transit Services, Inc. is a leading private provider of municipal public transportation services, specializing in paratransit and fixed-route contract services. Laidlaw Transit Services, Inc. also operates under the names of SuTran (Sioux Falls, SD), VanTran (Tucson, AZ) and SafeRide (Arizona and New Mexico).

We offer three types of transit services:

*Paratransit.* We provide door-to-door transportation for the mobility challenged. Our service offerings include curb-to-curb and door-to-door services, group service and individual dial-a-ride, to comply with the Americans with Disabilities Act, or the ADA. We serve general public and targeted populations. The paratransit business represented approximately 67% of our public transit services revenue for fiscal 2003.

*Fixed-Route.* This is comprised of public municipal transit bus systems providing fixed-route transportation. We operate municipal transit bus systems and the recruitment, training and management of drivers, mechanics and support staff needed to provide such services. The fixed-route business represented approximately 30% of our public transit services revenue for fiscal 2003.

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*Other.* We provide shuttle services for corporate campuses and operate reservation call and dispatch centers as well as transit information centers. We have six contracts in place to provide these types of services and they represented approximately 3% of our public transit services revenue for fiscal 2003.



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The public transit market was estimated to be approximately $12.3 billion in 2000 based on annual revenue, of which approximately 11.0%, or $1.3 billion, was outsourced to private sector providers. There are two main businesses within public transit: fixed-route bus services, which principally operate in urban areas, and paratransit bus services, for riders with disabilities or who are unable to use scheduled services. The total municipal bus fleet in North America was comprised of approximately 65,000 buses in 2000, of which approximately 73.8% were fixed-route vehicles and 26.2% were paratransit vehicles. Private sector contractors dominated the paratransit segment, supplying an estimated 62.2% of transit services. Our paratransit services business provides access to transportation for mobility-impaired individuals. As of August 31, 2003, we provided services to fixed-route and paratransit municipal bus transportation customers from 104 locations in 25 states across the United States to service 146 contracts and transport more than 82 million passengers per year.

For fiscal 2003 and the three months ended November 30, 2003, our public transit business generated revenue of $283.1 million and $72.1 million, respectively.

***Contracts***

We have contracts with numerous municipalities to provide public transit services. Our contracts typically have three-year maturities with two-year extension options. Currently, we average 8.6 years of service per client. Our largest customer represented approximately 9.4% of our revenues in our public transit business in fiscal 2003.

***Operations***

We operate dispatch centers, brokerage operations, management contracts and total turnkey operations for both paratransit and fixed-route services.

Public transit' s operations are largely conducted on a decentralized basis. We have two operating regions − East and West. Our support functions are more centralized and include marketing, information systems, and safety functions.

We have developed proprietary software that assists with dispatching our fleet and provides route modification of vehicles in service. It matches reservations and new trip requests with existing routes to maximize shared trips, improve passenger/vehicle productivity and enhance customer service.

***Vehicle Fleet***

As of August 31, 2003, we operated approximately 3,800 vehicles in our public transit business, of which approximately 1,350, mostly paratransit vehicles, were owned by us and the remaining units were owned or provided by customers. Our fleet consists of vans, sedans and body-on-chassis small buses configured to the individual requirements of each contract. Vehicle life is usually tied to the contract that the vehicle is providing services for. Vehicles are usually retired and sold at the end of the revenue contract.

***Fuel***

Fuel price increases, wherever possible, are passed through to our customers or are subject to escalation clauses. We further mitigate price increases by requiring our customers to provide the fuel and have been able to either secure fuel escalation clauses or negotiate with the customer to agree to furnish fuel in 95% of all contracts bid or renewed in the last two years. Approximately 60% of our fuel purchases are retail pump purchases of fuel while vehicles are in service. There is no financial hedging instrument for retail pump purchases currently available to us. In 2003, fuel expense represented 4.6% of total revenues for the public transit business.

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***Employees***

As of August 31, 2003, we employed approximately 5,400 people to provide public transit services. Approximately 32% of these employees were unionized under 37 union contracts. Approximately 16% of the



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collective bargaining agreements, representing approximately 600 employees, are subject to renegotiation in fiscal 2004. Driver compensation is market-driven and can be determined or specified by a Transit Authority during the competitive bidding process. We believe that our relations with our employees in our public transit business are good. During the past five years, we have not had any significant labor disruption in our public transit business that had a material adverse effect on our business, financial condition or results of operations.

***Competition***

The public transit market in the U.S. is highly fragmented with an estimated 6,000 operators. Public transit authorities are the primary competitors, with approximately 90% of services operated in-house. Typically, a contract is a management contract with the transit authority providing the vehicles and facilities. Transit authorities can apply for and receive up to 80% of the capital costs for new buildings and buses from the Federal Transit Administration (FTA). With low barriers to entry, bidding for contracts can be very competitive. Additionally, the slow down in the United States economy and the decline in tax revenues (state and local) have produced shortfalls in funding to transit authorities that have contributed to downward margin pressure over the past few years. For further discussion about the competition we face in our public transit services business, see "Risk Factors − Risks Relating to Our Business − We face increasing competitive and external pressures and our inability to effectively respond to these pressures may reduce our market share and harm our financial performance."

**Healthcare Transportation Services**

***General***

We are the largest provider of healthcare transportation services in the United States. We operate in 32 states primarily under the American Medical Response, or AMR, name. We offer emergency response services, critical care transportation services and non-emergency ambulance and transfer services. In fiscal 2003, we provided approximately 3.7 million ambulance transports. We provide joint training, shared staffing and stationing arrangements and contracted dispatching. We also provide comprehensive onsite medical care and transport services for special events.

We have contracts with communities and other healthcare providers and third party payors to provide full-service exclusive and non-exclusive emergency transport services. Approximately 50% of our net revenues are generated from providing emergency transport services. Revenues generated from non-emergency transportation including critical care and wheelchair transports are 39% of total net revenues for our healthcare transportation services business. The remaining 11% of our net revenues are earned by providing training and shared operating arrangements with local fire departments and other municipalities, contracted dispatching, comprehensive onsite medical care and transport services for special events.

For fiscal 2003 and the three months ended November 30, 2003, our healthcare transportation services business generated revenue of $1,015.2 million and $262.0 million, respectively.

***Contracts***

As of August 31, 2003, we had 149 agreements with municipal or county public safety agencies to provide performance-based contracts for 9-1-1 response and more than 5,000 client relationships to provide non-emergency, critical care and wheelchair transports. Approximately 43% of our healthcare transportation services revenue is provided under fixed contracts to provide emergency or non-emergency transport. The remaining 57% is typically collected from third party or private payors.

Contracts with communities to provide emergency transport services are typically three to five years in length and are generally obtained through a competitive bidding process. In some instances where we are the existing provider, communities elect to renegotiate existing contracts rather than initiate new bidding processes.

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Revenue from our contracts with communities and healthcare providers is typically collected from invoices generated by AMR for each patient transport. In some cases, revenue is based on negotiated fees paid periodically by the community, whereby patients are then billed directly by the community.

We also market our non-emergency ambulance services to hospitals, health maintenance organizations, convalescent homes and other healthcare facilities that require a stable and reliable source of medical transportation for their patients. A significant portion of our non-emergency transports is provided to such facilities and organizations in competitive markets without specific contracts. Contracts with hospitals and other facilities and organizations for non-emergency services are typically two years in length.

***Operations***

*Dispatch and Communications.* We use location and detailed system status plans to position our ambulances and medical crews within a designated service area in an effort to reduce response time. Generally, ambulance units are not stationed at fixed sites but are constantly repositioned through "flexible deployment" systems. Communication centers control the deployment and dispatch of ambulances in response to emergency calls. These centers may be owned and operated by either local communities or AMR.

*Billing and Collections.* We, from time to time, establish usual and customary rates for the services we provide. In certain cases, however, we are required to reduce these rates due to local ordinances or regulatory restrictions. In locations where we face rate restrictions and in the case of Medicare and Medicaid billing, we have negotiated reduced rates with payors to reflect the restrictions. In addition, we have established reserves to allow for services provided for which we cannot collect fees. As a result, our reported revenues are equal to our gross billings based on our usual and customary rates, net of contractual allowances for restricted rates and allowances for uncompensated care.

The collection process varies by payor. We have a collection staff specially trained in third-party coverage and reimbursement procedures. An account may move among several payor sources before final collection or resolution is reached. We also engage collection agencies to collect delinquent accounts primarily from private payors.

*Payor Mix.* We derive a significant percentage of our healthcare transportation revenue from reimbursement by third-party payors including payments under Medicare, Medicaid, private insurance and contracts/managed care plans. We also collect payments directly from patients, including payments under deductible and co-insurance provisions.

Ambulance reimbursements have been and will be affected by the new Medicare fee schedule that is to be phased in over five years. The first three phases of the new schedule were effective on April 1, 2002, January 1, 2003 and January 1, 2004, respectively. The final phase will become effective on January 1, 2005. Although we have been effective in mitigating the impact of the first three phases through improvements in billing and collection efforts and efficiencies in providing ambulance services, there is no assurance that we will be able to mitigate the impact of such fee schedule in the future.

***Vehicle Fleet***

As of August 31, 2003, we provided healthcare transportation services using approximately 4,300 vehicles, of which approximately 2,900 were ambulances, 650 were wheelchair cars and 750 were support vehicles. Ambulances are generally replaced when they are five years old or accumulate 250,000 miles or as provided in specific contracts. The average capital cost of an ambulance is approximately $55,000. The average age of our existing fleet is between three and four years.

***Employees***

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As of August 31, 2003, we employed approximately 18,600 people to provide healthcare transportation services. Approximately 85% of our employees have daily contact with patients and include approximately 5,100 paramedics, 7,700 emergency medical technicians (EMTs) and 300 nurses. Approximately 50% of our employees are represented by 49 collective bargaining agreements with 42 different unions. Approximately



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22% of these collective bargaining agreements, representing approximately 2,800 employees, are subject to renegotiation during fiscal 2004. We believe that our relations with our healthcare transportation services employees are good. During the past five years, we have not had any significant labor disruption in our healthcare transportation services business that had a material adverse effect on our business, financial condition or results of operations.

***Competition***

We compete with both the few large companies in the healthcare transportation services industry and with the substantial number of smaller locally owned operators. Moreover, many municipal, fire and paramedic departments and hospitals operate their own ambulance systems. In acquiring new healthcare transportation contracts and in maintaining our business, we experience competition primarily in the areas of pricing and service.

For further discussion about the competition we face in our healthcare transportation services business, see "Risk Factors − Risks Relating to Our Business − We face increasing competitive and external pressures and our inability to effectively respond to these pressures may reduce our market share and harm our financial performance."

***Regulation***

Healthcare, as one of the largest industries in the United States, attracts much legislative interest and public attention. Changes in Medicare and Medicaid, hospital cost-containment initiatives by public and private payors, proposals to limit payments and healthcare spending and industry-wide competitive factors are highly significant to the healthcare industry.

A substantial majority of our healthcare transportation services revenues are attributable to payments received from third-party payors including Medicare, Medicaid and private insurers. We are subject to various regulatory requirements in connection with our participation in the Medicare and Medicaid programs.

The Balanced Budget Act of 1997 has had the effect of reducing payments to hospitals and other healthcare providers under the Medicare program. The reductions in payments and other changes mandated by the Balanced Budget Act of 1997 have had a significant effect on our revenues. In addition, there continues to be federal and state proposals that would, and actions that do, impose more limitations on payments to providers such as us and proposals to increase copayments and deductibles from patients.

The Balanced Budget Act mandates that fee schedules for reimbursement of ambulance services be developed through a negotiated rulemaking process and must consider (i) data from the industry and other organizations involved in the delivery of ambulance services, (ii) mechanisms to control increases in expenditures for ambulance services, (iii) appropriate regional and operational differences, (iv) adjustments to payment rates to account for inflation and other relevant factors, and (v) the phase-in of payment rates under the fee schedule in an efficient and fair manner.

The Balanced Budget Act also required that beginning January 1, 2001, ambulance service providers accept payment directly from Medicare, along with the co-payments and deductible paid by the patient, as payment in full. Further, the Balanced Budget Act stipulates that third parties may elect to no longer provide payments for cost sharing for co-insurance for dual qualified (Medicare and Medicaid) beneficiaries.

In January 1999, the United States Centers for Medicare and Medicaid Services, formerly named the Health Care Financing Administration, announced its intention to form a negotiated rulemaking committee to create the new fee schedule for Medicare reimbursement of ambulance services. That committee convened in February 1999. The fee schedule and the mandatory acceptance of assignment were implemented on April 1, 2002. The rules that were implemented revised the policy on Medicare coverage of ambulance services focusing on the medical necessity for the particular ambulance services. In addition, revisions to the physician certification requirements for coverage of non-emergency ambulance services were also implemented. See "− Operations − Payor Mix."

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Moreover, we, like other Medicare and Medicaid providers, are subject to governmental audits of our Medicare and Medicaid reimbursement claims. Accordingly, retroactive revenue adjustments from these programs could occur. We are also subject to the Medicare and Medicaid fraud and abuse laws which prohibit any bribe, kick-back or rebate in return for the referral of Medicare or Medicaid patients. Violations of these prohibitions may result in civil and criminal penalties and exclusion from participation in the Medicare and Medicaid programs.

As a result of these regulations, the revenue actually received for our healthcare services is subject to uncertainties and subsequent adjustments to the recorded revenue could be material.

Paramedics and emergency medical technicians must be state certified to transport patients and to perform emergency care services. Certification requires completion of significant training programs. Both paramedics and emergency medical technicians are also required to complete continuing education programs to maintain their certifications. Medical protocols, which paramedics and emergency medical technicians are required to follow, are developed by local physician advisory boards.

Healthcare transportation is affected by federal and state regulations covering licensing, rates, health, safety, insurance and other matters. Most emergency or 9-1-1 contracts are granted exclusive supplier status through the issuance of a certificate of need or a public service agreement. Some municipalities divide requirements into service zones. Exclusive supplier status agreements are linked to service level measurements regarding response times and performance. Some municipalities also govern or set rates that may be charged for the ambulance services.

Our healthcare transportation services business is also subject to the federally mandated Health Insurance Portability and Accountability Act (HIPAA) designed to protect the privacy of patients' health information handled by healthcare providers.

**Emergency Management Services**

***General***

We are the largest provider of emergency management services in the United States to hospital-based emergency departments, operating primarily under the Emcare name. We recruit physicians, as well as other specially trained medical professionals, evaluate their credentials and arrange contracts and schedules for their services to hospital emergency department and inpatient settings. We also assist in operational areas, including staff coordination, quality assurance, departmental accreditation, billing, recordkeeping, third-party payment and other administrative services. As of August 31, 2003, we had 265 contracts for the management of emergency departments and provided emergency services in 36 states to approximately 4.5 million patient visits in fiscal 2003.

At each customer site, physicians and other medical professionals are recruited and scheduled by EmCare to treat patients. A physician at each site coordinates the delivery of services and acts as a liaison with medical staff and administration of the hospital. EmCare does not practice medicine, as all clinical decisions are the sole responsibility of the physicians. More than 95% of our emergency management services revenues are derived from providing emergency department management services.

For fiscal 2003 and the three months ended November 30, 2003, our emergency management services business generated revenue of $480.6 million and $133.4 million, respectively.



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***Contracts***

We provide emergency management services under 265 contracts with hospitals, one for each emergency department that we manage. The agreements with the hospitals are usually three years in length and are awarded on a competitive basis. We bill:

patients and third-party payors directly for the physician fees (70 of 265 contracts),

patients and third-party payors directly for the physician fees, with the hospital billing for all non-physician related services, and with the hospital paying us an additional pre-arranged fee for our services (119 of 265 contracts), and

the hospitals directly for the services of the physicians, generally on an hourly basis, with the hospital ultimately responsible for billing and collecting from their patients (76 of 265 contracts).

In all cases, the hospitals are directly responsible for billing and collecting for all non-physician-related services. Our average contract life is approximately 5.5 years.

***Employees***

As of August 31, 2003, we employed approximately 1,000 people to provide emergency management services. In addition, there are approximately 4,000 medical professionals under contract with EmCare and its subsidiaries. We believe that our relations with our emergency management services employees are good. During the past five years, we have not had any significant labor disruption in our emergency management services business that had a material adverse effect on our business, financial condition or results of operations.

***Competition***

Emergency management services are subject to vigorous competition. Competition for these services is generally based upon cost, the ability to make available physicians capable of providing high quality care and our reputation among hospitals and physicians. Competition is also based upon the proper utilization of the emergency department, as well as the ability to integrate the emergency department with other hospital departments and to provide value added services.

In the United States, the emergency department market can be categorized into two major segments: high volume urban and medium to low volume, non-urban, community based emergency departments. There are approximately 4,700 emergency departments in the United States. High volume emergency departments, with 15,000 or more annual visits, represent 51% of the U.S. market. The medium to low volume, non-urban community based hospitals typically see less than 15,000 annual emergency department patient visits and represent the other 49% of the U.S. hospitals with emergency departments.

Approximately 3,100 hospitals with emergency departments outsource their emergency departments. EmCare is one of four companies operating nationally to provide services to approximately 695 hospital emergency departments. The balance of the outsourced emergency departments receive services from regional or local service providers.

For further discussion about the competition we face in our emergency management services business, see “Risk Factors − Risks Relating to Our Business − We face increasing competitive and external pressures and our inability to effectively respond to these pressures may reduce our market share and harm our financial performance.”

***Regulation***

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Our emergency management services business is subject to the same or similar regulations as our healthcare transportation services business. See "− Healthcare Transportation Services − Regulation."

In addition, business corporations are generally prohibited under some state laws from practicing medicine, exercising control over the medical decisions of physicians or engaging in specified practices with



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physicians, such as fee splitting. We believe that our emergency management business has complied with these laws because we only perform non-medical administrative services, do not represent that we offer medical services and do not exercise influence or control over the practice of medicine by the physicians under contract with us.

**Greyhound Services**

***General***

We acquired Greyhound Lines, Inc. during fiscal 1999 and Greyhound Canada Transportation Corp. in October 1997. Greyhound is the leading provider of scheduled inter-city bus transportation services in the United States and Canada and is the only national provider of this service in those areas. Greyhound serves customers by offering scheduled passenger service that connects rural and urban markets throughout the United States and Canada. Greyhound also provides package delivery service, charter bus service and, in some terminals, food service. In addition, Greyhound provides passenger services under private contract and package tours to major tourist regions in the United States and Canada.

Greyhound operates in the four following businesses:

*Passenger Service.* Greyhound provides inter-city bus transportation to cities and towns in urban and rural areas throughout the U.S. and Canada. The typical passenger travels to visit friends and relatives and generally has an annual income below $35,000. Our core customers are short-haul travelers (traveling 450 miles or less), comprising 78% of total passengers and 50% of our Greyhound services revenue. Long-haul travel represents approximately 22% of the passengers and 50% of our Greyhound services revenue. Passenger service represented approximately 77% of Greyhound' s total revenues for fiscal 2003.

Additionally, we have interline agreements and alliances with other bus carriers as well as with other providers of transportation such as airport and rail carriers in selected cities. These alliances allow us to provide cross-border transportation to and from Mexico and access to smaller towns in the U.S. and Canada that are complementary to our existing service schedules. Within Mexico and the southwestern United States, we operate under the brand names of Crucero, Autobuses Amigos, Autobuses Americanos and Omnibus Americanos. We sell bus tickets in Mexico through our Hispanic alliances. Within Canada, we operate in Quebec under the brand name Voyageur.

*Package Express.* Our package express service targets commercial shippers and delivery companies that require rapid delivery of small parcels, typically within 400 miles. Our services include standard delivery, which is the traditional low-value, terminal-to-terminal delivery service, as well as priority and same day delivery, which is a premium priced product typically delivered door to door. With our extensive network and multiple schedules, we are able to provide expedited service, especially to rural areas. In the U.S., package express revenues represented 4% of total Greyhound U.S. revenues for fiscal 2003, and in Canada, package express revenues represented 26% of total Greyhound Canada revenues for fiscal 2003. Package express service represented approximately 8% of Greyhound' s total revenues for fiscal 2003.

*Tour and Charter.* We offer charter services whereby a group of individuals can reserve a bus and driver in certain cities for transportation to and from specific events, such as concerts, sporting events, casinos and conventions. Additionally we operate "meet and greet" services for cruise lines at eight ports in the United States. The "meet and greet" service consists of meeting cruise line passengers, usually at airports, and transferring these passengers and their baggage to and from cruise ships. Tour and charter represented approximately 8% of Greyhound' s total revenues for fiscal 2003.

*Food Service and Other.* We offer food service and gift items for purchase in more than 58 terminal locations. Food service and other represented approximately 7% of Greyhound' s total revenues for fiscal 2003.



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For fiscal 2003 and the three months ended November 30, 2003, our Greyhound services business generated revenue of $1,204.2 million and $287.1 million, respectively.

***Contracts***

The inter-city bus transportation business does not require contracts with customers or suppliers.

***Operations***

We maintain maintenance garages at 30 locations, which are supplemented by company-operated service islands and fueling points. We have approximately 6,500 drivers based in approximately 105 different locations across the United States and Canada. Greyhound' s subsidiaries independently coordinate and manage their own driver and fleet resources.

Information technology is an integral component of our Greyhound operations. Our information systems support, among other things, Greyhound' s website, scheduling and pricing, dispatch, operations planning, bus maintenance, telephone information center, customer service, point of sale, payroll and finance functions. We also use an automated fare and schedule quotation and ticketing system, called TRIPS, at approximately 440 locations.

***Vehicle Fleet***

As of August 31, 2003, we provided inter-city bus transportation using approximately 3,700 buses, of which approximately 2,000 buses were owned and 1,700 were leased. The average age of our bus fleet was 7.6 years at August 31, 2003.

We have a long-term supply agreement with Motor Coach Industries, Inc. that extends through 2007, but may be canceled by either party at the end of any year upon six months notice. If Greyhound acquires new buses, we must purchase at least 80% of the new bus requirements from Motor Coach Industries pursuant to the agreement.

***Employees***

As of August 31, 2003, we employed approximately 16,000 workers, consisting of approximately 4,400 terminal employees, 6,500 drivers, 1,600 supervisory personnel, 1,000 mechanics, 600 telephone information agents, and 1,900 clerical workers. Of the total workforce, approximately 13,100 are full-time employees and approximately 2,900 are part-time employees.

At August 31, 2003, approximately 53% of our Greyhound employees were represented by collective bargaining agreements. We have agreements with a number of unions, however, the largest agreement is with the Amalgamated Transit Union, or the ATU, Local 1700. The ATU agreement covers approximately 5,300 of our U.S. employees, mostly drivers and maintenance employees, and expires on January 31, 2004. We have started contract negotiations in an attempt to enter into a new agreement prior to expiration, and have not reached an agreement on a new contract. There is no assurance that Greyhound will reach an agreement with the ATU. If Greyhound' s ATU unionized employees were to engage in a strike or other work stoppage prior to such expiration, or if Greyhound were unable to negotiate acceptable extensions of the ATU agreement resulting in a strike or other work stoppage by the affected workers, Greyhound could experience a significant disruption of operations, which could have a material adverse effect on our business, financial condition and results of operations.

***Competition***

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*Passengers.* The transportation industry is highly competitive. Our primary sources of competition for passengers are automobile travel, low cost air travel from both regional and national airlines and, in some markets, regional bus companies and trains. Typically, our customers decide to travel only a short time before their trip and purchase their tickets on the day of travel. Our everyday low pricing strategy results in "walk-up" fares substantially below comparable airline fares.



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The automobile is the most significant form of competition of our Greyhound services segment. The out-of-pocket costs of operating an automobile are generally less expensive than bus travel, particularly for multiple persons traveling in a single car. We believe we are competitive through pricing and convenient scheduling.

Additionally, we experience competition from regional bus companies. Our competitors possess operating authority for, but do not currently operate over, numerous routes potentially competitive to us. Based on market and competitive conditions, the regional bus companies could operate these routes in the future. Competition by U.S.-based bus and van operators for the market represented by Spanish speaking customers in the United States is growing. As of January 1, 1997, barriers to entry into the regular-route cross-border bus market between the United States and Mexico were scheduled to be reduced under NAFTA, although entry into either market would still be regulated by the respective U.S. and Mexican regulatory authorities. On March 19, 2002, the U.S. Department of Transportation, or the USDOT, issued a series of rules establishing the process that Mexican-domiciled companies must follow to obtain authority to perform cross-border bus operations into the United States. These rules require Mexican companies to comply with all U.S. safety requirements and labor and immigration laws. A federal court stayed these rules in late 2002 until the USDOT completes an environmental impact review required by federal law. Once the environmental impact review is complete, we could experience significant new competition on routes, to, from and across Mexican border points. Additionally, some U.S.-based operators are providing cross-border service into Mexico at this time. NAFTA also permits U.S. carriers to make controlling investments in carriers domiciled in Mexico and permits Mexican carriers to make controlling investments in carriers domiciled in the United States. We believe that the most effective way to service passengers in this market is through joint ventures or joint ticket selling arrangements with Mexico-based bus carriers. Greyhound has established a separate operating subsidiary that, through several joint ventures, provides through-bus service at all major gateways between the United States and Mexico.

*Package Express.* We face competition in our package delivery service from local courier services, the U.S. Postal Service and overnight express and ground carriers. We continue to develop programs to meet this competition and further develop our package delivery business. These programs focus on system upgrades to improve service, billing and tracking for our customers, localized marketing strategies, and local, regional or national alliances with, or acquisitions of, pick up and delivery carriers. Due to the incremental nature of the package delivery business, we are able to provide same-day inter-city package delivery service at distances of up to 400 miles at a substantially lower price than those charged by other delivery services.

*Tour and Charter.* Charter services are provided by several thousand local operators as well as a few regional carriers. Pricing, type of equipment and consistency in service are the principal factors both in obtaining new business and retaining existing customers. We principally compete based upon price and consistency of service, and continue to develop diversified product offerings as well as upgrade our bus resources in order to meet the customers' demands.

*Food Service and Other.* Competition is limited due to the captive nature of the food service operations in our terminals. In some locations, however, fast food restaurants and convenience stores in close proximity to our terminals can pose a competitive factor.

For further discussion about the competition we face in our Greyhound services business, see "Risk Factors − Risks Relating to Our Business − We face increasing competitive and external pressures and our inability to effectively respond to these pressures may reduce our market share and harm our financial performance."

***Seasonality***

Our Greyhound services business is seasonal, generally following the pattern of the travel industry as a whole, with peaks during the summer months and the holiday season. As a result, our Greyhound services business' cash flows are also seasonal, with a disproportionate amount of annual cash flows being generated during the peak travel periods. The day of the week on which specific holidays occur, the length of specific



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holiday periods and the date on which those holidays occur within a fiscal quarter, may also affect Greyhound' s results of operations.

***Trademarks***

We own the Greyhound name and trademarks and the "image of the running dog" trademarks worldwide. The duration of these trademarks are potentially indefinite, as long as we continue to use them. We believe that this name and the trademarks have substantial consumer awareness.

***Regulation***

In the United States, Greyhound Lines, as a motor carrier engaged in interstate as well as intrastate transportation of passengers and express shipments, is and must remain registered with the USDOT. The USDOT regulates safety, driver qualifications, vehicle standards, maintenance of records, insurance, vehicle noise and emission standards. Failure to maintain a satisfactory safety rating, designate agents for service of process or to meet minimum financial responsibility requirements, after notice and opportunity to remedy, may result in the USDOT ordering the suspension or revocation of the registration of Greyhound Lines and its right to provide transportation.

In the United States, Greyhound Lines is also regulated by the USDOT' s Surface Transportation Board. The Surface Transportation Board must grant advance approval for Greyhound Lines to pool operations or revenues with another passenger carrier and must authorize any merger with or its acquisition or control of another motor carrier of passengers. Greyhound Lines must maintain reasonable through routes with other motor carriers of passengers, and, if found not to have done so, the Surface Transportation Board can prescribe them.

Greyhound Canada operates under the Canada Transportation Act, or CTA. The CTA provides for each province' s department of transportation, through the respective highway traffic boards, to regulate provincial scheduled service. We are required to file tariffs with schedule and rate information for our passenger services. The CTA does not cover package express or tour and charter operations; these businesses are unregulated.

Greyhound Lines is also subject to regulation under the ADA pursuant to regulations adopted by the USDOT. Beginning in October 2000, all new "over-the-road" buses acquired by Greyhound Lines for its fixed-route operations must be equipped with wheelchair lifts. Additionally, by October 2006, one-half of Greyhound Lines' fleet involved in fixed-route operations must be lift-equipped and, by October 2012, the fleet must be entirely lift-equipped. The regulations do not require the retrofitting of existing buses with lift equipment or the purchase of accessible used buses. Instead, the regulations permit the operator to determine the manner in which it will meet the 50% and 100% mandates. At August 31, 2003, approximately 18% of our U.S. fleet deployed in fixed route operations were wheelchair lift-equipped. To meet the 50% requirement by October 2006, and assuming no change in current fleet size, we must replace 867 of our non-lift-equipped buses with lift-equipped buses over the next three years.

Under an initiative implemented in the spring of 2000, and continuing until the fleet is fully equipped, we provide an accessible bus to any disabled passenger who provides at least 48 hours notice. Currently the added cost of a built-in lift device in a new bus is approximately $35,000 plus additional maintenance and employee training costs.

In addition, as a result of heightened security awareness following the terrorist attacks of September 11, 2001, Greyhound Lines has incurred additional safety-related expenses. It is possible that the Transportation Safety Administration could mandate security procedures that exceed the levels currently provided by Greyhound Lines, thereby further increasing costs. See "Risk Factors − Risks Relating to Our Business − Terrorism and other acts of violence may have a material adverse effect on our Greyhound services business' operating results."



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**Self-Insurance**

Because of the size and risk profile of our education services, healthcare services and Greyhound services businesses, we have a two-tiered insurance program to cover our insurance risk in these businesses. Our main insurance program, including primary retention and a purchased umbrella policy, covers casualties, which include auto liability, workers' compensation and general liability. Our umbrella policy provides for the potential liability for all of our businesses above the primary retention of each business. Our insurance program provides that we arrange for primary retention, and coverage purchased from third-party insurance companies insure for the catastrophic risk under the umbrella policy, covering claims exceeding $5.0 million with a cap of $275.0 million per occurrence. Our education and public transit services businesses use captive insurance companies located primarily in Barbados, fronted by third party insurance providers. The primary retention for our education and public transit services businesses provides for the first $5.0 million of risk per occurrence.

Our healthcare transportation services and Greyhound services businesses have arranged for primary retention utilizing deductible reimbursement programs fronted by a third party insurance provider. The primary retention for our healthcare transportation services business provides for the first $2.0 million of auto liability, $0.5 million of workers' compensation, $1.0 million of general liability and $5.0 million of professional liability. The primary retention for our Greyhound services business provides for the first $3.0 million of auto liability, workers' compensation and general liability. Coverage for claims exceeding these retention levels and up to $5.0 million per occurrence for auto liability, workers' compensation and general liability and up to $15.0 million per occurrence for professional liability is purchased from third party providers.

Our emergency management services business has arranged for primary retention of its professional liability and workers' compensation insurance utilizing programs fronted by a third party provider for the first $0.5 million per occurrence for professional liability and the first $0.25 million for workers' compensation. Coverage for claims exceeding these retention levels and up to $1.0 million per occurrence per physician (aggregate annual limit per physician of $3.0 million) and coverage of $10.0 million per occurrence for the organization for professional liability and up to $5.0 million per occurrence for workers' compensation is purchased through an outside insurance carrier. See also "Risk Factors − Risks Relating to Our Business − The loss of certain self-insurance authority or reduced availability of insurance could have a material adverse effect on our financial condition or results of operations."

**Properties**

Our corporate headquarters are located in Naperville, Illinois, with some administrative functions performed from our offices in Burlington, Ontario. It is our intent to relocate all corporate headquarter functions in Burlington, Ontario to our Naperville offices during fiscal 2004. Our executive offices in Naperville, Illinois occupy approximately 11,000 square feet of leased office space.

In addition, our education services business operates school buses and special education vehicles from 494 locations in the United States and 61 in Canada, of which 167 are owned and 388 are leased or operated under contract. To provide these services, we operate approximately 42,000 school buses and special education vehicles. Approximately 39,000 of these vehicles are owned by us while the balance are owned by the city or municipality.

Our public transit business operates from 95 locations in the United States, of which four are owned and the balance is leased. To provide these services, we operate approximately 3,800 paratransit vehicles of which approximately 1,350 were owned by us while the remaining units are owned and provided by our customers.

American Medical Response operates out of 240 locations in the United States, of which 15 are owned and the balance are leased. We utilize approximately 3,550 ambulances and wheelchair cars and approximately 750 support vehicles.

EmCare manages 265 hospital emergency departments. We lease 22 facilities to house administrative, billing and other support functions for this business.



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Our Greyhound business provides services from approximately 2,250 locations throughout the United States and Canada. The majority of our locations are owned and operated by independent agents of Greyhound. We own or lease 652 properties. Greyhound owns or leases approximately 3,700 highway coaches.

We believe our facilities and equipment are adequate to service our present businesses and the expansion of our existing operations.

**Legal Proceedings**

***Proceedings Prior to or During Bankruptcy of Laidlaw Inc.***

Prior to filing its petitions in bankruptcy, Laidlaw had been named as a defendant in the following actions. Litigation against Laidlaw was stayed during the pendency of the bankruptcy proceedings. As a result of the confirmation of the Plan, further proceedings against us are enjoined except as expressly permitted in the Plan. The Plan did not expressly permit litigation against us with respect to Nos. 1 and 3-7 below, and No. 2 has been settled. Further, as a result of our emergence from our chapter 11 proceedings, the claims against us that were not settled were extinguished.

1. Three actions were filed against Laidlaw and were consolidated under the caption In re Laidlaw Stockholders Litigation in the United States District Court for the District of South Carolina. Other defendants were John Grainger, James Bullock and Leslie Haworth, each former officers of Laidlaw, and Laidlaw' s auditors, PricewaterhouseCoopers LLP and PricewaterhouseCoopers LLP (Canada). Plaintiffs sought to represent a class of purchasers of Laidlaw common stock for the period of October 15, 1997 through March 13, 2000. Causes of action were alleged pursuant to Sections 10(b) and 20 of the Securities Exchange Act of 1934 and SEC Rule 10b-5. PricewaterhouseCoopers LLP and PricewaterhouseCoopers LLP (Canada) settled the claims against them with the plaintiff class. As a result of the U.S. Bankruptcy Court' s subordination of these claims against Laidlaw as described below, Laidlaw and Laidlaw International no longer participate as parties in this case.

2. Several cases against Laidlaw were consolidated under the caption In re Laidlaw Bondholders Litigation in the United States District Court for the District of South Carolina. Other defendants were John Grainger, James Bullock, Ivan Cairns, Leslie Haworth, Peter Widdrington, Wayne Bishop, William Cooper, Jack Edwards, William Farlinger, Donald Green, Martha Hesse, Gordon Ritchie, Stella Thompson, PricewaterhouseCoopers LLP, Goldman Sachs & Co., Bear Stearns & Co., Inc., Salomon Smith Barney, Merrill Lynch & Co., Bank One. Corp., CIBC Oppenheimer, Banc of America Securities, LLC, and TD Securities (USA), Inc. Each of the individual defendants is a current or former officer or director of Laidlaw or us. Plaintiffs sought to represent a class of all purchasers of certain bonds issued by Laidlaw during the period September 24, 1997 through May 12, 2000. Causes of action were asserted against Laidlaw pursuant to Sections 11 and 12(a)(2) of the Securities Act with respect to various bond offerings and pursuant to Section 10(b) of the Exchange Act and SEC Rule 10b-5. With court approval the parties engaged in mediation. On July 24, 2002, the parties entered into an agreement to settle this matter. The settlement agreement provides for a release of all claims that the plaintiffs have and may have against Laidlaw and the other defendants.

3. On September 19, 2000, Laidlaw was added as a defendant in a consolidated amended securities fraud class action that had previously been pending in the United States District Court for the District of South Carolina against Safety-Kleen Corp., certain current and former officers and directors of Laidlaw and Safety-Kleen, including John Grainger, James Bullock and Leslie Haworth, and PricewaterhouseCoopers LLP. This case was styled In re Safety-Kleen Corp. Securities Litigation. Safety-Kleen, which was in a chapter 11 reorganization proceeding, was dismissed as a defendant. Plaintiffs alleged that, during the class period, in violation of the federal securities laws, defendants disseminated to the investing public false and misleading financial statements and press releases concerning the financial statements and results of operations of Laidlaw Environmental Services and Safety-Kleen. Plaintiffs further alleged that the proxy statement, prospectus and registration statement pursuant to which Laidlaw Environmental Services and the predecessor of Safety-Kleen were merged contained false and misleading financial information. PricewaterhouseCoopers



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LLP agreed to a settlement with the plaintiff class. As a result of the U.S. Bankruptcy Court' s subordination of these claims against Laidlaw as described below, Laidlaw and Laidlaw International no longer participate as parties in this case.

4. A consolidated amended class action complaint for violations of federal securities laws was filed in the United States District Court for the District of South Carolina against Laidlaw, certain former officers and directors of Laidlaw and Safety-Kleen and the auditors of Safety-Kleen and Laidlaw, PricewaterhouseCoopers LLP and PricewaterhouseCoopers LLP (Canada), and was captioned In re Safety-Kleen Rollins Shareholders Litigation. In this complaint, the plaintiffs alleged that the defendants caused to be disseminated a proxy statement that contained misrepresentations and omissions of a materially false and misleading nature. On June 7, 2001, the court dismissed the claims against Laidlaw and some of the defendants. The plaintiffs then filed a motion seeking leave to file an amended complaint that asserted a common law claim for negligent misrepresentation against Laidlaw and other defendants. The court granted the motion after Laidlaw' s chapter 11 filing, then subsequently vacated its order granting the motion with respect to Laidlaw. As a result of the U.S. Bankruptcy Court' s subordination of these claims against Laidlaw as described below, Laidlaw and Laidlaw International no longer participate as parties in this case.

5. On January 23, 2001, a case was filed against Laidlaw, PricewaterhouseCoopers LLP, certain underwriters of Safety-Kleen bonds and former or current officers or directors of Safety-Kleen in the federal court in South Carolina captioned In re Safety-Kleen Corp. Bondholders Securities Litigation. This consolidated complaint consolidated the allegations originally brought by plaintiffs in a South Carolina District Court action and a Delaware District Court action against Laidlaw, certain of its current or former officers and directors and others. Plaintiffs asserted claims under the federal securities laws and alleged that the defendants controlled the functions of Safety-Kleen, including the content and dissemination of its financial statements and public filings, which plaintiffs contend to be false and misleading. Plaintiffs filed motions for summary judgment against certain defendants on certain claims, and certain defendants filed motion for summary judgment, all of which are pending. As a result of the U.S. Bankruptcy Court' s subordination of these claims against Laidlaw as described below, Laidlaw and Laidlaw International no longer participate as parties in this case.

6. On August 7, 2000, plaintiffs in the case captioned Raygar Environmental Systems International, Inc. v. Laidlaw Inc., Laidlaw Investments Ltd., Laidlaw Transportation, Inc., Laidlaw Environmental Services, Inc., LES, Inc., Laidlaw Environmental Services (US) Inc., Laidlaw Osco Holdings, Inc., Laidlaw International, Safety-Kleen Corp. filed an amended complaint in the U.S. District Court for the Southern District of Mississippi against the above-listed defendants. The complaint alleged causes of action for breach of contract, tortious breach of contract, breach of fiduciary duty, breach of duty of good faith and fair dealing, breach of duty of confidential relations, usurpation of corporate opportunity, negligent misrepresentation, fraudulent misrepresentation, violation of federal antitrust statutes, tortious interference with contractual relations, tortious interference with prospective contractual relations, tortious interference with prospective business relationships, fraud and abuse of superior bargaining power. Plaintiff sought damages in the amount of $450 million in compensatory damages and $900 million in punitive damages. Discovery occurred prior to Laidlaw filing bankruptcy, and a motion to dismiss was pending at that time. As a result of the Safety-Kleen and Laidlaw bankruptcy filings, this case was stayed in its entirety and, pursuant to an order of the Mississippi federal court, was dismissed without prejudice because of inactivity. As a result of the U.S. Bankruptcy Court' s disallowance of plaintiff' s proofs of claims in Laidlaw' s bankruptcy case, as described below, plaintiff is barred from further asserting any claims against us relating to the complaint.

7. On November 6, 2000, a compliant was filed in the U.S. District Court for the Southern District of Mississippi and captioned Federated Holdings, Inc. v. Laidlaw Inc., Laidlaw Investments Ltd., Laidlaw Transportation, Inc., Laidlaw Environmental Services, Inc., LES, Inc., Laidlaw Environmental Services (US) Inc., Laidlaw Osco Holdings, Inc., Safety-Kleen Corp. The complaint alleged causes of action for breach of contract, tortious breach of contract, breach of fiduciary duty, breach of duty of good faith and fair dealing, breach of duty of confidential relations, negligent misrepresentation, fraudulent misrepresentation, violation of federal and state antitrust statutes, tortious interference with prospective business relationships, fraud, and abuse of superior bargaining power. Plaintiff sought damages in the amount of $200 million in



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compensatory damages and $250 million in punitive damages. The Mississippi federal court consolidated this case with case no. 6 above (Raygar) for all purposes. As a result of the Safety-Kleen and Laidlaw bankruptcy filings, this case was stayed in its entirety and, pursuant to an order of the Mississippi federal court, was dismissed without prejudice because of inactivity. As a result of the U.S. Bankruptcy Court' s disallowance of plaintiff' s proofs of claims in Laidlaw' s bankruptcy case, as described below, plaintiff is barred from further asserting any claims against us relating to the complaint.

***Treatment in the Bankruptcy Proceedings of the above-listed cases Nos. 1-7***

The plaintiff classes in items nos. 1-4 above and the plaintiffs in items nos. 6-7 each filed claims in Laidlaw' s bankruptcy case. Pursuant to an order of the U.S. Bankruptcy Court dated August 30, 2002, proofs of claims relating to nos. 1, 3, 4 and 5 above were subordinated to the claims of general unsecured creditors and classified into a class under the Plan that did not receive any distributions. In addition, pursuant to an order of the U.S. Bankruptcy Court dated December 13, 2002, after a hearing on the merits, proofs of claims relating to nos. 6 and 7 (Raygar and Federated) were disallowed in their entirety. As a result, Laidlaw and Laidlaw International have no continuing direct exposure in any of these cases and such cases are considered closed with respect to us, except as they relate to certain of our former directors and officers pursuant to the D&O Claim Treatment Letter described below.

***Director and Officer Claim Treatment Letter***

Pursuant to the Plan, we were authorized and directed to implement the D&O Claim Treatment Letter among Laidlaw, the informal steering committees of Laidlaw' s lenders and bondholders and certain present or former directors of Laidlaw or its subsidiaries or affiliates, including Safety-Kleen, or the Directors and Officers. The D&O Claim Treatment Letter sets forth an agreement among the parties with respect to the treatment of indemnification, reimbursement and other claims by the Directors and Officers (including certain individuals who have been named as defendants in the lawsuits described above) with respect to acts or omissions prior to our emergence from bankruptcy. Among other things, pursuant to the D&O Claim Treatment Letter, the Directors and Officers will have access to certain directors and officers insurance, or the D&O Insurance, purchased by us to cover claims, including those arising from the lawsuits described above. Further, we and the Directors and Officers agreed that the existing $10.0 million trust plus accrued interest thereon that previously was established by Laidlaw to satisfy D&O Claims of the Directors and Officers, or the Defense Trust, will continue in existence for ten years after the effective date of the Plan to pay any claims against the Directors and Officers not covered by the D&O Insurance.

Under the terms of the D&O Claim Treatment Letter, we are obligated to contribute additional funds to maintain a balance in the Defense Trust of $10.0 million by contributing additional funds in $1.0 million increments, subject to a cap of $10.0 million in additional funding, which cap decreases over time as described below. At August 31, 2003, there was $9.2 million in that trust, and no additional funds have been contributed by us. The maximum aggregate amounts available in the trust and from additional contributions by us will be reduced to:

$17.5 million on June 23, 2005;

$15.0 million on June 23, 2007;

$12.5 million on June 23, 2009;

$10.0 million on June 23, 2011; and

$0 on June 23, 2013.

Any unexpended monies in the Defense Trust will be remitted to us on June 23, 2013.

***General Litigation and Other Disputes***

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During 2002, the PBGC indicated to Laidlaw that it would object to the Plan if Laidlaw did not agree to take steps to improve the funded status of certain defined benefit pension plans that it maintained for its



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employees. Laidlaw and the PBGC entered into the PBGC Agreement to address the concerns of the PBGC. We have certain obligations under this agreement. The PBGC Agreement was approved by the U.S. Bankruptcy Court as part of the confirmation hearing held on February 27, 2003 with respect to the Plan, and was executed by the PBGC, us, and certain of our affiliates on June 18, 2003. See "Management' s Discussion and Analysis of Financial Condition and Results of Operations − Liquidity − Pension Plan Funding Requirements."

We are the sole shareholder of Greyhound Lines, Inc., which in turn is the sole shareholder of Sistemas Internacional de Transporte de Autobuses, Inc., or SITA. SITA owns 51% of Gonzalez, Inc., d/b/a Golden State Transportation. On November 28, 2001, Golden State and numerous individual employees, including its senior management, were indicted by a federal grand jury for felony criminal offenses for allegedly transporting and harboring illegal aliens. The indictment also seeks forfeiture to the government of all the property of Golden State, which involves Golden State, SITA and Greyhound Lines since they are claimants to the property. The defendants have been arraigned on the indictment and entered pleas of not guilty. Trial dates have been set as to certain defendants. None of Greyhound, SITA or Laidlaw International have been charged with any crime.

The government filed a civil forfeiture action against certain Golden State assets based on allegations similar to those described in the indictment of Golden State. Neither SITA, Greyhound nor we are a defendant in the forfeiture action; however, Greyhound and SITA are claimants to the property. Golden State has entered into a settlement agreement with the government regarding the criminal and civil forfeiture cases brought by the government. On September 19, 2003, SITA and Greyhound also entered stipulations with the government to settle SITA and Greyhound' s claims to the subject property of the forfeiture action. Pursuant to these stipulations, Greyhound and SITA agreed to forfeit certain property and cooperate in the government' s ongoing criminal investigations. In return, the government dropped its forfeiture allegations against the remaining property originally sought for forfeiture and agreed not to pursue criminal charges against SITA, Greyhound and their employees arising out of the events described in the criminal indictment. The bankruptcy court overseeing the Golden State bankruptcy approved the settlement on November 6, 2003.

Our healthcare businesses are subject to the Medicare and Medicaid fraud and abuse laws, which prohibit, among other things, any bribe, kick-back or rebate in return for the referral of Medicare and Medicaid patients. Violation of these prohibitions may result in civil and criminal penalties and exclusion from participation in the Medicare and Medicaid programs. We have implemented policies and procedures that management believes will assure that we are in substantial compliance with these laws. We are currently undergoing investigations by certain government agencies as described below and in certain other matters regarding compliance with Medicare fraud and abuse statutes. We are cooperating with the government agencies conducting these investigations and are providing requested information to the government agencies. Management believes that the outcome of any of these investigations would not have a material adverse effect on us.

From August 1998 until August 2000, AMR received six subpoenas duces tecum from the Unites States Attorney' s Office. These subpoenas related to billing matters for emergency transports and specialized services. AMR has reached a tentative settlement with the United States Attorney' s Office under which it has agreed to pay $3.5 million relating to these matters.

In June 1999, the U.S. Department of Justice began an investigation of the billing processes of Regional Emergency Services, a subsidiary of AMR, and of Florida Hospital Waterman. Regional Emergency Services managed the ambulance services for Florida Hospital Waterman. The U.S. Department of Justice reviewed the billing processes of the companies from October 1992 to May 2002. The U.S. Department of Justice alleged violations by the companies of the False Claims Act based on the absence of certificates of medical necessity and other non-compliant billing practices. The parties have reached a tentative settlement for an aggregate of $20 million, of which AMR will contribute $5 million.

On May 9, 2002, AMR received another subpoena duces tecum from the Office of the Inspector General. The subpoena requested copies of documents for the period from January 1993 through May 2002. The subpoena required AMR to produce a broad range of documents relating to Huguley Hospital and Regional



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Emergency Services contracts in Texas, Georgia and Colorado. The claims in Texas have been resolved pursuant to the $20 million tentative settlement agreement described above. The government investigations in Georgia and Colorado are continuing.

During the first quarter of fiscal 2004, AMR was advised by the U.S. Department of Justice that it continues to investigate certain business practices at AMR. The specific practices at issue were primarily the focus of a January 4, 2002 subpoena served on AMR by the Office of the Inspector General of the United States Department of Health and Human Services. Specifically, the U.S. Department of Justice is investigating (1) whether ambulance transports involving Medicare eligible patients complied with the "medically necessary" requirement imposed by Medicare regulations, (2) whether patient signatures, when required, were properly obtained from Medicare eligible patients; and (3) whether discounts in violation of the Federal Anti-Kickback Act were provided by AMR in exchange for referrals involving Medicare eligible patients. At this time, it is not possible to predict the ultimate conclusion of this investigation, nor is it possible to calculate any possible financial exposure to us.

We are also subject to certain environmental liabilities. Specifically, Greyhound Lines, Inc. may be liable for certain environmental liabilities and clean-up costs at the various facilities presently or formerly owned or leased by Greyhound Lines, Inc. Based upon surveys conducted solely by Greyhound Lines, Inc.' s personnel or its experts, 36 active and seven inactive locations have been identified as sites requiring potential clean-up and/or remediation as of November 30, 2003. Additionally, Greyhound Lines, Inc. is potentially liable with respect to six active and seven inactive locations which the Environmental Protection Agency, or the EPA, has designated as Superfund sites. Greyhound Lines, Inc., as well as other parties designated by the EPA as potentially responsible parties, face exposure for costs related to the clean-up of those sites. Based on the EPA' s enforcement activities to date, Greyhound Lines, Inc. believes its liability at these sites will not be material because its involvement was as a de minimis generator of wastes disposed of at the sites. In light of its minimal involvement, Greyhound Lines, Inc. has been negotiating to be released from liability in return for the payment of nominal settlement amounts.

Greyhound Lines, Inc. has recorded a total environmental liability of $5.6 million at November 30, 2003, of which approximately $1.0 million is indemnifiable by the predecessor owner of Greyhound Lines, Inc.' s domestic bus operations, Viad Corp. The environmental liability relates to sites identified for potential clean-up and/or remediation, and the majority of this environmental liability is expected to be paid over the next five to ten years. See also "Risk Factors − Risks Relating to Our Business − We are subject to various regulations that could impose substantial costs upon us and may adversely affect our business, financial condition and results of operations."

We are also a defendant in various lawsuits arising in the ordinary course of business, primarily cases involving personal injury, property damage or employment related claims. Based on our assessment of known claims and our historical claims payout pattern, management believes that there is no proceeding either threatened or pending against us relating to personal injury and/or property damage claims and/or employment related that would have a material adverse effect on us.



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## MANAGEMENT

The following are our officers and directors and their ages as of December 31, 2003:

| Name | Age | Position |
|---|---|---|
| Kevin E. Benson | 56 | Director, President and Chief Executive Officer |
| Douglas A. Carty | 47 | Senior Vice President and Chief Financial Officer |
| Wayne R. Bishop | 45 | Vice President and Controller |
| D. Geoff Mann | 40 | Vice President, Treasurer |
| Jeffrey W. Sanders | 41 | Vice President, Corporate Development |
| John F. Chlebowski | 58 | Director |
| James H. Dickerson, Jr | 57 | Director |
| Lawrence M. Nagin | 62 | Director |
| Vicki A. O' Meara | 46 | Director |
| Richard P. Randazzo | 60 | Director |
| Maria A. Sastre | 48 | Director |
| Peter E. Stangl | 62 | Director |
| Carroll R. Wetzel, Jr. | 60 | Director |

Biographical information relating to each of our officers and directors is set forth below.

*Kevin E. Benson* has been our President and Chief Executive Officer and a director since June 23, 2003. From September 2002 to June 23, 2003, Mr. Benson was President and Chief Executive Officer of Laidlaw. Prior to that, Mr. Benson served as President and Chief Executive Officer of the Insurance Corporation of British Columbia from December 2001 until September 2002 and, in 2000 and 2001, as President of The Pattison Group, a privately owned company and a conglomerate that owns interests in numerous businesses across a range of industries. He previously served as President and Chief Executive Officer of Canadian Airlines International from 1996 until 2000 and as Chief Financial Officer from 1995 to 1996. Prior to joining Canadian Airlines in 1995, he served in various capacities with Trizec-Hahn, a Canadian real estate development company with property holdings in the U.S. and Canada, joining the company in 1977 and becoming Chief Financial Officer in 1983, President in 1986 and Chief Executive Officer in 1987. Mr. Benson also serves as a director of Manulife Financial.

*Douglas A. Carty* has been our Senior Vice President and Chief Financial Officer since June 23, 2003. From January 2003 to June 23, 2003, Mr. Carty was Senior Vice President and Chief Financial Officer of Laidlaw. Prior to that, Mr. Carty served as Senior Vice President and Chief Financial Officer of Atlas Air Worldwide Holdings, an aviation transportation company, from July 2001 until December 2002. From 1990 until July 2001, Mr. Carty was employed with Canadian Airlines, where he served in a variety of positions, including Senior Vice President and Chief Financial Officer from 1996 until July 2000. Mr. Carty also serves as a non-executive Chairman of the Board of Points International Ltd.

*Wayne R. Bishop* has been our Vice President and Controller since June 23, 2003. From April 1997 until June 23, 2003, he served as Vice President of Laidlaw and from December 1988 until June 23, 2003, as Controller of Laidlaw. Mr. Bishop joined Laidlaw in November 1987 as Assistant Controller. Mr. Bishop is expected to leave Laidlaw International in January 2004.

*D. Geoffrey Mann* has been our Vice President, Treasurer since June 23, 2003. From March 1999 until June 23, 2003, he served as Vice President, Treasurer of Laidlaw. Prior to that, Mr. Mann was Director, Treasury Operations of Laidlaw from December 1996 until March 1999. Mr. Mann joined Laidlaw in March 1995 as Manager of Planning and Analysis. Mr. Mann is expected to leave Laidlaw International in January 2004.

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*Jeffrey W. Sanders* has been our Vice President, Corporate Development since August 2003 and will become our Controller in February 2004. From May 1999 until July 2003, he served as Senior Vice President



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and Chief Financial Officer of Greyhound Lines, Inc. Mr. Sanders joined Greyhound Lines, Inc. in June 1997 as Vice President, Corporate Development.

*John F. Chlebowski* has served as a director since June 23, 2003. He has served as the President and Chief Executive Officer of Lakeshore Operating Partners, LLC, a bulk liquid distribution firm, since March 2000. From July 1999 until March 2000, Mr. Chlebowski was a senior executive and co-founder of Lakeshore Liquids Operating Partners, LLC, a private venture firm in the bulk liquid distribution and logistics business, and from January 1998 until July 1999, he was a private investor and consultant in bulk liquid distribution. Prior to that, he was employed by GATX Terminals Corporation, a subsidiary of GATX Corporation, as President and Chief Executive Officer from 1994 until 1997. He served as Chief Financial Officer and Vice President Finance of GATX Corporation, a specialized finance and leasing company, from 1986 until 1994 and Vice President Finance from 1984 until 1986. Mr. Chlebowski joined GATX Corporation in 1983 as Vice President Financial Planning. Mr. Chlebowski is also a director of PRP-GP, LLC as well as a director of NRG Energy, Inc.

*James H. Dickerson, Jr.* has served as a director since June 23, 2003. Mr. Dickerson served as the Chief Operating Officer of Caremark Rx, Inc., a pharmaceutical company, from May 2000 until July 2002, when he retired. He joined Caremark in 1998 as the Executive Vice President and Chief Financial Officer. Prior to joining Caremark, Mr. Dickerson was Senior Vice President and Chief Financial Officer of Aetna US Healthcare Corporation of Aetna, Inc., a provider of healthcare benefits, from 1994 until 1998.

*Lawrence M. Nagin* has served as a director since June 23, 2003. Since April 2003, Mr. Nagin has been of counsel with the law firm O' Melveny & Myers LLP. Before joining O' Melveny & Myers, Mr. Nagin was a consultant of US Airways Group, Inc., the parent company of US Airways, Inc., a commercial air transportation company. Mr. Nagin joined US Airways Group as Executive Vice President − Corporate Affairs and General Counsel in 1996 where he held that position until his retirement in 2002. Prior to that, he was in the private practice of law at the law firm Skadden, Arps, Slate, Meagher & Flom LLP from 1994 until 1996. Prior to joining the law firm, Mr. Nagin was Executive Vice President − Corporate Affairs and General Counsel for UAL Corp., the parent company of United Airlines, Inc., a commercial air transportation company.

*Vicki A. O' Meara* has served as a director since June 23, 2003. Since 1997, Ms. O' Meara has served as Executive Vice President, General Counsel and Secretary of Ryder System, Inc., a provider of logistics, transportation and e-commerce solutions. Prior to that, she was a partner at the law firm Jones Day from 1993 until 1997. Ms. O' Meara has also held various federal government positions in Washington, D.C., including Assistant Attorney General of the Environmental and Natural Resources Division of the U.S. Department of Justice, Deputy General Counsel of the U.S. Environmental Protection Agency, and Assistant to the General Counsel in the Office of the Secretary of the Army. Ms. O' Meara was a 1986-1987 White House Fellow serving as Special Assistant to the White House Counsel and as Deputy Executive Secretary to the Domestic Policy Council of the Cabinet.

*Richard P. Randazzo* has served as a director since June 23, 2003. Since 1997, Mr. Randazzo has served as Senior Vice President, Human Resources of Federal-Mogul Corporation, a global supplier of automotive components and sub-systems serving original equipment manufacturers and the aftermarket.

*Maria A. Sastre* has served as a director since June 23, 2003. Since 2000, Ms. Sastre has served as Vice President, Fleet Operations Guest Services for Royal Caribbean International of Royal Caribbean Cruises, a global cruise vacation company. Prior to that, she was employed by UAL Corporation, a holding company for United Airlines, Inc., a commercial air transportation company, since 1992 where she held various positions, including Vice President, Customer Satisfaction from 1999 until 2000, Vice President, Latin America and Caribbean from 1995 until 1999, and Director, International Sales and Marketing, Asia, Europe and Latin America from 1994 until 1995. Ms. Sastre is also a director of Darden Restaurants, Inc.

*Peter E. Stangl* has served as a director since June 23, 2003. From 2000 until his retirement in 2003, he served as President of Bombardier Transportation, US, a division of Bombardier, Inc., a global manufacturer of business jets, regional aircraft, rail transportation equipment and motorized recreational products. Prior to



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that, Mr. Stangl served as President of Bombardier Transit Corporation from 1995 until 2000. Before joining Bombardier, he was employed by the Metropolitan Transportation Authority of New York where he was Chairman and Chief Executive Officer from 1991 until 1995 and President, Metro-North Commuter Railroad from 1981 until 1991. Mr. Stangl joined the Metropolitan Transportation Authority as Assistant Executive Director for Service Policy and Operations in 1980.

*Carroll R. Wetzel, Jr.* has served as a director since June 23, 2003. Since 2000, Mr. Wetzel has served as Chairman of the Board of Safety Components International, Inc., a supplier of automotive airbag fabric and cushions and technical fabrics. From 1988 to 1996, Mr. Wetzel was a Managing Director and head of the Mergers and Acquisition Group of J.P. Morgan Chase & Company (formerly Chemical Bank Corporation).

## EXECUTIVE COMPENSATION

### Summary Compensation Table

The table below provides information relating to compensation for our last three fiscal years for each person who served as the Chief Executive Officer during fiscal 2003 and the four most highly compensated executive officers serving at the end of fiscal 2003 who received compensation in excess of $100,000. The amounts shown include compensation for services in all capacities that were provided to us and our direct and indirect subsidiaries and predecessors.

| | | Annual Compensation | | | Long-Term Compensation | |
|---|---|---|---|---|---|---|
| Name and Principal Position | Year | Salary ($)(1) | Bonus ($) | Other Annual Compensation ($)(1) | Securities Underlying Options/SARS | All Other Compensation ($)(2) |
| Kevin E. Benson(3) | 2003 | $ 575,000 | $ 517,500 | – | – | $ 34,017 |
| President, Chief Executive | 2002 | – | – | – | – | – |
| Officer and Director | 2001 | – | – | – | – | – |
| Douglas A. Carty(4) | 2003 | $ 266,667 | $ 218,680 | – | – | $ 7,759 |
| Senior Vice President and | 2002 | – | – | – | – | – |
| Chief Financial Officer | 2001 | – | – | – | – | – |
| Ivan R. Cairns | 2003 | $ 330,000 | $ 127,875 | – | – | $ 127,397 |
| Senior Vice President and | 2002 | $ 324,167 | $ 140,000 | – | – | $ 48,803 |
| General Counsel | 2001 | $ 320,000 | $ 171,200 | – | – | $ 8,793 |
| Wayne R. Bishop(5) | 2003 | $ 168,361 | $ 48,961 | – | – | $ 65,057 |
| Vice President, Controller | 2002 | $ 154,018 | $ 63,569 | – | – | $ 107,047 |
| | 2001 | $ 150,782 | $ 73,361 | – | – | $ 90,295 |
| D. Geoffrey Mann(5) | 2003 | $ 151,525 | $ 44,065 | – | – | $ 55,653 |
| Vice President, Treasury | 2002 | $ 133,759 | $ 63,569 | – | – | $ 91,213 |
| | 2001 | $ 126,984 | $ 43,886 | – | – | $ 75,250 |
| John R. Grainger(6) | 2003 | $ 624,000 | – | – | – | $ 3,392,221(7) |
| Former President, Chief | 2002 | $ 624,000 | $ 634,725 | – | – | $ 319,513 |
| Executive Officer and | 2001 | $ 610,000 | $ 210,000 | – | – | $ 158,951 |
| Director | | | | | | |

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(1) The value of perquisites for each named executive officer is less than the lesser of $50,000 and 10% of the total of the executive officer' s annual salary and bonus.

(2) Includes contributions to a qualified defined contribution plan in 2003 for the following individuals: to Mr. Benson, $24,000; to Mr. Cairns, $3,005; to Mr. Bishop, $3,367; to Mr. Mann, $3,233 and to Mr. Grainger, $37,440. Also includes the cost of term life insurance in 2003 for the following individuals: to Mr. Benson, $1,856; to Mr. Carty, $745; to Mr. Cairns, $2,774; to Mr. Bishop, $988; to Mr. Mann, $890 and to Mr. Grainger, $2,037. Also includes payments made under the key employment retention plan in 2003 for the following individuals: to Mr. Cairns, $120,000; to Mr. Bishop, $59,796 and to Mr. Mann, $50,508.



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(3) In September 2002, Mr. Benson was appointed President and Chief Executive Officer.

(4) Mr. Carty was appointed Senior Vice President and Chief Financial Officer in January 2003.

(5) Messrs. Bishop and Mann are compensated in Canadian dollars. All salary, bonus and other compensation amounts for these individuals (and certain other compensation for Messrs. Grainger and Cairns) have been converted to U.S. dollars based upon average exchange rates per Canadian dollar of $1.4849, $1.5731 and $1.5267 for 2003, 2002 and 2001, respectively.

(6) Mr. Grainger served as President and Chief Executive Officer until September 2002. Mr. Grainger left the company in August 2003.

(7) Mr. Grainger' s employment agreement provided for payment of a restructuring bonus declining in amount to $525,000 if the effective date of the restructuring and confirmation of the Plan occurred after January 1, 2003. The separation allowance of $2,818,441 was also determined in accordance with Mr. Grainger' s employment agreement, consisting of 2.5 times his base salary and target annual incentive plus a lump sum amount equivalent to the cost of all his benefits for a period of thirty months.

**Long-Term Incentive Plans − Awards in Last Fiscal Year**

No payments were made or awards granted under long-term incentive plans to the named executive officers during our last fiscal year.

**Option/SAR Grants in Last Fiscal Year**

No stock options or stock appreciation rights were granted to the named executive officers during our last fiscal year.

**Aggregated Option/SAR Exercises in Last Fiscal Year and Fiscal Year-End Option/SAR Values**

On June 23, 2003, the effective date of the Plan, all the then outstanding options were cancelled for no consideration. As of August 31, 2003, none of the named executive officers held stock options or stock appreciation rights. None of the named executive officers exercised stock options in fiscal 2003.

**Supplemental Executive Retirement Plans**

We sponsor two supplemental executive retirement plans for specified employees. The benefit amount payable under the plans at age 65 is the sum of (1) 1.0% of final average earnings up to $200,000 and (2) 1.5% of final average earnings in excess of $200,000, less government pension benefits, multiplied by the participant' s years of service with us and our affiliates. A participant' s final average earnings would be the average of the highest consecutive five years' earnings (including salary and bonus, not exceeding the target level) earned by the participant in the last ten years prior to retirement. The form of benefit would be an annuity, guaranteed for five years.



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The following table sets forth the annual amount (after deducting government pension benefits) that would be payable to the named executive officers based on retirement at age 65, at various levels of remuneration and years of service.

**Supplemental Executive Retirement Plan**

**Annual Pension Payable Upon Retirement at Normal Retirement Age**

| | Years of Credited Service | | | | |
|---|---|---|---|---|---|
| **Remuneration** | **10** | **15** | **20** | **25** | **30** |
| $200,000 | $ 21,390 | $ 32,084 | $ 42,779 | $ 53,474 | $ 64,169 |
| $300,000 | $ 36,190 | $ 54,284 | $ 72,379 | $ 90,474 | $ 108,569 |
| $400,000 | $ 51,190 | $ 76,784 | $ 102,379 | $ 127,974 | $ 153,569 |
| $500,000 | $ 66,090 | $ 99,134 | $ 132,179 | $ 165,224 | $ 198,269 |
| $600,000 | $ 81,190 | $ 121,784 | $ 162,379 | $ 202,974 | $ 243,569 |
| $700,000 | $ 96,390 | $ 144,584 | $ 192,779 | $ 240,974 | $ 289,169 |
| $800,000 | $ 111,190 | $ 166,784 | $ 222,379 | $ 277,974 | $ 333,569 |
| $900,000 | $ 126,490 | $ 189,734 | $ 252,979 | $ 316,224 | $ 379,469 |
| $1,000,000 | $ 141,590 | $ 212,384 | $ 283,179 | $ 353,974 | $ 424,769 |
| $1,100,000 | $ 156,490 | $ 234,734 | $ 312,979 | $ 391,224 | $ 469,469 |
| $1,200,000 | $ 171,190 | $ 256,784 | $ 342,379 | $ 427,974 | $ 513,569 |
| $1,300,000 | $ 185,690 | $ 278,534 | $ 371,379 | $ 464,224 | $ 557,069 |
| $1,400,000 | $ 201,390 | $ 302,084 | $ 402,779 | $ 503,474 | $ 604,169 |
| $1,500,000 | $ 215,590 | $ 323,384 | $ 431,179 | $ 538,974 | $ 646,769 |

The credited years of service for the named executive officers as of August 31, 2003, assuming the individual meets specified conditions of continued employment with us, are as follows: 0.96 years for Mr. Benson, 17.29 years for Mr. Grainger, 0.65 years for Mr. Carty, 21.82 years for Mr. Cairns, 8.42 years for Mr. Bishop and 6.42 years for Mr. Mann.

We also provide retirement and deferred savings plans pursuant to which we will match 50% of the employee' s contributions to the plan, provided that the total annual contributions do not exceed the maximum allowable contributions under the relevant income tax law.

**Severance Policy**

We have a severance policy pursuant to which an employee whose employment is involuntarily terminated by us other than for cause will receive a severance allowance consisting of (1) a severance amount payable for a period based on the employee' s years of service, age, base salary and car allowance, (2) continuation of specified welfare benefits for the shorter of the severance period or until the employee obtains alternative employment, and (3) outplacement services. The severance amount is calculated by adding the employee' s (1) age in years, (2) months of service and (3) base salary divided by 1,000, and dividing that sum by 30. The result is the number of months of severance pay provided to the terminated executive. For certain employees leaving in connection with our reorganization, this severance amount is enhanced by 30%. This severance amount is inclusive of any severance pay required by law, and the employee must execute a general release of claims in order to receive a severance allowance. This policy is applicable to the named executive officers other than Messrs. Benson and Carty.

**Employment Agreements**

***Benson Employment Agreement***

We are party to an employment agreement with Mr. Benson under which Mr. Benson serves as our President and Chief Executive Officer. Pursuant to the agreement, as amended, in addition to his annual

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salary, Mr. Benson is eligible to participate in our short-term incentive plan. Mr. Benson' s target bonus is 100% of base salary, with a maximum bonus of 200% of base salary. Mr. Benson also participates in our supplemental executive retirement plan and is eligible to receive stock options as approved by our board of directors. Pursuant to the agreement, Mr. Benson also receives other benefits, including a monthly allowance for automobile and related operating and insurance expenses, reimbursement of club membership expenses, tax preparation and planning expenses, each subject to maximum reimbursement limits, and relocation expenses. If Mr. Benson is terminated without cause, we will continue to pay his base salary in effect at that time and provide him with medical insurance, dental insurance and term life insurance for a period of 24 months following termination. In lieu of these benefits, Mr. Benson may be paid an equivalent lump sum cash amount. The agreement requires Mr. Benson to refrain from competing with us and soliciting our customers during his employment and for 24 months following his termination without cause. The agreement also prevents Mr. Benson from soliciting any of our employees for a period of 24 months following his termination.

***Carty Employment Agreement***

We are party to an employment agreement with Mr. Carty under which Mr. Carty serves as our Senior Vice President and Chief Financial Officer. Pursuant to the agreement, in addition to his annual salary, Mr. Carty is eligible to participate in our short-term incentive plan. Mr. Carty' s target bonus is 75% of base salary, with a maximum bonus of 150% of base salary. Mr. Carty also participates in our supplemental executive retirement plan and is eligible to receive stock options as approved by our board of directors. Pursuant to the agreement, Mr. Carty also receives other benefits, including a monthly allowance for automobile and related operating and insurance expenses, reimbursement of club membership expenses, tax preparation and planning expenses, each subject to maximum reimbursement limits, and relocation expenses. If Mr. Carty is terminated without cause, we will continue to pay his base salary in effect at that time and provide him with medical insurance, dental insurance and term life insurance for a period of 24 months following termination. In lieu of these benefits, Mr. Carty may be paid an equivalent lump sum cash amount. In addition, if Mr. Carty is terminated within his first year of employment, we must reimburse him for reasonable and actual relocation expenses. The agreement requires Mr. Carty to refrain from competing with us and soliciting our customers during his employment and for 24 months following his termination without cause. The agreement also prevents Mr. Carty from soliciting any of our employees for a period of 24 months following his termination.

***Grainger Employment Agreement***

We were a party to an employment agreement with Mr. Grainger dated January 1, 2000, as amended November 26, 2001, pursuant to which Mr. Grainger served as President and Chief Executive Officer of Laidlaw, our predecessor, until September 2002 and then served as the President and Chief Executive Officer of Laidlaw Transit, Inc., our subsidiary, until August 2003. In addition to his annual salary, Mr. Grainger was eligible to participate in our short-term incentive plan. Mr. Grainger' s target bonus was 70% of his base salary. The agreement also provided for a restructuring bonus of $525,000 based on an effective restructuring date of June 23, 2002. Mr. Grainger participated in our supplemental executive retirement plan which was amended pursuant to his agreement to grant Mr. Grainger two years of credited service for every year or partial year served under the plan commencing January 1, 2000 and reduce the early retirement age for Mr. Grainger from 65 years to 60 years of age on a year for year or partial year basis. Pursuant to this agreement, Mr. Grainger also received other benefits, such as welfare benefits, a monthly allowance for an automobile, five weeks of vacation and reimbursement of professional counseling fees and club membership expenses, each subject to maximum reimbursement limits. If Mr. Grainger' s employment was terminated by us without cause, as defined in the agreement, Mr. Grainger would have been entitled to (1) an immediate payment of a lump sum equal to 2.5 times his annual base salary plus 2.5 times his target award under our CEO annual incentive plan and (2) the continuation of his benefits and perquisites, as described above, for 30 months after termination. In lieu of these benefits, Mr. Grainger was entitled to receive an equivalent lump sum cash amount. Based on the foregoing, Mr. Grainger received $2,818,441.



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**Change in Control Agreements**

We are parties to change in control agreements with Messrs. Benson and Carty. Under the change in control agreements, if the executive is terminated without cause during the two-year period following a change in control or if the executive terminates his employment with us during the two-year period upon the occurrence of specified events, including, without limitation:

a reduction in the aggregate of the executive' s base pay and incentive pay;

our failure to maintain the executive in the office or position, or a substantially equivalent office or position of or with us, which he held immediately prior to the change in control;

an adverse change in the nature or scope of the authorities, powers, functions or responsibilities of the executive;

the termination or denial of the executive' s rights to employee benefits; or

specified relocations of the executive or excess travel,

the executive is entitled to severance benefits. For purposes of these agreements, the definition of a "change in control" includes:

the acquisition by any individual, entity or group of beneficial ownership of 50% or more of the then outstanding voting stock of Laidlaw International, except in several instances;

individuals who currently constitute or are approved by our board of directors cease for any reason to constitute at least a majority of the board, with several exceptions;

the consummation of a reorganization, merger or consolidation or a sale or other disposition of all or substantially all of our assets, unless, in each case, immediately following the event,

all or substantially all of the individuals and entities who were the beneficial owners of our voting stock immediately prior to the event beneficially own, directly or indirectly, more than 50% of the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the entity resulting from the event in substantially the same proportions relative to each other as their ownership, immediately prior to the transaction, of our voting stock;

no person (other than any entity resulting from the transaction or any employee benefit plan or related trust sponsored or maintained by us) beneficially owns, directly or indirectly, 15% or more of the then outstanding shares of common stock of the entity resulting from the transaction or the combined voting power of the then outstanding voting securities of that entity except to the extent ownership existed prior to the transaction; and

at least a majority of the members of the board of directors of the entity resulting from the transaction were members of the incumbent board at the time of the execution of the initial agreement or of the action of the board providing for the transaction; or

the approval by our stockholders of a complete liquidation or dissolution of Laidlaw International.

The severance benefits following a change in control under the change in control agreements will consist of a lump sum payment equal to two times the sum of the executive' s highest previous base salary and the executive' s incentive pay (calculated at not less than the higher of (1) the highest aggregate incentive pay earned in any fiscal year after the change in control or in any of the three years immediately preceding the year in which the change in control occurred or (2) the plan target for the year in which the change in control occurred), plus continued benefits coverage for a period of 24 months. In addition, the executive will receive a lump sum payment in an amount equal to the actuarial

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equivalent of the excess of (1) the retirement pension and the medical, life and other benefits that would be payable to the executive under various retirement plans if the executive continued to be employed during the 24 month period after termination given the executive' s base pay, over (2) the retirement pension and the medical, life and other benefits that the



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executive is entitled to receive (either immediately or on a deferred basis) under the retirement plans. The executive is also entitled to reimbursement of reasonable outplacement services of up to $25,000. Further, upon the change of control, all equity incentive awards held by the executive will become fully vested and all stock options held by the executive will become fully exercisable.

**Equity Compensation Plan**

Our 2003 equity and performance incentive plan, or the 2003 Plan, was approved by the U.S. Bankruptcy Court on February 27, 2003. The 2003 Plan provides for the grant of stock options, stock appreciation rights, restricted shares, deferred shares, performance shares, and performance units to officers and employees of our company and of our subsidiaries. The 2003 Plan also provides for the grant of option rights and restricted stock to non-employee directors. There are 5,000,000 shares of common stock available under the 2003 Plan. No participant may be granted more than 500,000 option rights, appreciation rights, deferred shares, or restricted shares, or more than $1,000,000 worth of performance shares or performance units in any calendar year.

The 2003 Plan is administered by our board of directors. Our board of directors has the authority to select plan participants, grant awards, and determine the terms and conditions of such awards. Generally, with respect to awards granted under the 2003 Plan, (1) option rights, and corresponding appreciation rights, vest ratably over not less than a three-year period, (2) restricted stock grants are subject to a risk of forfeiture for a period of not less than three years, (3) deferred shares are subject to a deferral period of not less than one year, and (4) performance shares and performance units are paid to a plan participant upon the achievement of management objectives specified in the grant measured over a period specified in the grant of not less than one year. If stated in the award, the exercise of option rights, appreciation rights, and restricted stock may also be subject to the achievement of management objectives, as defined in the 2003 Plan.

**Director Compensation**

Our non-executive directors, other than the Chairman, receive an annual retainer of $47,500, with the audit committee chair receiving an additional $20,000, the human resources and compensation committee chair an additional $8,000 and other committee chairs an additional $5,000. The non-executive Chairman receives an annual retainer of $150,000. Non-executive directors receive meeting fees of $1,500 per board meeting attended and $1,000 per committee meeting attended; fees for telephonic meetings are reduced by 50%. Directors may defer all or a portion of their cash compensation. Deferred cash compensation will be credited to a deferral account, which will be deemed to be invested in hypothetical shares of our common stock. Each deferral account will be credited with dividend equivalents and will be distributed to the director in a lump sum in cash on a date selected by the director.

Each non-executive director, other than the Chairman, also receives an annual equity award consisting of 6,750 stock options and 3,375 restricted shares; the Chairman receives 10,125 stock options and 5,063 restricted shares. Directors may elect to defer receipt of all or a portion of the restricted shares granted to them. These deferred shares will be credited to a deferral account, will no longer have voting and dividend rights, and will be subject to a risk of forfeiture on the same basis as the underlying restricted shares. Each deferral account will be credited with dividend equivalents. To the extent vested, the shares credited to a deferral account will be distributed to the director on a distribution date selected by the director in the form of our common stock and the dividend equivalents will be distributed to the director in cash. We have also established stock ownership guidelines. Within five years, directors are expected to hold common stock (including deferred shares) having a value of not less than three times (five times in the case of the Chairman) of the annual general retainer of $47,500. In addition, each director is reimbursed for any reasonable travel expenses incurred in attending meetings.

**Human Resources and Compensation Committee Interlocks and Insider Participation**

Our human resources and compensation committee oversees all matters relating to human resources of our company and administers (1) all stock option or stock-related plans and, in connection therewith, all



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awards of options to employees pursuant to any stock option or stock-related plan, (2) all bonus plans and (3) all compensation of our Chief Executive Officer. The members of our human resources and compensation committee during the fiscal year ended August 31, 2002 and until our emergence from bankruptcy on June 23, 2003 were William P. Cooper, Stella M. Thompson and Peter N.T. Widdrington. The current committee members are Richard P. Randazzo, Maria A. Sastre, Peter E. Stangl and Carroll R. Wetzel, Jr. No officer or employee of our company served on our human resources and compensation committee. We are not aware of any matters reportable under "Certain Relationships and Related Transactions" relating to these individuals.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

In connection with the Plan, all of the outstanding shares of capital stock of our predecessor, Laidlaw, was canceled for no consideration. In addition, we issued an aggregate of 100,000,003 shares of common stock to creditors of Laidlaw and certain of its debtor affiliates and 3,777,419 shares of common stock to the Pension Plan Trust. As of December 31, 2003, we had 103,806,110 shares of common stock outstanding.

Except as otherwise noted, the following table sets forth certain information as of December 31, 2003 as to the security ownership of those persons owning of record, or known to us to be the beneficial owner of, more than five percent of our voting securities and the security ownership of our equity securities by each of the directors and each of the executive officers named in the Summary Compensation Table and all directors and executive officers as a group. Unless otherwise indicated, all information with respect to beneficial ownership has been furnished by the respective director, executive officer or five percent beneficial owner, as the case may be. Unless otherwise indicated, the persons named below have sole voting and investment power with respect to the number of shares set forth opposite their names. Beneficial ownership of the common stock has been determined for this purpose in accordance with the applicable rules and regulations promulgated under the Exchange Act.

| Names of Beneficial Owners | Amount and Nature of Beneficial Ownership of Common Stock | Percentage of Shares of Common Stock Beneficially Owned (%) |
|---|---|---|
| Kevin E. Benson | – | – |
| John R. Grainger | – | – |
| Douglas A. Carty | – | – |
| Ivan R. Cairns | – | – |
| Wayne R. Bishop | – | – |
| D. Geoffrey Mann | – | – |
| John F. Chlebowski | 3,375 | * |
| James H. Dickerson, Jr. | 3,375 | * |
| Lawrence M. Nagin | 3,375 | * |
| Vicki A. O' Meara | 3,375 | * |
| Richard P. Randazzo | 4,375 | * |
| Maria A. Sastre | 3,375 | * |
| Peter E. Stangl | 5,063 | * |
| Carroll R. Wetzel, Jr. | 3,375 | * |
| All directors, the director nominees and executive officers as a group (14 persons) | 29,688 | * |

* Less than one percent.

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Since we recently emerged from bankruptcy, our newly constituted board of directors and officers have had little opportunity to accumulate ownership of our stock. It is our philosophy that the interests of the executive officers and directors should be closely aligned with shareholders and that a significant portion of



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their compensation should be tied to the value of our stock. As described under "Executive Compensation − Equity Compensation Plan," we adopted the 2003 Plan which provides for a variety of equity grants for directors and officers. While not required to be reflected in the table above, in addition to the stock reflected in the table, on September 10, 2003 each non-executive director (other than the Chairman) was granted 6,750 stock options vesting ratably over a three-year period. The Chairman was granted 10,125 stock options. Additionally, on November 24, 2003, Messrs. Benson and Carty were granted stock options in the amounts of 185,000 and 60,000, respectively. Messrs. Benson and Carty were also awarded deferred shares in the amounts of 300,000 and 100,000, respectively.

## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

### Relationships with Greyhound Lines

We acquired Greyhound Lines, Inc. during fiscal 1999 and, in connection therewith, entered into various agreements and arrangements with them. Following the acquisition and through August 31, 2001, Greyhound Lines purchased its insurance jointly with us, subject to a $50,000 deductible for property damage claims and no deductible for all other claims. Effective September 1, 2001, Greyhound Lines purchased coverage for automobile liability, general liability and workers' compensation insurance from a third-party insurance company for claims up to a limit of $5.0 million. Greyhound Lines purchases jointly with us excess coverage for automobile liability, general liability and workers' compensation insurance for claims which exceed $5.0 million and coverage for physical damage to Greyhound Lines' property and business interruption, subject to a $50,000 deductible, and for other miscellaneous lines of insurance. During fiscal 2001, 2002 and 2003 and the three months ended November 30, 2003, we charged Greyhound Lines $45.9 million, $5.9 million, $8.7 million and $2.2 million, respectively, for insurance premiums under these programs. The premiums charged by us to Greyhound Lines for the periods prior to September 1, 2001 have been less than the claims expenses incurred. Due to continued development of losses in connection with claims incurred prior to September 1, 2001, the restricted group continues to incur costs for such claims after August 31, 2001 relating to pre-September 1, 2001 insurance programs with Greyhound Lines. As a result, we have recorded operating losses (profits) relating to insuring Greyhound Lines during fiscal 2001, 2002 and 2003 and the three months ended November 30, 2003 of $37.0 million, $33.8 million, $(2.7) million and $1.1 million, respectively.

We incur taxable income or loss associated with Greyhound Lines on our U.S. consolidated tax return. For fiscal 2001, we paid a refund to Greyhound Lines of $3.9 million, representing Greyhound Lines' share of federal income taxes, based on its separate taxable income or loss, incurred by us on our U.S. consolidated tax return. No refunds to or from Greyhound Lines were made in fiscal 2002. Any amounts due to or from Greyhound Lines for fiscal 2003 and for the three months ended November 30, 2003 have not yet been determined.

We provide various management services to Greyhound Lines, including risk management, income tax and treasury services. During fiscal 2001, 2002 and 2003 and the three months ended November 30, 2003, we charged Greyhound Lines $5.0 million, $3.5 million, $3.5 million and $0.9 million, respectively, for these services.

We also have provided credit support in the form of corporate guarantees and letters of credit for certain of Greyhound Lines' operating leases. As of November 30, 2003, we have guaranteed $102.1 million of future minimum lease payments on buses under lease by Greyhound Lines and have provided $20.7 million in letters of credit. As described under "Description of Other Indebtedness − Senior Secured Credit Facility," a portion of the revolving credit facility of our senior secured credit facility is made available to satisfy our guarantees of those leases and may be drawn upon only to the extent the guarantees are called. Further, Greyhound Lines' supplemental employee retirement plan has been funded through a rabbi trust with a $3.0 million letter of credit that we issued.

In connection with the Plan, we have entered into the PBGC Agreement relating to our pension plan funding obligations with respect to the Greyhound Lines Plans. We may be required to fund the Greyhound



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Lines Plans in excess of the commitments required to be made under the PBGC Agreement. Affiliates of Greyhound Lines are jointly and severally responsible for certain Greyhound Lines pension funding requirements if Greyhound Lines is unable to make those funding requirements. For a description of the PBGC Agreement, see "Management' s Discussion and Analysis of Financial Condition and Results of Operations − Liquidity − Pension Plan Funding Requirements."

Greyhound Lines' management is responsible for managing Greyhound Canada. These management services include oversight of the accounting and finance, strategic planning, real estate, telephone information center, information technology, travel services, marketing and pricing, internal audit and maintenance functions. Beginning in fiscal 2002, no fees were charged by Greyhound Lines to Greyhound Canada for these services, and during fiscal 2002 and 2003 and the three months ended November 30, 2003, Greyhound Lines charged Greyhound Canada $1.4 million, $1.5 million and $0.4 million, respectively, for these services. In addition, during fiscal 2002, Greyhound Lines sold buses to Greyhound Canada for approximately $5.7 million. There were no sales made during fiscal 2000, 2001 and 2003 and the three months ended November 30, 2003.

Greyhound Lines provides buses, subject to intermediate term operating leases, to Roesch Lines, a division of our public transit subsidiary, Laidlaw Transit Services, Inc. Roesch Lines is primarily engaged in providing charter services in the United States. Additionally, Greyhound Lines purchases charter services from Roesch Lines, principally for transport of cruise ship passengers in connection with its travel services business. During fiscal 2002 and 2003 and the three months ended November 30, 2003, Greyhound Lines received $0.2 million, $0.2 million and $0.1 million, respectively, of lease income. During fiscal 2001, 2002 and 2003 and the three months ended November 30, 2003, Greyhound Lines purchased $1.3 million, $1.7 million, $1.0 million and $0.2 million, respectively, of charter services from Roesch Lines.

During fiscal 2001, Greyhound Lines, Inc. issued $33.3 million of subordinated debt to us in satisfaction of accounts payable due from Greyhound Lines, Inc. to us. During fiscal 2001, 2002 and 2003 and the three months ended November 30, 2003, an aggregate of $1.4 million, $1.0 million, $0.6 million and $0.1 million, respectively, of interest had accrued on this note. At November 30, 2003, $36.4 million was outstanding on this note, including accrued interest. The note accrues interest monthly at the current Short-Term Applicable Federal Rate (1.49% as of November 30, 2003) and matures on the later of (1) 91 days following payment in full of all amounts due under the Greyhound Facility and (2) our demand.

During fiscal 2000, Laidlaw made an $18.5 million loan to Hotard Coaches, Inc. in connection with its acquisition of Hotard Coaches, Inc. During fiscal 2001, 2002 and 2003 and the three months ended November 30, 2003, interest of $2.1 million, $1.6 million, $1.5 million and $0.5 million, respectively, was charged on the loan. As of November 30, 2003, $25.1 million was outstanding on the loan, including accrued interest. The loan accrues interest monthly at a rate based upon the United States bank prime rate plus 2.0% and is payable on our demand.

During fiscal 2000, Laidlaw made a $2.7 million term loan to Autobuses Crucero, S.A. de C.V., a Mexican affiliate of Greyhound Lines. Interest charged on this loan was $0.3 million, $0.1 million, $0.1 million and $50,000 during fiscal 2001, 2002 and 2003 and the three months ended November 30, 2003, respectively. The principal is to be repaid over 60 months in escalating amounts. The interest rate is based on the one-month U.S. LIBOR, set monthly, plus 700 basis points. At November 30, 2003, $1.6 million was outstanding on this note, including accrued interest.

We believe that each of the transactions described above was at the time entered into no less favorable to us and our restricted subsidiaries than the terms that could have been obtained in arm' s length transactions.

**Tax Sharing Agreement**

On June 23, 2003, we entered into a tax sharing agreement with each of our direct and indirect U.S. subsidiaries that is a member of our U.S. consolidated tax return. Under the tax sharing agreement, for each tax year, each subsidiary' s separate tax liability, based on the highest U.S. tax rate, is calculated, without considering loss or credit carryovers or carrybacks, as if the subsidiary filed a separate return. Each

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subsidiary whose separate tax liability, as so calculated, is greater than zero is required to make a payment to us in the amount of such liability. Each subsidiary whose separate losses or credits (current or carryover) are used are required to be compensated by us at the same rate. Computations of the amount owed to or from each subsidiary to us are required to be made within 60 days of the filing of the consolidated tax return. Payments to or from the subsidiary are required to be made within five days of the computations.

The subsidiaries that are parties to the tax sharing agreement, at our request, are required to make estimated tax payments to us of their expected pro rata portion of the tax liability on the due date of the estimated tax payment. Adjustments in the amounts owed to or from the subsidiary will be made for the estimated tax payments.

If any adjustment is made to any item of income, gain, loss, deduction or credit of any subsidiary as a result of an amended return or audit, then the amounts due to or from the subsidiary will be re-determined based on such adjustment.

Similar computations of tax liability and payments will be made for subsidiaries who join in consolidated, combined or unitary state tax returns with other subsidiaries.

## DESCRIPTION OF OTHER INDEBTEDNESS

### Senior Secured Credit Facility

#### *General*

In connection with our emergence from bankruptcy, we, and Laidlaw Transit Ltd. and Greyhound Canada Transportation Corp., as Canadian borrowers, entered into a $825.0 million senior secured credit facility with Citicorp North America, Inc. as administrative agent, Credit Suisse First Boston, acting through its Cayman Island Branch, as syndication agent, Citigroup Global Markets Inc. and Credit Suisse First Boston LLC, as joint lead arrangers, Citigroup Global Markets Inc., as sole book-runner, and a syndicate of financial institutions, as lenders.

The senior secured credit facility includes a (1) $200.0 million senior secured revolving credit facility due June 2008 with a $50 million letter of credit sub-facility and a $35 million sublimit for Canadian dollar borrowings and Canadian dollar letters of credit for use by Laidlaw Transit Ltd. and Greyhound Canada Transportation Corp., (2) $100 million cash-collateralized letter of credit facility and (3) $625 million senior secured term loan due June 2009, of which $100 million of the proceeds was used to cash-collateralize the letter of credit facility described in (2) above. We sometimes refer in this prospectus to the cash-collateralized letter of credit facility as the "letter of credit facility" and to the term loan facility as the "Term B facility." We refer collectively in this prospectus to the revolving credit facility, the letter of credit facility and the Term B facility as the "senior secured credit facility." The proceeds of loans under the revolving credit facility are used for general corporate purposes, and the proceeds of the loans under the Term B facility were used to fund the distributions provided for under the Plan. However, we are unable to borrow a portion of the revolving credit facility, in an amount equal to the aggregate stipulated loss value under certain leases of Greyhound Lines that we guarantee, which as of November 30, 2003 was approximately $73.2 million. Such restricted amount of the revolving credit facility will only be made available to us to satisfy our obligations under our guarantees of those leases and may be drawn upon only to the extent the guarantees are called. The unrestricted amount of the revolving credit facility will increase as the stipulated loss value under these leases decreases or our guarantee obligations are otherwise satisfied.

The Term B facility amortizes on a quarterly basis in an amount equal to 4% of the initial aggregate Term B facility for the first five years and equal quarterly installments in an annual amount equal to 80% of the initial aggregate Term B facility in the final year.

In addition, we have the ability, until June 2006, to request (subject to the receipt of commitments from existing lenders and/or additional lenders and the satisfaction of certain other conditions) up to $100 million as a secured incremental term loan facility, subject to certain conditions.

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***Guarantees; Security***

The senior secured credit facility is guaranteed by certain of our direct and indirect U.S. subsidiaries, other than Greyhound Lines. We and our U.S. subsidiaries and wholly owned subsidiaries organized under the laws of Canada guarantee all obligations of Laidlaw Transit Ltd. and Greyhound Canada Transportation Corp. and their respective Canadian subsidiaries, however, no guarantees are provided by any subsidiary incorporated under the laws of British Columbia. No guarantees are provided by any of our subsidiaries that are in the business of insurance or their subsidiaries.

The senior secured credit facility, the guarantees and any interest protection and other hedging arrangements is secured by all of our assets and the assets of our U.S. subsidiaries including (1) a first-priority pledge of all of the capital stock of or any intercompany notes owing to any of our subsidiaries (whether direct or indirect, existing or subsequently acquired or organized, or U.S. or foreign, but limited, in the case of any foreign subsidiary that is a "controlled foreign corporation" under Section 957 of the Internal Revenue Code of 1986, as amended, to a pledge of 66% of the capital stock of each such first-tier foreign subsidiary to the extent the pledge of any greater percentage would result in material adverse tax consequences) and (2) a perfected first-priority security interest in, and mortgage on, substantially all of our tangible and intangible assets and each existing or subsequently acquired or organized U.S. or, subject to the foregoing limitation, foreign subsidiary (other than the assets of Greyhound Lines) and collateral pledged in connection with one or more of our surety bond facilities and excluding certain AMR ambulances and certain AMR receivables on a case by case basis. All of the obligations of Laidlaw Transit Ltd. and Greyhound Canada Transportation Corp. and their respective Canadian subsidiaries are principally secured by our assets and the assets of our U.S. and Canadian subsidiaries (other than the assets of Greyhound Lines). In addition, $100 million from proceeds of the Term B facility is held in a cash collateral account as collateral for the letter of credit facility. The cash collateral account is pledged to the issuing bank under the Term B facility letter of credit sub-facility.

***Interest and Fees***

At our option, amounts outstanding under the senior secured credit facility bear interest at rates per annum equal to either (1) LIBOR (including statutory reserves) or (2) the alternate base rate, plus, in each case, a margin that would be calculated based on our leverage ratio.

We pay quarterly a commitment fee of 0.50% (calculated on a 360-day basis) on the unused portions of the senior secured credit facility. We also pay fees on any letters of credit outstanding under the senior secured credit facility.

In December 2003, we amended the terms of our outstanding Term B advances under the senior secured credit facility. The amendment, among other things, reduced the interest rate on loans outstanding to LIBOR plus 375 basis points, down 125 basis points from LIBOR plus 500 basis points. Additionally, the LIBOR floor on minimum base rate was reduced to 1.75 percent, down from the previous floor of 2.0 percent. In addition, the lenders received a one-year, one percent call premium.

***Prepayments, Covenants, Events of Default***

The senior secured credit facility is mandatorily prepayable with the proceeds of excess cash flow, non-ordinary course asset sales or other dispositions of property, extraordinary receipts, issuances of debt obligations and issuances of equity. The senior secured credit facility contains affirmative and negative covenants and events of default customary for facilities of this type. The negative covenants include restrictions, among others, on the incurrence of indebtedness and liens, dividends and other distributions, consolidations and mergers, the purchase and sale of assets, the issuance of stock, loans and investments, voluntary payments and modifications of indebtedness, and affiliate transactions. The senior secured credit facility also contains financial covenants consisting of a maximum leverage ratio, a minimum fixed charge coverage ratio, a maximum senior secured leverage ratio, a minimum interest coverage ratio, a net tangible assets ratio and a maximum capital expenditure test, in each case, at levels set forth in the senior secured credit facility. As disclosed in note 6 of the notes to the consolidated financial statements for the three

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months ended November 30, 2003, compliance by us with the financial and other covenants in the senior secured credit facility is generally not dependent on the financial condition of Greyhound Lines as Greyhound Lines' performance has been excluded for purposes of determining compliance with such provisions. Moreover, consistent with the intent to exclude events solely related to Greyhound Lines, our senior secured credit facility specifies that a default by Greyhound Lines under the Greyhound Facility or a bankruptcy filing by Greyhound Lines would not be an event of default under our senior secured credit facility. However, it was not clear whether and under what circumstances certain events related to our controlled group liabilities under ERISA with respect to Greyhound Lines' pension plans would lead to an event of default under our senior secured credit facility in the context of a Greyhound Lines bankruptcy filing. For this reason, in January 2004, we amended the senior secured credit facility to clarify, among other things, that an event of default under the senior secured credit facility would not occur solely from a bankruptcy filing by Greyhound Lines under any circumstance.

**The Greyhound Facility**

In October 2000, Greyhound Lines, Inc. entered into a revolving credit facility to fund working capital needs and for general corporate purposes. On May 14, 2003, Greyhound Lines, Inc. entered into an amended and restated revolving credit facility superceding the previous facility. Letters of credit or borrowings are available under the Greyhound Facility based upon the total of 80% of the appraised wholesale value of bus collateral, plus 65% of the quick sale value of certain real property collateral, minus $20 million (which at August 31, 2003, aggregated to $113.8 million), subject to a maximum of $125.0 million, inclusive of a $70.0 million letter of credit sub-facility. Borrowings under the Greyhound Facility are available at a rate equal to Wells Fargo Bank' s prime rate plus 1.5% per annum or LIBOR plus 3.5% per annum as selected by Greyhound Lines, Inc. Letter of credit fees are 3.5% per annum. Borrowings under the Greyhound Facility mature on October 24, 2004. The Greyhound Facility is secured by liens on substantially all of the assets of Greyhound Lines, Inc. and the stock and assets of certain of its subsidiaries. The Greyhound Facility is subject to certain affirmative and negative operating and financial covenants, including maximum total debt to cash flow ratio; minimum cash flow to interest expense ratio; minimum cash flow; limitation on non-bus capital expenditures; limitations on additional liens, indebtedness, guarantees, asset disposals, advances, investment and loans; and restrictions on the redemption or retirement of certain subordinated indebtedness of equity interest, payment of dividends and transactions with affiliates, including Laidlaw International. As of November 30, 2003, Greyhound Lines, Inc. was in compliance with all such covenants.

Based upon Greyhound Lines, Inc.' s current financial forecast, management is unable to predict with reasonable assurance whether Greyhound Lines, Inc. will remain in compliance with the terms of the Greyhound Facility. Management is closely monitoring this situation and intends on requesting covenant amendments should it appear likely such amendments will be necessary to remain in compliance with the covenants. In addition, Greyhound Lines, Inc. will be seeking an extension of this facility prior to its current maturity. Although Greyhound has been successful in obtaining necessary amendments and extensions to the Greyhound Facility in the past, there can be no assurances that they will obtain additional modifications in the future if needed, or that the cost of any future modifications or other changes in the terms of the Greyhound Facility would not have a material effect on Greyhound Lines, Inc. or us. If unsuccessful, this may impact Greyhound Lines, Inc.' s ability to continue as a going concern. If the "going concern" basis on which Greyhound Lines, Inc.' s consolidated financial statements were prepared was not appropriate for those consolidated financial statements, then significant adjustments would need to be made to the carrying value of the assets and liabilities, the reported revenue and expenses and balance sheet classifications used by Greyhound Lines, Inc. Accordingly, if such changes were made to Greyhound Lines, Inc.' s consolidated financial statements, significant adjustments would be required to our consolidated financial statements and we may be required to honor certain of Greyhound Lines, Inc.' s lease commitments and pension obligations. See "Risk Factors − Risks Relating to Our Business − Greyhound Lines, Inc. received a report from its auditors, which indicates that there is substantial doubt as to whether the use of the 'going concern' assumption is appropriate."



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As of November 30, 2003, Greyhound Lines, Inc. had $15.0 million of cash borrowings under the Greyhound Facility, issued letters of credit of $56.8 million and had availability of $44.1 million.

## THE EXCHANGE OFFER

### Purpose and Effect of the Exchange Offer

In connection with the sale of the outstanding notes, we entered into the registration rights agreement with the initial purchasers in which we agreed to file and to use our reasonable best efforts to cause to become effective with the SEC a registration statement with respect to the exchange of the outstanding notes for exchange notes with terms identical in all material respects to the terms of the outstanding notes. See "Registration Rights; Special Interest." A copy of the registration rights agreement has been filed as an exhibit to the registration statement of which this prospectus is a part. We are making the exchange offer to satisfy our contractual obligations under the registration rights agreement.

You may not participate in the exchange offer if you are our "affiliate" within the meaning of Rule 405 under the Securities Act or a broker-dealer that acquired outstanding notes directly from us. If you tender your outstanding notes in exchange for exchange notes, you will represent to us that:

any exchange notes you receive are being acquired in the ordinary course of your business;

you have no arrangement or understanding with any person to participate in a distribution, within the meaning of the Securities Act, of exchange notes;

you are not our "affiliate" within the meaning of Rule 405 under the Securities Act;

you have full power and authority to tender, exchange, sell, assign and transfer the tendered outstanding notes;

we will acquire good, marketable and unencumbered title to the outstanding notes you tender, free and clear of all liens, restrictions, charges and encumbrances; and

the outstanding notes you tender for exchange are not subject to any adverse claims or proxies.

You also will warrant and agree that you will, upon request, execute and deliver any additional documents deemed by us or the exchange agent to be necessary or desirable to complete the exchange, sale, assignment, and transfer of the outstanding notes you tender in the exchange offer. Each broker-dealer that receives exchange notes for its own account in exchange for outstanding notes, where the outstanding notes were acquired by the 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 the exchange notes. See "Plan of Distribution."

The exchange offer is not being made to, nor will we accept tenders for exchange from, holders of outstanding notes in any jurisdiction in which the exchange offer or the acceptance thereof would not be in compliance with the securities or blue sky laws of that jurisdiction.

### Terms of the Exchange Offer

We hereby offer, upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal, to exchange $1,000 principal amount of exchange notes for each $1,000 principal amount of outstanding notes properly tendered prior to the expiration date and not withdrawn according to the procedures described below. Holders may tender their outstanding notes in whole or in part in integral multiples of $1,000 principal amount.

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The form and terms of the exchange notes are the same as the form and terms of the outstanding notes except that:

- the exchange notes have been registered under the Securities Act and therefore will not be subject to some restrictions on transfer applicable to the outstanding notes; and



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holders of the exchange notes will not be entitled to the rights of holders of the outstanding notes under the registration rights agreement.

The exchange notes evidence the same indebtedness as the outstanding notes, which they replace, and will be issued pursuant to, and entitled to the benefits of, the indenture.

The exchange offer is not conditioned upon any minimum principal amount of outstanding notes being tendered for exchange. We reserve the right in our reasonable judgment to purchase or make offers for any outstanding notes that remain outstanding after the expiration date or, as set forth under the caption "− Conditions to the Exchange Offer," to terminate the exchange offer and, to the extent permitted by applicable law, purchase outstanding notes in the open market, in privately negotiated transactions or otherwise. The terms of any such purchases or offers could differ from the terms of the exchange offer. As of the date of this prospectus, $406.0 million aggregate principal amount of outstanding notes is outstanding.

Holders of outstanding notes do not have any appraisal or dissenters' rights in connection with the exchange offer. Outstanding notes which are not tendered in, or are tendered but not accepted in connection with, the exchange offer will remain outstanding. For a description of the consequences of not tendering outstanding notes for exchange, see "Risk Factors − Risks Relating to the Notes − If you do not exchange your notes, you may have difficulty in transferring them at a later time."

If any tendered outstanding notes are not accepted for exchange because of an invalid tender or the occurrence of other events set forth in this prospectus, certificates for the unaccepted outstanding notes will be returned, without expense, to the tendering holder of those notes promptly after the expiration date.

Holders who tender outstanding notes in connection with the exchange offer will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange. We will pay all charges and expenses, other than applicable taxes described below, in connection with the exchange offer.

Our board of directors makes no recommendation to holders of outstanding notes as to whether to tender or refrain from tendering all or any portion of their outstanding notes in the exchange offer. In addition, no one has been authorized to make any similar recommendation. Holders of outstanding notes must make their own decision whether to tender in the exchange offer and, if so, the aggregate amount of outstanding notes to tender after reading this prospectus and the letter of transmittal and consulting with their advisers based on their financial position and requirements.

**Expiration Date; Extensions; Amendments**

The term "expiration date" means 5:00 p.m., New York City time, on , 2004, unless we extend the exchange offer, in which case the term "expiration date" will mean the latest date and time to which the exchange offer is extended.

We expressly reserve the right in our reasonable judgment, subject to applicable law, at any time and from time to time, to:

delay the acceptance of the outstanding notes for exchange;

terminate the exchange offer, whether or not any outstanding notes have been accepted for exchange, if we determine, in our reasonable judgment, that any of the events or conditions referred to under the caption "− Conditions to the Exchange Offer" has occurred or exists or has not been satisfied;

extend the expiration date of the exchange offer and retain all outstanding notes tendered in the exchange offer, subject, however, to the right of holders of outstanding notes to withdraw their tendered outstanding notes as described under the caption "− Withdrawal Rights;" or

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waive any condition or otherwise amend the terms of the exchange offer in any respect.

If the exchange offer is amended in a manner that we determine to constitute a material change, or if we waive a material condition of the exchange offer, we will promptly disclose the amendment by means of a



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prospectus supplement that will be distributed to the registered holders of the outstanding notes, and we will extend the exchange offer to the extent required by Rule 14e-1 under the Exchange Act.

Any delay in acceptance, termination, extension or amendment will be followed promptly by:

oral or written notice of the change to the exchange agent, with any oral notice to be promptly confirmed in writing; and

a public announcement of the change, which announcement, in the case of an extension, will be made no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

Without limiting the manner in which we may choose to make any public announcement, and subject to applicable laws, we will have no obligation to publish, advertise or otherwise communicate any public announcement other than by issuing a release to an appropriate news agency.

**Acceptance for Exchange and Issuance of Exchange Notes**

Upon the terms and subject to the conditions of the exchange offer, promptly after the expiration date we will exchange, and will issue to the exchange agent, exchange notes for outstanding notes validly tendered and not withdrawn as described under the caption "– Withdrawal Rights."

In all cases, we will issue exchange notes in the exchange offer for outstanding notes that are accepted for exchange only after the exchange agent timely receives:

certificates for the outstanding notes or a timely book-entry confirmation of a book-entry transfer of the outstanding notes into the exchange agent' s account at DTC;

the letter of transmittal, properly completed and duly executed, with any required signature guarantees; and

any other documents required by the letter of transmittal.

Accordingly, the delivery of exchange notes might not be made to all tendering holders at the same time, and will depend upon when outstanding notes, book-entry confirmations with respect to outstanding notes and other required documents are received by the exchange agent.

Subject to the terms and conditions of the exchange offer, we will be deemed to have accepted for exchange, and thereby exchanged, outstanding notes validly tendered and not withdrawn as, if and when we give oral or written notice to the exchange agent of our acceptance of those outstanding notes for exchange in the exchange offer. Any oral notice will be promptly confirmed in writing. Our acceptance for exchange of outstanding notes tendered through any of the procedures described above will constitute a binding agreement between the tendering holder and us upon the terms and subject to the conditions of the exchange offer. The exchange agent will act as our agent for the purpose of receiving tenders of outstanding notes, letters of transmittal and related documents, and as agent for tendering holders for the purpose of receiving outstanding notes, letters of transmittal and related documents and transmitting exchange notes to holders who validly tendered outstanding notes. The exchange will be made promptly after the expiration date. If for any reason whatsoever the acceptance for exchange or the exchange of any outstanding notes tendered in the exchange offer is delayed, whether before or after our acceptance for exchange of outstanding notes, or we extend the exchange offer or are unable to accept for exchange or exchange outstanding notes tendered in the exchange offer, then, without prejudice to our rights described in this prospectus, the exchange agent may, nevertheless, on our behalf and subject to Rule 14e-1(c) under the Exchange Act, retain tendered outstanding notes and such outstanding notes may not be withdrawn except to the extent tendering holders are entitled to withdrawal rights as described under the caption "– Withdrawal Rights."



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**Procedures for Tendering Outstanding Notes**

When a holder of outstanding notes tenders, and we accept, notes for exchange, a binding agreement between us and the tendering holder is created, subject to the terms and conditions described in this prospectus and the letter of transmittal.

*Valid Tender.* Except as set forth below, a holder of outstanding notes who wishes to tender notes for exchange 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 set forth under the caption "− Exchange Agent;" or

if notes are tendered pursuant to the book-entry procedures set forth below, the tendering holder must transmit an agent' s message to the exchange agent at the address set forth under the caption "− Exchange Agent."

In addition, either:

the exchange agent must receive the certificates for the outstanding notes and the letter of transmittal;

the exchange agent must receive, prior to the expiration date, a timely confirmation of the book-entry transfer of the notes being tendered into the exchange agent' s account at DTC, along with the letter of transmittal or an agent' s message; or

the holder must comply with the guaranteed delivery procedures described below.

The term "agent' s message" means a message, transmitted by DTC, to, and received by the exchange agent and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgment that the tendering holder has received and agrees to be bound by the letter of transmittal and that we may enforce the letter of transmittal against that holder. In this prospectus, the term "book-entry confirmation" means a timely confirmation of a book-entry transfer of outstanding notes into the exchange agent' s account at DTC.

If less than all of the outstanding notes are tendered, a tendering holder should fill in the amount of outstanding notes being tendered in the appropriate box on the letter of transmittal. The entire amount of outstanding notes delivered to an exchange agent will be deemed to have been tendered unless otherwise indicated.

If any letter of transmittal, endorsement, bond power, power of attorney, or any other document required by the letter of transmittal is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, that person should so indicate when signing, and unless waived by us, evidence reasonably satisfactory to us of the person' s authority to act must be submitted.

Any beneficial owner of outstanding notes that are held by or registered in the name of a broker, dealer, commercial bank, trust company or other nominee or custodian is urged to contact that entity promptly if the beneficial owner wishes to participate in the exchange offer.

The method of delivery of outstanding notes, the letter of transmittal and all other required documents is at the option and sole risk of the tendering holder, and delivery will be deemed made only when actually received by the exchange agent. Instead of delivery by mail, we recommend that holders use an overnight or hand delivery service. In all cases, holders should allow sufficient time to assure timely delivery and should obtain proper insurance. No letter of transmittal or outstanding notes should be sent to us. Holders may request their respective brokers, dealers, commercial banks, trust companies or nominees to effect these transactions for them.

Each broker-dealer that receives exchange notes for its own account in exchange for outstanding notes, where the outstanding notes were acquired by the broker-dealer as a result of market-making or other trading

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activities, must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. See "Plan of Distribution."

*Book-Entry Transfer.* The exchange agent will make a request to establish an account at DTC with respect to outstanding notes for purposes of the exchange offer within two business days after the date of this prospectus. Any financial institution that is a participant in DTC' s book-entry transfer facility system may make a book-entry delivery of outstanding notes by causing DTC to transfer those outstanding notes into the exchange agent' s account at DTC in accordance with DTC' s procedures for transfers. Such participant should transmit its acceptance to DTC on or prior to the expiration date or comply with the guaranteed delivery procedures described below. DTC will verify such acceptance, execute a book-entry transfer of the tendered outstanding notes into the exchange agent' s account at DTC and then send to the exchange agent confirmation of the book-entry transfer. The confirmation of the book-entry transfer will include an agent' s message confirming that DTC has received an express acknowledgment from the participant that the participant has received and agrees to be bound by the letter of transmittal and that we may enforce the letter of transmittal against that participant. Delivery of notes issued in the exchange offer may be effected through book-entry transfer at DTC. However, the letter of transmittal or facsimile thereof or an agent' s message, with any required signature guarantees and any other required documents, must:

be transmitted to and received by the exchange agent at the address set forth under the caption "– Exchange Agent;" or

comply with the guaranteed delivery procedures described below.

Delivery of documents to DTC does not constitute delivery to the exchange agent.

*Signature Guarantees.* Tendering holders do not need to endorse their certificates for outstanding notes and signature guarantees on a letter of transmittal or a notice of withdrawal, as the case may be, are unnecessary unless:

a certificate for outstanding notes is registered in a name other than that of the person surrendering the certificate, or

a registered holder completes the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" in the letter of transmittal.

In either of these cases, the certificates for outstanding notes must be duly endorsed or accompanied by a properly executed bond power, with the endorsement or signature on the bond power and on the letter of transmittal or the notice of withdrawal, as the case may be, guaranteed by a firm or other entity identified in Rule 17Ad-15 under the Exchange Act as an "eligible guarantor institution," including, as such terms are defined in that rule:

a bank;

a broker, dealer, municipal securities broker or dealer or government securities broker or dealer;

a credit union;

a national securities exchange, registered securities association or clearing agency; or

a savings association,

unless surrendered on behalf of such eligible institution. Please read carefully Instruction 1 in the letter of transmittal.

*Guaranteed Delivery.* If a holder desires to tender outstanding notes in the exchange offer and the certificates for the outstanding notes are not immediately available or time will not permit all required documents to reach the exchange agent before the expiration date, or the procedures for book-entry transfer

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cannot be completed on a timely basis, the outstanding notes may nevertheless be tendered, provided that all of the following guaranteed delivery procedures are complied with:

the tenders are made by or through an eligible institution;

before the expiration date, the exchange agent receives from the eligible institution a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form accompanying the letter of transmittal, stating the name and address of the holder of outstanding notes and the amount of outstanding notes tendered, stating that the tender is being made by the notice and guaranteeing that within three New York Stock Exchange trading days after the date of execution of the notice of guaranteed delivery, the certificates for all physically tendered outstanding notes, in proper form for transfer, or a book-entry confirmation, as the case may be, and any other documents required by the letter of transmittal will be deposited by the eligible institution with the exchange agent. The Notice of Guaranteed Delivery may be delivered by hand, or transmitted by facsimile or mail to the exchange agent and must include a guarantee by an eligible institution in the form set forth in the Notice of Guaranteed Delivery; and

the certificates (or book-entry confirmation) representing all tendered outstanding notes, in proper form for transfer, together with a properly completed and duly executed letter of transmittal, with any required signature guarantees and any other documents required by the letter of transmittal, are received by the exchange agent within three New York Stock Exchange trading days after the date of execution of the Notice of Guaranteed Delivery.

*Determination of Validity.* All questions as to the form of documents, validity, eligibility, including time of receipt, and acceptance for exchange of any tendered outstanding notes will be determined by us, in our reasonable judgment, and that determination will be final and binding on all parties. We reserve the right, in our reasonable judgment, to reject any and all tenders that we determine are not in proper form or the acceptance for exchange of which may, in the view of our counsel, be unlawful. We also reserve the right, subject to applicable law, to waive any of the conditions of the exchange offer as set forth under the caption "− Conditions to the Exchange Offer" or any defect or irregularity in any tender of outstanding notes of any particular holder whether or not we waive similar defects or irregularities in the case of other holders.

Our interpretation of the terms and conditions of the exchange offer, including the letter of transmittal and its instructions, will be final and binding on all parties. No tender of outstanding notes will be deemed to have been validly made until all defects or irregularities with respect to such tender have been cured or waived. Neither we, any of our affiliates, the exchange agent or any other person will be under any duty to give any notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.

**Resales of Exchange Notes**

Based on interpretations by the staff of the SEC, as set forth in no-action letters issued to third parties unrelated to us, we believe that holders of outstanding notes, other than any holder that is a broker-dealer that acquired outstanding notes as a result of market-making activities or other trading activities, who exchange their outstanding notes for exchange notes in the exchange offer may offer for resale, resell and otherwise transfer the exchange notes without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that:

the exchange notes are acquired in the ordinary course of the holders' business;

the holders have no arrangement or understanding with any person to participate in the distribution of the exchange notes; and

the holders are not our "affiliates" within the meaning of Rule 405 under the Securities Act.

However, the staff of the SEC has not considered the exchange offer in the context of a no-action letter, and we cannot assure you that it would make a similar determination with respect to the exchange offer. Only broker-dealers that acquired the outstanding notes as a result of market-making or other trading activities may

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participate in the exchange offer. Each broker-dealer that receives exchange notes for its own account in exchange for outstanding notes, where the outstanding notes were acquired by the 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.

**Withdrawal Rights**

Except as otherwise provided in this prospectus, tenders of outstanding notes may be withdrawn at any time before the expiration date.

In order for a withdrawal to be effective, a written, telegraphic or facsimile transmission of the notice of withdrawal must be timely received by the exchange agent at its address set forth under the caption "− Exchange Agent" before the expiration date. Any notice of withdrawal must specify the name of the person who tendered the outstanding notes to be withdrawn, the principal amount of outstanding notes to be withdrawn and, if certificates for the outstanding notes have been tendered, the name of the registered holder of the outstanding notes as set forth on the outstanding notes, if different from that of the person who tendered the outstanding notes.

If certificates for outstanding notes have been delivered or otherwise identified to the exchange agent, the notice of withdrawal must specify the serial numbers on the particular certificates for the outstanding notes to be withdrawn and the signature on the notice of withdrawal must be guaranteed by an eligible institution, except in the case of outstanding notes tendered for the account of an eligible institution.

If outstanding notes have been tendered by the procedures for book-entry transfer set forth under the caption "− Procedures for Tendering Outstanding Notes," the notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawal of outstanding notes and must otherwise comply with the procedures of DTC. Withdrawals of tenders of outstanding notes may not be rescinded. Outstanding notes properly withdrawn will not be deemed validly tendered for purposes of the exchange offer, but may be retendered at any subsequent time before the expiration date by following any of the procedures described above under the caption "− Procedures for Tendering Outstanding Notes."

All questions as to the validity, form and eligibility, including time of receipt, of withdrawal notices will be determined by us, in our reasonable judgment, which determination will be final and binding on all parties. Neither we, any of our affiliates, the exchange agent or any other person will be under any duty to give any notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give any notification. Any outstanding notes which have been tendered but which are withdrawn will be returned to the holder of those notes promptly after withdrawal.

**Conditions to the Exchange Offer**

Notwithstanding any other provisions of the exchange offer or any extension of the exchange offer, we will not be required to accept for exchange, or to exchange, any outstanding notes for any exchange notes and will not be required to issue exchange notes in exchange for any outstanding notes and, as described below, may, at any time and from time to time, terminate or amend the exchange offer, whether or not any outstanding notes have been accepted for exchange, or may waive any conditions to or amend the exchange offer, if any of the following conditions has occurred or exists or has not been satisfied before the expiration date:

there occurs a change in the current interpretation by the staff of the SEC which permits the exchange notes issued in exchange for outstanding notes in the exchange offer to be offered for resale, resold and otherwise transferred by their holders, other than broker-dealers that acquired outstanding notes as a result of market-making or other trading activities or broker-dealers that acquired outstanding notes directly from us for resale under Rule 144A or another available exemption under the Securities Act, without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that the exchange notes are acquired in the ordinary course of the holders' business, the holders have no arrangement or understanding with any person to participate in the distribution of the



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exchange notes and the holders are not our "affiliates" within the meaning of Rule 405 under the Securities Act;

any action or proceeding has been instituted or threatened in any court or by or before any governmental agency or body with respect to the exchange offer which, in our judgment, would reasonably be expected to impair our ability to proceed with the exchange offer;

any law, statute, rule or regulation has been adopted or enacted which, in our judgment, would reasonably be expected to impair our ability to proceed with the exchange offer;

a stop order has been issued by the SEC or any state securities authority suspending the effectiveness of the registration statement, or proceedings have been initiated or, to our knowledge, threatened for that purpose;

any governmental approval has not been obtained, which approval we, in our reasonable judgment, deem necessary for the consummation of the exchange offer as contemplated hereby; or

any change, or any development involving a prospective change, in our business or financial affairs has occurred which, in our reasonable judgment, might materially impair our ability to proceed with the exchange offer.

If we determine in our reasonable judgment that any of the foregoing events or conditions has occurred or exists or has not been satisfied at any time prior to the expiration date, we may, subject to applicable law, terminate the exchange offer, whether or not any outstanding notes have been accepted for exchange, or may waive any such condition or otherwise amend the terms of the exchange offer in any respect. If a waiver or amendment constitutes a material change to the exchange offer, we will promptly disclose the waiver or amendment by means of a prospectus supplement that will be distributed to the registered holders of the outstanding notes, and we will extend the exchange offer to the extent required by Rule 14e-1 under the Exchange Act. We currently expect that each of the conditions will be satisfied and that no waiver of any condition will be necessary.



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**Exchange Agent**

We have appointed Deutsche Bank Trust Company Americas as the exchange agent for the exchange offer for the notes. All executed letters of transmittal should be directed to the exchange agent at the address listed below. Questions and requests for assistance, requests for additional copies of this prospectus or of the letter of transmittal and requests or Notices of Guaranteed Delivery should be directed to the exchange agent addressed as follows:

***By Hand:***

Deutsche Bank Trust Company Americas
C/O The Depository Trust Clearing Corporation
55 Water Street, 1st floor
Jeanette Park Entrance
New York, New York 10041

***By Mail:***

DB Services Tennessee, Inc.
Reorganization Unit
P.O. Box 292737
Nashville, Tennessee 37229-2737
Fax: (615) 835-3701

***By Overnight Mail or Courier:***

DB Services Tennessee, Inc.
Corporate Trust & Agency Services
Reorganization Unit
648 Grassmere Park Road
Nashville, Tennessee 37211

Confirm by Telephone:

(615) 835-3572

Information: (800) 735-7777

Any letter of transmittal sent by facsimile must be promptly followed by delivery of the original letter of transmittal to the above address. Delivery of the letter of transmittal to an address other than one listed above or transmission of instructions via facsimile other than as listed above does not constitute a valid delivery of the letter of transmittal.

**Fees and Expenses**

We will bear the expenses of soliciting tenders. The principal solicitation is being made by mail. Additional solicitation may be made personally or by telephone or other means by our officers, directors or employees.

We have not retained any dealer-manager or similar agent in connection with the exchange offer and will not make any payments to brokers, dealers or others soliciting acceptances of the exchange offer. We have agreed to pay the exchange agent' s reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses. We will also pay brokerage houses and other custodians,

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nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of this prospectus and related documents to the beneficial owners of outstanding notes, and in handling or tendering for their customers.

Holders who tender their outstanding notes for exchange will not be obligated to pay any transfer taxes in connection with the tender, except that if exchange notes are to be delivered to, or are to be issued in the name of, any person other than the registered holder of the outstanding notes tendered, or if a transfer tax is imposed for any reason other than the exchange of outstanding notes in connection with the exchange offer, then the amount of any such transfer tax, whether imposed on the registered holder or any other persons, will



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be payable by the tendering holder. If satisfactory evidence of payment of a transfer tax or exemption therefrom is not submitted with the letter of transmittal, the amount of the transfer tax will be billed directly to the tendering holder.

## DESCRIPTION OF THE EXCHANGE NOTES

The definitions of most of the terms used in the following summary are set forth below under "– Certain Definitions." For purposes of this section, references to the "Company" include only Laidlaw International, Inc. and not its Subsidiaries. References to "$" and "dollars" are to United States dollars.

The outstanding notes were, and the exchange notes will be, issued under an indenture (the *"Indenture"*) dated as of June 3, 2003 by and among the Company, the Guarantors and Deutsche Bank Trust Company Americas, as trustee (the *"Trustee"*).

The terms of the notes include those stated in the Indenture and those made part of the Indenture by reference to the United States Trust Indenture Act of 1939 (the *"TIA"*). Except as otherwise indicated, the following description relates to both the outstanding notes and the exchange notes, which we collectively refer to as the "Notes."

The terms of the exchange notes are identical in all material respects to the outstanding notes, except that:

the exchange notes have been registered under the Securities Act and therefore will not be subject to the restrictions on transfer applicable to the outstanding notes, and

holders of the exchange notes will not be entitled to rights of holders of outstanding notes under the Registration Rights Agreement.

The following description is a summary of the material provisions of the Indenture. This summary does not restate that agreement in its entirety. We urge you to read the Indenture because it, and not this description, defines your rights as a holder of Notes. A copy of the Indenture has been filed as an exhibit to the registration statement of which this prospectus is a part and is available as set forth under the caption "Where You Can Find More Information." Some defined terms used in this description but not defined below under the caption "– Certain Definitions" have the meanings assigned to them in the Indenture.

### Brief Description of the Notes

The Notes:

are unsecured obligations of the Company;

rank senior in right of payment to all future obligations of the Company that are, by their terms, expressly subordinated in right of payment to the Notes; and

rank *pari passu* in right of payment with all existing and future unsecured obligations of the Company that are not, by their terms, expressly subordinated in right of payment to the Notes.

As of November 30, 2003, the Company and its Subsidiaries had approximately $1,284.8 million of Indebtedness, including $748.1 million of secured Indebtedness.

The Notes are unsecured obligations of the Company. Secured Indebtedness and other secured obligations of the Company (including obligations with respect to the Credit Facility) are effectively senior to the Notes to the extent of the value of the assets securing such Indebtedness or other obligations.

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The outstanding notes were, and the exchange notes will be, issued initially in fully registered form only, without coupons, in denominations of $1,000 and integral multiples thereof. The Trustee will act as paying agent and registrar for the Notes. The Notes may be presented for registration or transfer and exchange at the offices of the registrar, which initially are the Trustee' s corporate trust office. The Company will pay principal (and premium, if any) on the Notes at the Trustee' s corporate office in New York, New York. Interest may be



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paid at the Trustee' s corporate trust office by check mailed to the registered address of the Holders or by wire transfer if instructions therefor are furnished by a Holder. The Company may change the paying agent or registrar without prior notice to the Holders, and the Company or any of its Subsidiaries may act as paying agent or registrar.

**Principal, Maturity and Interest**

The Notes will mature on June 15, 2011. The Company may issue additional Notes (the *"Additional Notes"*) from time to time under the Indenture without the consent of the Holders subject to the limitations set forth under "− Certain Covenants − Limitation on Incurrence of Additional Indebtedness and Issuance of Preferred Stock." However, no offering of any Additional Notes is being or shall in any manner be deemed to be made by this prospectus. Any Additional Notes subsequently issued under the Indenture will be treated as a single class with the Notes issued in this exchange offer for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. Interest on the Notes accrue at the rate of 10 3/4% per annum and is payable semiannually in arrears in cash on each June 15 and December 15, commencing on December 15, 2003, to the persons who are registered Holders at the close of business on the June 1 and December 1 immediately preceding the applicable interest payment date. Interest on the Notes accrue from and including the most recent date to which interest has been paid or, if no interest has been paid, from and including the date of issuance. Interest is computed on the basis of a 360-day year comprised of twelve 30-day months.

**Guarantees**

The Notes are jointly and severally guaranteed by each of the Company' s present and future Domestic Restricted Subsidiaries other than its Insurance Subsidiaries and any Securitization Entity and, under certain circumstances, may be guaranteed by its Foreign Restricted Subsidiaries. See "− Certain Covenants − Issuance of Subsidiary Guarantees." The Guarantee of each Guarantor is a general unsecured obligation of such Guarantor and ranks senior in right of payment to all future obligations of such Guarantor that are, by their terms, expressly subordinated in right of payment to such Guarantee and *pari passu* in right of payment with all existing and future unsecured obligations of such Guarantor that are not so subordinated. The Notes are effectively subordinated to the obligations of each of the Company' s Subsidiaries that is not a Guarantor of the Notes. As of November 30, 2003, such non-Guarantor Subsidiaries had $158.1 million of Indebtedness outstanding.

All of the Company' s operations are conducted through its Subsidiaries. Claims of creditors of such Subsidiaries that are not Guarantors, including trade creditors and creditors holding Indebtedness or guarantees issued by such Subsidiaries, and claims of preferred stockholders of such Subsidiaries generally will have priority with respect to the assets and earnings of such Subsidiaries over the claims of our creditors, including Holders. Accordingly, the Notes are effectively subordinated to creditors (including trade creditors) and preferred stockholders, if any, of the Company' s Subsidiaries that are not Guarantors.

Although the Indenture limits the incurrence of Indebtedness and issuance of Preferred Stock of certain of the Company' s Subsidiaries, such limitation is subject to a number of significant qualifications. Moreover, the Indenture does not impose any limitation on the incurrence by such Subsidiaries of liabilities that are not considered Indebtedness under the Indenture. See "− Certain Covenants − Limitation on Incurrence of Additional Indebtedness and Issuance of Preferred Stock."

The Guarantee of a Guarantor will be released:

(1) in connection with any sale or other disposition of all of the Capital Stock of such Guarantor to a Person other than the Company or any Restricted Subsidiary of the Company, if the sale complies with the provisions set forth under "− Repurchase at the Option of Holders − Asset Sales;"

(2) in connection with the sale or other disposition of all or substantially all of the assets of such Guarantor, including by way of merger, consolidation or otherwise, to a Person other than the Company



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or any Restricted Subsidiary of the Company, if the sale or disposition complies with the provisions set forth under "− Repurchase at the Option of Holders − Asset Sales;"

(3) if the Company designates such Guarantor to be an Unrestricted Subsidiary in accordance with the provisions set forth under "− Certain Covenants − Limitation on Designations of Unrestricted Subsidiaries;" or

(4) in the case of any Foreign Restricted Subsidiary, upon the release or discharge of the guarantee of such Foreign Restricted Subsidiary of Indebtedness of the Company and each Guarantor which resulted in the obligation to Guarantee the Notes pursuant to the covenant described under "− Certain Covenants − Issuance of Subsidiary Guarantees."

Each Guarantee of each Guarantor is limited to an amount not to exceed the maximum amount that can be guaranteed by the applicable Guarantor, after giving effect to all of its other contingent and fixed liabilities without rendering the Guarantee as it relates to such Guarantor voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally. Under certain circumstances, a court could also subordinate a Guarantee to all other Indebtedness (including guarantees or other contingent liabilities) of the applicable Guarantor and, depending on the amount of such Indebtedness, a Guarantor' s liability on its Guarantee could be reduced to zero.

**Optional Redemption**

Except as set forth in the next succeeding paragraph, the Notes will not be redeemable at the Company' s option prior to June 15, 2007. Starting on that date, the Notes will be redeemable, at the Company' s option, in whole at any time or in part from time to time, at the following redemption prices (expressed as percentages of the principal amount thereof) if redeemed during the twelve-month period commencing on June 15 of the applicable year set forth below, plus, in each case, accrued and unpaid interest, if any, to the date of redemption:

| Year | Percentage |
|---|---|
| 2007 | 105.375% |
| 2008 | 102.688% |
| 2009 and thereafter | 100.000% |

At any time, or from time to time, on or prior to June 15, 2006, the Company may, at its option, use all or any portion of the net cash proceeds of one or more Qualified Equity Offerings (as defined below) to redeem up to 35% of the aggregate principal amount of the Notes issued at a redemption price equal to 110.75% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of redemption; *provided* that at least 65% of the aggregate principal amount of Notes (including Additional Notes) issued under the Indenture remains outstanding immediately after any such redemption. In order to effect the foregoing redemption with the proceeds of any Qualified Equity Offering, the Company shall consummate such redemption not more than 90 days after the consummation of any such Qualified Equity Offering.

As used in the preceding paragraph, *"Qualified Equity Offering"* means any public or private offering for cash of Qualified Capital Stock of the Company other than (i) public offerings of Capital Stock registered on Form S-8 (or any successor form) or (ii) other issuances upon the exercise of stock options or similar rights by employees or directors of the Company or its Subsidiaries.

***Selection and Notice of Redemption***

In the event that less than all of the Notes are to be redeemed at any time, selection of the Notes for redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not then listed on a national

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securities exchange, on a *pro rata* basis, by lot or by such method as the Trustee shall deem fair and appropriate; *provided* that:

no Notes of a principal amount of $1,000 or less shall be redeemed in part; and

if a partial redemption is made with the proceeds of a Qualified Equity Offering, selection of the Notes or portions thereof for redemption shall be made by the Trustee only on a *pro rata* basis or on as nearly a *pro rata* basis as is practicable (subject to DTC procedures), unless such method is otherwise prohibited.

Notice of an optional redemption shall be mailed at least 30 but not more than 60 days before the redemption date to each Holder to be redeemed at its registered address. If any Note is to be redeemed in part only, the notice of redemption that relates to such Note shall state the portion of the principal amount thereof to be redeemed. A new Note in a principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. On and after the redemption date, interest will cease to accrue on Notes or portions of Notes called for redemption as long as the Company has deposited with the paying agent funds in satisfaction of the applicable redemption price pursuant to the Indenture.

**Other Mandatory Redemption or Purchases of Notes**

The Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes. The Company may at any time and from time to time purchase Notes in open market transactions or otherwise, subject to compliance with applicable law.

**Repurchase at the Option of Holders**

***Change of Control***

The Indenture provides that, upon the occurrence of a Change of Control, each Holder will have the right to require that the Company purchase all or a portion of such Holder' s Notes pursuant to the offer described below (the *"Change of Control Offer"*), at a purchase price equal to 101% of the principal amount thereof plus accrued interest, if any, thereon to the date of purchase (the *"Change of Control Payment"*); *provided, however,* that notwithstanding the occurrence of a Change of Control, the Company shall not be obligated to purchase the Notes pursuant to this covenant in the event that it has mailed the notice to exercise its right to redeem all the Notes under the terms of the section titled "Optional Redemption" at any time prior to the requirement to consummate the Change of Control Offer and redeem the Notes in accordance with such notice.

Within 30 days following any Change of Control or, at the Company' s option, prior to the consummation of such Change of Control but after it is publicly announced, the Company shall send, by first-class mail, with a copy to the Trustee, to each Holder, at such Holder' s address appearing in the Note register, a notice stating:

(1) that a Change of Control has occurred or will occur and a Change of Control Offer is being made pursuant to the covenant described under "Repurchase at the Option of Holders − Change of Control" and that all Notes timely tendered will be accepted for payment;

(2) the Change of Control purchase price and the purchase date (the *"Change of Control Payment Date"*), which shall be, subject to any contrary requirements of applicable law, a Business Day and a point in time occurring after the consummation of the Change of Control and not earlier than 30 days nor later than 60 days from the date such notice is mailed;

(3) the circumstances and relevant facts regarding the Change of Control;

(4) if the notice is mailed prior to a Change of Control, that the Change of Control Offer is conditioned on the Change of Control occurring;

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(5) the procedures that Holders must follow in order to tender their Notes (or portions thereof) for payment, and the procedures that Holders must follow in order to withdraw an election to tender Notes (or portions thereof) for payment; and

(6) the Holders shall not be entitled to tender their Notes to the extent that such Notes become subject to redemption by the Company under the terms of the section titled "Optional Redemption" at any time prior to the requirement to redeem the Notes in accordance with such notice.

Holders electing to have a Note purchased shall be required to surrender the Note, with an appropriate form duly completed, to the Company or its agent at the address specified in the notice at least three Business Days prior to the Change of Control Payment Date. Holders shall be entitled to withdraw their election if the Trustee or the Company receives, not later than one Business Day prior to the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the holder, the principal amount of the Note that was delivered for purchase by the Holder and a statement that such Holder is withdrawing its election to have such Note purchased.

On or prior to the Change of Control Payment Date, the Company shall irrevocably deposit with the Trustee or with the paying agent in cash an amount equal to the Change of Control Payment payable to the Holders entitled thereto, to be held for payment in accordance with the provisions of this covenant. On the Change of Control Payment Date, the Company shall deliver to the Trustee the Notes or portions thereof that have been properly tendered to and are to be accepted by the Company for payment. The Trustee or the paying agent shall, on the Change of Control Payment Date, mail or deliver payment to each tendering holder of the Change of Control Payment. In the event that the aggregate Change of Control Payment is less than the amount delivered by the Company to the Trustee or the paying agent, the Trustee or the paying agent, as the case may be, shall deliver the excess to the Company immediately after the Change of Control Payment Date.

The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other applicable securities laws or regulations in connection with the repurchase of Notes pursuant to a Change of Control Offer, including any applicable securities laws of the United States. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the covenant described above, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue of such compliance with these securities laws or regulations.

The Change of Control repurchase feature is a result of negotiations among the Company and the Initial Purchasers. Management has no present intention to engage in a transaction involving a Change of Control, although it is possible that management of the Company would decide to do so in the future. Subject to certain covenants described below, management of the Company could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of debt outstanding at such time or otherwise affect its capital structure or credit ratings.

If a Change of Control Offer is required to be made, there can be no assurance that the Company will have available funds sufficient to make the Change of Control Payment for all the Notes that might be delivered by Holders seeking to accept the Change of Control Offer. In the event the Company is required to purchase outstanding Notes pursuant to a Change of Control Offer, the Company expects that it would seek third party financing to the extent it does not have available funds to meet its purchase obligations. However, there can be no assurance that the Company would be able to obtain such financing.

Neither the Board of Directors of the Company nor the Trustee may waive the covenant relating to a Holder' s right to require the purchase of Notes upon a Change of Control. Restrictions in the Indenture described herein on the ability of the Company and the Restricted Subsidiaries to incur additional Indebtedness, grant Liens on their property, make Restricted Payments or make Asset Sales may also make more difficult or discourage a takeover of the Company, whether favored or opposed by the management of the Company. Consummation of any such transaction in certain circumstances may require the purchase of



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the Notes, and there can be no assurance that the Company or the acquiring party will have sufficient financial resources to effect such purchase. Such restrictions and the restrictions on transactions with Affiliates may, in certain circumstances, make more difficult or discourage any leveraged buyout of the Company or any of its Subsidiaries by the management of the Company. While such restrictions cover a wide variety of arrangements that have traditionally been used to effect highly leveraged transactions, the Indenture may not afford the Holders protection in all circumstances from the adverse aspects of a highly leveraged transaction, reorganization, restructuring, merger or similar transaction.

The definition of Change of Control includes a phrase relating to the sale, transfer, assignment, lease, conveyance or other disposition of "all or substantially all" of the Company' s assets. Although there is a developing body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, if the Company disposes of less than all of its assets by any of the means described above, the ability of a holder of Notes to require it to repurchase its Notes may be uncertain. In such a case, Holders may not be able to resolve this uncertainty without resorting to legal action.

The Credit Facility does not permit the Company to purchase any Notes without first obtaining the consent of the lenders party thereto and also provides that the occurrence of certain of the events that would constitute a Change of Control would constitute a default under the Credit Facility. In addition, future Indebtedness of the Company may contain prohibitions of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by Holders of their right to require the Company to repurchase the Notes could cause a default under existing or future Indebtedness of the Company, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Company. Finally, the Company' s ability to pay cash to Holders upon a repurchase may be limited by its financial resources at that time. The Company cannot assure you that sufficient funds will be available when necessary to make any required repurchases. The Company' s failure to purchase Notes in connection with a Change of Control would result in a Default under the Indenture. Such a Default could, in turn, constitute a default under the Company' s existing Indebtedness, including the Credit Facility, and may constitute a default under future Indebtedness as well. The Company' s obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified at any time prior to the occurrence of such Change of Control with the written consent of the holders of a majority in principal amount of the Notes. See "− Modification of the Indenture."

The Company will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer.

***Asset Sales***

The Company will not, and will not permit any of the Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Company or the applicable Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the assets sold or otherwise disposed of;

(2) at least 75% of the consideration received by the Company or the Restricted Subsidiary, as the case may be, from such Asset Sale shall be in the form of cash or Cash Equivalents; *provided* that the amount of:

(a) any liabilities (as shown on the Company' s or such Restricted Subsidiary' s most recent balance sheet) of the Company or any of its Restricted Subsidiaries (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes) that are assumed by the transferee of any such assets shall be deemed to be cash for purposes of this clause (2); and



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(b) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash (to the extent of the cash received) within 180 days following the closing of such Asset Sale shall be deemed to be cash for purposes of this clause (2); and

(3) upon the consummation of an Asset Sale, the Company shall apply, or cause such Restricted Subsidiary to apply, the Net Cash Proceeds relating to such Asset Sale within 365 days after receipt thereof either to:

(a) repay Indebtedness under the Credit Facility and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly permanently reduce commitments with respect thereto,

(b) acquire Replacement Assets, or

(c) a combination of payment and investment permitted by the foregoing clauses (3)(a) and (3)(b).

On the 366th day after an Asset Sale or such earlier date, if any, as the Board of Directors of the Company or of such Restricted Subsidiary determines not to apply the Net Cash Proceeds relating to such Asset Sale as set forth in clauses (3)(a), (3)(b) or (3)(c) of the preceding paragraph (each, a *"Net Proceeds Offer Trigger Date"*), such aggregate amount of Net Cash Proceeds that have not been applied on or before such Net Proceeds Offer Trigger Date as permitted in clauses (3)(a), (3)(b) and (3)(c) of the preceding paragraph (each a *"Net Proceeds Offer Amount"*) shall be applied by the Company to make an offer to purchase (the *"Net Proceeds Offer"*) to all Holders and, to the extent the Company elects or is required by the terms of any Pari Passu Debt, an offer to purchase to all holders of such Pari Passu Debt, on a date (the *"Net Proceeds Offer Payment* Date") not less than 30 nor more than 60 days following the applicable Net Proceeds Offer Trigger Date, from all Holders (and holders of such Pari Passu Debt) on a *pro rata* basis, that principal amount of Notes (and Pari Passu Debt) equal to the Net Proceeds Offer Amount at a price equal to 100% of the principal amount of the Notes (and Pari Passu Debt) to be purchased, plus accrued and unpaid interest, if any, thereon to the date of purchase; *provided, however,* that if at any time any non-cash consideration received by the Company or any Restricted Subsidiary, as the case may be, in connection with any Asset Sale is converted into or sold or otherwise disposed of for cash (other than interest received with respect to any such non-cash consideration) or Cash Equivalents, then such conversion or disposition shall be deemed to constitute an Asset Sale hereunder; and *provided, further,* that the Company shall not be obligated to purchase any Notes pursuant to this paragraph in the event that it has mailed the notice to exercise the right to redeem all the Notes under the terms of the section titled "– Optional Redemption" at any time prior to the time the Company is required to consummate the applicable Net Proceeds Offer.

Notwithstanding the first two paragraphs of this covenant, the Company and its Restricted Subsidiaries will be permitted to enter into and consummate a Permitted Asset Swap without complying with such paragraphs to the extent that at the time of entering into such Permitted Asset Swap or immediately after giving effect to such Permitted Asset Swap, no Default or Event of Default shall have occurred or be continuing or would occur as a consequence thereof.

The Company may defer the Net Proceeds Offer until the aggregate unutilized Net Proceeds Offer Amount resulting from one or more Asset Sales equals or exceeds $15.0 million (at which time, the entire unutilized Net Proceeds Offer Amount, and not just the amount in excess of $15.0 million, shall be applied as required pursuant to this paragraph). The first such date the aggregate unutilized Net Proceeds Offer Amount equals or exceeds $15.0 million shall be treated for this purpose as the Net Proceeds Offer Trigger Date.

In the event of the transfer of substantially all (but not all) of the property and assets of the Company and the Restricted Subsidiaries as an entirety to a Person (other than the Company or any one or more of its Restricted Subsidiaries) in a transaction permitted under "– Certain Covenants – Merger, Consolidation and Sale of Assets," which transaction does not constitute a Change of Control, the successor corporation shall be deemed to have sold the properties and assets of the Company and the Restricted Subsidiaries not so transferred for purposes of this covenant, and shall comply with the provisions of this covenant with respect to such deemed sale as if it were an Asset Sale. In addition, the Fair Market Value of such properties and



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assets of the Company or the Restricted Subsidiaries deemed to be sold shall be deemed to be Net Cash Proceeds for purposes of this covenant.

Each Net Proceeds Offer will be mailed to the record Holders as shown on the register of Holders within 30 days following the Net Proceeds Offer Trigger Date, with a copy to the Trustee, and shall comply with the procedures set forth in the Indenture. Upon receiving notice of the Net Proceeds Offer, Holders may elect to tender their Notes in whole or in part in integral multiples of $1,000 in exchange for cash. To the extent Holders properly tender Notes and holders of Pari Passu Debt properly tender such Indebtedness in an amount exceeding the Net Proceeds Offer Amount, the tendered Notes and Pari Passu Debt will be purchased on a *pro rata* basis based on aggregate amounts of Notes and Pari Passu Debt tendered. A Net Proceeds Offer shall remain open for a period of 20 Business Days or such longer period as may be required by law. Pending the final application of the Net Cash Proceeds, the Company or any Restricted Subsidiary may temporarily reduce Indebtedness under the Credit Facility or otherwise invest such Net Cash Proceeds in Cash Equivalents. To the extent that the aggregate amount of Notes tendered pursuant to a Net Proceeds Offer and any Pari Passu Debt tendered is less than the Net Proceeds Offer Amount and provided that all Holders and holders of such other Pari Passu Debt have been given the opportunity to tender the Notes and such Pari Passu Debt, the Company may use any remaining Net Proceeds Offer Amount for general corporate purposes or any other use permitted by the Indenture. Upon completion of any such Net Proceeds Offer, the Net Proceeds Offer Amount shall be reset at zero.

The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other applicable securities laws or regulations in connection with the repurchase of Notes pursuant to a Net Proceeds Offer, including any applicable securities laws of the United States. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the covenant described above, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue of such compliance with these securities laws or regulations.

**Certain Covenants**

The Indenture contains among others, the following covenants:

*Limitation on Incurrence of Additional Indebtedness and Issuance of Preferred Stock.* The Company will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee, acquire, become liable, contingently or otherwise, with respect to, or otherwise become responsible for payment of (collectively, *"incur"*) any Indebtedness (including Acquired Indebtedness) and the Company will not permit any of the Restricted Subsidiaries to issue any Preferred Stock; *provided, however,* that the Company may incur Indebtedness (including, without limitation, Acquired Indebtedness) and any Guarantor may incur Indebtedness (including, without limitation, Acquired Indebtedness) or issue Preferred Stock if on the date of the incurrence of such Indebtedness or the issuance of such Preferred Stock, after giving effect to the incurrence or issuance thereof, the Consolidated Fixed Charge Coverage Ratio of the Company would be greater than 2.0 to 1.0.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness or the issuance of any of the following items of Preferred Stock, as applicable (collectively, *"Permitted Indebtedness"*):

(1) Indebtedness represented by $406.0 million in aggregate principal amount of the Notes issued on the Issue Date and the Exchange Notes issued in exchange therefor, and any Guarantees thereof;

(2) Indebtedness of the Company and the Restricted Subsidiaries incurred pursuant to the Credit Facility in an aggregate principal amount at any time outstanding not to exceed the greater of (a) $825.0 million and (b) the Borrowing Base;

(3) other Indebtedness of the Company and the Restricted Subsidiaries outstanding on the Issue Date reduced by the amount of any scheduled amortization payments or mandatory prepayments when actually paid or permanent reductions thereon;



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(4) Hedging Obligations of the Company or any Restricted Subsidiary, as the case may be, that are incurred in the ordinary course of business; *provided, however,* that such Hedging Obligations are entered into, in the good faith judgment of the Company, to protect the Company and the Restricted Subsidiaries from (a) fluctuations in interest rates on Indebtedness incurred in accordance with the Indenture, (b) fluctuations in foreign currency exchange rates and (c) commodity price risk with respect to commodities purchased by the Company or any Restricted Subsidiary, in each case, not for speculative purposes;

(5) Indebtedness of a Restricted Subsidiary to the Company or another Restricted Subsidiary for so long as such Indebtedness is held by the Company or a Restricted Subsidiary, in each case subject to no Lien (other than Liens granted under the Credit Facility) held by a Person other than the Company or a Restricted Subsidiary; *provided* that if as of any date any Person other than the Company or a Restricted Subsidiary owns or holds any such Indebtedness or holds a Lien (other than any Lien granted under the Credit Facility) in respect of such Indebtedness, such date shall be deemed the incurrence of Indebtedness not constituting Permitted Indebtedness by the issuer of such Indebtedness;

(6) Indebtedness of the Company to a Restricted Subsidiary for so long as such Indebtedness is held by a Restricted Subsidiary, in each case subject to no Lien (other than Liens granted under the Credit Facility); *provided* that (a) any Indebtedness of the Company to any Restricted Subsidiary is unsecured and subordinated, pursuant to a written agreement, to the Company' s obligations under the Indenture and the Notes and (b) if as of any date any Person other than a Restricted Subsidiary owns or holds any such Indebtedness or any Person holds a Lien (other than any Lien granted under the Credit Facility) in respect of such Indebtedness, such date shall be deemed the incurrence of Indebtedness not constituting Permitted Indebtedness by the Company;

(7) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business; *provided, however,* that such Indebtedness is extinguished within five Business Days after incurrence;

(8) Indebtedness of the Company or any of its Restricted Subsidiaries in respect of standby letters of credit, performance bonds, bankers' acceptances, workers' compensation claims, surety or appeal bonds, payment obligations in connection with self-insurance or similar obligations, and bank overdrafts (and letters of credit in respect thereof), in each case, in the ordinary course of business;

(9) Indebtedness represented by Purchase Money Indebtedness and Capitalized Lease Obligations not to exceed $50.0 million at any one time outstanding;

(10) Refinancing Indebtedness;

(11) Indebtedness of the Company or any Restricted Subsidiary arising from agreements for indemnification, purchase price adjustment, earn out or other similar obligations, in each case incurred or assumed in connection with the acquisition or disposition of any business, assets, including Capital Stock, or a Restricted Subsidiary of the Company; *provided* that the maximum assumable liability in respect of all such obligations shall at no time exceed the gross proceeds actually received by the Company and any Restricted Subsidiary, including the Fair Market Value of noncash proceeds;

(12) Non-Recourse Securitization Entity Indebtedness incurred by a Securitization Entity in connection with a Qualified Securitization Transaction;

(13) Indebtedness consisting of guarantees (a) by the Company of Indebtedness of a Restricted Subsidiary of the Company permitted to be incurred by another provision of this covenant, and subject to the provisions of "– Issuance of Subsidiary Guarantees," by Restricted Subsidiaries of the Company of Indebtedness of the Company or any other Restricted Subsidiaries of the Company permitted to be incurred by another provision of this covenant; and

(14) additional Indebtedness of the Company and Restricted Subsidiaries and Preferred Stock of Restricted Subsidiaries in an aggregate principal amount (or liquidation value in the case of Preferred Stock) not to exceed $50.0 million at any one time outstanding.

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For purposes of determining compliance with this "Limitation on Incurrence of Additional Indebtedness and Issuance of Preferred Stock" covenant:

(1) in the event that an item of Indebtedness or Preferred Stock meets the criteria of more than one of the categories of Indebtedness or Preferred Stock described in clauses (1) through (14) of the second paragraph of this covenant, or is entitled to be incurred pursuant to the first paragraph of this covenant, the Company may, subject to clause (2) below, in its sole discretion, classify such item of Indebtedness or Preferred Stock on the date of its incurrence or, later reclassify all or a portion of such item of Indebtedness or Preferred Stock in any manner that complies with this covenant;

(2) Indebtedness under the Credit Facility outstanding on June 23, 2003 will be deemed to have been incurred pursuant to clause (2) of the second paragraph of this covenant and the Company will not be permitted to reclassify any portion of such Indebtedness thereafter;

(3) accrual of interest, accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms and the payment of dividends on Disqualified Capital Stock or Preferred Stock in the form of additional shares of the same class of Disqualified Capital Stock or Preferred Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Preferred Stock for purposes of this covenant;

(4) the maximum amount of Indebtedness that the Company or any Restricted Subsidiary may incur pursuant to this covenant will not be deemed to be exceeded, with respect to any outstanding Indebtedness, due solely to the result of fluctuations in the exchange rates of currencies;

(5) with respect to any Indebtedness that is denominated in a foreign currency, the dollar-equivalent principal amount of such Indebtedness incurred pursuant thereto shall be calculated based on the relevant currency exchange rate in effect on the date that such Indebtedness was incurred, and any such foreign denominated Indebtedness may be Refinanced or subsequently Refinanced in an amount equal to the dollar equivalent principal amount of such Indebtedness on the date of such Refinancing whether or not such amount is greater or less than the dollar equivalent principal amount of the Indebtedness on the date of initial incurrence; and

(6) if obligations in respect of letters of credit are incurred pursuant to the Credit Facility and are being treated as incurred pursuant to clause (2) of the second paragraph of this covenant and the letters of credit relate to other Indebtedness then such other Indebtedness shall be deemed not incurred to the extent of the principal amount of Indebtedness represented by the letters of credit relating thereto.

*Limitation on Restricted Payments.* The Company will not, and will not cause or permit any of the Restricted Subsidiaries to, directly or indirectly:

(a) declare or pay any dividend or make any distribution (other than (i) dividends or distributions payable in Qualified Capital Stock of the Company and (ii) in the case of Restricted Subsidiaries, dividends or distributions to the Company or any other Restricted Subsidiary and pro rata dividends or distributions payable to the other holders of the same class of Capital Stock of such Restricted Subsidiary) on or in respect of shares of its Capital Stock to holders of such Capital Stock;

(b) purchase, redeem or otherwise acquire or retire for value any Capital Stock of the Company or any warrants, rights or options to purchase or acquire shares of any class of such Capital Stock;

(c) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, in each case, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, as the case may be, any Indebtedness of the Company or any Guarantor that is subordinate or junior in right of payment to the Notes or such Guarantor' s Guarantee of the Notes (other than a purchase, defeasance, redemption, prepayment, decrease or other acquisition or retirement for value in anticipation of satisfying a scheduled final maturity, scheduled repayment or scheduled sinking fund payment, in each case due within one year of the date of such acquisition or retirement); or

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(d) make any Investment (other than Permitted Investments),

(each of the foregoing actions set forth in clauses (a), (b), (c) and (d) being referred to as a *"Restricted Payment"*), if at the time of such Restricted Payment or immediately after giving effect thereto:

(1) a Default or an Event of Default shall have occurred and be continuing;

(2) the Company is not able to incur at least $1.00 of additional Indebtedness pursuant to the Consolidated Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described under "− Limitation on Incurrence of Additional Indebtedness and Issuance of Preferred Stock;" or

(3) the aggregate amount of Restricted Payments (including such proposed Restricted Payment) made after the Issue Date (the amount expended for such purpose, if other than in cash, being the Fair Market Value) shall exceed the sum of:

(w) 50% of the cumulative Consolidated Net Income (or if cumulative Consolidated Net Income shall be a loss, minus 100% of such loss) of the Company earned during the period beginning on March 1, 2003 and ending on the last date of the most recent fiscal quarter for which financial statements are available prior to the date such Restricted Payment (the *"Reference Date"*) (treating such period as a single accounting period); *plus*

(x) 100% of the net cash proceeds received by the Company from any Person (other than a Subsidiary of the Company) subsequent to the Issue Date and on or prior to the Reference Date (a) as a contribution to the common equity capital of the Company by any holder of the Company' s Capital Stock or (b) from the issuance and sale of Qualified Capital Stock of the Company; *plus*

(y) without duplication of any amounts included in clause (3)(x) above, 100% of the aggregate net cash proceeds received by the Company from any Person (other than a Subsidiary of the Company) subsequent to the Issue Date and on or prior to the Reference Date from the issuance and sale of debt securities or Disqualified Capital Stock of the Company that has been converted into Qualified Capital Stock of the Company; plus

(z) with duplication, the sum of:

(1) the aggregate amount returned in cash on or with respect to Investments (other than Permitted Investments) made subsequent to the Issue Date whether through interest payments, principal payments, dividends or other distributions or payments;

(2) the net cash proceeds received by the Company or any of the Restricted Subsidiaries from the disposition of all or any portion of such Investments (other than to a Subsidiary of the Company); and

(3) upon Revocation of the status of an Unrestricted Subsidiary as an Unrestricted Subsidiary, the Fair Market Value of the Company' s and the Restricted Subsidiaries' Investment in such Subsidiary;

*provided, however,* that the sum of clauses (1), (2) and (3) above shall not exceed the aggregate amount of all such Investments made subsequent to the Issue Date.

Notwithstanding the foregoing, the provisions set forth in the immediately preceding paragraph do not prohibit:

(1) the payment of any dividend within 60 days after the date of declaration of such dividend if the dividend would have been permitted on the date of declaration;

(2) the purchase, repurchase, redemption, or other acquisition or retirement for value of any shares of Capital Stock of the Company or options, warrants or other rights to acquire such Capital Stock, either (a) in exchange for shares of Qualified Capital Stock of the

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Company, (b) through the application of net cash proceeds of a substantially concurrent sale (other than to a Subsidiary of the Company) of shares of Qualified Capital Stock of the Company or options, warrants or other rights to acquire such



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Qualified Capital Stock or (c) through the application of the net cash proceeds of a substantially concurrent contribution to the common equity capital of the Company;

(3) the purchase, repurchase, redemption, legal defeasance or other acquisition or retirement for value of any Indebtedness of the Company or any Guarantor that is subordinate or junior in right of payment to the Notes or the Guarantee of such Guarantor (a) in exchange for shares of Qualified Capital Stock of the Company or options, warrants or other rights to acquire such Capital Stock, (b) through the application of the net cash proceeds of a substantially concurrent sale (other than to a Subsidiary of the Company) of (i) shares of Qualified Capital Stock of the Company or options, warrants or other rights to acquire such Qualified Capital Stock or (ii) Refinancing Indebtedness or (c) through the application of the net cash proceeds of a substantially concurrent contribution to the common equity capital of the Company;

(4) if no Default or Event of Default shall have occurred and be continuing, repurchases or other acquisitions by the Company of Capital Stock (or rights or options therefor) of the Company from current or former employees, directors or consultants of the Company or any Subsidiary or their authorized representatives (or the permitted transferees of any such Person), pursuant to the terms of agreements (including employment agreements) or plans (or amendments thereto) approved by the Board of Directors of the Company under which any such Person purchases or sells, or is granted the option to purchase or sell, shares of such Capital Stock; *provided* that the aggregate amount of such repurchases and acquisitions may not exceed $1.0 million in any calendar year (with any such amounts not used in any calendar year available for use in the immediately succeeding calendar year);

(5) in the event of a Change of Control, and if no Default or Event of Default shall have occurred and be continuing, the payment, purchase, redemption, defeasance or other acquisition or retirement of Indebtedness of the Company or any Guarantor that is subordinated or junior in right of payment to the Notes or the Guarantee of such Guarantor, in each case, at a purchase price not greater than 101% of the principal amount of such Indebtedness, plus any accrued and unpaid interest thereon; *provided* that prior to or contemporaneously with such payment, purchase, redemption, defeasance or other acquisition or retirement, the Company (or a third party to the extent permitted by the Indenture) has made the Change of Control Offer with respect to the Notes and has repurchased all Notes validly tendered and not withdrawn in connection with such Change of Control Offer;

(6) in the event of an Asset Sale which requires the Company to make a Net Proceeds Offer, and if no Default or Event of Default shall have occurred and be continuing, the payment, purchase, redemption, defeasance or other acquisition or retirement of Indebtedness of the Company or any Guarantor that is subordinated or junior in right of payment to the Notes or the Guarantee of such Guarantor, in each case, at a purchase price not greater than 100% of the principal amount of such Indebtedness, plus any accrued and unpaid interest thereon; *provided* that prior to or contemporaneously with such payment, purchase, redemption, defeasance or other acquisition or retirement, the Company has made a Net Proceeds Offer with respect to the Notes and has repurchased all Notes validly tendered and not withdrawn in connection with such Net Proceeds Offer;

(7) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Company; *provided* that any such cash payment shall not be for the purpose of evading the limitations of this covenant (as determined in good faith by the Board of Directors of the Company);

(8) the purchase, repurchase, redemption, acquisition or retirement for value of any Capital Stock of the Company upon the exercise of warrants, options or similar rights if such Capital Stock constitutes all or a portion of the exercise price or is surrendered in connection with satisfying any federal or state income tax obligation incurred in connection with such exercise; *provided* that no cash payment in respect of such purchase, repurchase, redemption, acquisition, retirement or exercise shall be made by the Company or any Restricted Subsidiary;



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(9) the purchase, redemption, acquisition, cancellation or other retirement for a nominal value per right of any rights granted to all the holders of Common Stock of the Company pursuant to any shareholders' rights plan adopted for the purpose of protecting shareholders from unfair takeover tactics; *provided* that any such purchase, redemption, acquisition, cancellation or other retirement of such rights shall not be for the purpose of evading the limitations of this covenant (as determined in good faith by the Board of Directors of the Company);

(10) Investments in joint ventures (other than any Unrestricted Subsidiary to the extent it may constitute a joint venture) engaged in Related Businesses not to exceed $25.0 million at any one time outstanding; *provided* that with respect to any Investment made pursuant to this clause (10), no Default or Event of Default shall have occurred and be continuing at the time such Investment is made;

(11) a dividend or distribution consisting of Capital Stock of an Excluded Unrestricted Subsidiary of the Company to holders of Capital Stock of the Company; *provided* that prior to making any dividend or distribution, the Company and its Restricted Subsidiaries shall be unconditionally released from all liability under any Indebtedness and other obligations (other than statutory obligations) of such Excluded Unrestricted Subsidiary;

(12) if no Default or Event of Default shall have occurred and be continuing, the purchase or acquisition by any Restricted Subsidiary of Capital Stock of the Company for contribution to employee stock purchase and deferred compensation plans, in the ordinary course of business; *provided* that the aggregate amount of such purchases shall not exceed $2.0 million in any calendar year (with any such amount not used in any calendar year available for use in the immediately succeeding calendar year);

(13) payments by the Company or one or more of its Restricted Subsidiaries to a direct or indirect Unrestricted Subsidiary of the Company made pursuant to the Tax Sharing Agreement and any amendment, restatement, renewal or replacement thereof; *provided* that any such amendment, restatement, renewal or replacement is not more disadvantageous to the Holders in any material respect than the Tax Sharing Agreement; and

(14) additional Restricted Payments in an aggregate amount not to exceed $15.0 million.

In determining the aggregate amount of Restricted Payments made subsequent to the Issue Date in accordance with clause (3) of the first paragraph of this covenant, amounts expended pursuant to clauses (1), (2)(b), 2(c), (3)(b)(i), 3(c), (5), (6), (7), (9), (10) and (12) shall be included in such calculation.

*Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries*. The Company will not, and will not cause or permit any of the Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or permit to exist or become effective, any encumbrance or restriction on the ability of any Restricted Subsidiary to:

(a) pay dividends or make any other distributions on or in respect of its Capital Stock to the Company or any other Restricted Subsidiary;

(b) make loans or advances or to pay any Indebtedness or other obligation owed to the Company or any other Restricted Subsidiary; or

(c) transfer any of its property or assets to the Company or any other Restricted Subsidiary,

except for such encumbrances or restrictions existing under or by reasons of:

(1) the Credit Facility and any agreements existing on June 23, 2003 to the extent and in the manner such agreements are in effect on that date and any amendments, restatements, renewals, replacements or refinancings thereof; *provided, however,* that the encumbrances and restrictions contained in any such amendments, restatements, renewals, replacements or refinancings are not, taken as a whole, materially more restrictive than the encumbrances or restrictions contained in the Credit Facility or such agreements on June 23, 2003;

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(2) the Indenture, the Notes and the Guarantees (including any Exchange Notes and the guarantees thereof);

(3) Indebtedness incurred in compliance with the terms of the Indenture; *provided* that such encumbrances and restrictions contained in such Indebtedness are not, as determined in good faith by the Board of Directors of the Company, taken as a whole, materially more restrictive, than the provisions relating to such encumbrances and restrictions contained in the Indenture;

(4) applicable law, rule, regulation or order;

(5) customary non-assignment provisions of any contract or any lease governing a leasehold interest of any Restricted Subsidiary;

(6) any instrument governing Acquired Indebtedness, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or the properties or assets of the Person so acquired;

(7) Purchase Money Indebtedness and Capitalized Lease Obligations permitted to be incurred pursuant to clause (9) of the second paragraph under the covenant described under "− Limitation on Incurrence of Additional Indebtedness and Issuance of Preferred Stock" that impose limitations of the nature described in clause (c) of the first paragraph of this covenant;

(8) customary restrictions on the transfer of any property or assets arising under a security agreement governing a Lien permitted under the Indenture;

(9) any agreement governing Refinancing Indebtedness; *provided, however,* that the encumbrances or restrictions contained in any such Refinancing Indebtedness are not, as determined in good faith by the Board of Directors of the Company, taken as a whole, materially more restrictive than the provisions relating to such encumbrances or restrictions contained in the Indebtedness being refinanced;

(10) any agreement governing the sale or disposition of all or substantially all of the Capital Stock or assets of any Restricted Subsidiary which restricts dividends and distributions pending such sale or disposition;

(11) customary restrictions on the subletting, assignment or transfer of any property that is subject to a lease, license or similar contract;

(12) any encumbrance or restriction with respect to any Person pursuant to any agreement (not relating to any Indebtedness) in existence when such Person becomes a Restricted Subsidiary of the Company or when such Person is acquired by the Company or any Restricted Subsidiary thereof, that is not created in contemplation of such Person becoming such a Restricted Subsidiary or such acquisition;

(13) any encumbrance or restriction contained in mortgages, pledges or other security agreements securing Indebtedness of a Restricted Subsidiary to the extent such encumbrance or restrictions restrict the transfer of the property subject to such mortgages, pledges or other security agreements or pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary; and

(14) Non-Recourse Securitization Entity Indebtedness or other contractual requirements of a Securitization Entity in connection with a Qualified Securitization Transaction; *provided* that such restrictions apply only to such Securitization Entity or the Receivables and Related Assets that are subject to the Qualified Securitization Transaction.

*Limitation on Liens.* The Company will not, and will not cause or permit any of the Restricted Subsidiaries to, directly or indirectly, create, incur, assume or permit or suffer to exist any Liens of any kind against or upon any property or assets of the Company or any of the Restricted Subsidiaries, whether owned



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on the Issue Date or acquired after the Issue Date, or any proceeds therefrom, or assign or otherwise convey any right to receive income or profits therefrom unless:

(1) in the case of Liens securing Indebtedness that is expressly subordinate or junior in right of payment to the Notes or a Guarantee, the Notes or such Guarantee are secured by a Lien on such property, assets or proceeds that is senior in priority to such Liens; and

(2) in all other cases, the Notes are equally and ratably secured, except for:

(a) Liens existing as of the Issue Date to the extent and in the manner such Liens are in effect on the Issue Date;

(b) Liens securing Indebtedness under the Credit Facility incurred pursuant to clause (2) or (14) of the second paragraph of the covenant described under "– Limitation on Incurrence of Additional Indebtedness and Issuance of Preferred Stock;"

(c) Liens securing the Notes and related Guarantees and the Exchange Notes and related Guarantees;

(d) Liens in favor of the Company or a Guarantor;

(e) Liens securing Refinancing Indebtedness which is incurred to Refinance any Indebtedness secured by a Lien permitted under the Indenture; *provided, however,* that such Liens do not extend to or cover any property or assets of the Company or any of the Restricted Subsidiaries not securing the Indebtedness so Refinanced;

(f) Liens in favor of the PBGC granted pursuant to and in accordance with the terms of the PBGC Agreement; and

(g) Permitted Liens.

*Merger, Consolidation and Sale of Assets.* The Company will not, in a single transaction or series of related transactions, consolidate or merge with or into any Person, or sell, assign, transfer, lease, convey or otherwise dispose of (or cause or permit any Restricted Subsidiary to sell, assign, transfer, lease, convey or otherwise dispose of) all or substantially all of the Company' s assets (determined on a consolidated basis for the Company and the Restricted Subsidiaries) to any Person unless:

(1) either

(a) the Company shall be the surviving or continuing corporation or

(b) the Person (if other than the Company) formed by such consolidation or into which the Company is merged or the Person to which such sale, assignment, transfer, lease, conveyance or other disposition has been made (the *"Surviving Entity"*):

(i) shall be a corporation organized and validly existing under the laws of the United States or any State thereof or the District of Columbia; and

(ii) shall expressly assume, by supplemental indenture (in form and substance reasonably satisfactory to the Trustee), executed and delivered to the Trustee, the due and punctual payment of the principal of, and premium, if any, and interest on all of the Notes and the performance of every covenant of the Notes, the Indenture and the Registration Rights Agreement on the part of the Company to be performed or observed;

(2) immediately after giving effect to such transaction and the assumption contemplated by clause (1)(b)(ii) above (including giving effect to any Indebtedness and Acquired Indebtedness incurred or anticipated to be incurred in connection with or in respect of such transaction), the Company or such Surviving Entity, as the case may be, shall be able to incur at least $1.00 of additional Indebtedness

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pursuant to the Consolidated Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described under "– Limitation on Incurrence of Additional Indebtedness and Issuance of Preferred Stock;"



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(3) immediately before and immediately after giving effect to such transaction and the assumption contemplated by clause (1)(b)(ii) above (including, without limitation, giving effect to any Indebtedness and Acquired Indebtedness incurred or anticipated to be incurred and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred and be continuing; and

(4) the Company or the Surviving Entity, as the case may be, shall have delivered to the Trustee an officers' certificate and an opinion of counsel, each stating that such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with the applicable provisions of the Indenture and that all conditions precedent in the Indenture relating to such transaction have been satisfied.

For purposes of the foregoing, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Restricted Subsidiaries, the Capital Stock of which constitutes all or substantially all of the properties and assets of the Company, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

The Indenture will provide that upon any consolidation, combination or merger or any transfer of all or substantially all of the assets of the Company in accordance with the foregoing in which the Company is not the continuing corporation, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, lease or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indenture and the Notes with the same effect as if such surviving entity had been named as such.

No Guarantor (other than any Guarantor whose Guarantee is to be released in accordance with the terms of the Guarantee and the Indenture) will, and the Company will not cause or permit any Guarantor to, consolidate with or merge with or into any Person other than the Company or any other Guarantor unless:

(1) the entity formed by or surviving any such consolidation or merger (if other than the Guarantor) is a corporation organized and existing under the laws of the United States or any State thereof or the District of Columbia;

(2) such entity assumes by supplemental indenture all of the obligations of the Guarantor under the Indenture, such Guarantor' s Guarantee and the Registration Rights Agreement;

(3) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;

(4) immediately after giving effect to such transaction and the use of any net proceeds therefrom on a *pro forma* basis, the Company could satisfy the provisions of clause (2) of the first paragraph of this covenant; and

(5) the Company shall have delivered to the Trustee an officers' certificate and opinion of counsel, each stating that such consolidation or merger and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with the applicable provisions of the Indenture and that all conditions precedent in the Indenture relating to such transaction have been satisfied.

Notwithstanding the foregoing:

(a) any Restricted Subsidiary of the Company that is not a Guarantor may consolidate with, merge into or transfer all or part of its properties and assets to the Company or any other Restricted Subsidiary;

(b) any Guarantor may consolidate with, merge into or transfer all or part of its properties and assets to the Company or any other Guarantor; and

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(c) the Company may consolidate with, merge into or transfer all or part of its properties and assets to an Affiliate that is (x) a Person that has no material assets or liabilities and that was organized solely for the purpose of reorganizing the Company in another jurisdiction or (y) a Restricted Subsidiary of the Company so long as all assets of the Company and the Restricted Subsidiaries immediately prior to such transaction are owned by the Company or such Restricted Subsidiary and the other Restricted Subsidiaries immediately after the consummation thereof.

*Limitation on Transactions with Affiliates.* (a) The Company will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction or series of related transactions (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with, or for the benefit of, any of its Affiliates (each an *"Affiliate Transaction"*), other than:

(x) Affiliate Transactions permitted under paragraph (b) below; and

(y) Affiliate Transactions on terms that are not less favorable than those that would have been obtained in a comparable transaction at such time on an arm' s-length basis from a Person that is not an Affiliate of the Company or such Restricted Subsidiary.

All Affiliate Transactions (and each series of related Affiliate Transactions which are similar or part of a common plan) involving aggregate payments or other property with a Fair Market Value in excess of $5.0 million shall be approved by a majority of the disinterested members of the Board of Directors of the Company, such approval to be evidenced by a Board Resolution stating that such disinterested members of the Board of Directors have determined that such transaction complies with the foregoing provisions. If the Company or any Restricted Subsidiary enters into an Affiliate Transaction (or series of related Affiliate Transactions related to a common plan) that involves an aggregate Fair Market Value of more than $20.0 million or as to which there are no disinterested members of the Board of Directors of the Company, the Company or such Restricted Subsidiary, as the case may be, shall, prior to the consummation thereof, obtain a favorable opinion as to the fairness of such transaction or series of related transactions to the Company or the relevant Restricted Subsidiary, as the case may be, from a financial point of view, from an Independent Financial Advisor and file the same with the Trustee.

(b) The restrictions set forth in clause (a) shall not apply to:

(1) fees and other compensation (including awards or grants in cash, securities or other payments) paid to, and indemnity and other benefits provided to, officers, directors, employees or consultants of the Company or any Subsidiary pursuant to employment agreements, collective bargaining agreements, employee benefit plans, or arrangements for employees, officers or directors, including vacation plans, health and life insurance plans, deferred compensation plans, directors' and officers' indemnification agreements and retirement or savings plans, stock option, stock ownership and similar plans so long as the Board of Directors of the Company acting in good faith shall have approved the terms thereof and deemed the services theretofore or thereafter to be performed for such compensation to be fair consideration therefor, *provided, however,* that in the case of any officer, director, employee or consultant of any Unrestricted Subsidiary, no cash payments shall be made by the Company or any of its Restricted Subsidiaries unless such agreement, plan or arrangement otherwise complies with clause (a) of this covenant;

(2) transactions exclusively between or among the Company and any of the Restricted Subsidiaries or exclusively between or among such Restricted Subsidiaries; *provided* that such transactions are not otherwise prohibited by the Indenture;

(3) any agreement as in effect as of June 23, 2003 and disclosed in the offering memorandum, dated May 22, 2003, relating to the offer and sale of the outstanding notes or any amendment thereto or any transaction contemplated thereby (including pursuant to any amendment thereto) in any replacement agreement thereto so long as any such amendment or replacement agreement is not more disadvantageous to the Holders in any material respect than the original agreement as in effect on June 23, 2003;



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(4) Restricted Payments and Permitted Investments permitted by the Indenture;

(5) any transaction with an affiliate undertaken pursuant to clause (c)(x) of the fifth paragraph of the covenant described under "– Merger, Consolidation and Sale of Assets;"

(6) the granting or performance of registration rights under a written registration rights agreement approved in good faith by the Board of Directors of the Company;

(7) transactions effected as part of a Qualified Securitization Transaction;

(8) any transaction in the ordinary course of business, or approved in good faith by a majority of the Board of Directors, between the Company or any Restricted Subsidiary and any Affiliate of the Company controlled by the Company that is a joint venture or similar entity and, in each case, is otherwise in compliance with the terms of the Indenture and is on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party;

(9) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture that are fair to the Company and its Restricted Subsidiaries in the reasonable determination of the Board of Directors of the Company or senior management thereof and are on terms not less favorable than those that would have been obtained in a comparable transaction at such time on an arm' s length basis from a Person that is not an Affiliate of the Company or such Restricted Subsidiary; and

(10) any agreement to do any of the foregoing.

*Issuance of Subsidiary Guarantees.* If the Company forms or acquires any Domestic Restricted Subsidiary (other than an Insurance Subsidiary or a Securitization Entity), or if any Foreign Restricted Subsidiary guarantees any Indebtedness of the Company or a Guarantor (other than Indebtedness owing to the Company or a Restricted Subsidiary), then the Company shall cause such Domestic Restricted Subsidiary or Foreign Restricted Subsidiary, as the case may be, to:

(1) execute and deliver to the Trustee a supplemental indenture in form reasonably satisfactory to the Trustee pursuant to which such Restricted Subsidiary shall unconditionally guarantee (each, a *"Guarantee"*) all of the Company' s obligations under the Notes and the Indenture on the terms set forth in the Indenture; and

(2) deliver to the Trustee an opinion of counsel (which may contain customary exceptions) that such supplemental indenture has been duly authorized, executed and delivered by such Restricted Subsidiary and constitutes a legal, valid, binding and enforceable obligation of such Restricted Subsidiary.

Thereafter, such Restricted Subsidiary shall be a Guarantor for all purposes of the Indenture until such Guarantee is released in accordance with the provisions of "Guarantees" above. The Company may cause any other Restricted Subsidiary of the Company to issue a Guarantee and become a Guarantor.

*Limitation on Sale and Leaseback Transactions.* The Company will not, and will not permit any of the Restricted Subsidiaries to, enter into any Sale and Leaseback Transaction; *provided* that the Company or any Guarantor may enter into a Sale and Leaseback Transaction if:

(1) the Company or that Guarantor, as applicable, could have

(a) incurred Indebtedness in an amount equal to the Attributable Indebtedness relating to such Sale and Leaseback Transaction pursuant to the Consolidated Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described under "– Limitation on Incurrence of Additional Indebtedness and Issuance of Preferred Stock;" and

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(b) incurred a Lien to secure such Indebtedness pursuant to "– Limitation on Liens" above;

(2) the gross cash proceeds of that Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property sold; and



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(3) the transfer of assets in that Sale and Leaseback Transaction is permitted by, and the Company applies the proceeds of such transaction in compliance with, the covenant described under "− Repurchase at the Option of Holders − Asset Sales."

*Limitation on Designations of Unrestricted Subsidiaries*. After the Issue Date, the Company may designate any Subsidiary of the Company (other than a Subsidiary of the Company that owns Capital Stock of a Restricted Subsidiary) as an "Unrestricted Subsidiary" under the Indenture (a *"Designation"*) only if:

(1) no Default or Event of Default shall have occurred and be continuing at the time of or after giving effect to such Designation; and

(2) the Company would be permitted under the Indenture to make a Restricted Payment pursuant to the first paragraph of the covenant described under "− Limitation on Restricted Payments" at the time of Designation (assuming the effectiveness of such Designation) in an amount equal to the Fair Market Value of the Company' s and the Restricted Subsidiaries' Investment in such Subsidiary on such date.

The Indenture will further provide that the Company shall not, and shall not cause or permit any Restricted Subsidiary to, at any time:

(x) provide direct or indirect credit support for or a guarantee of any Indebtedness of any Unrestricted Subsidiary (including any undertaking agreement or instrument evidencing such Indebtedness) (other than any such credit support or guarantee outstanding on the Issue Date);

(y) be directly or indirectly liable for any Indebtedness of any Unrestricted Subsidiary (other than any such liability outstanding on the Issue Date); or

(z) be directly or indirectly liable for any Indebtedness which provides that the holder thereof may (upon notice, lapse of time or both) declare a default thereon or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity upon the occurrence of a default with respect to any Indebtedness of any Unrestricted Subsidiary (including any right to take enforcement action against such Unrestricted Subsidiary) other than any such liability outstanding on the Issue Date;

except, in the case of clause (x), (y) or (z), (i) that the Company or any Restricted Subsidiary may pledge Capital Stock of any Unrestricted Subsidiary on a nonrecourse basis as long as the pledgee has no claim whatsoever against the Company or any Restricted Subsidiary other than to obtain that pledged Capital Stock and, (ii), to the extent permitted under the covenant described under "− Limitation on Restricted Payments."

The Indenture will further provide that the Company may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (*"Revocation"*), whereupon such Subsidiary shall then constitute a Restricted Subsidiary, if:

(1) no Default or Event of Default shall have occurred and be continuing at the time and after giving effect to such Revocation;

(2) immediately after giving effect to such Revocation, the Company would be permitted to incur $1.00 of additional Indebtedness pursuant to the Consolidated Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described under "− Limitation on Incurrence of Additional Indebtedness and Issuance of Preferred Stock;" and

(3) all Liens and Indebtedness of such Unrestricted Subsidiaries outstanding immediately following such Revocation would, if incurred at such time, have been permitted to be incurred for all purposes of the Indenture.

All Designations and Revocations must be evidenced by an officers' certificate of the Company delivered to the Trustee certifying compliance with the foregoing provisions. As of the Issue Date, the Company will have no Unrestricted Subsidiaries other than Greyhound Lines, Inc., a Delaware corporation, Interstate Leasing, Inc., a Mississippi corporation, and Hotard Coaches, Inc., a Louisiana corporation, and each of their respective Subsidiaries.

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*Reports to Holders.* The Indenture will provide that, whether or not required by the rules and regulations of the Commission, so long as any Notes are outstanding, the Company will furnish to the Holders:

(1) all quarterly and annual financial information that would be required to be contained in a report filed with the Commission on Form 10-Q or 10-K if the Company were required to file such reports, including a "Management' s Discussion and Analysis of Financial Condition and Results of Operations" that describes the financial condition and results of operations of the Company and its consolidated Subsidiaries (showing in reasonable detail, either on the face of the financial statements or in the footnotes thereto and in such Management' s Discussion and Analysis of Financial Condition and Results of Operations, the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company, if any) and, with respect to the annual information only, a report thereon by the Company' s certified independent accountants; and

(2) all current reports that would be required to be filed with the Commission on Form 8-K if the Company were required to file such reports, in each case within the time periods specified in the Commission' s rules and regulations.

In addition, following the consummation of the exchange offer contemplated by the Registration Rights Agreement, whether or not required by the rules and regulations of the Commission, the Company will file a copy of all such information and reports with the Commission for public availability within the time periods specified in the Commission' s rules and regulations (unless such filings are not then permitted by the Commission) and make such information available to prospective investors upon request. In addition, the Company has agreed that, for so long as any Notes remain outstanding, it will furnish to the Holders and to prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

**Events of Default**

The following events will be defined in the Indenture as *"Events of Default:"*

(1) the failure to pay interest on any Notes when the same becomes due and payable and the default continues for a period of 30 days;

(2) the failure to pay the principal on any Notes, when such principal becomes due and payable, at maturity, upon redemption or otherwise (including the failure to make a payment to purchase Notes tendered pursuant to a Change of Control Offer or a Net Proceeds Offer);

(3) a default in the observance or performance of any other covenant or agreement contained in the Indenture which default continues for a period of 60 days after the Company receives written notice specifying the default from the Trustee or the Holders of at least 25% of the outstanding principal amount of the Notes (except in the case of a default with respect to the covenant described under "− Certain Covenants − Merger, Consolidation and Sale of Assets," which will constitute an Event of Default with such notice requirement but without such passage of time requirement);

(4) a default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness of the Company or of any Restricted Subsidiary (or the payment of which is guaranteed by the Company or any Restricted Subsidiary), whether such Indebtedness now exists or is created after the Issue Date, which default (a) is caused by a failure to pay principal of such Indebtedness after any applicable grace period provided in such Indebtedness on the date of such default and any extension thereof (a *"payment default"*) or (b) results in the acceleration of such Indebtedness prior to its express maturity (which acceleration is not rescinded, annulled or otherwise cured within 20 days of receipt by the Company or such Restricted Subsidiary of notice of any such acceleration) and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has



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been a payment default or the maturity of which has been so accelerated (and with respect to which the 20-day period described above has elapsed), aggregates $20.0 million;

(5) one or more judgments in an aggregate amount in excess of $20.0 million not covered by adequate insurance shall have been rendered against the Company or any of the Restricted Subsidiaries and such judgment or judgments remain undischarged, unpaid or unstayed for a period of 60 days after such judgment or judgments become final and nonappealable;

(6) certain events of bankruptcy affecting the Company or any of its Significant Subsidiaries; or

(7) any Guarantee of a Significant Subsidiary of the Company ceases to be in full force and effect or any Guarantee of such a Significant Subsidiary is declared by a court of competent jurisdiction to be null and void and unenforceable or any Guarantee of such a Significant Subsidiary is found by a court of competent jurisdiction to be invalid or any Guarantor which is such a Significant Subsidiary denies in writing its liability under its Guarantee (other than by reason of release of such Guarantor in accordance with the terms of the Indenture).

If an Event of Default (other than an Event of Default specified in clause (6) above) shall occur and be continuing, the Trustee or the Holders of at least 25% in principal amount of outstanding Notes may declare the principal of, premium, if any, and accrued interest on all the Notes to be due and payable by notice in writing to the Company and (if given by the Holders) the Trustee specifying the respective Events of Default and that it is a "notice of acceleration," and the same shall become immediately due and payable. If an Event of Default specified in clause (6) above occurs and is continuing, then all unpaid principal of, premium, if any, and accrued and unpaid interest on all of the outstanding Notes shall *ipso facto* become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

The Indenture will provide that, at any time after a declaration of acceleration with respect to the Notes as described in the preceding paragraph, the Holders of a majority in principal amount of the then outstanding Notes may rescind and cancel such declaration and its consequences:

(1) if the rescission would not conflict with any judgment or decree;

(2) if all existing Events of Default have been cured or waived except nonpayment of principal or interest that has become due solely because of the acceleration;

(3) to the extent the payment of such interest is lawful, if interest on overdue installments of interest and overdue principal, which has become due otherwise than by such declaration of acceleration, has been paid;

(4) if the Company has paid the Trustee its reasonable compensation and reimbursed the Trustee for its expenses, disbursements and advances; and

(5) in the event of the cure or waiver of an Event of Default of the type described in clause (6) of the description above of Events of Default, the Trustee shall have received an officers' certificate and an opinion of counsel that such Event of Default has been cured or waived.

No such rescission shall affect any subsequent Default or Event of Default or impair any right consequent thereto.

The Holders of a majority in principal amount of the then outstanding Notes may waive any existing Default or Event of Default under the Indenture, and its consequences, except a default in the payment of the principal of or premium, if any, or interest on any Notes.

Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture and under the TIA. Subject to the provisions of the Indenture relating to the duties of the Trustee, the Trustee is under no obligation to exercise any of its rights or powers under

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the Indenture at the request, order or direction of any of the Holders, unless such Holders have offered to the Trustee reasonable indemnity. Subject to all provisions of the Indenture and applicable law, the Holders of a majority in aggregate principal



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amount of the then outstanding Notes have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power confined on the Trustee.

Under the Indenture, the Company is required to provide an officers' certificate to the Trustee within 30 calendar days after the Company obtaining knowledge of any Default or Event of Default (*provided* that the Company shall provide such certification at least annually whether or not it knows of any Default or Event of Default) that has occurred and, if applicable, describe such Default or Event of Default and the status thereof.

**No Personal Liability of Directors, Officers, Employees and Stockholders**

No director, officer, employee or stockholder of the Company or any Guarantor shall have any liability for any obligations of the Company or any Guarantor under the Notes or the Exchange Notes and any Guarantees thereof or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the U.S. federal securities laws.

**Legal Defeasance and Covenant Defeasance**

The Company may, at its option and at any time, elect to have its obligations and the obligations of any Guarantors discharged with respect to the outstanding Notes ( *"Legal Defeasance"*). Such Legal Defeasance means that the Company shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, except for:

(1) the rights of Holders to receive payments in respect of the principal of, premium, if any, and interest on the Notes when such payments are due;

(2) the Company' s obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payments;

(3) the rights, powers, trust, duties and immunities of the Trustee and the Company' s obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Indenture.

In addition, the Company may, at its option and at any time, elect to have the obligations of the Company released with respect to certain covenants that are described in the Indenture ( *"Covenant Defeasance"*) and thereafter any omission or failure to comply with such obligations shall not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including nonpayment, bankruptcy, receivership, reorganization and insolvency events) described under "− Events of Default" will no longer constitute an Event of Default with respect to the Notes.

In order to exercise Legal Defeasance or Covenant Defeasance:

(1) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders, cash in U.S. dollars, non-callable U.S. government obligations or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants selected by the Company, to pay the principal of, premium, if any, and interest on the Notes on the stated date of payment thereof or on the applicable redemption date, as the case may be;

(2) in the case of Legal Defeasance, the Company shall have delivered to the Trustee an opinion of counsel in the United States reasonably acceptable to the Trustee confirming that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date of the Indenture, there has been a change in the applicable federal income tax law, in either

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case to the effect that, and based thereon such opinion of counsel shall confirm that, the Holders will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and



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will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Company shall have delivered to the Trustee an opinion of counsel in the United States reasonably acceptable to the Trustee confirming that the Holders will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default shall have occurred and be continuing on the date of such deposit or insofar as Events of Default from bankruptcy or insolvency events are concerned, at any time in the period ending on the 91st day after the date of deposit;

(5) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of or constitute a default under the Indenture or any other material agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(6) the Company shall have delivered to the Trustee an officers' certificate stating that the deposit was not made by the Company with the intent of preferring the Holders over any other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company or others;

(7) the Company shall have delivered to the Trustee an officers' certificate and an opinion of counsel, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with; and

(8) certain other customary conditions precedent are satisfied.

**Satisfaction and Discharge**

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding Notes when:

(1) either (a) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust) have been delivered to the Trustee for cancellation or (b) all Notes not theretofore delivered to the Trustee for cancellation have (i) become due and payable or (ii) will become due and payable within one year, or are to be called for redemption within one year, under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company, and the Company has irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Notes to the date of deposit together with irrevocable instructions from the Company directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(2) the Company and/or the Guarantors have paid all other sums payable under the Indenture; and

(3) the Company has delivered to the Trustee an officers' certificate and an opinion of counsel stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture have been complied with.



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**Modification of the Indenture**

From time to time, the Company and the Trustee, without the consent of the Holders, may amend the Indenture for certain specified purposes, including curing ambiguities, defects or inconsistencies, so long as such change does not, in the opinion of the Trustee, adversely affect the rights of any of the Holders in any material respect. In formulating its opinion on such matters, the Trustee will be entitled to rely on such evidence as it deems appropriate, including, without limitation, solely on an opinion of counsel. Other modifications and amendments of the Indenture may be made with the consent of the Holders of a majority in principal amount of the then outstanding Notes issued under the Indenture, except that, without the consent of each Holder affected thereby, no amendment may:

(1) reduce the amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the rate of or change the time for payment of interest, including defaulted interest, on any Notes;

(3) reduce the principal of or change the fixed maturity of any Notes, or change the date on which any Notes may be subject to redemption or repurchase, or reduce the redemption or repurchase price therefor;

(4) make any Notes payable in money other than that stated in the Notes;

(5) impair the right of any Holder to receive payment of principal of, premium, if any, and interest on such Notes on or after the stated due date thereof or to bring suit to enforce such payment, or permitting Holders of a majority in principal amount of the then outstanding Notes to waive Defaults or Events of Default;

(6) amend, change or modify in any material respect the obligation of the Company to make and consummate a Change of Control Offer with respect to a Change of Control that has occurred or make and consummate a Net Proceeds Offer with respect to any Asset Sale that has been consummated or, after such Change of Control has occurred or such Asset Sale has been consummated, modify any of the provisions or definitions with respect thereto;

(7) modify or change any provision of the Indenture or the related definitions affecting the ranking of the Notes or any Guarantee in a manner which adversely affects the Holders; or

(8) release any Guarantor from any of its obligations under its Guarantee or the Indenture otherwise than in accordance with the terms of the Indenture.

**Governing Law**

The Indenture provides that it, the Notes and any Guarantees are governed by, and construed in accordance with, the laws of the State of New York but without giving effect to applicable principles of conflicts of law to the extent that the application of the law of another jurisdiction would be required thereby.

**The Trustee**

The Indenture provides that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are specifically set forth in the Indenture. During the existence of an Event of Default, the Trustee will exercise such rights and powers vested in it by the Indenture, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

The Indenture and the provisions of the TIA contain certain limitations on the rights of the Trustee, should it become a creditor of the Company, to obtain payments of claims in certain cases or to realize on certain property received in respect of any such claim as security or

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otherwise. Subject to the TIA, the Trustee will be permitted to engage in other transactions; *provided* that if the Trustee acquires any conflicting interest as described in the TIA, it must eliminate such conflict or resign.



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**Certain Definitions**

Set forth below is a summary of certain of the defined terms used in the Indenture. Reference is made to the Indenture for the full definition of all such terms, as well as any other terms used herein for which no definition is provided.

*"Acquired Indebtedness"* means Indebtedness of a Person or any of its Subsidiaries existing (1) at the time such Person becomes a Restricted Subsidiary or (2) at the time it merges or consolidates with the Company or any of the Restricted Subsidiaries or assumed by the Company or any Restricted Subsidiary in connection with the acquisition of assets from such Person and in each case not incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary or such acquisition, merger or consolidation. Acquired Indebtedness shall be deemed to have been incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary of the Company and, with respect to clause (2) of the preceding sentence, on the date of consummation of such merger, consolidation or acquisition of assets.

*"Affiliate"* of any specified Person means:

(a) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person, or

(b) any other Person who is a director or officer of:

(1) such specified Person,

(2) any Subsidiary of such specified Person, or

(3) any Person described in clause (a) above.

For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. For purposes of the covenant described under "− Certain Covenants − Limitation on Transactions with Affiliates" only, "Affiliate" shall also mean any beneficial owner of shares representing 10% or more of the total voting power of the Voting Stock (on a fully diluted basis) of the Company or of rights or warrants to purchase such Voting Stock (whether or not currently exercisable) and any Person who would be an Affiliate of any such beneficial owner pursuant to the first sentence hereof.

*"Affiliate Transaction"* has the meaning set forth under "− Certain Covenants − Limitation on Transactions with Affiliates."

*"Asset Acquisition"* means (1) an Investment by the Company or any Restricted Subsidiary in any other Person pursuant to which such Person shall become a Restricted Subsidiary, or shall be merged with or into the Company or any Restricted Subsidiary, or (2) the acquisition by the Company or any Restricted Subsidiary of the assets of any Person (other than a Restricted Subsidiary) which constitute all or substantially all of the assets of such Person or comprises any division or line of business of such Person or any other properties or assets of such Person other than in the ordinary course of business.

*"Asset Sale"* means any sale, lease (other than an operating lease entered into in the ordinary course of business pursuant to which the Company is the lessor), transfer, issuance, conveyance or other disposition (or series of related sales, leases, transfers, issuances or dispositions) by the Company or any Restricted Subsidiary, including any disposition by means of a merger, consolidation or similar transaction (each referred to for the purposes of this definition as a *"disposition"*), of (a) any Capital Stock of any Restricted Subsidiary (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Company or a Restricted Subsidiary) or (b) any other property or assets of the Company or any Restricted Subsidiary; *provided, however,* that Asset Sales shall not include:

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(1) a transaction or series of related transactions for which the Company or the Restricted Subsidiaries receive aggregate consideration or which has a Fair Market Value of less than $2.5 million;



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(2) the sale or disposition of obsolete, damaged or worn out assets no longer used or useful to the business of the Company and its Restricted Subsidiaries, in each case, in the ordinary course of business;

(3) the sale, lease, conveyance, disposition or other transfer of all or substantially all of the assets of the Company as permitted by the covenant described under "− Certain Covenants − Merger, Consolidation and Sale of Assets;"

(4) any Restricted Payment made in accordance with the covenant described under "− Certain Covenants − Limitation on Restricted Payments" or a Permitted Investment;

(5) the sale or other disposition of cash or Cash Equivalents;

(6) the sale of inventory in the ordinary course of business;

(7) the sale or discount, in each case without recourse, of accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof;

(8) the factoring of accounts receivable arising in the ordinary course of business pursuant to arrangements customary in the industry (as determined in good faith by the Board of Directors of the Company);

(9) the grant in the ordinary course of business of any non-exclusive license of patents, trademarks, registrations thereof and other similar intellectual property;

(10) any disposition of Receivables and Related Assets to a Securitization Entity pursuant to a Qualified Securitization Transaction for the Fair Market Value thereof, including cash or Cash Equivalents in an amount at least equal to 75% of the Fair Market Value thereof (for the purpose of this clause (10), Purchase Money Notes will be deemed to be cash);

(11) any transfer of Receivables and Related Assets, or a fractional undivided interest therein, by a Securitization Entity in a Qualified Securitization Transaction;

(12) any release of intangible claims or rights in connection with the loss or settlement of a bona fide lawsuit, dispute or other controversy;

(13) leases or subleases to third persons not interfering in any material respect with the business of the Company or any of its Restricted Subsidiaries;

(14) the sale or other disposition for cash of securities and other investment portfolio assets by an Insurance Subsidiary in the ordinary course of business;

(15) any disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Restricted Subsidiary; or

(16) the creation of any Lien in compliance with the terms of the Indenture.

*"Attributable Indebtedness"* in respect of a Sale and Leaseback Transaction means, as at the time of determination, the greater of

(1) the fair value of the property subject to such arrangement; and

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(2) the present value (discounted at the rate of interest implicit in such transaction, determined in accordance with GAAP) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale and Leaseback Transaction (including any period for which such lease has been extended).

*"Board of Directors"* means, as to any Person, the board of directors of such Person or any duly authorized committee thereof.

*"Board Resolution"* means, with respect to any Person, a copy of a resolution certified by the Secretary or an Assistant Secretary of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the Trustee.



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*"Borrowing Base"* means, as of any date on which Indebtedness is proposed to be incurred, the sum of (x) 50% of the net book value of the vehicles of the Company and its Restricted Subsidiaries, (y) 80% of the net book value of the transportation accounts receivable of the Company and its Restricted Subsidiaries and (z) 65% of the net book value of the healthcare accounts receivable of the Company and its Restricted Subsidiaries, in each case calculated on a consolidated basis as of the most recently ended fiscal quarter of the Company for which financial statements are available and in accordance with GAAP.

*"Business Day"* means a day other than a Saturday, Sunday or other day on which commercial banking institutions in New York City are authorized or required by law to close.

*"Capital Stock"* means

(1) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person and

(2) with respect to any Person that is not a corporation, any and all partnership or other equity interests of such Person.

*"Capitalized Lease Obligation"* means, as to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as capital lease obligations under GAAP and, for purposes of this definition, the amount of such obligations at any date shall be the capitalized amount of such obligations at such date, determined in accordance with GAAP.

*"Cash Equivalents"* means:

(1) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition thereof;

(2) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either Standard & Poor' s, a division of The McGraw-Hill Companies, Inc. ( *"S&P"*), or Moody' s Investors Service, Inc. ( *"Moody's"*);

(3) commercial paper maturing no more than one year from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from S&P or at least P-1 from Moody' s;

(4) certificates of deposit or bankers' acceptances maturing within one year from the date of acquisition thereof issued by any bank organized under the laws of the United States of America or any State thereof or the District of Columbia or any U.S. branch of a foreign bank having at the date of acquisition thereof combined capital and surplus of not less than $250.0 million;

(5) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clause (1) above entered into with any bank meeting the qualifications specified in clause (4) above; and

(6) investments in money market funds which invest substantially all their assets in securities of the types described in clauses (1) through (5) above.

*"Change of Control"* means the occurrence of one or more of the following events:

(1) any Person or group of related Persons for purposes of Section 13(d) of the Exchange Act (a *"Group"*), becomes the beneficial owner (as defined under Rule 13d-3 or any successor rule or regulation promulgated under the Exchange Act, except that a Person will be

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deemed to have "beneficial ownership" of all securities that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time) of 50% or more of the total voting power of the Company' s Capital Stock;



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(2) there is consummated any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company to any Person or Group, together with any Affiliates thereof (whether or not otherwise in compliance with the provisions of the Indenture);

(3) there is consummated any consolidation or merger of the Company in which the Company is not the continuing or surviving Person or pursuant to which the Common Stock of the Company would be converted into cash, securities or other property, other than a merger or consolidation of the Company in which the holders of the Capital Stock of the Company outstanding immediately prior to the consolidation of merger hold, directly or indirectly, at least a majority of the Capital Stock of the surviving corporation immediately after such consolidation or merger;

(4) the approval by the Holders of Capital Stock of the Company of any plan or proposal for the liquidation or dissolution of the Company (whether or not otherwise in compliance with the provisions of the Indenture); or

(5) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors (together with any new directors whose election by such Board of Directors or whose nomination for election by the stockholders of the Company was approved pursuant to a vote of a majority of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors then in office.

*"Change of Control Offer"* has the meaning set forth under "− Repurchase at the Option of Holders − Change of Control."

*"Change of Control Payment"* has the meaning set forth under "− Repurchase at the Option of Holders − Change of Control."

*"Change of Control Payment Date"* has the meaning set forth under "− Repurchase at the Option of Holders − Change of Control."

*"Commission"* means the U.S. Securities and Exchange Commission, as from time to time constituted, or if at any time after the execution of the Indenture such Commission is not existing and performing the applicable duties now assigned to it, then the body or bodies performing such duties at such time.

*"Common Stock"* of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person' s common stock, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common stock.

*"Consolidated EBITDA"* means, with respect to the Company, for any period, the sum (without duplication) of:

(1) Consolidated Net Income; and

(2) to the extent Consolidated Net Income has been reduced thereby:

(a) all income taxes of the Company and the Restricted Subsidiaries paid or accrued in accordance with GAAP for such period,

(b) Consolidated Interest Expense, and

(c) Consolidated Non-cash Charges, less any non-cash items increasing Consolidated Net Income for such period, all as determined on a consolidated basis for the Company and the Restricted Subsidiaries in accordance with GAAP.

*"Consolidated Fixed Charge Coverage Ratio"* means, with respect to the Company, the ratio of Consolidated EBITDA of the Company during the four full fiscal quarters (the *"Four Quarter Period"*) ending on or prior to the date of the transaction giving rise to the need to

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calculate the Consolidated Fixed Charge Coverage Ratio for which financial statements are available (the *"Transaction Date"*) to Consolidated



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Fixed Charges of the Company for the Four Quarter Period. In addition to and without limitation of the foregoing, for purposes of this definition, "Consolidated EBITDA" and "Consolidated Fixed Charges" shall be calculated after giving effect on a *pro forma* basis for the period of such calculation to:

(1) the incurrence or repayment of any Indebtedness or issuance or redemption of Preferred Stock of the Company or any of the Restricted Subsidiaries (and the application of the proceeds thereof) giving rise to the need to make such calculation and any incurrence or repayment of other Indebtedness or issuance or redemption of Preferred Stock (and the application of the proceeds thereof), other than the incurrence or repayment of Indebtedness in the ordinary course of business for working capital purposes pursuant to working capital facilities, occurring during the Four Quarter Period or at any time subsequent to the last day of the Four Quarter Period and on, or prior to, the Transaction Date, as if such incurrence or repayment or issuance or redemption, as the case may be (and the application of the proceeds thereof), occurred on the first day of the Four Quarter Period; and

(2) any asset sales or other dispositions or Asset Acquisitions (including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of the Company or one of the Restricted Subsidiaries (including any Person who becomes a Restricted Subsidiary as a result of the Asset Acquisition) incurring, assuming or otherwise being liable for Acquired Indebtedness and also including any Consolidated EBITDA (including any *pro forma* expense and cost reductions calculated on a basis consistent with Regulation S-X under the Exchange Act) attributable to the assets which are the subject of the Asset Acquisition or asset sale or other disposition during the Four Quarter Period) occurring during the Four Quarter Period or at any time subsequent to the last day of the Four Quarter Period and on or prior to the Transaction Date as if such asset sale or other disposition or Asset Acquisition (including the incurrence, assumption or liability for any such Acquired Indebtedness) occurred on the first day of the Four Quarter Period.

If the Company or any of the Restricted Subsidiaries directly or indirectly guarantees Indebtedness of a third Person, the preceding sentence shall give effect to the incurrence of such guaranteed Indebtedness as if the Company or such Restricted Subsidiary had directly incurred or otherwise assumed such guaranteed Indebtedness. Furthermore, in calculating "Consolidated Fixed Charges" for purposes of determining the denominator (but not the numerator) of this "Consolidated Fixed Charge Coverage Ratio:"

(1) interest on outstanding Indebtedness determined on a fluctuating basis as of the Transaction Date and which will continue to be so determined thereafter shall be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on the Transaction Date;

(2) if interest on any Indebtedness actually incurred on the Transaction Date may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rates, then the interest rate in effect on the Transaction Date will be deemed to have been in effect during the Four Quarter Period; and

(3) notwithstanding clause (1) above, interest on Indebtedness determined on a fluctuating basis, to the extent such interest is covered by agreements relating to Hedging Obligations, shall be deemed to accrue at the rate per annum in effect on the Transaction Date resulting after giving effect to the operation of such agreements on such date.

*"Consolidated Fixed Charges"* means, with respect to the Company for any period, the sum, without duplication, of:

(1) Consolidated Interest Expense, *plus*

(2) the product of (x) the amount of all dividend payments on any series of Preferred Stock of the Company or any Restricted Subsidiary (other than dividends paid in Qualified Capital Stock) paid, accrued and/or scheduled to be paid or accrued during such period times (y) a fraction, the numerator of which is one and the denominator of which is one minus the then current effective consolidated federal, state, foreign and local income tax rate of the Company, expressed as a decimal.



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*"Consolidated Interest Expense"* means, with respect to the Company for any period, the sum of, without duplication:

(1) the aggregate of the interest expense of the Company and the Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, including without limitation or duplication,

(a) any amortization of debt discount and amortization or write-off of deferred financing costs,

(b) the net payments, if any, pursuant to Hedging Obligations,

(c) all capitalized interest, and

(d) the interest portion of any deferred payment obligation; and

(2) the interest component of Capitalized Lease Obligations and Attributable Indebtedness paid, accrued and/or scheduled to be paid or accrued by the Company and the Restricted Subsidiaries during such period as determined on a consolidated basis in accordance with GAAP.

*"Consolidated Net Income"* means, with respect to the Company, for any period, the aggregate net income (or loss) of the Company and the Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP; *provided* that there shall be excluded therefrom:

(1) net gains and losses from asset sales or abandonments or reserves relating thereto;

(2) extraordinary or non-recurring gains, losses, income or expenses (determined on an after-tax basis);

(3) the net income of any Person acquired in a "pooling of interests" transaction accrued prior to the date it becomes a Restricted Subsidiary or is merged or consolidated with the Company or any Restricted Subsidiary;

(4) the net income (but not loss) of any Restricted Subsidiary to the extent that the declaration of dividends or similar distributions by that Restricted Subsidiary of that income is restricted by a contract, operation of law or otherwise;

(5) the net income of any Person, other than a Restricted Subsidiary, except to the extent of cash dividends or distributions paid to the Company or to a Restricted Subsidiary by such Person;

(6) any restoration to income of any contingency reserve, except to the extent that provision for such reserve was made out of Consolidated Net Income accrued at any time following the Issue Date;

(7) income or loss attributable to discontinued operations (including, without limitation, operations disposed of during such period whether or not such operations were classified as discontinued); and

(8) in the case of a successor to the Company by consolidation or merger or as a transferee of the Company' s assets, any earnings of the successor corporation prior to such consolidation, merger or transfer of assets.

*"Consolidated Net Tangible Assets"* means, as of any date of determination, the total assets, less goodwill and other intangibles (other than patents, trademarks, copyrights, licenses and other intellectual property), shown on the balance sheet of the Company and its Restricted Subsidiaries for the most recently ended fiscal quarter for which financial statements are available, determined on a consolidated basis in accordance with GAAP.

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*"Consolidated Non-cash Charges"* means, with respect to the Company, for any period, the aggregate depreciation, amortization and other non-cash expenses of the Company and the Restricted Subsidiaries reducing Consolidated Net Income of the Company for such period, determined on a consolidated basis in accordance with GAAP (excluding any such charge which requires an accrual of or a reserve for cash charges for any future period).



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*"Covenant Defeasance"* has the meaning set forth under "– Legal Defeasance and Covenant Defeasance."

*"Credit Facility"* means the Credit Facility, dated as of June 19, 2003, among the Company, the Subsidiaries party thereto, the lenders party thereto in their capacities as lenders thereunder and the agents party thereto in their capacities as agents thereunder, together with the related documents thereto (including, without limitation, any guarantee agreements and security documents), in each case as such agreements may be amended (including any amendment and restatement thereof), supplemented or otherwise modified from time to time, including any agreement extending the maturity of, refinancing, replacing or otherwise restructuring (including increasing the amount of available borrowings thereunder (*provided* that such increase in borrowings is permitted by the covenant described under "– Certain Covenants – Limitation on Incurrence of Additional Indebtedness and Issuance of Preferred Stock") or adding Subsidiaries as additional borrowers or guarantors thereunder) all or any portion of the Indebtedness under such agreement or any successor or replacement agreement and whether by the same or any other agent, lender or group of lenders or creditor or group of creditors.

*"Default"* means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice of both would be, an Event of Default.

*"Designation"* has the meaning set forth under "– Certain Covenants – Limitation on Designations of Unrestricted Subsidiaries."

*"Disqualified Capital Stock"* means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in either case, at the option of the holder thereof), or upon the happening of any event, matures (excluding any maturity as a result of an optional redemption by the issuer thereof) or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is mandatorily exchangeable for Indebtedness, or is or may become redeemable or exchangeable for Indebtedness or Disqualified Capital Stock, at the sole option of the holder thereof on or prior to the final maturity date of the Notes; *provided* that any Capital Stock that would not constitute Disqualified Capital Stock but for provisions thereof giving the holder thereof the right to require the Company to repurchase or redeem such Capital Stock upon the occurrence of a change of control of the Company shall not constitute Disqualified Capital Stock if the change of control provisions applicable to such Disqualified Capital Stock are no more favorable to the holders of such Capital Stock than the provisions of the Indenture with respect to a Change of Control and such Capital Stock specifically provides that the Company will not be required to repurchase or redeem any such Capital Stock pursuant to such provisions thereof prior to the consummation of a Change of Control Offer in accordance with the terms of the Indenture.

*"Domestic Restricted Subsidiary"* means a Restricted Subsidiary other than a Foreign Restricted Subsidiary.

*"Exchange Act"* means the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto, and the rules and regulations of the Commission promulgated thereunder.

*"Exchange Notes"* means debt securities of the Company with terms substantially identical to the applicable Notes issued in exchange for an equal principal amount of Notes pursuant to an exchange offer registered under the Securities Act in accordance with the terms of the Registration Rights Agreement.

*"Excluded Unrestricted Subsidiaries"* means, for so long as such Person continues to be designated an Unrestricted Subsidiary, each of (i) Greyhound Lines, Inc., a Delaware corporation, Interstate Leasing, Inc., a Mississippi corporation, and Hotard Coaches, Inc., a Louisiana corporation, and each of their respective Subsidiaries and (ii) any direct or indirect parent entity of any Person referred to in clause (i) above.

*"Fair Market Value"* means, with respect to any asset or property, the price which could be negotiated in an arm' s-length, free market transaction, for cash, between a willing seller and a willing buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Fair Market Value shall be



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determined by the Board of Directors of the Company acting reasonably and in good faith and shall be evidenced by a Board Resolution of the Board of Directors of the Company.

*"Foreign Restricted Subsidiary"* means a Restricted Subsidiary that is formed or otherwise incorporated in a jurisdiction other than the United States or a State thereof or the District of Columbia.

*"Four Quarter Period"* has the meaning set forth in the definition of Consolidated Fixed Charge Coverage Ratio.

*"GAAP"* means United States generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession of the United States, which are in effect on the Issue Date.

*"Group"* has the meaning set forth in the definition of Change of Control.

*"Guarantee"* has the meaning set forth under "− Certain Covenants − Issuance of Subsidiary Guarantees."

*"Guarantor"* means (1) each Domestic Restricted Subsidiary of the Company as of the Issue Date and (2) each other Restricted Subsidiary that in the future executes a Guarantee pursuant to the covenant described under "− Certain Covenants − Issuance of Subsidiary Guarantees" or otherwise; *provided* that any Person constituting a Guarantor as described above shall cease to constitute a Guarantor when its Guarantee is released in accordance with the terms of the Indenture.

*"Hedging Obligations"* means, with respect to any Person, the obligations of such Person under:

(1) any interest rate protection agreements including, without limitation, interest rate swap agreements, interest rate cap agreements and interest rate collar agreements;

(2) any foreign exchange contracts, currency swap agreements or other agreements or arrangements designed to protect such Person against fluctuations in interest rates or foreign exchange rates;

(3) any commodity futures contract, commodity option or other similar arrangement or agreement designed to protect such Person against fluctuations in the prices of commodities; and

(4) indemnity agreements and arrangements entered into in connection with the agreements and arrangements described in clauses (1), (2) and (3).

*"Holder"* means any registered holder, from time to time, of any Notes.

*"incur"* has the meaning set forth under "− Certain Covenants − Limitation on Incurrence on Additional Indebtedness and Issuance of Preferred Stock."

*"Indebtedness"* means, with respect to any Person, without duplication:

(1) all obligations of such Person for borrowed money;

(2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all Capitalized Lease Obligations of such Person;

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(4) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business);

(5) all obligations for the reimbursement of any obligor on any letter of credit, banker' s acceptance or similar credit transaction (other than obligations with respect to letters of credit, performance bonds or surety bonds securing obligations (other than obligations described in (1)-(4) above) provided in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if



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and to the extent drawn upon, such drawing is reimbursed no later than the third Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit or bond);

(6) guarantees and other contingent obligations in respect of Indebtedness of any other Person referred to in clauses (1) through (5) above and clause (8) below;

(7) all obligations of any other Person of the type referred to in clauses (1) through (6) which are secured by any Lien on any property or asset of such Person, the amount of such obligation being deemed to be the lesser of the Fair Market Value of such property or asset or the amount of the obligation so secured;

(8) all obligations under Hedging Obligations of such Person; and

(9) all Disqualified Capital Stock of such Person with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued and unpaid dividends, if any.

For purposes hereof, the "maximum fixed repurchase price" of any Disqualified Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Capital Stock as if such Disqualified Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Capital Stock, such Fair Market Value shall be determined reasonably and in good faith by the Board of Directors of the issuer of such Disqualified Capital Stock.

The amount of Indebtedness outstanding as of any date shall be (i) the accreted value thereof, in the case of any Indebtedness that does not require current payments of interest and (ii) with respect to any Indebtedness issued with original issue discount, the principal amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP.

Notwithstanding the foregoing, Indebtedness shall not include any obligation of (a) the Company and any of its Restricted Subsidiaries under (1) the PBGC Agreement and (2) any employment or change in control agreement with any officer of the Company or any of its Subsidiaries to the extent such agreement permits the Company or any of its Restricted Subsidiaries to satisfy its payment obligations thereunder on an installment or other deferred basis and (b) any Insurance Subsidiary to pay incurred losses under insurance programs in the ordinary course of business.

*"Independent Financial Advisor"* means a firm

(1) which does not, and whose directors, officers and employees and Affiliates do not, have a direct or indirect material financial interest in the Company; and

(2) which, in the judgment of the Board of Directors of the Company, is otherwise independent and qualified to perform the task for which it is to be engaged.

*"Initial Purchasers"* means Citigroup Global Markets Inc. and Credit Suisse First Boston LLC.

*"Insurance Subsidiary"* means a direct or indirect Subsidiary of the Company that engages in no activities other than in connection with satisfying the insurance requirements relating to the business and assets of the Company and its Subsidiaries and is designated by the Board of Directors of the Company as an Insurance Subsidiary; *provided, however,* that if any such Subsidiary guarantees any Indebtedness of the Company or any Restricted Subsidiary, then such Subsidiary shall cease to be an Insurance Subsidiary for so long as it shall continue to guarantee such Indebtedness. As of the Issue Date, American National Insurance Corporation, a Barbados corporation, First Transportation

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Indemnity Ltd., a Barbados corporation, EMCA Insurance Company Ltd., a Cayman Islands company, and National Insurance and Indemnity Corporation, a Vermont corporation, shall be Insurance Subsidiaries.



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*"Investment"* means, with respect to any Person, any direct or indirect loan or other extension of credit (including, without limitation, guarantee) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by, any Person. "Investment" shall exclude extensions of trade credit by the Company and the Restricted Subsidiaries on commercially reasonable terms in accordance with normal trade practices of the Company or such Restricted Subsidiaries, as the case may be. If the Company or any Restricted Subsidiary sells or otherwise disposes of any Capital Stock of any Restricted Subsidiary (the *"Referent Subsidiary"*) such that, after giving effect to any such sale or disposition, the Referent Subsidiary shall cease to be a Restricted Subsidiary, the Company shall be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Capital Stock of the Referent Subsidiary not sold or disposed of.

*"Issue Date"* means June 3, 2003, the date of initial issuance of the Notes.

*"Legal Defeasance"* has the meaning set forth under "− Legal Defeasance and Covenant Defeasance."

*"Lien"* means any lien, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof and any agreement to give any security interest).

*"Moody's"* has the meaning set forth in the definition of Cash Equivalents.

*"Net Cash Proceeds"* means, with respect to any Asset Sale, the proceeds in the form of cash or Cash Equivalents, including payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents (other than the portion of any such deferred payment constituting interest), received by the Company or any of the Restricted Subsidiaries from such Asset Sale net of:

(1) the direct out-of-pocket expenses and fees relating to such Asset Sale (including, without limitation, legal, accounting and investment banking fees, sales commissions and relocation expenses);

(2) taxes paid or payable after taking into account any reduction in consolidated tax liability due to available tax credits or deductions and any tax sharing arrangements;

(3) repayments of Indebtedness secured by a Lien permitted by the Indenture on the property or assets subject to such Asset Sale that is required to be repaid in connection with such Asset Sale; and

(4) appropriate amounts to be determined by the Company or any Restricted Subsidiary, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by the Company or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations and any other post-closing adjustments associated with such Asset Sale.

*"Net Proceeds Offer"* has the meaning set forth under "− Repurchase at the Option of Holders − Asset Sales."

*"Net Proceeds Offer Amount"* has the meaning set forth under "− Repurchase at the Option of Holders − Asset Sales."

*"Net Proceeds Offer Payment Date"* has the meaning set forth under "− Repurchase at the Option of Holders − Asset Sales."

*"Net Proceeds Offer Trigger Date"* has the meaning set forth under "− Repurchase at the Option of Holders − Asset Sales."

*"Non-Recourse Securitization Entity Indebtedness"* has the meaning set forth in the definition of Securitization Entity.

*"Notes"* means the 10 3/4% Senior Notes due 2011 of the Company.

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*"Pari Passu Debt"* means any Indebtedness of the Company or a Guarantor that ranks pari passu in right of payment with the Notes or such Guarantee, as applicable.

*"payment default"* has the meaning set forth under "− Events of Default."

*"PBGC"* has the meaning set forth in the definition of PBGC Agreement.

*"PBGC Agreement"* means the agreement, dated as of June 18, 2003, by and among Laidlaw Inc., the Company, the Subsidiaries of the Company party thereto, Greyhound Lines, Inc. and the Pension Benefit Guaranty Corporation (the *"PBGC"*).

*"Permitted Asset Swap"* means any transfer of properties or assets by the Company or any of its Restricted Subsidiaries in which at least 90% of the consideration received by the transferor consists of properties or assets (other than cash) that will be used in a Related Business; *provided* that the aggregate Fair Market Value of the property or assets being transferred by the Company or such Restricted Subsidiary is not greater than the aggregate Fair Market Value of the property or assets received by the Company or such Restricted Subsidiary in such exchange; *provided* that, with respect to any transaction or series of related transactions that constitute a Permitted Asset Swap with an aggregate Fair Market Value in excess of $20.0 million, the Company, prior to consummation thereof, shall be required to obtain a written opinion from an Independent Financial Advisor to the effect that such transaction or series of related transactions are fair from a financial point of view to the Company and Restricted Subsidiaries, taken as a whole.

*"Permitted Indebtedness"* has the meaning set forth under "− Certain Covenants − Limitation on Incurrence of Additional Indebtedness and Issuance of Preferred Stock."

*"Permitted Investments"* means:

(1) Investments by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment (a) such Person becomes a Restricted Subsidiary of the Company or (b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company;

(2) Investments in the Company or any Restricted Subsidiary;

(3) Investments in cash and Cash Equivalents;

(4) loans and advances (including, without limitation, payroll, travel, commission and similar advances) to employees, officers, directors and consultants of the Company and the Restricted Subsidiaries (including guarantees of third-party loans to officers or employees) in the ordinary course of business for bona fide business purposes;

(5) Investments in connection with Hedging Obligations entered into in the ordinary course of the Company' s or a Restricted Subsidiary' s business and otherwise in compliance with the Indenture;

(6) Investments in securities or other obligations of trade creditors or customers received in settlement of Indebtedness created in the ordinary course of business or pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers;

(7) Investments made by the Company or the Restricted Subsidiaries as a result of consideration received in connection with an Asset Sale made in compliance with the covenant described under "− Repurchase at the Option of Holders − Asset Sales;"

(8) Investments existing on June 23, 2003, and any extension, modification or renewal of any Investments existing on that date, but only to the extent not involving additional advances, contributions or other Investments of cash or other assets or other increases thereof

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(other than as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities, in each case, pursuant to the terms of such Investment as in effect on June 23, 2003);



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(9) Investments by the Company in a Securitization Entity or any Investment by a Securitization Entity in any other Person in connection with a Qualified Securitization Transaction which Investments consist of the transfer of Receivables and Related Assets; *provided* that any Investment in a Securitization Entity is in the form of (a) a Purchase Money Note, (b) an equity interest, (c) obligations of the Securitization Entity to pay the purchase price for assets transferred to it and/or (d) interests in accounts receivable generated by the Company or Restricted Subsidiary and transferred to such Securitization Entity or other Person in connection with a Qualified Securitization Transaction;

(10) Investments in any Person to the extent that the consideration for such Investment consists of Qualified Capital Stock of the Company;

(11) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and other similar deposits provided to third parties in the ordinary course of business;

(12) Investments in Cash Equivalents and other securities permitted by applicable law by any Insurance Subsidiary in the ordinary course of its business; *provided* that each such Investment shall be made pursuant to and in accordance with the terms of one or more investment policies approved by the Board of Directors of the Company or such applicable Insurance Subsidiary;

(13) any payments or other Investments made pursuant to the terms of the PBGC Agreement;

(14) any payments or other Investments made pursuant to the terms of letters of credit, credit support, guarantees and other obligations in respect of Indebtedness of Unrestricted Subsidiaries of the Company to the extent such letters of credit, credit support, guarantees and other obligations are effect on the Issue Date; and

(15) additional Investments not to exceed $25.0 million at any one time outstanding.

*"Permitted Liens"* means the following types of Liens:

(1) Liens for taxes, assessments or governmental charges or claims either (a) not delinquent or can be paid without penalty or (b) contested in good faith by appropriate proceedings and, in each case, as to which the Company or any Restricted Subsidiary shall have set aside on its books such reserves as may be required pursuant to GAAP;

(2) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, materialmen, repairmen and other Liens imposed by law incurred in the ordinary course of business for sums that are not more than 60 days past due or are being contested in good faith and by appropriate proceedings;

(3) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, including any Lien securing letters of credit issued in the ordinary course of business consistent with past practice in connection therewith, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(4) judgment Liens not giving rise to an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;

(5) easements, rights-of-way, zoning restrictions and other similar charges or encumbrances in respect of real property not impairing in any material respect the ordinary conduct of the business of the Company or any of the Restricted Subsidiaries;



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(6) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person' s obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(7) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;

(8) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual or warranty requirements of the Company or any of the Restricted Subsidiaries, including rights of offset and set-off;

(9) Liens securing Hedging Obligations to the extent that such obligations are otherwise permitted under the Indenture;

(10) Liens securing Purchase Money Indebtedness and Capitalized Lease Obligations, in each case, incurred pursuant to the covenant described under "− Certain Covenants − Limitation on Incurrence of Additional Indebtedness and Issuance of Preferred Stock;" *provided, however,* that (i) in the case of Purchase Money Indebtedness (a) the Indebtedness so secured shall not exceed the cost of such property or assets and shall not be secured by any property or assets of the Company or any Restricted Subsidiary of the Company other than the property and assets so acquired or constructed and (b) the Lien securing such Indebtedness shall be created within 180 days of such acquisition or construction or, in the case of a refinancing of any Purchase Money Indebtedness, within 180 days of such refinancing and (ii) in the case of Capitalized Lease Obligations, such Liens do not extend to any property or asset which is not leased property subject to such Capitalized Lease Obligation;

(11) Liens (including, without limitation, Liens securing Acquired Indebtedness) on property or assets or shares of Capital Stock of any Person existing at the time such property or assets are acquired by the Company or any Restricted Subsidiary or such Person becomes a Restricted Subsidiary of the Company or at the time such Person is merged or consolidated with or into the Company or any Restricted Subsidiary;" *provided* that

(a) such Liens existed at the time of and prior to such property or assets being acquired or at the time of and prior to such Person becoming a Restricted Subsidiary or merger or consolidation with or into the Company or any Restricted Subsidiary and were not granted in connection with, or in anticipation of, such Person becoming a Restricted Subsidiary or such merger or consolidation; and

(b) such Liens do not extend to or cover any property or assets of the Company or of any of the Restricted Subsidiaries other than the property or assets that were secured by such Lien prior to the time such Person became a Restricted Subsidiary or prior to the time of such merger or consolidation, as the case may be;

(12) pledges or deposits by the Company or any Restricted Subsidiary under workers' compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which the Company or any Restricted Subsidiary is party, or deposits to secure public or statutory obligations of the Company or any Restricted Subsidiary, or deposits for the payment of rent, in each case incurred in the ordinary course of business;

(13) Liens on and pledges of the Capital Stock of any Unrestricted Subsidiary to secure Indebtedness of that Unrestricted Subsidiary;

(14) Liens on Receivables and Related Assets of a Securitization Entity incurred in connection with a Qualified Securitization Transaction;

(15) Liens in favor of the Company or any Restricted Subsidiary;



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(16) Liens arising by means of any judgment, decree or order of any court, to the extent not otherwise resulting in a Default, and any Liens that are required to protect or enforce rights in any administrative, arbitration or other court proceedings in the ordinary course of business;

(17) Liens on the property and assets of any Insurance Subsidiary securing the ordinary course insurance-related obligations of such Insurance Subsidiary; and

(18) additional Liens not to exceed 5% of Consolidated Net Tangible Assets.

*"Person"* means an individual, partnership, corporation, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

*"Preferred Stock"* of any Person means any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemptions or upon liquidation.

*"Purchase Money Indebtedness"* means Indebtedness of the Company or any Restricted Subsidiary incurred in the normal course of business for the purpose of financing all or any part of the purchase price or the cost of installation, construction or improvement of any property or equipment.

*"Purchase Money Note"* means a promissory note of a Securitization Entity evidencing a line of credit, which may be irrevocable, from the Company or any Subsidiary of the Company in connection with a Qualified Securitization Transaction to a Securitization Entity, which note shall be repaid from cash available to the Securitization Entity, other than amounts required to be established as reserves pursuant to agreements, amounts paid to investors in respect of interest, principal and other amounts owing to such investors and amounts paid in connection with the purchase of newly generated receivables.

*"Qualified Capital Stock"* means any Capital Stock that is not Disqualified Capital Stock.

*"Qualified Equity Offering"* has the meaning set forth under "– Optional Redemption."

*"Qualified Securitization Transaction"* means any transaction or series of transactions that may be entered into by the Company or any Restricted Subsidiary pursuant to which the Company or any Restricted Subsidiary may sell, convey or otherwise transfer to (a) a Securitization Entity (in the case of a transfer by the Company or of any Restricted Subsidiary) and (b) any other Person (in the case of a transfer by a Securitization Entity), or may grant a security interest in, Receivables and Related Assets; *provided* that such transaction is on market terms at the time the Company or such Restricted Subsidiary or the Securitization Entity entered into such transaction.

*"Receivables and Related Assets"* means any account receivable (whether now existing or arising thereafter) of the Company or any Restricted Subsidiary, and any assets related thereto including all collateral securing such accounts receivable, all contracts and contract rights and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitization transactions involving accounts receivable.

*"Reference Date"* has the meaning set forth under "– Certain Covenants – Limitation on Restricted Payments."

*"Referent Subsidiary"* has the meaning set forth in the definition of Investment.

*"Refinance"* means in respect of any security or Indebtedness, to refinance, replace, supplement, substitute, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue a security or Indebtedness in exchange or replacement for, such security or Indebtedness in whole or in part. *"Refinanced"* and *"Refinancing"* shall have correlative meanings.

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*"Refinancing Indebtedness"* means any Refinancing by the Company or any Restricted Subsidiary of Indebtedness incurred in accordance with the covenant described under "− Certain Covenants − Limitation on Incurrence of Additional Indebtedness and Issuance of Preferred Stock" (other than pursuant to clause (2),



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(4), (5), (6), (7), (8), (9), (11), (12), (13) or (14) of the second paragraph of such covenant), in each case that does not:

(1) result in an increase in the aggregate principal amount of any Indebtedness of such Person as of the date of such proposed Refinancing (except to the extent such increase is a result of a simultaneous incurrence of additional Indebtedness (a) to pay any premium required to be paid under the terms of the instrument governing such Indebtedness and the amount of related fees and expenses incurred by the Company in connection with such Refinancing or (b) otherwise permitted to be incurred (other than as Refinancing Indebtedness under the Indenture); or

(2) create Indebtedness with (a) a Weighted Average Life to Maturity that is less than the Weighted Average Life to Maturity of the Indebtedness being Refinanced or (b) a final maturity earlier than the final maturity of the Indebtedness being Refinanced; *provided* that (i) if such Indebtedness being Refinanced is solely Indebtedness of the Company, then such Refinancing Indebtedness shall be Indebtedness solely of the Company and (ii) if such Indebtedness being Refinanced is subordinate or junior to the Notes or the Guarantee of any Guarantor, then such Refinancing Indebtedness shall be subordinate to the Notes or such Guarantee at least to the same extent and in the same manner as the Indebtedness being Refinanced.

*"Registration Rights Agreement"* means the Registration Rights Agreement dated the Issue Date among the Company, the Guarantors and the Initial Purchasers.

*"Related Business"* means any business that is related, ancillary or complementary to the business of the Company or any of its Restricted Subsidiaries on the Issue Date or any reasonable extension, development or expansion of the business of the Company or its Restricted Subsidiaries.

*"Replacement Assets"* means assets and property (including, without limitation, the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of any such Investment) that will be used in the business of the Company and/or its Restricted Subsidiaries as existing on the Issue Date or in a business related, ancillary or complementary thereto or any reasonable extension, development or expansion of any such business of the Company and/or its Restricted Subsidiaries.

*"Restricted Payment"* has the meaning set forth under "− Certain Covenants − Limitation on Restricted Payments."

*"Restricted Subsidiary"* means any Subsidiary of the Company that has not been designated by the Board of Directors of the Company, by a Board Resolution delivered to the Trustee, as an Unrestricted Subsidiary pursuant to and in compliance with the covenant described under "− Certain Covenants − Limitation on Designations of Unrestricted Subsidiaries."

*"Revocation"* has the meaning set forth under "− Certain Covenants − Limitation on Designations of Unrestricted Subsidiaries."

*"S&P"* has the meaning set forth in the definition of Cash Equivalents.

*"Sale and Leaseback Transaction"* means any direct or indirect arrangement with any Person or to which any such Person is a party, providing for the leasing to the Company or a Restricted Subsidiary of any property, whether owned by the Company or any Restricted Subsidiary on the Issue Date or later acquired, which has been or is to be sold or transferred by the Company or such Restricted Subsidiary to such Person or to any other Person from whom funds have been or are to be advanced on the security of such property.

*"Securities Act"* means the Securities Act of 1933, as amended, or any successor statute or statutes thereto, and the rules and regulations of the Commission promulgated thereunder.

*"Securitization Entity"* means a Wholly Owned Restricted Subsidiary (or a wholly owned Subsidiary of another Person in which the Company or any Subsidiary of the Company makes an Investment and to which the Company or any Subsidiary of the Company transfers Receivables and Related Assets) that engages in no

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activities other than in connection with the financing of accounts receivable and that is designated by the Board of Directors of the Company (as provided below) as a Securitization Entity and:

(1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which:

(a) is guaranteed by the Company or any Restricted Subsidiary (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings);

(b) is recourse to or obligates the Company or any Restricted Subsidiary (other than such Securitization Entity) in any way other than pursuant to Standard Securitization Undertakings; or

(c) subjects any property or asset of the Company or any Restricted Subsidiary (other than such Securitization Entity), directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings

(such Indebtedness described in this clause (1), *"Non-Recourse Securitization Entity Indebtedness"*);

(2) with which neither the Company nor any Restricted Subsidiary (other than such Securitization Entity) has any material contract, agreement, arrangement or understanding other than on terms no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company, other than fees payable in the ordinary course of business in connection with servicing accounts receivable of such entity; and

(3) to which neither the Company nor any Restricted Subsidiary (other than such Securitization Entity) has any obligation to maintain or preserve such entity' s financial condition or cause such entity to achieve certain levels of operating results.

Any designation of a Subsidiary as a Securitization Entity shall be evidenced to the Trustee by filing with the Trustee a certified copy of the resolution of the Board of Directors of the Company giving effect to the designation and an officers' certificate certifying that the designation complied with the preceding conditions and was permitted by the Indenture.

*"Significant Subsidiary"* means, with respect to any Person, any Restricted Subsidiary of such Person that satisfies the criteria for a "significant subsidiary" set forth in Rule 1.02(w) of Regulation S-X under the Securities Act, as such Regulation is in effect on the Issue Date.

*"Standard Securitization Undertakings"* means representations, warranties, covenants and indemnities entered into by the Company or any Restricted Subsidiary that are reasonably customary in an accounts receivable securitization transaction, including, without limitation, servicing of the obligations thereunder.

*"Subsidiary,"* with respect to any Person, means

(1) any corporation of which the outstanding Capital Stock having at least a majority of the votes entitled to be cast in the election of directors under ordinary circumstances shall at the time be owned, directly or indirectly, by such Person or

(2) any other Person of which at least a majority of the voting interest under ordinary circumstances is at the time, directly or indirectly, owned by such Person.

*"Surviving Entity"* has the meaning set forth under "– Certain Covenants – Merger, Consolidation and Sale of Assets."

*"Tax Sharing Agreement"* means the tax sharing agreement dated as of June 23, 2003 by and among the Company and certain of its direct or indirect Subsidiaries as described under the section entitled "Certain Relationships and Related Transactions" in this prospectus.

*"Transaction Date"* has the meaning set forth in the definition of Consolidated Fixed Charge Coverage Ratio.

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*"Unrestricted Subsidiary"* of any Person means

(1) any Subsidiary of such Person that at the time of determination shall be or continue to be designated as such pursuant to and in compliance with the covenant described under "− Certain Covenants − Limitation on Designations of Unrestricted Subsidiaries;" and

(2) any Subsidiary of an Unrestricted Subsidiary.

*"Voting Stock"* of any Person means all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

*"Weighted Average Life to Maturity"* means, when applied to any Indebtedness at any date, the number of years obtained by dividing (a) the then outstanding aggregate principal amount of such Indebtedness into (b) the sum of the total of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment.

*"Wholly Owned Restricted Subsidiary"* means, at any time, a Restricted Subsidiary all the Voting Stock of which (except directors' qualifying shares and shares required by applicable law to be held by a person other than the Company or a Restricted Subsidiary) is at such time owned, directly or indirectly, by the Company and its other Wholly Owned Restricted Subsidiaries.

## REGISTRATION RIGHTS; SPECIAL INTEREST

The following description is a summary of the material provisions of the registration rights agreement. It does not restate that agreement in its entirety. A copy of the registration rights agreement has been filed as an exhibit to the registration statement of which this prospectus is a part. We urge you to read the registration rights agreement in its entirety because it, and not this description, define your registration rights as holders of the notes.

On June 3, 2003, we, the subsidiary guarantors and the initial purchasers entered into a registration rights agreement relating to the outstanding notes. Pursuant to the registration rights agreement, we and the subsidiary guarantors agreed, at our cost, for the benefit of the holders of the notes, to:

no later than January 29, 2004, file a registration statement with the SEC with respect to a registered offer to exchange the notes for the exchange notes having terms substantially identical in all material respects to the notes (except that the exchange notes will not contain terms with respect to transfer restrictions);

use our reasonable best efforts to cause the exchange offer registration statement to be declared effective under the Securities Act not later than April 28, 2004; and

cause the exchange offer to be consummated not later than June 14, 2004.

Upon the effectiveness of the exchange offer registration statement, we and the subsidiary guarantors will offer the exchange notes in exchange for the surrender of the notes. We and the subsidiary guarantors will keep the exchange offer open for not less than 20 business days and not more than 30 business days (or, in each case, longer if required by applicable law) after the date notice of the exchange offer is mailed to the holders. For each note surrendered to us pursuant to the exchange offer, the holder of such note will receive an exchange note having a principal amount equal to that of the surrendered note. Interest on each exchange note will accrue from the last interest payment date on which interest was paid on the note surrendered in exchange therefor or, if no interest has been paid on such note, from the date of its original issue. For a description of the terms of the exchange offer, see "The Exchange Offer."

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In the event that:

applicable interpretations of the staff of the SEC do not permit us and the subsidiary guarantors to effect such an exchange offer;

for any other reason the exchange offer is not consummated by June 14, 2004;

prior to the 20th day following the consummation of the exchange offer,

the initial purchasers so request with respect to notes not eligible to be exchanged for exchange notes in the exchange offer;

any holder of notes notifies us that it is not eligible to participate in the exchange offer; or

an initial purchaser notifies us that it will not receive freely tradeable exchange notes in exchange for notes constituting any portion of an unsold allotment,

we and the subsidiary guarantors will, subject to certain conditions, at our cost:

as promptly as reasonably practicable (but in no event more than 120 days after so required or requested pursuant to the registration rights agreement), file a shelf registration statement covering resales of the notes or the exchange notes, as the case may be;

use our reasonable best efforts to cause the shelf registration statement to be declared effective under the Securities Act within 210 days after so required or requested pursuant to the registration rights agreement; and

keep the shelf registration statement effective until June 3, 2005.

In no event will we be required to file a shelf registration statement prior to the deadline for filing the exchange offer registration statement described above.

We and the subsidiary guarantors will, in the event a shelf registration statement is filed, among other things, provide to each holder for whom such shelf registration statement was filed copies of the prospectus which forms a part of the shelf registration statement, notify each such holder when the shelf registration statement has become effective and take certain other actions as are required to permit unrestricted resales of the notes or the exchange notes, as the case may be. A holder selling such notes or exchange notes pursuant to the shelf registration statement generally would be required to be named as a selling security holder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the registration rights agreements which are applicable to such holder (including certain indemnification obligations).

In the event that:

neither the exchange offer registration statement nor the shelf registration statement has been filed with the SEC by January 29, 2004;

the exchange offer registration statement has not been declared effective by April 28, 2004;

neither the exchange offer has been consummated nor the shelf registration statement has been declared effective by June 14, 2004; or

after either the exchange offer registration statement or the shelf registration statement has been declared effective, such registration statement thereafter ceases to be effective or usable (subject to certain exceptions) in connection with resales of notes or exchange notes in accordance with and during the period specified in the registration rights agreement (each such event a “registration default”), additional interest will accrue on the aggregate principal amount of the notes and the exchange notes (in addition to the stated interest on

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the notes and the exchange notes) from and including the date on which any such registration default has occurred to but excluding the date on which all registration defaults have been cured. Additional interest will accrue at an initial rate of



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0.50% per annum, which rate shall increase by 0.50% per annum for each subsequent 90-day period during which such registration default continues up to a maximum of 2.00% per annum.

## BOOK-ENTRY; DELIVERY AND FORM

### The Global Notes

The exchange notes will be issued in the form of one or more registered notes in global form, without interest coupons (collectively, the "Global Note"). The Global Note will be deposited on the issue date with, or on behalf of, DTC and registered in the name of Cede & Co., as nominee of DTC, or will remain in the custody of the trustee pursuant to the FAST Balance Certificate Agreement between DTC and the trustee.

Except as set forth below, the Global Note may be transferred, in whole and not in part, solely to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Note may not be exchanged for notes in physical, certificated form ("Certificated Notes") except in the limited circumstances described below.

All interests in the Global Note, including those held through Euroclear or Clearstream, Luxembourg, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream, Luxembourg may also be subject to the procedures and requirements of such systems.

### Exchanges Among the Global Notes

Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

### Certain Book-Entry Procedures for the Global Notes

The descriptions of the operations and procedures of DTC, Euroclear and Clearstream, Luxembourg set forth below are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to change by them from time to time. Neither we nor the initial purchasers take any responsibility for these operations or procedures, and investors are urged to contact the relevant system or its participants directly to discuss these matters.

DTC has advised us that it is:

a limited purpose trust company organized under the laws of the State of New York;

a "banking organization" within the meaning of the New York Banking Law;

a member of the Federal Reserve System;

a "clearing corporation" within the meaning of the Uniform Commercial Code, as amended; and

a "clearing agency" registered pursuant to Section 17A of the Exchange Act of 1934 (the "Exchange Act").

DTC was created to hold securities for its participants (collectively, the "Participants") and facilitates the clearance and settlement of securities transactions between Participants through electronic book-entry changes to the accounts of its Participants, thereby eliminating the

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need for physical transfer and delivery of certificates. DTC' s Participants include securities brokers and dealers (including the initial purchasers), banks and trust companies, clearing corporations and certain other organizations. Indirect access to DTC' s system is also available to other entities such as banks, brokers, dealers and trust companies (collectively, the "Indirect Participants") that clear through or maintain a custodial relationship with a Participant, either directly or



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indirectly. Investors who are not Participants may beneficially own securities held by or on behalf of DTC only through Participants or Indirect Participants.

The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. Accordingly, the ability to transfer interests in the notes represented by a Global Note to such persons may be limited. In addition, because DTC can act only on behalf of its Participants, who in turn act on behalf of persons who hold interests through Participants, the ability of a person having an interest in notes represented by a Global Note to pledge or transfer such interest to persons or entities that do not participate in DTC' s system, or to otherwise take actions in respect of such interest, may be affected by the lack of a physical definitive security in respect of such interest.

So long as DTC or its nominee is the registered owner of a Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the notes represented by the Global Note for all purposes under the indenture. Except as provided below, owners of beneficial interests in a Global Note will not be entitled to have notes represented by such Global Note registered in their names, will not receive or be entitled to receive physical delivery of Certificated Notes, and will not be considered the owners or holders thereof under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee thereunder. Accordingly, each holder owning a beneficial interest in a Global Note must rely on the procedures of DTC and, if such holder is not a Participant or an Indirect Participant, on the procedures of the Participant through which such holder owns its interest, to exercise any rights of a holder of notes under the indenture or such Global Note. We understand that under existing industry practice, in the event that we request any action of holders of notes, or a holder that is an owner of a beneficial interest in a Global Note desires to take any action that DTC, as the holder of such Global Note, is entitled to take, DTC would authorize the Participants to take such action and the Participants would authorize holders owning through such Participants to take such action or would otherwise act upon the instruction of such holders. Neither we nor the trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of notes by DTC, or for maintaining, supervising or reviewing any records of DTC relating to such notes.

Payments with respect to the principal of, and premium, if any, liquidated damages, if any, and interest on, any notes represented by a Global Note registered in the name of DTC or its nominee on the applicable record date will be payable by the trustee to or at the direction of DTC or its nominee in its capacity as the registered holder of the Global Note representing such notes under the indenture. Under the terms of the indenture, we and the trustee may treat the persons in whose names the notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving payment thereon and for any and all other purposes whatsoever. Accordingly, neither we nor the trustee has or will have any responsibility or liability for the payment of such amounts to owners of beneficial interests in a Global Note (including principal, premium, if any, liquidated damages, if any, and interest). Payments by the Participants and the Indirect Participants to the owners of beneficial interests in a Global Note will be governed by standing instructions and customary industry practice and will be the responsibility of the Participants or the Indirect Participants and DTC.

Transfers between Participants in DTC will be effected in accordance with DTC' s procedures, and will be settled in same-day funds. Transfers between participants in Euroclear or Clearstream, Luxembourg will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the notes, cross-market transfers between the Participants in DTC, on the one hand, and Euroclear or Clearstream, Luxembourg participants, on the other hand, will be effected through DTC in accordance with DTC' s rules on behalf of Euroclear or Clearstream, Luxembourg, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, Luxembourg, as the case may be, by the counterparts in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, Luxembourg, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Notes in



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DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream, Luxembourg participants may not deliver instructions directly to the depositories for Euroclear or Clearstream, Luxembourg.

Because of time zone differences, the securities account of a Euroclear or Clearstream, Luxembourg participant purchasing an interest in a Global Note from a Participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream, Luxembourg participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream, Luxembourg) immediately following the settlement date of DTC. Cash received in Euroclear or Clearstream, Luxembourg as a result of sales of interests in the Global Notes by or through a Euroclear or Clearstream, Luxembourg participant to a Participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the business day for Euroclear or Clearstream, Luxembourg following DTC' s settlement date.

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures to facilitate transfers of interests in the Global Notes among participants in DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. Neither we nor the trustee will have any responsibility for the performance by DTC, Euroclear or Clearstream, Luxembourg or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

**Certificated Notes**

If:

we notify the trustee in writing that DTC is no longer willing or able to act as a depositary or DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depositary is not appointed within 90 days of such notice or cessation; or

an event of default has occurred and is continuing and the registrar has received a request from DTC to issue Certificated Notes,

then, upon surrender by DTC of the Global Notes, Certificated Notes will be issued to each person that DTC identifies as the beneficial owner of the notes represented by the Global Notes. Upon any such issuance, the trustee is required to register such Certificated Notes in the name of such person or persons (or the nominee of any thereof) and cause the same to be delivered thereto.

Neither we nor the trustee shall be liable for any delay by DTC or any Participant or Indirect Participant in identifying the beneficial owners of the related notes and each such person may conclusively rely on, and shall be protected in relying on, instructions from DTC for all purposes (including with respect to the registration and delivery, and the respective principal amounts, of the notes to be issued).



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## UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a discussion of certain U.S. federal income tax consequences of the exchange of outstanding notes for exchange notes. This summary is based on the Internal Revenue Code of 1986, as amended, or the Code, Treasury regulations, administrative pronouncements and judicial decisions, all as in effect on the date of this prospectus and all subject to change or differing interpretations, possibly with retroactive effect. This discussion does not address all of the tax consequences that may be relevant to a holder in light of the holder' s particular circumstances or to holders subject to special rules, such as certain financial institutions, tax-exempt entities, holders whose functional currency is not the U.S. dollar, insurance companies, dealers in securities or foreign currencies, persons holding notes as part of a hedge, straddle or other integrated transaction, or persons who have ceased to be United States citizens or to be taxed as resident aliens. In addition, this summary does not consider the effect of any foreign, state, local, gift, estate or other tax laws that may be applicable to a particular holder. This discussion is limited to holders that acquired outstanding notes at original issue for cash and hold the outstanding notes, and will hold the exchange notes, as capital assets within the meaning of Section 1221 of the Code. You are urged to consult with your own tax advisors with regard to the application of the U.S. federal income tax laws to your particular situation as well as any tax consequences of the exchange under the laws of any state, local or foreign jurisdiction or under any applicable tax treaty.

Your acceptance of the exchange offer and your exchange of outstanding notes for exchange notes should not be taxable for U.S. federal income tax purposes because the exchange notes should not be considered to differ materially in kind or extent from the outstanding notes. Rather, the exchange notes you receive should be treated as a continuation of your investment in the outstanding notes. Accordingly, you should not recognize gain or loss upon the exchange of outstanding notes for exchange notes pursuant to the exchange offer, your tax basis in the exchange notes should be the same as your adjusted tax basis in the outstanding notes immediately before the exchange, and your holding period for the exchange notes should include the holding period for the outstanding notes exchanged therefor.



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## PLAN OF DISTRIBUTION

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 those exchange 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 exchange notes received in exchange for outstanding notes where the outstanding notes were acquired as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the expiration date, we will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any resales of the type described. In addition, until , 2004, all broker-dealers effecting transactions in the exchange notes may be required to deliver a prospectus.

If you wish to exchange your outstanding notes for exchange notes in the exchange offer, you will be required to make representations to us as described in "The Exchange Offer − Purpose and Effect of the Exchange Offer" in this prospectus and in the letter of transmittal. In addition, if you are a broker-dealer who receives exchange notes for your own account in exchange for outstanding notes that were acquired by you as a result of market-making or other trading activities, you will be required to acknowledge that you will deliver a prospectus in connection with any resale by you of the exchange notes.

We will not receive any proceeds from any sale of exchange notes by broker-dealers. Exchange notes received by broker-dealers for their own account pursuant to the exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the exchange notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any resales may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any broker-dealer or the purchasers of those exchange notes. Any broker-dealer that resells exchange notes that were received by it for its own account pursuant to the exchange offer and any broker or dealer that participates in a distribution of those exchange notes may be deemed to be an "underwriter" within the meaning of the Securities Act and must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the exchange notes. Any profit on any resale of exchange notes and any commissions or concessions received by those persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that, by acknowledging that it will deliver 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.

For a period of 180 days after the expiration date, we will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests those documents in the letter of transmittal. We have agreed to pay all expenses incident to the exchange offer, including the expenses of one counsel for the holders of the notes, other than commissions or concessions of any brokers or dealers and will indemnify the holders of the notes, including any broker-dealers, against certain liabilities, including liabilities under the Securities Act.

## LEGAL MATTERS

The validity of the exchange notes offered hereby will be passed upon for us by Jones Day, Chicago, Illinois.

## EXPERTS

The financial statements of Laidlaw International as of August 31, 2003, June 1, 2003 and for the period from June 1, 2003 to August 31, 2003, and the financial statements of Laidlaw as of August 31, 2002 and for the two years then ended, and for the period from September 1, 2002 to May 31, 2003, included in this prospectus have been so included in reliance on the audit report of PricewaterhouseCoopers LLP, independent

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accountants, given on the authority of said firm as experts in auditing and accounting. PricewaterhouseCoopers LLP is a member of the Ontario Institute of Chartered Accountants.

## WHERE YOU CAN FIND MORE INFORMATION

We file reports and other information with the SEC. These reports and other information can be read and copied at the SEC' s Public Reference Room at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. The SEC maintains an Internet site at www.sec.gov that contains reports and information statements and other information regarding issuers that file electronically with the SEC, including Laidlaw International.

We will provide without charge, upon written or oral request, a copy of the indenture that governs the notes. Requests should be directed to: Laidlaw International, Inc., 55 Shuman Blvd., Naperville, Illinois 60563, telephone number (630) 848-3000.



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## REPORT OF INDEPENDENT AUDITORS

To the Shareholders of

Laidlaw International, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, shareholders' equity, and cash flows present fairly, in all material respects, the financial position of **Laidlaw International, Inc.** as at August 31, 2003 and June 1, 2003, and the results of its operations and its cash flows for the period from June 1, 2003 to August 31, 2003 in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Company' s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with generally accepted auditing standards in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1 to the consolidated financial statements, the United States Bankruptcy Court for the Western District of New York confirmed the Company' s reorganization plan (the "plan") on February 27, 2003. Confirmation of the plan resulted in the discharge of all claims against the Company that arose before June 28, 2001 and terminates all rights and interests of equity security holders as provided for in the plan. The plan was implemented in June 2003 and the Company emerged from bankruptcy. In connection with its emergence from bankruptcy, the Company adopted fresh start accounting as of June 1, 2003.

/s/ PRICEWATERHOUSECOOPERS LLP

PRICEWATERHOUSECOOPERS LLP
Chartered Accountants

Mississauga, Ontario

Date: November 18, 2003



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## REPORT OF INDEPENDENT AUDITORS

To the Directors and Shareholders of

Laidlaw International, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, shareholders' equity, and cash flows present fairly, in all material respects, the financial position of **Laidlaw Inc.** as at August 31, 2002 and the results of its operations and its cash flows for each of the periods from September 1, 2002 to May 31, 2003 and the two years in the period ended August 31, 2002 in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Company' s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with generally accepted auditing standards in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1 to the consolidated financial statements, the Company filed a petition on June 28, 2001 with the United States Bankruptcy Court for the Western District of New York for reorganization under the provisions of Chapter 11 of the Bankruptcy Code. The Company' s reorganization plan was implemented in June 2003 and the Company emerged from bankruptcy. In connection with its emergence from bankruptcy, the Company adopted fresh start accounting.

As described in Note 8 to the consolidated financial statements, on September 1, 2002, Laidlaw Inc. changed its method of accounting for goodwill.

/s/ PRICEWATERHOUSECOOPERS LLP

PRICEWATERHOUSECOOPERS LLP
Chartered Accountants

Mississauga, Ontario

Date: November 18, 2003



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## LAIDLAW INTERNATIONAL, INC.

## CONSOLIDATED BALANCE SHEETS

| | August 31, 2003 | Fresh Start June 1, 2003 | Predecessor Company August 31, 2002 |
|---|---|---|---|
| | | ($ millions) | |
| **ASSETS** | | | |
| Current assets | | | |
| Cash and cash equivalents | $ 100.3 | $ 23.4 | $ 343.5 |
| Restricted cash and cash equivalents (Note 4) | 39.4 | 44.7 | 75.8 |
| Short-term deposits and marketable securities (Note 4) | 42.0 | 32.3 | 16.1 |
| Trade accounts receivable (Note 5) | 502.2 | 630.6 | 490.4 |
| Other receivables | 49.6 | 49.9 | 54.9 |
| Income taxes recoverable | 18.0 | 27.4 | 29.2 |
| Parts and supplies | 50.2 | 50.8 | 50.4 |
| Deferred income tax assets (Note 17) | 86.2 | 80.9 | – |
| Other current assets | 60.1 | 67.8 | 56.3 |
| Total current assets | 948.0 | 1,007.8 | 1,116.6 |
| Long-term investments (Note 6) | 553.5 | 580.4 | 417.9 |
| Property and equipment (Note 7) | 1,669.8 | 1,628.9 | 1,677.7 |
| Other assets | | | |
| Goodwill (net of accumulated amortization and impairments of $776.0 as at August 31, 2002) (Note 8) | 183.1 | 183.1 | 2,976.8 |
| Contracts and customer relationships | 216.9 | 221.0 | – |
| Deferred income tax assets (Note 17) | 203.2 | 195.5 | – |
| Pension asset (Note 11) | – | – | 10.8 |
| Deferred charges and other assets | 78.2 | 78.6 | 12.0 |
| | 681.4 | 678.2 | 2,999.6 |
| Total assets | $ 3,852.7 | $ 3,895.3 | $ 6,211.8 |

The accompanying notes are an integral part of these statements.



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**LAIDLAW INTERNATIONAL, INC.**

**CONSOLIDATED BALANCE SHEETS − (Continued)**

| | August 31, 2003 | Fresh Start June 1, 2003 | Predecessor Company August 31, 2002 |
|---|---|---|---|
| | | ($ millions) | |
| **LIABILITIES** | | | |
| Current liabilities | | | |
| Accounts payable | $ 119.4 | $ 106.6 | $ 109.7 |
| Accrued liabilities (Note 9) | 506.0 | 523.2 | 504.1 |
| Current portion of long-term debt (Note 10) | 69.4 | 89.0 | 20.3 |
| Total current liabilities | 694.8 | 718.8 | 634.1 |
| Long-term debt (Note 10) | 1,145.1 | 1,150.1 | 204.4 |
| Pension liability (Note 11) | 225.7 | 225.1 | 64.8 |
| Other long-term liabilities (Note 12) | 496.8 | 492.0 | 377.3 |
| Liabilities subject to compromise (Note 1) | – | – | 3,977.1 |
| Commitments and contingencies (Note 22) | | | |
| Total liabilities | 2,562.4 | 2,586.0 | 5,257.7 |
| **SHAREHOLDERS' EQUITY** | | | |
| Common shares; $0.01 par value per share; issued and outstanding 103,777,422 | 1.0 | 1.0 | – |
| Share premium | 1,358.3 | 1,358.3 | – |
| Common shares held in trust; 3,777,419 issued (Note 11) | (50.0 ) | (50.0 ) | – |
| Predecessor Common Shares; 325,927,870 issued and outstanding | – | – | 2,222.6 |
| Predecessor Preference Shares | – | – | 7.9 |
| Accumulated other comprehensive loss | (9.1 ) | – | (258.7 ) |
| Deficit | (9.9 ) | – | (1,017.7) |
| Total shareholders' equity (Note 13) | 1,290.3 | 1,309.3 | 954.1 |
| Total liabilities and shareholders' equity | $ 3,852.7 | $ 3,895.3 | $ 6,211.8 |

The accompanying notes are an integral part of these statements.



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## LAIDLAW INTERNATIONAL, INC.

## CONSOLIDATED STATEMENTS OF OPERATIONS

| | | Predecessor Company | | |
|---|---|---|---|---|
| | For the period June 1, 2003 Through August 31, 2003 | For the period September 1, 2002 Through May 31, 2003* | For the Year Ended August 31, 2002 | For the Year Ended August 31, 2001 |
| | ($ millions except per share amounts) | | | |
| **Revenue** | $ 997.1 | $ 3,485.7 | $ 4,432.1 | $ 4,418.3 |
| Compensation expense | 581.7 | 2,001.1 | 2,523.0 | 2,533.1 |
| Accident claims and professional liability expenses | 62.9 | 241.4 | 325.8 | 342.0 |
| Vehicle related costs | 74.8 | 202.4 | 272.5 | 267.3 |
| Occupancy costs | 51.4 | 150.4 | 202.2 | 191.0 |
| Fuel | 36.7 | 133.4 | 163.0 | 194.4 |
| Depreciation | 47.7 | 228.4 | 270.6 | 261.1 |
| Amortization | 4.4 | 0.9 | 88.2 | 89.2 |
| Other operating expenses | 126.0 | 364.2 | 524.6 | 507.1 |
| **Income from operating segments** | 11.5 | 163.5 | 62.2 | 33.1 |
| Interest expense | (31.5) | (19.6) | (27.7) | (270.9) |
| Gain on discharge of debt (Note 1) | – | 1,482.8 | – | – |
| Fresh start accounting adjustments (Note 2) | – | (609.6) | – | – |
| Other financing related expenses (Note 16) | – | (35.0) | (44.7) | (63.8) |
| Other income | 0.1 | 15.0 | 15.3 | 9.3 |
| **Income (loss) from continuing operations before income taxes and cumulative effect of change in accounting principle** | (19.9) | 997.1 | 5.1 | (292.3) |
| Income tax recovery (expense) (Note 17) | 10.0 | (4.5) | 9.8 | 45.8 |
| **Income (loss) from continuing operations before cumulative effect of change in accounting principle** | (9.9) | 992.6 | 14.9 | (246.5) |
| Cumulative effect of change in accounting principle (Note 8) | – | (2,205.4) | – | – |
| **Income (loss) from continuing operations** | (9.9) | (1,212.8) | 14.9 | (246.5) |
| **Income from discontinued operations** (Note 15) | – | – | – | 1,672.4 |

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| | | | | |
|---|---|---|---|---|
| **Net income (loss)** | $ (9.9 ) | $ (1,212.8) | $ 14.9 | $ 1,425.9 |
| **Basic earnings (loss) per share** (Note 18) | | | | |
| Continuing operations before cumulative effect of change in accounting principle | $ (0.10 ) | 3.05 | $ 0.05 | $ (0.76 ) |
| Cumulative effect of change in accounting principle | – | (6.77 ) | – | – |
| Continuing operations | (0.10 ) | (3.72 ) | 0.05 | (0.76 ) |
| Discontinued operations | – | – | – | 5.13 |
| Net income (loss) | $ (0.10 ) | $ (3.72 ) | $ 0.05 | $ 4.37 |
| **Diluted earnings (loss) per share** (Note 18) | | | | |
| Continuing operations before cumulative effect of change in accounting principle | $ (0.10 ) | $ 3.05 | $ 0.05 | $ (0.76 ) |
| Cumulative effect of change in accounting principle | – | (6.77 ) | – | – |
| Continuing operations | (0.10 ) | (3.72 ) | 0.05 | (0.76 ) |
| Discontinued operations | – | – | – | 5.13 |
| Net income (loss) | $ (0.10 ) | $ (3.72 ) | $ 0.05 | $ 4.37 |

* Adjusted to include fresh-start accounting adjustments and gain on discharge of debt (Note 2)

The accompanying notes are an integral part of these statements.



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## LAIDLAW INTERNATIONAL, INC.

## CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

| Predecessor Company | Common Shares # of Shares | Common Shares Amount | Share Premium | Preference Shares # of Shares | Preference Shares Amount | Deficit | Accumulated Other Comprehensive Loss | Total Comprehen Income (lo |
|---|---|---|---|---|---|---|---|---|
| | | | | ($ millions, except share information) | | | | |
| **Balance at August 31, 2000** | 325,927,870 | $ 2,222.6 | $ – | 528,770 | $ 7.9 | $ (2,458.2) | $ (170.3) | |
| Dividends on preference shares | – | – | – | – | – | (0.3) | – | |
| Net income | – | – | – | – | – | 1,425.9 | – | $ 1, |
| Other comprehensive income (loss): | | | | | | | | |
| Unrealized holding gains net of reclassification adjustments for gains and losses included in net income (net of NIL taxes) | – | – | – | – | – | – | 6.2 | 6. |
| Foreign currency translation adjustments (net of NIL taxes) | – | – | – | – | – | – | (4.3) | (4 |
| Total comprehensive income | | | | | | | | $ 1, |
| **Balance at August 31, 2001** | 325,927,870 | $ 2,222.6 | $ – | 528,770 | $ 7.9 | $ (1,032.6) | $ (168.4) | |
| Net income | – | – | – | – | – | 14.9 | – | $ 14 |
| Other comprehensive income (loss): | | | | | | | | |
| Unrealized holding gains net of reclassification adjustments for gains and losses included in net income (net of $1.0 in taxes) | – | – | – | – | – | – | 3.7 | 3. |
| Foreign currency translation | – | – | – | – | – | – | (2.1) | (2 |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| adjustments (net of NIL taxes) | | | | | | | | |
| Minimum pension liability adjustments (net of NIL taxes) | – | – | – | – | – | – | (91.9 ) | (9 |
| Total comprehensive loss | | | | | | | | $ (7 |
| **Balance at August 31, 2002** | 325,927,870 | $ 2,222.6 | $ – | 528,770 | $ 7.9 | $ (1,017.7) | $ (258.7) | |
| Net loss | – | – | – | – | – | (1,212.8)** | – | $ (1 |
| Other comprehensive income (loss): | | | | | | | | |
| Unrealized holding gains net of reclassification adjustments for gains and losses included in net income (net of NIL in taxes) | – | – | – | – | – | – | 9.2 | 9. |
| Foreign currency translation adjustments (net of NIL taxes) | – | – | – | – | – | – | 46.2 | 4( |
| Minimum pension liability adjustments (net of NIL taxes) | – | – | – | – | – | – | (176.4) | (1 |
| Total comprehensive loss | | | | | | | | $ (1 |
| **Balance at May 31, 2003** | 325,927,870 | $ 2,222.6 | $ – | 528,770 | $ 7.9 | $ (2,230.5) | $ (379.7) | |
| **Fresh Start adjustments (Note 2)** | (325,927,870) | (2,222.6) | – | (528,770) | (7.9 ) | 2,230.5 | 379.7 | |
| **Distribution of new common shares (Note 2)** | 100,000,003 * | 1.0 | 1,308.3* | – | – | – | – | |
| **Laidlaw International, Inc.:** | | | | | | | | |
| **Balance, Fresh start June 1, 2003** | 100,000,003 * | 1.0 | 1,308.3* | – | – | – | – | |
| Net loss | – | – | – | – | – | (9.9 ) | – | $ (9 |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Other comprehensive income (loss): | | | | | | | | |
| Unrealized holding losses net of reclassification adjustments for gains and losses included in net income (net of $3.5 in taxes) | – | – | – | – | – | – | (6.5) | (6 |
| Foreign currency translation adjustments (net of NIL taxes) | – | – | – | – | – | – | (2.6) | (2 |
| Total comprehensive loss | | | | | | | | $ (1 |
| **Balance at August 31, 2003** | 100,000,003 * | $ 1.0 | $ 1,308.3* | – | $ – | $ (9.9) | $ (9.1) | |

* Net of 3,777,419 common shares held in trust (Note 11)

** Adjusted to include Fresh Start accounting adjustments and gain on discharge of debt (Note 2)

The accompanying notes are an integral part of these statements.



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## LAIDLAW INTERNATIONAL, INC.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| | | Predecessor Company | | |
|---|---|---|---|---|
| | For the period June 1, 2003 Through August 31, 2003 | For the period September 1, 2002 Through May 31, 2003** | For the Year Ended August 31, 2002 | For the Year Ended August 31, 2001 |
| | | ($ millions) | | |
| **Net cash provided by (used in):** | | | | |
| Operating activities | $ 187.0 | $ 208.5 | $ 433.8 | $ 447.7 |
| Investing activities | (76.0) | (364.6) | (275.7) | (281.5) |
| Financing activities | (34.1) | (164.0) | (95.8) | 7.0 |
| | 76.9 | (320.1) | 62.3 | 173.2 |
| **Cash and cash equivalents* − beginning of period** | 23.4 | 343.5 | 281.2 | 108.0 |
| **Cash and cash equivalents* − end of period** | $ 100.3 | $ 23.4 | $ 343.5 | $ 281.2 |
| **Operating activities** | | | | |
| Net income (loss) for the period | $ (9.9) | $ (1,212.8) | $ 14.9 | $ 1,425.9 |
| Add (deduct) items not affecting cash: | | | | |
| Depreciation and amortization | 52.1 | 229.3 | 358.8 | 350.3 |
| Other financing related expenses (Note 16) | – | 35.0 | 44.7 | 63.8 |
| Deferred income taxes | (10.0) | – | – | – |
| Gain on discharge of debt (Note 1) | – | (1,482.8) | – | – |
| Fresh start accounting adjustments (Note 2) | – | 609.6 | – | – |
| Income from discontinued operations (Note 15) | – | – | – | (1,672.4) |
| Cumulative effect of change in accounting principle (Note 8) | – | 2,205.4 | – | – |
| Loss (gain) on sale of assets | (0.8) | (4.3) | (4.2) | 6.6 |
| Other | 4.8 | (3.8) | (10.4) | (6.2) |
| Increase in claims liabilities and professional liability reserves | 4.7 | 56.1 | 61.6 | 126.9 |
| Increase (decrease) in accrued interest | 16.5 | (4.3) | (0.5) | 246.2 |
| Increase in pension liability | 0.6 | 0.7 | – | – |
| Cash provided by (used in financing) other working capital items (Note 19) | 144.9 | (147.1) | 46.2 | (43.2) |
| Pension contribution per the PBGC Agreement (Note 11) | – | (50.0) | – | – |
| Decrease (increase) in restricted cash and cash equivalents (Note 4) | (0.7) | 0.9 | (38.6) | 8.2 |

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| | | | | |
|---|---|---|---|---|
| Cash portion of other financing related expenses (Note 16) | (15.2) | (23.4) | (38.7) | (58.4) |
| **Net cash provided by operating activities** | $ 187.0 | $ 208.5 | $ 433.8 | $ 447.7 |
| **Investing activities** | | | | |
| Purchases of property and equipment | $ (90.5) | $ (230.1) | $ (283.3) | $ (267.3) |
| Proceeds from sale of property and equipment | 4.4 | 24.6 | 45.5 | 21.8 |
| Purchases of other assets | (1.1) | (3.2) | (1.4) | (8.8) |
| Expended on acquisitions (Note 21) | (0.1) | (4.6) | (3.6) | (2.0) |
| Net decrease (increase) in investments | 11.3 | (151.3) | (37.1) | (45.5) |
| Proceeds from sale of assets (Note 20) | – | – | 4.2 | 20.3 |
| **Net cash used in investing activities** | $ (76.0) | $ (364.6) | $ (275.7) | $ (281.5) |
| **Financing activities** | | | | |
| Proceeds from issue of long-term debt | $ 17.3 | $ 1,207.8 | $ 172.2 | $ 342.2 |
| Repayments of long-term and other non-current liabilities | (47.6) | (149.3) | (268.0) | (335.2) |
| Repayment of liabilities subject to compromise | – | (1,185.0) | – | – |
| Payment of financing fees | (3.8) | (37.5) | – | – |
| **Net cash provided by (used in) financing activities** | $ (34.1) | $ (164.0) | $ (95.8) | $ 7.0 |
| **Supplemental cash flow information** | | | | |
| Cash paid (received) during the period for: | | | | |
| Interest | $ 12.3 | $ 25.0 | $ 31.9 | $ 30.4 |
| Income taxes | $ (8.3) | $ (4.4) | $ (10.4) | $ (51.0) |

* Represents the unrestricted cash and cash equivalents − Refer to Note 4

** Adjusted to include Fresh Start accounting adjustments and gain on discharge of debt (Note 2)

The accompanying notes are an integral part of these statements.



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003**

## Note 1 − Voluntary petition for reorganization and emergence from Chapter 11 and basis of presentation

***Voluntary petition for reorganization and emergence from Chapter 11***

On June 28, 2001, the predecessor company, Laidlaw Inc. (the "Predecessor Company") and five of its direct and indirect subsidiaries (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. 101-1330 (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Western District of New York (the "Bankruptcy Court"). The other Debtors included: Laidlaw USA, Inc. ("Laidlaw USA"), Laidlaw Investments Ltd. ("LIL"), Laidlaw International Finance Corporation ("LIFC"), Laidlaw One, Inc. ("Laidlaw One"), and Laidlaw Transportation, Inc. ("LTI"). In addition, the Predecessor Company and LIL commenced Canadian insolvency proceedings under the Canada Companies' Creditors Arrangement Act ("CCAA") in the Ontario Superior Court of Justice in Toronto, Ontario (the "Canadian Court"). None of the Predecessor Company' s operating subsidiaries were included in the filings.

The Predecessor Company reorganized its affairs under the protection of the Bankruptcy Code and the CCAA and proposed a plan of reorganization (the "Plan") for itself and the other Debtors. On February 27, 2003, the Bankruptcy Court entered an order confirming the Plan. On February 28, 2003, the Canadian Court issued an order recognizing the Bankruptcy Court' s confirmation order and implementing it in Canada with respect to the Predecessor Company' s Canadian insolvency proceeding. The Plan provided for the satisfaction of claims against and interests in the Predecessor Company and the other Debtors, including the liabilities subject to compromise. On June 6, 2003, the Predecessor Company received final financing commitments and on June 23, 2003, the Company (as defined below) emerged from bankruptcy protection. In accordance with the terms of the Plan, the Predecessor Company engaged in an internal restructuring that resulted in the transfer, directly or indirectly, of all the assets of the Predecessor Company to LIL which domesticated into the United States as a Delaware corporation and changed its name to Laidlaw International, Inc. (the "Company").

As part of the emergence from chapter 11, the Company obtained exit financing of approximately $1.23 billion, including $200.0 million available under a revolving line of credit (see Note 10). Approximately $1.0 billion of this financing was used to fund a portion of the distributions to the Predecessor Company' s creditors. In addition, the Company issued 100.0 million shares of new common stock for distribution to the Predecessor Company' s creditors and 3.8 million shares of new common stock to the Pension Benefit Guaranty Corporation (See Note 11). Consistent with the Plan, the Predecessor Company' s common and preference stock was cancelled as of June 23, 2003.

As a result of the Plan becoming effective, the following liabilities that were subject to compromise were discharged by the Bankruptcy Court and Canadian Court:

| | | |
|---|---|---|
| Accrued liabilities | $ | 11.3 |
| Derivative liabilities | | 89.5 |
| Safety-Kleen Corp. ("Safety-Kleen") related liabilities | | 302.3 |
| Accrued interest payable | | 370.7 |
| Unsecured debt | | 3,203.3 |
| | $ | 3,977.1 |

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As satisfaction of the liabilities subject to compromise, the Predecessor Company' s creditors received $1,185.0 million in cash and the 100.0 million common shares, with a value of $1,309.3 million. The



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 − (Continued)**

resulting $1,482.8 million gain on discharge of debt has been recorded in the Consolidated Statement of Operations for the period from September 1, 2002 through May 31, 2003.

***Basis of presentation***

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and all figures are presented in U.S. dollars. Except as indicated in Note 26, the consolidated financial statements conform, in all material respects, with accounting principles generally accepted in Canada ("Canadian GAAP").

**Note 2 − Fresh Start accounting**

The Company adopted fresh start accounting pursuant to the guidance provided by the American Institute of Certified Public Accountant' s Statement of Position 90-7, "Financial Reporting by Entities in Reorganization under the Bankruptcy Code" ("SOP 90-7"). For financial reporting purposes, the effective date of the Plan was considered to be June 1, 2003. In accordance with the principles of fresh start accounting, the Company has adjusted its assets and liabilities to their estimated fair values as of June 1, 2003 with the excess of the Company' s reorganization value over the fair value of its tangible and identifiable intangible assets and liabilities reported as goodwill in the Consolidated Balance Sheets. The net effect of all fresh start accounting adjustments resulted in a loss of $609.6 million, which is reflected as an adjustment to the Predecessor Company' s results for the period from September 1, 2002 through May 31, 2003.

In accordance with SOP 90-7, management determined the reorganization value of the Company. The methodology employed involved the estimation of an enterprise value. With the assistance of independent specialists, management determined that the enterprise value was within a range of $2.4 billion to $3.2 billion, with approximately $2.8 billion representing management' s best estimate of the Company' s enterprise value. The enterprise value was based on the consideration of many factors such as the industries in which the Company operates, the general economic conditions that impact the Company and application of certain valuation methods, including a discounted cash flow analysis using projected financial information, an analysis of comparable publicly traded company multiples and a comparable acquisitions analysis. The determination of the enterprise value and the allocations to the underlying assets and liabilities were based on a number of estimates and assumptions, which are inherently subject to significant uncertainties and contingencies beyond the control of the Company. The Company' s debt, pension obligations and shareholders' equity is equal to the enterprise value.

Due to the changes in the financial structure of the Company and the application of fresh start accounting as a result of the consummation of the Plan, the consolidated financial statements of the Company issued subsequent to the Plan implementation are not comparable with the consolidated financial statements issued by the Predecessor Company prior to the Plan implementation. A black line has been drawn on the accompanying Consolidated Financial Statements to separate and distinguish between the Company and the Predecessor Company.



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 − (Continued)**

The effects of the application of fresh start accounting and the debt restructuring on the Predecessor Company' s condensed consolidated balance sheet are as follows:

| | Predecessor Company May 31, 2003 | Debt Restructuring | Fresh-Start Adjustments | Fresh Start June 1, 2003 |
|---|---|---|---|---|
| | | ($ millions) | | |
| **Assets** | | | | |
| **Current assets** | | | | |
| Cash and cash equivalents | $ 390.3 | $ (366.9)(a) | $ − | $ 23.4 |
| Restricted cash and cash equivalents | 44.7 | − | − | 44.7 |
| Deferred income tax assets | − | − | 80.9 (f) | 80.9 |
| Other current assets | 856.4 | 3.0 (a) | (0.6)(b) | 858.8 |
| **Total current assets** | 1,291.4 | (363.9) | 80.3 | 1,007.8 |
| Long-term investments | 469.0 | 114.0 (a) | (2.6)(b) | 580.4 |
| Property & equipment | 1,701.8 | − | (72.9)(c) | 1,628.9 |
| Goodwill | 781.9 | − | (598.8)(d) | 183.1 |
| Contracts and customer relationships | − | − | 221.0 (e) | 221.0 |
| Deferred income tax assets | − | − | 195.5 (f) | 195.5 |
| Pension asset | 16.8 | − | (16.8)(g) | − |
| Deferred charges and other assets | 20.0 | 46.9 (a) | 11.7 (b) | 78.6 |
| **Total assets** | $ 4,280.9 | $ (203.0) | $ (182.6) | $ 3,895.3 |
| **Liabilities** | | | | |
| **Current liabilities** | | | | |
| Current portion of long-term debt | $ 65.8 | $ 25.0 (a) | $ (1.8)(h) | $ 89.0 |
| Other current liabilities | 632.4 | 6.4 (a) | (9.0)(b)(j) | 629.8 |
| **Total current liabilities** | 698.2 | 31.4 | (10.8) | 718.8 |
| Long-term debt | 192.5 | 1,000.6 (a) | (43.0)(h) | 1,150.1 |
| Pension liability | 247.6 | (50.0)(a) | 27.5 (g) | 225.1 |
| Other long-term liabilities | 418.4 | − | 73.6 (i)(j) | 492.0 |
| Liabilities subject to compromise | 3,977.1 | (3,977.1)(a) | − | − |
| **Total liabilities** | 5,533.8 | (2,995.1) | 47.3 | 2,586.0 |
| **Shareholders' equity (deficiency)** | | | | |
| Common shares and share premium | − | 1,359.3 (a) | − | 1,359.3 |
| Common shares held in trust | − | (50.0)(a) | − | (50.0) |
| Predecessor common shares | 2,222.6 | − | (2,222.6)(k) | − |

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| | | | | |
|---|---|---|---|---|
| Predecessor preference shares | 7.9 | – | (7.9 )(k) | – |
| Accumulated other comprehensive loss | (379.7 ) | – | 379.7 (k) | – |
| Deficit | (3,103.7) | 1,482.8 (a) | 1,620.9 (k) | – |
| **Total shareholders' equity (deficiency)** | (1,252.9) | 2,792.1 | (229.9 ) | 1,309.3 |
| **Total liabilities & shareholders' equity (deficiency)** | $ 4,280.9 | $ (203.0 ) | $ (182.6 ) | $ 3,895.3 |



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 − (Continued)**

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a) Reflects the settlement of liabilities subject to compromise by way of cash payments and the issuance of common shares, the $50.0 million contribution to the pension plans of Greyhound Lines, Inc. ("Greyhound"), a subsidiary of the Company, as well as, the contributions of common shares to the Pension Plan Trust (as defined in Note 11). Reflects $14.0 million of additional collateral required by entities insuring the Company' s bid and performance bonds and the $100.0 million of collateral required for the LOC Facility (as defined in Note 6). Also reflects the entry into the new senior secured credit facility and issuance of the notes (see Note 10), net of fees and expenses of $48.5 million.

b) Adjusts miscellaneous assets and liabilities to their fair values.

c) Adjusts property & equipment to reflect the fair value of the assets based on independent appraisals.

d) Eliminates the Predecessor Company' s historical goodwill and record the excess of reorganization value over the fair value of the Company' s tangible and identifiable intangible assets (goodwill).

e) Reflects management' s estimate, with the assistance of independent specialists, of the fair value of the contracts and customer relationships held at June 1, 2003 based upon existing contract lives and expected renewal rates.

f) Records the net deferred income tax assets of the Company based on the guidance provided in the Statement of Financial Accounting Standards ("SFAS") No. 109.

g) Records the excess of the projected benefit obligation over the fair value of the plans' assets based on independent actuarial reports.

h) Reflects the fair value of the Company' s long-term debt based on its trading value or by discounting non-traded debt at current borrowing rates.

i) Adjusts the Company' s accident claims and professional liability reserves to their fair value by applying a risk premium and discounting at a risk-free rate.

j) Records the operating leases at their fair value based on independent valuations and the current borrowing rate of the Company.

k) Reflects the cancellation of the Predecessor Company' s common and preference shares and the elimination of the accumulated other comprehensive loss and deficit.

**Note 3 − Summary of significant accounting policies**

A summary of significant accounting policies followed in the preparation of these consolidated financial statements is as follows:

***Principles of Consolidation***

The consolidated financial statements include the accounts of the Company or of the Predecessor Company and all of their respective subsidiaries. All significant intercompany transactions and balances have been eliminated.

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***Revenue recognition***

*Education Services, Public Transit Services and Greyhound*

Revenue is recognized at the time services are provided. Revenue collected in advance on contracts and tickets is deferred and taken into income as the services are provided.



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 − (Continued)**

*Healthcare Transportation Services and Emergency Management Services (the "Healthcare Businesses")*

Revenue is recognized at the time of service and is recorded at amounts estimated to be recoverable, based upon recent experience, under reimbursement arrangements with third-party payors, including Medicare, Medicaid, private insurers, managed care organizations and hospitals, or directly from patients. The Company derives approximately 40% of its collections in the Healthcare Businesses from Medicare and Medicaid, 8% from contracted hospitals, 36% from private insurers, including prepaid health plans and other sources, and 16% directly from patients.

Healthcare reimbursement is complex and may involve lengthy delays. Third-party payors are continuing their efforts to control expenditures for healthcare and may disallow, in whole or in part, claims for reimbursement based on determinations that certain amounts are not reimbursable under plan coverage, were for services provided that were not determined medically necessary, or insufficient supporting information was provided.

***Cash and cash equivalents***

Cash and cash equivalents include short-term investments that are part of the Company' s cash management portfolio. These investments are highly liquid and have original maturities of three months or less.

***Parts and supplies***

Parts and supplies are valued at the lower of cost, determined on a first-in, first-out basis and replacement cost. This approximates fair value.

***Long-term investments***

In accordance with SFAS No. 115 "Accounting for Certain Investments in Debt and Equity Securities", the Company determines the classification of securities as held-to-maturity or available-for-sale at the time of purchase and reevaluates such designation as of each balance sheet date. Securities are classified as held-to-maturity when the Company has the positive intent and ability to hold the securities to maturity. Held-to-maturity securities are stated at cost, adjusted for amortization of premiums and discounts to maturity. Investments not classified as held-to-maturity are classified as available-for-sale. Available-for-sale securities are carried at fair value, with unrealized gains and losses, reported as a separate component of shareholders' equity. The cost of securities sold is based on the specific identification method.

Investments in shares of companies over which the Company has significant influence are accounted for by the equity method. Equity earnings are recorded to the extent that any increase in the carrying value is determined to be realizable. Other long-term investments are carried at cost.

As at June 1, 2003, the Company' s long-term investments were recorded at their fair value.

***Property and equipment***

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Property and equipment of the Predecessor Company was recorded at cost, including interest during construction, if any. In accordance with fresh start accounting, property and equipment were reflected at their fair values as of June 1, 2003. Additions to property and equipment subsequent to this date are recorded at cost. Depreciation of property and equipment is recorded on a straight-line basis over their estimated useful lives, which range from twenty to forty years for buildings, five to eighteen years for vehicles, and three to ten years for all other items. Depreciation of education services vehicles during the year is based on usage. Maintenance costs are expensed as incurred and renewals and improvements are capitalized.



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 − (Continued)**

***Goodwill***

The Company' s goodwill balance at August 31, 2003 and June 1, 2003 represents the excess of the Company' s reorganization value over the aggregate fair value of the Company' s tangible and identifiable intangible net assets upon emergence from bankruptcy.

The Predecessor Company' s goodwill represented the excess of cost over fair value of identifiable net assets as prescribed by the purchase method for business acquisitions reduced by amortization and goodwill impairments. For the years ended August 31, 2002 and August 31, 2001, goodwill was amortized on a straight-line basis over 40 years.

Effective September 1, 2002, the Predecessor Company adopted SFAS No. 142 "Accounting for Goodwill and Other Intangible Assets" and as a result, the Predecessor Company ceased to amortize goodwill. SFAS No. 142 requires that goodwill be reviewed for impairment upon adoption of SFAS No. 142 and at least annually thereafter. As a result of this review, on September 1, 2002, the Predecessor Company recorded a non-cash charge in the Statement of Operations of $2,205.4 million as a cumulative effect of change in accounting principle (See Note 8).

***Contracts and customer relationships***

At August 31, 2003, the Company' s contracts and customer relationships represent the amortized fair value of such assets held by the Company at June 1, 2003 (the "Fresh Start Contract Assets") and the amortized cost of the contracts (the "Purchased Contract Assets") purchased through acquisition or otherwise subsequent to June 1, 2003.

The Fresh Start Contract Assets are amortized on a straight-line basis over the average length of the contracts and the expected contract renewal periods, which range from ten to fifteen years. The Purchased Contract Assets are amortized on a straight-line basis over the length of the contracts, generally ranging from three to five years as the acquisition price is determined based on the remaining term of the contract.

***Deferred charges and other assets***

Deferred charges and other assets are primarily comprised of deferred financing costs, long term deposits and radio frequency licenses. The deferred financing costs are amortized over the term of the financing to which the costs relate, which range from five to eight years. The radio frequency licenses, totaling $12.0 million (June 1, 2003 − $12.0 million, Predecessor Company − August 31, 2002 − $NIL), are considered to be indefinite lived intangible assets and as such, are not amortized. The radio frequency licenses will be reviewed for impairment on an annual basis.

***Impairment of long-lived assets other than goodwill and other indefinite lived intangibles***

Long-lived assets other than goodwill and other indefinite lived intangibles are assessed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Important factors, which could trigger impairment review, include significant underperformance relative to historical or projected future operating results, significant changes in the use of the acquired assets or the strategy for the overall business, and significant negative industry or economic trends. If indicators of impairment are present, management evaluates the carrying value of long-lived assets other than goodwill and other indefinite lived intangibles in relation to the

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projection of future undiscounted cash flows of the underlying business. Projected cash flows are based on historical results adjusted to reflect management' s best estimate of future market and operating conditions, which may differ from actual cash flows.



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 − (Continued)**

***Defined benefit pension plans***

The costs of pension benefits are actuarially determined using the projected benefit method pro-rated on service and management' s best estimate of expected plan investment performance, salary escalation, retirement ages of employees and mortality tables. For the purpose of calculating the expected return on plan assets, those assets are valued at a market-related value. The net actuarial gain or loss in excess of 10 percent of the greater of the benefit obligation and the market-related value of plan assets is amortized over the average remaining service period of participating employees for active plans and average remaining life expectancy of retired participants for frozen plans. In accordance with fresh start accounting, the pension liabilities were reflected at their fair values as of June 1, 2003.

***Claims liabilities and professional liability reserves***

The Company generally retains liability for auto, general and workers' compensation claims for the first $5 million of any one occurrence and self-insures professional liability claims.

The Predecessor Company established reserves for these claims based upon an assessment of actual claims and claims incurred but not reported, discounted at a rate commensurate with the historic rate of return earned on the long-term investments held to support payment of the claims. The reserves were developed using actuarial principles and assumptions that considered a number of factors, including historical claim payment patterns and changes in case reserves and the assumed rate of inflation in health care costs and property damage repairs. As described in Note 2, upon the adoption of fresh start accounting, the pre-emergence claims liabilities and professional liability reserves were adjusted to their fair value at June 1, 2003, using a risk free discount rate (4%) and further providing for a risk premium in the reserve. For periods after June 1, 2003, the Company will continue to evaluate and record the liability for pre-emergence claims with a risk premium and discounted at 4%. Claims (other than auto and general liability claims) that arose after June 1, 2003, are discounted as described above for the Predecessor Company. Auto and general liability claims are not discounted.

Investment income earned on the investments of the wholly owned insurance subsidiaries has been offset against the costs related to the Company' s self-insurance program and are included as part of "accident claims and professional liability expenses" in the Consolidated Statements of Operations. The accretion of imputed interest from the discounting of the reserves is also included as part of these expenses.

***Foreign currency translation***

The financial statements of the Company' s non United States dollar denominated subsidiaries and the financial statements of the Predecessor Company and its non United States dollar denominated subsidiaries have been translated into U.S. dollars in accordance with the SFAS No. 52, "Foreign Currency Translation". All balance sheet amounts have been translated using the exchange rates in effect at the applicable period end. Income statement amounts have been translated using the weighted average exchange rate for the applicable period. The gains and losses resulting from the changes in exchange rates from period to period have been reported as a component of "Other comprehensive loss". Currency transaction gains and losses are immaterial for all periods presented.

***Financial instruments***

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The Company' s cash and cash equivalents, restricted cash and cash equivalents, short-term deposits and marketable securities, accounts receivable, other receivables, accounts payable, accrued liabilities, liabilities subject to compromise, other long-term liabilities and long-term debt constitute financial instruments. Concentration of credit risks in accounts receivable is limited, due to the large number of customers



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 − (Continued)**

comprising the Company' s customer base throughout North America. A significant component of the Company' s revenue is derived from Medicare and Medicaid. Given that these are government programs, the credit risk for these customers is considered low. The Company performs ongoing credit evaluations of its other customers but does not require collateral to support customer accounts receivable. The Company establishes an allowance for doubtful accounts based on the credit risk applicable to particular customers, historical trends and other relevant information.

The Company may use derivative financial instruments for purposes other than trading to minimize the risk and costs associated with financing and operating activities. Contracts that effectively meet risk reduction and correlation criteria are recorded using hedge accounting. There were no derivative financial instruments used in any of the periods presented.

***Income Taxes***

Income taxes are accounted for using the asset and liability method. Under this method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. A valuation allowance is provided for those deferred income tax assets for which it is more likely than not that the related benefits will not be realized.

The utilization of benefits in excess of the amount recorded as deferred income tax assets at June 1, 2003 would reduce goodwill and other intangibles in existence at that date until exhausted and thereafter, would be reported as an addition to share premium.

***Use of estimates***

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and disclosure of contingencies. Future events could alter such estimates.

In addition to the use of estimates in the recording of the Healthcare Businesses' revenue and deferred income tax valuation allowances as described above, the Company uses third-party actuaries and assumptions of future events in estimating the claims liability reserves and future pension obligations. As a result of using assumptions, there is a reasonable possibility that the recorded Healthcare Businesses' revenue, deferred income tax assets, claims liabilities and pension liability could change materially.

***Recent accounting pronouncements***

There are no recent accounting pronouncements that would have a material effect on the Company' s results or financial position if they were presently applicable.

**Note 4 − Restricted cash and cash equivalents and short-term investments**

Restricted cash and cash equivalents of $39.4 million (June 1, 2003 − $44.7 million, Predecessor Company − August 31, 2002 − $75.8 million) and short-term deposits and marketable securities of $42.0 million (June 1, 2003 − $32.3 million, Predecessor Company −

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August 31, 2002 − $16.1 million) are assets of the Company' s wholly owned insurance subsidiaries and are used to support the current portion of claims liabilities under the Company' s self-insurance program. If these amounts are withdrawn from the subsidiaries, they will have to be replaced by other suitable financial assurances. Given these restrictions, management has concluded that such cash and cash equivalents and short-term deposits and marketable securities of the insurance subsidiaries are restricted.



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 − (Continued)**

## Note 5 − Accounts receivable and revenue

The trade accounts receivable is net of an allowance for doubtful accounts of $5.6 million (June 1, 2003 − $5.4 million, Predecessor Company − August 31, 2002 − $ 4.6 million) in the Education services, Public Transit services and Greyhound businesses and net of $527.9 million (June 1, 2003 − $504.9 million, Predecessor Company − August 31, 2002 − $468.6 million) of allowances for uncompensated care and contractual allowances in the Healthcare Businesses.

Revenue for the Healthcare Businesses are reported net of allowances for uncompensated care and contractual allowances.

## Note 6 − Long-term investments

| | | Fresh Start | Predecessor Company |
|---|---|---|---|
| | August 31, 2003 | June 1, 2003 | August 31, 2002 |
| | | ($ millions) | |
| Investments of insurance subsidiaries | $ 301.1 | $ 329.6 | $ 252.3 |
| Letter of credit facility cash collateral | 100.0 | 100.0 | – |
| Other restricted investments | 130.5 | 127.6 | 142.7 |
| Other | 21.9 | 23.2 | 22.9 |
| | $ 553.5 | $ 580.4 | $ 417.9 |

The investments of the insurance subsidiaries are used to support the Company' s self-insurance program. The investments are comprised principally of government securities and investment grade debt securities. If these amounts are withdrawn from the subsidiaries, they will have to be replaced by other suitable financial assurances and are, therefore, considered restricted. Prior to fiscal 2002, these investments were designated to be held to maturity. Since then, these investments were designated as available for sale, which resulted in the recognition of a gain of $4.4 million in other comprehensive income in fiscal 2002.

Upon emergence from bankruptcy, the Company entered into a $100.0 million cash-collateralized letter of credit facility expiring in June 2009 (the "LOC Facility") as part of the senior secured credit facility (See Note 10). The cash collateral must be maintained for the duration of the LOC Facility.

The majority of the other restricted investments relate to collateral required by the entities insuring the Company' s bid and performance bonds.

## Note 7 − Property and equipment

| | Fresh Start | Predecessor Company |
|---|---|---|
| August 31, 2003 | June 1, 2003 | August 31, 2002 |

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| | Cost | Accumulated Depreciation | Net | Cost | Accumulated Depreciation | Net | Cost | Accumulated Depreciation | Net |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | ($ millions) | | | | |
| Land | $ 184.3 | $ – | $ 184.3 | $ 183.8 | $ – | $ 183.8 | $ 162.2 | $ – | $ 162.2 |
| Buildings | 151.1 | 4.2 | 146.9 | 142.4 | – | 142.4 | 284.3 | 109.5 | 174.8 |
| Vehicles | 1,228.4 | 31.2 | 1,197.2 | 1,161.7 | – | 1,161.7 | 2,128.3 | 953.0 | 1,175.3 |
| Other | 153.6 | 12.2 | 141.4 | 141.0 | – | 141.0 | 417.2 | 251.8 | 165.4 |
| | $ 1,717.4 | $ 47.6 | $ 1,669.8 | $ 1,628.9 | $ – | $ 1,628.9 | $ 2,992.0 | $ 1,314.3 | $ 1,677.7 |



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 − (Continued)**

**Note 8 − Goodwill**

Effective September 1, 2002, the Predecessor Company adopted SFAS 142 and, as a result, the Predecessor Company ceased to amortize goodwill. SFAS 142 requires that goodwill be reviewed for impairment upon adoption of SFAS 142 and at least annually thereafter. Under SFAS 142, goodwill impairment is deemed to exist if the carrying amount of a reporting unit exceeds its estimated fair value and the carrying amount of the goodwill exceeds its estimated fair value. To determine estimated fair value of the reporting units, the Predecessor Company utilized independent valuations of the underlying businesses.

During the three months ended November 30, 2002, the Predecessor Company completed the transitional impairment assessment as required by SFAS 142 and determined that a significant portion of its goodwill was impaired as at September 1, 2002. As a result, the Predecessor Company recorded a non-cash charge of $2,205.4 million as a cumulative effect of change in accounting principle.

In connection with adopting SFAS 142, the Predecessor Company reassessed the useful lives and classifications of its identifiable assets other than goodwill and determined that the useful lives and classifications continued to be appropriate.

The changes in the carrying amount of goodwill by segment for the periods from September 1, 2002 through May 31, 2003 and from June 1, 2003 through August 31, 2003, are as follows:

| | Education Services | Public Transit Services | Greyhound | Healthcare Transportation Services | Emergency Management Services | Total |
|---|---|---|---|---|---|---|
| | | | ($ millions) | | | |
| Balance as of August 31, 2002 | $ 557.7 | $ 99.0 | $ 482.9 | $ 1,328.7 | $ 508.5 | $ 2,976.8 |
| Impairment loss | (54.5 ) | (99.0) | (482.9) | (1,146.0) | (423.0) | (2,205.4) |
| Other | 9.3 | – | – | – | 1.2 | 10.5 |
| Fresh start adjustment | (329.4) | – | – | (182.7 ) | (86.7 ) | (598.8 ) |
| Balance as of June 1, 2003 and August 31, 2003 | $ 183.1 | $ – | $ – | $ – | $ – | $ 183.1 |

Actual results of operations for the periods from September 1, 2002 through May 31, 2003 and from June 1, 2003 through August 31, 2003 and pro forma results of operations for the years ended August 31,



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**For the Year Ended August 31, 2003 − (Continued)**

2002 and August 31, 2001, had the goodwill not been amortized in these periods in accordance with the provisions of SFAS 142, are as follows:

| | | Predecessor Company | | |
|---|---|---|---|---|
| | For the period from June 1, 2003 Through August 31, 2003 | For the period from September 1, 2002 Through May 31, 2003 | For the Year Ended August 31, 2002 | For the Year Ended August 31, 2001 |
| | | ($ millions) | | |
| Reported income (loss) from continuing operations before cumulative effect of change in accounting principle | $ (9.9) | $ 992.6 | $ 14.9 | $ (246.5 ) |
| Add: goodwill amortization | − | − | 87.1 | 85.5 |
| Adjusted income (loss) from continuing operations before cumulative effect of change in accounting principle | (9.9) | 992.6 | 102.0 | (161.0 ) |
| Cumulative effect of change in accounting principle | − | (2,205.4) | − | − |
| Adjusted income (loss) from continuing operations | (9.9) | (1,212.8) | 102.0 | (161.0 ) |
| Income from discontinued operations | − | − | − | 1,672.4 |
| Adjusted net income (loss) | $ (9.9) | $ (1,212.8) | $ 102.0 | $ 1,511.4 |

Actual basic and diluted income (loss) per share for the periods from September 1, 2002 through May 31, 2003 and from June 1, 2003 through August 31, 2003 and pro forma basic and diluted earnings per share for the years ended August 31, 2002 and August 31, 2001, had the goodwill not been amortized in these periods in accordance with the provision of SFAS 142, are as follows:

| | Predecessor Company | | | |
|---|---|---|---|---|
| | For the period from June 1, 2003 Through August 31, 2003 | For the period from September 1, 2002 Through May 31, 2003 | For the Year Ended August 31, 2002 | For the Year Ended August 31, 2001 |
| | | ($ per share) | | |

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| | | | | |
|---|---|---|---|---|
| Reported income (loss) from continuing operations before cumulative effect of change in accounting principle | $ (0.10) | $ 3.05 | $ 0.05 | $ (0.76) |
| Goodwill amortization | – | – | 0.26 | 0.27 |
| Adjusted income (loss) from continuing operations before cumulative effect of change in accounting principle | (0.10) | 3.05 | 0.31 | (0.49) |
| Cumulative effect of change in accounting principle | – | (6.77) | – | – |
| Adjusted income (loss) from continuing operations | (0.10) | (3.72) | 0.31 | (0.49) |
| Income from discontinued operations | – | – | – | 5.13 |
| Adjusted net income (loss) | $ (0.10) | $ (3.72) | $ 0.31 | $ 4.64 |



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**For the Year Ended August 31, 2003 – (Continued)**

## Note 9 – Accrued liabilities

| | August 31, 2003 | Fresh Start June 1, 2003 | Predecessor Company August 31, 2002 |
|---|---|---|---|
| | | ($ millions) | |
| Accrued wages and benefits | $ 121.0 | $ 122.1 | $ 112.0 |
| Current portion of claims liabilities and professional liability reserves (Note 12) | 185.9 | 188.2 | 188.2 |
| Accrued vacation pay | 44.3 | 47.6 | 43.9 |
| Other | 154.8 | 165.3 | 160.0 |
| | $ 506.0 | $ 523.2 | $ 504.1 |

## Note 10 – Long-term debt

| | Weighted Average Interest Rate | | | | | |
|---|---|---|---|---|---|---|
| | August 31, 2003 | Fresh Start June 1, 2003 | Predecessor Company August 31, 2002 | August 31, 2003 | Fresh Start June 1, 2003 | Predecessor Company August 31, 2002 |
| | | | | ($ millions) | | |
| $625 million Term B Facility | 7.0% | 7.0% | – | $ 618.8 | $ 625.0 | $ – |
| 10.75% Senior Notes | 11.0% | 11.0% | – | 400.7 | 400.6 | – |
| Greyhound 11.5% Senior Notes | 20.8% | 20.8% | 10.9% | 115.7 | 113.4 | 158.0 |
| Greyhound Facility | 5.0% | 5.0% | – | 30.1 | 48.1 | – |
| Notes and other | 9.8% | 10.7% | 8.7% | 49.2 | 52.0 | 66.7 |
| Total debt | | | | $ 1,214.5 | $ 1,239.1 | $ 224.7 |
| Less current portion | | | | 69.4 * | 89.0 | 20.3 |
| Long-term debt | | | | $ 1,145.1 | $ 1,150.1 | $ 204.4 |

* Includes $25.0 million related to the Term B Facility and $30.1 million related to the Greyhound Facility

Long-term debt of $1,214.5 million at August 31, 2003 includes $677.8 million of secured debt and $536.7 million of unsecured debt.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 − (Continued)**

***Repayment schedule***

The aggregate amount of minimum payments required on long-term debt in each of the years indicated is as follows: ($ millions)

| | |
|---|---|
| Year ending August 31, | |
| 2004 | $ 69.9 |
| 2005 | 36.9 |
| 2006 | 36.1 |
| 2007 | 181.2 |
| 2008 | 144.7 |
| thereafter | 786.3 |
| | $ 1,255.1 |
| Unamortized discount | (40.6 ) |
| Total debt | $ 1,214.5 |

***Exit Financing***

Upon emergence from chapter 11, in June 2003, the Company established a new $825.0 million senior secured credit facility (the "Exit Facility"). This facility consists of a $625.0 million Term B facility (the "Term B Facility") due June 2009, ($100.0 million of the proceeds from the Term B Facility is cash collateral for a $100.0 million letters of credit facility) and a $200.0 million senior secured revolving credit facility (the "Revolver") due June 2008. The Term B Facility provides for a mandatory $6.25 million quarterly principal repayments beginning June 2003 through March 2008 followed by four $125.0 million quarterly repayments. Interest paid on the Term B facility is charged at Base Rate +4% or LIBOR +5%. The Term B Facility and the Revolver are guaranteed, for the U.S. dollar borrowings, by the Company and all of the U.S. subsidiaries, except Greyhound and its subsidiaries, Hotard Coaches, Inc. and Interstate Leasing, Inc. (the "Excluded Subsidiaries") and any of the Company' s subsidiaries that are in the business of insurance and for the Canadian dollar borrowings, by the guarantors of the U.S. dollar borrowings and the Canadian subsidiaries. The Term B Facility and the Revolver are secured, on a senior secured basis, by the assets of the Company and all of its subsidiaries except the Excluded Subsidiaries.

The Revolver, with a $35.0 million letter of credit sub-facility and a $35.0 million sub-limit for Canadian dollar borrowings and Canadian dollar letters of credit for use by the Canadian subsidiaries of the Company, was established to fund the Company' s working capital and letter of credit needs. Interest is charged at Base Rate +3.5% or LIBOR Rate +4.5% for the initial six month period beginning June 2003 through to December 2003. Thereafter, a percentage per annum determined by reference to a leverage ratio, as defined in the credit facility agreement, will be applied. The range of rates is as follows: Base Rate +3.25% to 3.75%; LIBOR Rate +4.25% to 4.75%; Bankers Acceptance Rate +4.25% to 4.75%. As at August 31, 2003, $38.0 million was drawn on the Revolver for the issuance of letters of credit and $92.3 million was reserved for guarantee obligations on Greyhound vehicle leases, leaving availability of $69.7 million.

Under the terms of the Exit Facility the Company is required to meet certain financial covenants including a fixed charge coverage ratio, leverage ratio, interest coverage ratio, net tangible asset ratio and maximum senior secured leverage ratio as well as certain non-financial covenants. As of August 31, 2003, the Company was in compliance with all such covenants.

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**For the Year Ended August 31, 2003 − (Continued)**

Also as a result of emergence from chapter 11, in June 2003 the Company issued $406.0 million of Senior Notes due 2011 at a discount for net proceeds of $400.6 million. The notes bear interest at a rate of 10.75% payable semi-annually beginning on December 15, 2003 and are unsecured. The Company may redeem some or all of the notes at any time after June 15, 2007. The notes are guaranteed by the Company' s subsidiaries other than the Excluded Subsidiaries, the Canadian subsidiaries and any of the Company' s subsidiaries that are in the business of insurance.

***Greyhound 11 1/2% Senior Notes***

The Greyhound 11 1/2% Senior Notes due 2007 (the "11 1/2% Senior Notes") bear interest at the rate of 11 1/2% per annum, payable each April 15 and October 15. The 11 1/2% Senior Notes are redeemable at the option of Greyhound in whole or in part, at any time on or after April 15 of the year indicated, at redemption prices of 103.834% in calendar 2003, 101.917% in calendar 2004 and 100% in calendar 2005 and thereafter, plus any accrued but unpaid interest. The 11 1/2% Senior Note indenture contains certain covenants that, among other things, limit the ability of Greyhound to incur additional indebtedness, pay dividends or make other distributions, repurchase equity interests or subordinated indebtedness, create certain liens, sell assets or enter into certain mergers or consolidations. As of August 31, 2003, Greyhound was in compliance with all such covenants. On June 1, 2003, the 11 1/2% Senior Notes were recorded at the notes' estimated fair value of $113.4 million, resulting in a 20.8% effective interest rate.

***The Greyhound Facility***

In October 2000, Greyhound entered into a revolving credit facility to fund working capital needs and for general corporate purposes. On May 14, 2003, Greyhound entered into an amended and restated revolving credit facility superceding the previous facility (the "Greyhound Facility"). Letters of credit or borrowings are available under the Greyhound Facility based upon the total of 80% of the appraised wholesale value of bus collateral, plus 65% of the quick sale value of certain real property collateral, minus $20 million, (which at August 31, 2003, aggregated to $113.8 million) subject to a maximum of $125.0 million, inclusive of a $70.0 million letter of credit sub-facility. Borrowings under the Greyhound Facility are available at a rate equal to Wells Fargo Bank' s prime rate plus 1.5% per annum or LIBOR plus 3.5% per annum as selected by Greyhound. Letter of Credit fees are 3.5% per annum. Borrowings under the Greyhound Facility mature on October 24, 2004. The Greyhound Facility is secured by liens on substantially all of the assets of Greyhound and the stock and assets of certain of its subsidiaries. The Greyhound Facility is subject to certain affirmative and negative operating and financial covenants, including maximum total debt to cash flow ratio; minimum cash flow to interest expense ratio; minimum cash flow; limitation on non-bus capital expenditures; limitations on additional liens, indebtedness, guarantees, asset disposals, advances, investment and loans; and restrictions on the redemption or retirement of certain subordinated indebtedness of equity interest, payment of dividends and transactions with affiliates, including the Company. As of August 31, 2003, Greyhound was in compliance with all such covenants.

Based upon Greyhound' s current financial forecast management is unable to predict with reasonable assurance whether Greyhound will remain in compliance with the terms of the Greyhound Facility for the remainder of calendar 2003 and 2004. Management is closely monitoring this situation and intends on requesting covenant amendments should it appear likely such amendments will be necessary to remain in compliance with the covenants. In addition, Greyhound will be seeking an extension of this facility prior to its current maturity. Although Greyhound has been successful in obtaining necessary amendments and extensions to the Greyhound Facility in the past, there can be no assurances that they will obtain additional modifications in the future if needed, or that the cost of any future modifications or other changes in the terms of the Greyhound Facility would not have a material effect on Greyhound or the Company. If unsuccessful, this may impact Greyhound' s ability to continue as a going concern. If the "going concern"

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basis on which Greyhound Lines, Inc.' s consolidated financial statements were prepared was not appropriate for those consolidated financial statements, then significant adjustments would need to be made to the carrying value of the assets and liabilities, the reported revenue and expenses and balance sheet classifications used by Greyhound Lines, Inc. Accordingly, if such changes were made to Greyhound Lines, Inc.' s consolidated financial statements, significant adjustments would be required to our consolidated financial statements and we may be required to honor certain Greyhound Lines, Inc. lease commitments and pension obligations. We believe that this would have no material impact on our financial condition.

As of August 31, 2003, the Company had $30.1 million cash borrowings under the Greyhound Facility, and issued letters of credit of $46.7 million and had availability of $37.0 million.

Although at the balance sheet dates the maturity of the Greyhound Facility extended beyond one year, because the agreement provides that a material adverse change at Greyhound could be considered an event of default, generally accepted accounting principles requires that the borrowings under this Greyhound facility be classified as short-term obligations.

***Debtor-in-possession facility***

To ensure sufficient liquidity to meet ongoing operating needs, the Predecessor Company obtained debtor-in-possession financing from General Electric Capital (the "DIP Facility") while in Chapter 11 proceedings. The maximum aggregate borrowing available under the DIP Facility was $200.0 million and it was guaranteed by certain of the Predecessor Company' s direct and indirect subsidiaries located in the United States and Canada (other than Greyhound and its subsidiaries and joint ventures). The term of the DIP Facility expired in June 2003 upon prepayment in full of all amounts outstanding under the DIP Facility and the termination of the lenders' commitments thereunder. On June 23, 2003, $41.6 million of letters of credit issued under the DIP Facility were replaced with letters of credit issued under the Exit Facility.

**Note 11 − Pension plans**

Subsidiaries of the Company sponsor 13 (August 31, 2002 − 13) defined benefit pension plans. Four plans relate to Greyhound Canada Transportation Corp. and cover employees represented by The Canadian Auto Workers Union and the Amalgamated Transit Union ("ATU") and all non-unionized employees meeting certain eligibility requirements. A fifth plan is a multi-employer pension plan, instituted in 1992, to cover certain union mechanics of Greyhound represented by the International Association of Machinists and Aerospace Workers. The remaining eight plans are single employer pension plans maintained in the United States by Greyhound (the "Greyhound U.S. Plans"). The largest of the Greyhound U.S. Plans (the "ATU Plan") covers approximately 14,000 current and former Greyhound employees, fewer than 1,000 of whom are active employees. The ATU Plan was closed to new participants on October 31, 1983, and service and wage accruals were frozen for active employees effective March 15, 2002. Other Greyhound U.S. Plans include two plans that cover salaried employees of Greyhound through May 7, 1990, and substantially all employees at Vermont Transit Company through June 30, 2000, when the plans were curtailed. The remaining five Greyhound U.S. Plans are active plans that cover salaried and hourly personnel of other Greyhound subsidiaries. Except as described below, it is the Company' s policy to fund the minimum required contribution under existing laws.



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**For the Year Ended August 31, 2003 – (Continued)**

| | | Predecessor Company | |
|---|---|---|---|
| | August 31, 2003 | May 31, 2003 | August 31, 2002 |
| | | ($ millions) | |
| **Change in Benefit Obligation:** | | | |
| Benefit obligation at beginning of period | $ 954.8 | $ 805.4 | $ 828.6 |
| Service cost | 1.4 | 4.8 | 6.6 |
| Interest cost | 14.2 | 41.5 | 59.1 |
| Plan participants' contributions | – | 0.2 | 0.2 |
| Plan amendments | (1.5) | – | (8.0) |
| Actuarial loss (gain) | (11.2) | 172.8 | 3.4 |
| Benefits paid | (1.7) | (85.6) | (83.6) |
| Foreign exchange | 1.7 | 15.7 | (0.9) |
| Benefit obligation at end of period | $ 957.7 | $ 954.8 * | $ 805.4 |
| **Change in Plan Assets:** | | | |
| Fair value of plan assets at beginning of period | | | |
| Actual return on plan assets | $ 679.7 | $ 749.4 | $ 838.8 |
| Employer contributions | 2.5 | (7.0) | (10.7) |
| Plan participants' contributions | 51.2 | 6.0 | 4.3 |
| Benefits paid | 0.6 | 1.7 | 1.7 |
| Foreign exchange | (1.7) | (85.6) | (83.6) |
| | 1.7 | 15.2 | (1.1) |
| Fair value of plan assets at end of period | $ 734.0 | $ 679.7 * | $ 749.4 |
| Funded status | $ (223.7) | $ (275.1) | $ (56.0) |
| Unrecognized transition asset | – | – | (10.1) |
| Unrecognized prior service costs | – | – | (8.2) |
| Unrecognized net loss (gain) | (2.0) | – | 112.2 |
| Funding after measurement date | – | 50.0 | – |
| Prepaid benefit cost (accrued benefit liability) | $ (225.7) | $ (225.1)* | $ 37.9 |

* As adjusted to include fresh start accounting adjustments

| | Fresh Start | Predecessor Company |
|---|---|---|
| August 31, 2003 | June 1, 2003 | August 31, 2002 |

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| | ($ millions) | | |
|---|---|---|---|
| **Allocated on the balance sheet as follows:** | | | |
| Pension asset | $ – | $ – | $ 10.8 |
| Pension liability | (225.7) | (225.1) | (64.8) |
| Accumulated other comprehensive loss | – | – | 91.9 |
| | $ (225.7) | $ (225.1) | $ 37.9 |

The Company is required to record an additional minimum pension liability when the pension plans' accumulated benefit obligation exceed the plans' assets by more than the amounts previously accrued for as pension costs. These charges are recorded as a reduction to shareholders' equity, as a component of



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accumulated other comprehensive loss. As more fully described in Note 2, upon the adoption of fresh start accounting all components of accumulated other comprehensive loss were eliminated as of June 1, 2003 and the pension liability was recorded at its fair value, which was the same as the funded status of the plans. Accordingly, the Company reversed as a fresh start adjustment the accumulated other comprehensive loss of $268.3 million relating to the pension liability that had been recorded at May 31, 2003 by the Predecessor Company.

The Greyhound U.S. Plans, except for one small plan, have an annual measurement date of May 31, while the Greyhound Canada Transportation Corp. plans have an annual measurement date of June 30.

Nine of the Company' s pension plans (June 1, 2003 − nine, Predecessor Company − August 31, 2002 − nine) have accumulated benefit obligations in excess of plan assets, for which the projected benefit obligation, accumulated benefit obligation and fair value of plan assets are $805.5 million, $802.9 million and $583.9 million, respectively, as of August 31, 2003 (June 1, 2003 − $805.1 million, $802.6 million and $533.7 million, respectively, Predecessor Company − August 31, 2002 − $687.3 million, $685.3 million and $618.7 million, respectively). Twelve of the Company' s pension plans (June 1, 2003 − twelve, Predecessor Company − August 31, 2002 − nine) have projected benefit obligations in excess of plan assets, for which the projected benefit obligation, accumulated benefit obligation and fair value of plan assets are $949.8 million, $932.0 million and $723.7 million, respectively, as of August 31, 2003 (June 1, 2003 − $947.0 million, $929.5 million and $669.6 million, respectively, Predecessor Company − August 31, 2002 − $687.3 million, $685.3 million and $618.7 million, respectively).

Assets of the various plans consist primarily of government-backed securities, corporate equity securities, guaranteed insurance contracts, annuities and corporate debt obligations.

In determining the benefit obligations and service costs for the Company' s defined benefit pension plans, the following assumptions were used:

| | Fresh Start | Predecessor Company | |
|---|---|---|---|
| | August 31, 2003 | June 1, 2003 | August 31, 2002 | August 31, 2001 |
| | ($ millions) | | | |
| **Weighted-average assumptions for end of period disclosure:** | | | | |
| Discount rate | 5.9% | 5.9% | 7.2% | 7.4% |
| Rate of salary progression | 3.5% | 3.5% | 3.9% | 3.9% |
| Expected long-term rate of return on plan assets | 7.0% | 7.0% | 7.3% | 7.9% |



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**For the Year Ended August 31, 2003 − (Continued)**

| | | Predecessor Company | | |
|---|---|---|---|---|
| | For the period June 1, 2003 Through August 31, 2003 | For the period September 1, 2002 Through May 31, 2003 | For the Year Ended August 31, 2002 | For the Year Ended August 31, 2001 |
| | | ($ millions) | | |
| **Components of net periodic pension (income) costs:** | | | | |
| Service cost | $ 1.4 | $ 4.8 | $ 6.6 | $ 8.3 |
| Interest cost | 14.2 | 41.5 | 59.1 | 59.6 |
| Expected return on assets | (12.7) | (37.5) | (58.7) | (61.9) |
| Amortization | (1.0 ) | 0.7 | (0.6 ) | (1.5 ) |
| Net periodic pension (income) cost | $ 1.9 | $ 9.5 | $ 6.4 | $ 4.5 |

***PBGC Agreement and Pension Plan Funding Requirements***

The Company, collectively with all of its wholly-owned U.S. subsidiaries, including Greyhound (the "Laidlaw Group"), are party to an agreement with the Pension Benefit Guaranty Corporation ("PBGC") regarding the funding levels of the Greyhound U.S. Plans (the "PBGC Agreement"). Under the PBGC Agreement, during June 2003 the Laidlaw Group contributed $50 million in cash to the Greyhound U.S. Plans. Additionally, the Company issued 3.8 million shares of common stock to a trust formed for the benefit of the Greyhound U.S. Plans (the "Pension Plan Trust"). The voting privilege of these shares is at the discretion of the Company' s board of directors. The fair value of the common stock was estimated to be $50 million based upon third party valuations provided to the Company in connection with the bankruptcy proceedings. The trustee of the Pension Plan Trust will sell the stock at the Company' s direction, but in no event later than December 31, 2004. All proceeds from the stock sales will be contributed directly to the Greyhound U.S. Plans. If the proceeds from the stock sales exceed $50 million, the excess amount may be credited against any future required minimum funding obligations. If the proceeds from the stock sales are less than $50 million, the Laidlaw Group will be required to contribute the amount of the shortfall in cash to the pension plans by December 31, 2004. Further, the Laidlaw Group will contribute an additional $50 million in cash to the pension plans in June 2004. These contributions and transfers will be in addition to the minimum funding obligations to the pension plans, if any, required under current regulations. The PBGC has a second priority lien on the assets of the Company' s operating subsidiaries (other than Greyhound) in the amount of the remaining commitment under the PBGC Agreement. At August 31, 2003, all 3.8 million shares of common stock of the Company remained in the Pension Plan Trust. Based upon the closing price of the common stock on the over-the-counter market in the United States as posted on the OTC Bulletin Board, the shares had an aggregate quoted market value of $45.2 million at November 17, 2003. The 3.8 million common shares held in the Pension Plan Trust have been accounted for as treasury shares at August 31, 2003.

The ATU Plan represents approximately 75% of the total plan assets and benefit obligation as at August 31, 2003. Based upon current regulations and plan asset values at August 31, 2003, and assuming annual investment returns exceed 3% and that the contributions required under the PBGC Agreement are made along the timeframe outlined above, the Company does not anticipate any significant additional minimum funding requirements for the ATU Plan over the next several years. However, there is no assurance that the ATU Plan will be able

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to earn the assumed rate of return, new regulations will not prescribe changes in actuarial mortality tables and discount rates, or that there will be market driven changes in the discount



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rates, which would result in the Laidlaw Group being required to make significant additional minimum funding contributions in the future.

**Note 12 − Other long-term liabilities**

| | August 31, 2003 | Fresh Start June 1, 2003 | Predecessor Company August 31, 2002 |
|---|---|---|---|
| | | ($ millions) | |
| Claims liabilities | $ 360.0 | $ 362.4 | $ 258.9 |
| Professional liability reserves | 70.3 | 62.3 | 48.9 |
| Other | 66.5 | 67.3 | 69.5 |
| | $ 496.8 | $ 492.0 | $ 377.3 |

***Claims liabilities***

The Company' s $532.7 million (current liabilities of $172.7 million and non-current liabilities of $360.0 million) of claims liabilities at August 31, 2003 (June 1, 2003, − $535.7 million, Predecessor Company − August 31, 2002 − $444.1 million) represent reserves for auto, general and workers' compensation claims up to the deductible amount under the Company' s insurance programs. The total claims liabilities represent non-discounted reserves of $547.1 million (June 1, 2003 − $548.4 million, Predecessor Company − August 31, 2002 − $508.2 million). At August 31, 2003, the total claims liabilities reflect the estimated fair value of liabilities for claims incurred prior to June 1, 2003 (based on the methodology as described in Note 3) and the estimated liability for claims incurred subsequent to June 1, 2003 discounted at 5.5%, except for auto and general liability claims which have not been discounted. The June 1, 2003 claims liability reflects the estimated fair value of liabilities for claims incurred prior to June 1, 2003. On June 1, 2003, a fresh start adjustment of $51.1 million was recorded to increase the liabilities to their estimated fair value based on the methodology as described in Note 3. The August 31, 2002 claims liabilities were discounted at 5.5%. Generally, the Company retains liability for auto, general and workers' compensation claims for the first $5 million of any one occurrence. As a result, the Company' s exposure is generally for the first $5 million of any one occurrence with third-party insurance to minimize exposure on losses in excess of $5 million. These insurance arrangements are utilized to limit maximum loss and provide greater diversification of risk. The current portion of these liabilities represents the payments expected to be made during the next 12 months.

***Professional liability reserves***

The Company' s $83.5 million (current liabilities of $13.2 million and non-current liabilities of $70.3 million) of professional liability reserves at August 31, 2003 (June 1, 2003 − $77.2 million, Predecessor Company − August 31, 2002 − $51.9 million) represent reserves for professional liability claims, less expected recoveries related to the Predecessor Company' s insurance programs. The total professional liability reserve represents non-discounted reserves of $84.3 million (June 1, 2003 − $77.2 million, Predecessor Company − August 31, 2002 − $59.1 million). At August 31, 2003, the total professional liability reserves reflect the estimated fair value of liabilities for claims incurred prior to June 1, 2003 (based on the methodology as described in Note 3) and the estimated liability for claims incurred subsequent to June 1,

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2003 discounted at 5.5%. The June 1, 2003 reserves reflect the estimated fair value of liabilities for claims incurred prior to June 1, 2003. On June 1, 2003, a fresh start adjustment of $9.9 million



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was recorded to increase the reserves to their estimated fair value based on the methodology as described in Note 3. The August 31, 2002 reserves were discounted at 5.5%.

Professional liability insurance for up to a limit of $1 million per occurrence is provided to the majority of physicians who are employed or contracted by companies under service agreements with the Company. Although the majority of the professional liability insurance available for physicians is provided in this manner, the contracted physicians may obtain their own professional liability insurance directly or through the contracting hospital with the Company' s consent.

Prior to January 1, 2002, the Predecessor Company procured insurance coverage for professional liability claims on a claims-made basis. A previous insurance program with PHICO Insurance Company (the "PHICO Policies" and "PHICO"), which expired on January 1, 2001, provided an aggregate self-insurance retention for the first $27.0 million of claims incurred and reported during the period October 1, 1997 to January 1, 2001 (which has been fully paid). In December 2000, the Predecessor Company purchased an extended reported policy ("ERP") from PHICO for the PHICO Policies covering claims reported after January 1, 2001, but incurred during the coverage period of the PHICO policies. The ERP has an aggregate limit of $40.0 million. For calendar 2001, the Company purchased insurance which provides up to $10.0 million of coverage on a first year claims-made basis.

Effective January 1, 2002, the Predecessor Company had and the Company now continues to have self-insured professional liability claims for claims incurred during calendar 2001 and reported on or after January 1, 2002 and for claims occurring on or after January 1, 2002.

On February 1, 2002, the Insurance Commissioner of the Commonwealth of Pennsylvania placed PHICO into liquidation. Those claims arising under the PHICO Policies will be eligible for coverage under individual state guaranty funds, subject to various limitations and exclusions based upon net worth of the insured and the presence of other applicable insurance. The amount of coverage available under each state guaranty fund will vary according to the limits and specific provisions of those funds and some state guaranty funds may deny coverage for any claims under the ERP brought after March 2, 2002. Included in the professional liability reserve is the estimated cost of claims incurred under the PHICO Policies and the ERP that may likely exceed or be excluded from specific state fund guaranty limits or exceed the ERP' s $40.0 million aggregate limit and would be borne by the Company.

**Note 13 − Shareholders' equity**

***(1) Capital Stock***

*(a) Authorized*

500 million Common Shares, par value $0.01 per share, and 50 million Series A Junior Participating Preferred Shares, par value $0.01 per share.

*(b) Shareholder Rights Plan*

In connection with the Plan of Reorganization, the Company' s board of directors adopted a shareholder rights plan pursuant to which each outstanding share of the Company' s common shares is accompanied by one preferred share purchase right. The rights expire in 2013 unless they are earlier redeemed, exchanged or amended by the Company' s board of directors.

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The rights are not exercisable or transferable apart from the common shares until ten days after a public announcement that a person or group has acquired beneficial ownership of 15% or more of the Company' s common shares or ten business days (or a later date as determined by the Company' s board of directors) after a person or group begins a tender or exchange offer that, if completed, would result in that person or group



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**For the Year Ended August 31, 2003 − (Continued)**

acquiring beneficial ownership of 15% or more of the Company' s common shares. Once exercisable, each right would separate from the common shares and be separately tradeable.

If a person or group acquires beneficial ownership of 15% or more, with certain exceptions, of the common shares, or if the Company is acquired in a merger or other business combination, each right then exercisable would entitle its holder to purchase, at the exercise price of $75.00 per right, common shares, or the surviving company' s shares if the Company is not the surviving company, with a market value equal to twice the right' s exercise price.

The Company may redeem all (but not less than all) of the rights for a redemption price of $0.01 per right until the rights become exercisable. The Company may also exchange each right for one common share or an equivalent security until an acquiring person or group owns 50% or more of the outstanding common shares.

*(c) Dividends*

Under the terms of the Exit Facility, the Company will not be permitted to declare or pay any cash dividends during the term of the Exit Facility.

*(d) Equity and Performance Incentive Plan*

The Company' s 2003 Equity and Performance Incentive Plan (the "2003 Plan") was approved by the Bankruptcy Court on February 27, 2003. The 2003 Plan provides for the grant of stock options, stock appreciation rights, restricted shares, deferred shares, performance shares, and performance units to officers and employees of the Company. The 2003 Plan also provides for the grant of option rights and restricted stock to non-employee directors. There are 5,000,000 Common Shares available under the 2003 Plan. No participant may be granted more than 500,000 option rights, appreciation rights, deferred shares or restricted shares, or more than $1.0 million worth of performance shares or performance units in any calendar year.

The 2003 Plan is administered by the Board of Directors. The Board of Directors has the authority to select plan participants, grant awards, and determine the terms and conditions of such awards. Generally, with respect to awards granted under the 2003 Plan, (i) option rights, and corresponding appreciation rights, vest ratably over not less than a three-year period, (ii) restricted stock grants are subject to a risk of forfeiture for a period of not less than three years, (iii) deferred shares are subject to a deferral period of not less than one year, and (iv) performance shares and performance units are paid to a plan participant upon the achievement of management objectives specified in the grant measured over a period specified in the grant of not less than one year. If stated in the award, the exercise of option rights, appreciation rights, and restricted stock may also be subject to the achievement of management objectives, as defined in the 2003 Plan. At August 31, 2003, no stock options, stock appreciation rights, restricted shares, deferred shares, performance shares, or performance units were issued.

*(e) Common and preference shares of the Predecessor Company*

Prior to the Predecessor Company' s emergence from bankruptcy, there were approximately 325.9 million common shares and 0.5 million preference shares outstanding. Under the approved Plan, the common and preference shares of the Predecessor Company were cancelled.

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*(f) Stock option and stock purchase plans of the Predecessor Company*

The Predecessor Company had various employee and directors' stock option plans and employee stock purchase plans that were terminated as a result of the Chapter 11 and CCAA proceedings and the confirmation of the Plan.



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**For the Year Ended August 31, 2003 – (Continued)**

***(2) Accumulated other comprehensive loss***

Accumulated other comprehensive loss is comprised of the following:

| | Unrealized Gain (Loss) on Securities | | | | Foreign Currency Items | | | |
|---|---|---|---|---|---|---|---|---|
| | | Predecessor Company | | | | Predecessor Company | | |
| | For the period June 1, 2003 Through August 31, 2003 | For the period Sept. 1, 2002 Through May 31, 2003 | For the Year Ended August 31, 2002 | For the Year Ended August 31, 2001 | For the period June 1, 2003 Through August 31, 2003 | For the period Sept. 1, 2002 Through May 31, 2003 | For the Year Ended August 31, 2002 | For the Year Ended August 31, 2001 |
| | ($ millions) | | | | | | | |
| Beginning balance | $ – | $ 4.6 | $ 0.9 | $ (5.3) | $ – | $ (171.4) | $ (169.3) | $ (165.0) |
| Current period change | (10.0) | 9.2 | 3.7 | 6.2 | (2.6) | 46.2 | (2.1) | (4.3) |
| Fresh start adjustment | – | (13.8) | – | – | – | 125.2 | – | – |
| Ending balance | $ (10.0) | $ – | $ 4.6 | $ 0.9 | $ (2.6) | $ – | $ (171.4) | $ (169.3) |

[Additional columns below]

[Continued from above table, first column(s) repeated]

| | Pension Adjustment | | | | Deferred Income Taxes |
|---|---|---|---|---|---|
| | | Predecessor Company | | | |
| | For the period June 1, 2003 Through August 31, 2003 | For the period Sept. 1, 2002 Through May 31, 2003 | For the Year Ended August 31, 2002 | For the Year Ended August 31, 2001 | For the period June 1, 2003 Through August 31, 2003 |
| | | ($ millions) | | | |
| Beginning balance | $ – | $ (91.9) | $ – | $ – | $ – |

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| | | | | | |
|---|---|---|---|---|---|
| Current period change | – | (176.4) | (91.9) | – | 3.5 |
| Fresh start adjustment | – | 268.3 | – | – | – |
| Ending balance | $ – | $ – | $ (91.9) | $ – | $ 3.5 |

| | Total Accumulated Other Comprehensive Loss | | | |
|---|---|---|---|---|
| | | Predecessor Company | | |
| | For the period June 1, 2003 Through August 31, 2003 | For the period Sept. 1, 2002 Through May 31, 2003 | For the Year Ended August 31, 2002 | For the Year Ended August 31, 2001 |
| | ($ millions) | | | |
| Beginning balance | $ – | $ (258.7) | $ (168.4) | $ (170.3) |
| Current period change | (9.1) | (121.0) | (90.3 ) | 1.9 |
| Fresh start adjustment | – | 379.7 | – | – |
| Ending balance | $ (9.1) | $ – | $ (258.7) | $ (168.4) |

**Note 14 – Fair value of financial instruments**

SFAS No. 107, "Disclosures About Fair Value of Financial Instruments", requires disclosure of the fair value of financial instruments. The following methods and assumptions were used by the Company in estimating the fair value disclosures for its financial instruments.

For cash and cash equivalents, accounts receivable, other receivables, income tax recoverables, accounts payable and accrued liabilities, the carrying amounts reported in the consolidated balance sheets approximate fair value. The carrying value of other long-term liabilities (excluding claims liabilities and professional liability reserves) approximates fair value as these liabilities are recorded using discounted cash flow analysis. The fair values of the short-term deposits and marketable securities and long-term investments are based upon quoted market prices at August 31, 2003, June 1, 2003 and August 31, 2002, where available. For the portion of short-term deposits and marketable securities and long-term investments where no quoted market price is available, the carrying amounts approximate fair value. For long-term debt, the fair values are estimated using discounted cash flow analysis, based upon the Company' s incremental borrowing rates for similar types of borrowing arrangements, or using quoted market values.



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**For the Year Ended August 31, 2003 − (Continued)**

The carrying amounts and fair values of the Company' s financial instruments are as follows:

| | Successor Company | | | | Predecessor Company | |
|---|---|---|---|---|---|---|
| | August 31, 2003 | | Fresh Start June 1, 2003 | | August 31, 2002 | |
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| | ($ millions) | | | | | |
| Short-term deposits and marketable securities | $ 42.0 | $ 42.0 | $ 32.3 | $ 32.3 | $ 16.1 | $ 16.1 |
| Long-term investments | 553.5 | 553.5 | 580.4 | 580.4 | 417.9 | 417.9 |
| Long-term debt | 1,214.5 | 1,223.2 | 1,239.1 | 1,239.1 | 224.7 | 211.1 |
| Other long-term liabilities* | 66.5 | 66.5 | 67.3 | 67.3 | 69.5 | 69.5 |
| Liabilities subject to compromise | – | – | – | – | 3,977.1 | ** |

* Excludes claims liabilities and professional liability reserves.

** The fair value of liabilities subject to compromise at August 31, 2002 was not practicable to estimate as the fair value only became known subsequently on the emergence from the voluntary petition for reorganization.

**Note 15 − Discontinued operations**

***Healthcare Businesses***

During fiscal 2001, the Predecessor Company concluded that the previously announced disposal of the Healthcare Businesses was no longer in the best interests of its stakeholders. The Healthcare Businesses were therefore reinstated as continuing operations in fiscal 2001.

As a result of recontinuing the Healthcare Businesses in fiscal 2001, the Predecessor Company reversed the remaining provision for loss on sale of discontinued operations. This reversal totaled $1,927.6 million ($5.91 per share) in fiscal 2001.

***Safety-Kleen Corp.***

The Predecessor Company owned 44% of the common shares of Safety-Kleen. On June 9, 2000, Safety-Kleen announced that it and 73 of its U.S. subsidiaries filed voluntary petitions for Chapter 11 relief in the United States Bankruptcy Court for the District of Delaware.

During fiscal 2001, the Predecessor Company determined that its investment in Safety-Kleen was of no value. As a result a charge of $255.2 million was recorded in discontinued operations to reflect the impairment charge and other losses on the Safety-Kleen investment.

**Note 16 − Other financing related expenses**

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Other financing related expenses principally represent professional fees and other costs incurred by the Predecessor Company. The professional fees and other costs include financing, accounting, legal and consulting services incurred during the reorganization process.



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## Note 17 − Income Taxes

Income (loss) from continuing operations before income taxes and cumulative effect of change in accounting principle and the provision for (recovery of) income taxes by geographic area are as follows:

| | | Predecessor Company | | |
|---|---|---|---|---|
| | For the period June 1, 2003 Through August 31, 2003 | For the period Sept. 1, 2002 Through May 31, 2003 | For the Year Ended August 31, 2002 | For the Year Ended August 31, 2001 |
| | | ($ millions) | | |
| **Income (loss) from continuing operations before income taxes and cumulative effect of change in accounting principle** | | | | |
| United States | $ (33.4) | $ 2,608.2 | $ (77.9) | $ (352.9) |
| Canada | 2.2 | 1,414.3 | 41.0 | (212.2) |
| Other | 11.3 | (3,025.4) | 42.0 | 272.8 |
| | $ (19.9) | $ 997.1 | $ 5.1 | $ (292.3) |

| | | Predecessor Company | | |
|---|---|---|---|---|
| | For the period June 1, 2003 Through August 31, 2003 | For the period Sept. 1, 2002 Through May 31, 2003 | For the Year Ended August 31, 2002 | For the Year Ended August 31, 2001 |
| | | ($ millions) | | |
| **Provision for (recovery of) current income taxes** | | | | |
| United States | $ − | $ 3.1 | $ (11.3) | $ 6.7 |
| Canada | − | 1.2 | 1.0 | 2.5 |
| Other | − | 0.2 | 0.5 | (55.0) |
| Total | $ − | $ 4.5 | $ (9.8 ) | $ (45.8) |
| **Provision for (recovery of) deferred income taxes** | | | | |
| United States | $ (11.0) | $ − | $ − | $ − |
| Canada | 1.0 | − | − | − |
| Other | − | − | − | − |

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| | | | | |
|---|---|---|---|---|
| | $ (10.0) | $ – | $ – | $ – |
| **Total provision for (recovery of) income taxes** | | | | |
| United States | $ (11.0) | $ 3.1 | $ (11.3) | $ 6.7 |
| Canada | 1.0 | 1.2 | 1.0 | 2.5 |
| Other | – | 0.2 | 0.5 | (55.0) |
| | $ (10.0) | $ 4.5 | $ (9.8 ) | $ (45.8) |



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**For the Year Ended August 31, 2003 – (Continued)**

The Company' s and Predecessor Company' s effective income tax rates on income from continuing operations before income taxes and cumulative effect of change in accounting principle differs from the statutory rates as follows:

| | | Predecessor Company | | |
|---|---|---|---|---|
| | For the period June 1, 2003 Through August 31, 2003 | For the period Sept. 1, 2002 Through May 31, 2003 | For the Year Ended August 31, 2002 | For the Year Ended August 31, 2001 |
| | | ($ millions) | | |
| Income tax (benefit) at the statutory effective rate | $ (7.0) | $ 359.0 | $ 2.0 | $ (125.1) |
| Decrease (increase) in income taxes resulting from: | | | | |
| Tax rate differentials in other jurisdictions | (3.9) | (5.3) | (3.0) | 18.1 |
| Non-deductible goodwill and other amortization | – | – | 34.1 | 30.6 |
| Fresh start accounting adjustments | – | (314.4) | – | – |
| Foreign loss carryback realized | – | – | (13.2) | (60.1) |
| Change in valuation allowance | – | (50.6) | (34.3) | 91.2 |
| Non-deductible restructuring expenses | – | 5.4 | 3.9 | – |
| Other | 0.9 | 10.4 | 0.7 | (0.5) |
| Income tax expense (recovery) | $ (10.0) | $ 4.5 | $ (9.8) | $ (45.8) |



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**For the Year Ended August 31, 2003 – (Continued)**

The deferred income tax assets and liabilities contain the following temporary differences:

| | August 31, 2003 | Fresh Start June 1, 2003 | Predecessor Company August 31, 2002 |
|---|---|---|---|
| | | ($ millions) | |
| Deferred income tax assets: | | | |
| Net operating loss and credit carryforwards | $ 213.3 | $ 157.5 | $ 393.1 |
| Trade receivables | 37.2 | 30.1 | 51.5 |
| Tax over book depreciation/ amortization | 48.5 | 48.2 | 41.3 |
| Interest deduction carryforwards | 250.7 | 261.9 | 268.0 |
| Claims liabilities | 86.6 | 83.5 | 48.6 |
| Pension liability | 85.8 | 104.6 | 25.7 |
| Other accrued liabilities | 45.0 | 43.0 | 244.3 |
| Deferred income tax assets | $ 767.1 | $ 728.8 | $ 1,072.5 |
| Deferred income tax liabilities: | | | |
| Book over tax depreciation/ amortization | $ 144.6 | $ 120.7 | $ 222.7 |
| Other | 19.5 | 18.1 | 3.6 |
| Deferred income tax liabilities | $ 164.1 | $ 138.8 | $ 226.3 |
| Net deferred income tax assets before valuation allowance | $ 603.0 | $ 590.0 | $ 846.2 |
| Valuation allowance | (313.6) | (313.6) | (846.2 ) |
| Total | $ 289.4 | $ 276.4 | $ – |
| Allocated on the balance sheet as follows: | | | |
| Current | $ 86.2 | $ 80.9 | $ – |
| Non-current | 203.2 | 195.5 | – |
| | $ 289.4 | 276.4 | $ – |

The Company has significant net deferred tax assets resulting from net operating loss ("NOL") and interest deduction carry forwards and other deductible temporary differences that will reduce taxable income in future periods. SFAS No. 109 "Accounting for Income Taxes" requires that a valuation allowance be established when it is "more likely than not" that all or a portion of net deferred tax assets will not be realized. A review of all available positive and negative evidence needs to be considered, including expected reversals of significant deductible temporary differences, a company' s recent financial performance, the market environment in which a company operates, tax planning strategies and the length of NOL and interest deduction carryforward periods. Furthermore, the weight given to the potential effect of

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negative and positive evidence should be commensurate with the extent to which it can be objectively verified. Due to the highly leveraged capital structure (and related interest expense) and uncertain financial condition of the Predecessor Company, management concluded that it was appropriate to record a full valuation allowance against its net deferred income tax assets. Pursuant to the plan of reorganization, the level of debt carried by the Company upon emergence from bankruptcy was substantially reduced. As a result, management concluded that it was more likely than not that $313.6 million of deferred tax assets would not be realized and, as part of its fresh start adjustment at June 1, 2003, recorded a valuation allowance for that amount. Certain future events may result in the reduction of the valuation allowance. Up to $313.6 million of such reduction would reduce



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goodwill and other intangibles in existence at fresh start and thereafter, would be reported as an addition to share premium.

***Availability and Amount of NOLs and Other Built in Losses***

As a result of the reorganization, the Company underwent an ownership change within the meaning of Section 382 of the Internal Revenue Code ("IRC"). As a result, the Company is subject to an annual limitation of approximately $58 million on the amount of NOL and credit carryforwards and other built in losses, consisting principally of the interest deduction carryover, pension, claims, and bad debt reserves which the Company may utilize in the U.S. In addition, due to the ownership change that occurred upon the Predecessor Company' s acquisition of Greyhound, $93.0 million of the NOLs remain subject to an annual limitation of approximately $22 million.

The Company has NOL carryforwards of $60.5 million in Canada that expire in varying amounts in the years 2004 to 2010. In the U.S., NOL carryforwards of $488.0 million expire in varying amounts in the years 2005 to 2023.

A debtor is not required to include gain on discharge of debt in income if the debt discharge occurs in bankruptcy. However, IRC Section 108 in the U.S. and Canadian Income Tax Act Section 80 in Canada require that the debtor' s NOL, capital and credit carryovers first be reduced and then basis in assets be reduced. The Predecessor Company in Canada reduced NOL and capital loss carryovers of $614.5 million and $123.7 million respectively and in the U.S. $61.7 million and $6.9 million, respectively. As there was a remaining gain in the U.S., the basis in assets was reduced including basis in subsidiaries. Deferred income tax assets or liabilities have not been recorded for any basis difference in the subsidiaries as the amounts are either permanently invested or can be recovered tax free.

In the U.S., the Company has approximately $700 million of interest deduction carryforwards, under IRC Section 163(j), which have no expiration date, but are subject to the annual limitation. In addition, the Company has tax credits of $8.5 million in the U.S., which expire between 2018 and 2023, subject to the annual limitation.

The Company has not provided U.S. income or withholding taxes on approximately $1.9 million of undistributed earnings of its foreign subsidiaries as these earnings are considered indefinitely reinvested. If such earnings were not indefinitely invested, deferred U.S. income taxes of $0.7 million and no withholding taxes would have been provided.

**Note 18 − Earnings (loss) per share**

The earnings (loss) per share figures are calculated using the weighted average number of shares outstanding during the respective periods. Assumed exercise of the Predecessor Company' s employee and directors' stock options for periods prior to emergence and the sale on the open market of the Company' s common shares held in trust as part of the PBGC Agreement (See Note 11) would not be dilutive in any of the respective periods.



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**For the Year Ended August 31, 2003 – (Continued)**

Information required to calculate the basic or primary earnings per share is as follows:

| | | Predecessor Company | | |
|---|---|---|---|---|
| | For the period June 1, 2003 Through August 31, 2003 | For the period Sept. 1, 2002 Through May 31, 2003 | For the Year Ended August 31, 2002 | For the Year Ended August 31, 2001 |
| | ($ millions except per share amounts) | | | |
| Income (loss) from continuing operations before cumulative effect of change in accounting principle | $ (9.9) | $ 992.6 | $ 14.9 | $ (246.5) |
| Preference share dividends | – | – | – | (0.3) |
| Income (loss) from continuing operations available to common shareholders before cumulative effect of change in accounting principle | (9.9) | 992.6 | 14.9 | (246.8) |
| Cumulative effect of change in accounting principle | – | (2,205.4) | – | – |
| Income (loss) from discontinued operations (Note 15) | – | – | – | 1,672.4 |
| Net income (loss) available to common shareholders | $ (9.9) | $ (1,212.8) | $ 14.9 | $ 1,425.6 |
| Weighted average number of shares outstanding (millions) | 100.0* | 325.9 | 325.9 | 325.9 |
| Earnings (loss) per share | | | | |
| Continuing operations before cumulative effect of change in accounting principle | $ (0.10) | $ 3.05 | $ 0.05 | ($ 0.76) |
| Cumulative effect of change in accounting principle | – | (6.77) | – | – |
| Discontinued operations | – | – | – | 5.13 |
| Net income (loss) | $ (0.10) | $ (3.72) | $ 0.05 | $ 4.37 |

* net of 3.8 million common shares held in trust (Note 11).

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**For the Year Ended August 31, 2003 − (Continued)**

**Note 19 − Statement of cash flows**

| | | Predecessor Company | | |
|---|---|---|---|---|
| | For the period June 1, 2003 Through August 31, 2003 | For the period Sept. 1, 2002 Through May 31, 2003 | For the Year Ended August 31, 2002 | For the Year Ended August 31, 2001 |
| | | ($ millions) | | |
| **Cash provided by (used in financing) other working capital items comprises:** | | | | |
| Trade and other accounts receivable | $ 128.7 | $ (133.8) | $ 31.7 | $ 22.5 |
| Income taxes recoverable | 9.4 | 1.9 | (7.6) | (3.7) |
| Parts and supplies | 0.8 | (8.8) | (0.9) | (1.8) |
| Other current assets | 7.5 | 0.1 | 21.2 | (15.4) |
| Accounts payable and accrued liabilities | (1.5) | (6.5) | 1.8 | (44.8) |
| | $ 144.9 | $ (147.1) | $ 46.2 | $ (43.2) |

During the period June 1, 2003 through August 31, 2003, the Company purchased $4.4 million of vehicles that were financed by debt (Predecessor Company − period September 1, 2002 through May 31, 2003 − $21.1 million, 2002 − $31.3 million, 2001 − $24.1 million).

**Note 20 − Sale of assets**

During fiscal 2002, the Predecessor Company received $4.2 million for various notes receivable previously written off. These transactions resulted in a pre-tax gain of $4.2 million, which was included in other income.

During fiscal 2001, the Predecessor Company sold its investment in a food services business for $18.9 million and sold another investment for $1.4 million. These transactions resulted in a pre-tax loss of $6.6 million, which was included in other income.

**Note 21 − Acquisitions**

During the period June 1, 2003 through August 31, 2003, the Company purchased one Education services business.

During the period September 1, 2002 through May 31, 2003, the Predecessor Company purchased one Education services business and one Emergency Management services business.

During fiscal 2002, the Predecessor Company purchased seven Education services businesses.

During fiscal 2001, the Predecessor Company purchased one Education services business and two Greyhound businesses.

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These acquisitions have been accounted for as purchases, and accordingly, these financial statements include the results of operations of the acquired businesses from the dates of acquisition.



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 − (Continued)**

The expenditures are summarized as follows:

| | | Predecessor Company | | |
|---|---|---|---|---|
| | For the period June 1, 2003 Through August 31, 2003 | For the period Sept. 1, 2002 Through May 31, 2003 | For the Year Ended August 31, 2002 | For the Year Ended August 31, 2001 |
| | | ($ millions) | | |
| Assets acquired, at fair value | | | | |
| Property and equipment | $ − | $ 1.8 | $ 2.6 | $ 1.8 |
| Goodwill | − | − | − | 1.5 |
| Long-term investments and other assets | 0.1 | 2.5 | 1.4 | (1.7) |
| | 0.1 | 4.3 | 4.0 | 1.6 |
| Liabilities assumed | | | | |
| Other long-term liabilities | − | (0.1) | (0.2) | (0.4) |
| | 0.1 | 4.2 | 3.8 | 1.2 |
| Working capital | − | 0.4 | (0.2) | 0.8 |
| Cash expended on acquisitions | $ 0.1 | $ 4.6 | $ 3.6 | $ 2.0 |

*Pro forma data*

Condensed pro forma income statement data has not been presented as the acquisitions during the periods were insignificant and would have had no material impact on net income (loss) and earnings (loss) per share.

**Note 22 − Commitments and contingencies**

***Lease commitments***

Rental expense incurred under operating leases was $34.5 million for the period June 1, 2003 through August 31, 2003 and, $138.2 million, $148.3 million and $127.6 million, for the period September 1, 2002 through May 31, 2003, fiscal 2002 and fiscal 2001, respectively.

The Company leases certain operating vehicles. The leases generally provide for the lessee to pay taxes, maintenance, insurance and certain other operating costs of the leased property. The leases on most of the operating vehicles contain certain purchase provisions or residual value guarantees and have lease terms of typically seven years. Of those leases that contain residual value guarantees, the aggregate residual value at lease expiration is $142.3 million of which the Company has guaranteed $104.7 million. The table of future minimum

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operating lease payments that follows excludes any payment related to the residual value guarantee, which may be due upon termination of the lease. The Company has the right to exercise a purchase option with respect to the leased equipment or the equipment can be sold to a third party. To date, the Company, nor the Predecessor Company, have never incurred any liability as a result of the residual value guarantee.



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Rentals payable under operating leases for premises and equipment are as follows ($ millions):

| Year ending August 31, | |
|---|---|
| 2004 | $ 125.6 |
| 2005 | 102.8 |
| 2006 | 73.3 |
| 2007 | 52.5 |
| 2008 | 37.3 |
| thereafter | 62.4 |
| | $ 453.9 |

***Letters of credit***

At August 31, 2003, the Company had $262.1 million (June 1, 2003 − $269.8 million, Predecessor Company − August 31, 2002 − $124.1 million) in outstanding letters of credit.

***Environmental matters***

The Company' s operations are subject to numerous environmental laws, regulations and guidelines adopted by various governmental authorities in the jurisdictions in which the Company operates. Liabilities are recorded when environmental liabilities are either known or considered probable and can be reasonably estimated. On an ongoing basis, management assesses and evaluates environmental risk and, when necessary, conducts appropriate corrective measures. The Company provides for environmental liabilities using its best estimates. Actual environmental liabilities could differ significantly from these estimates.

***Income tax matters***

The respective tax authorities, in the normal course, audit previous tax filings. It is not possible at this time to predict the final outcome of these audits or to establish a reasonable estimate of possible additional taxes owing, if any.

***Legal proceedings***

The Company is a defendant in various lawsuits arising in the ordinary course of business, primarily cases involving personal injury and property damage claims and employment related claims. Based on the Company' s assessment of known claims and the Predecessor Company' s claims payout pattern and discussion with internal and outside legal counsel and risk management personnel, management believes that there is no proceeding either threatened or pending against the Company relating to such claims arising out of the ordinary course of business that, if resolved against the Company, would have a materially adverse effect upon the Company' s consolidated financial position or results of operations.

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***Healthcare Businesses Issues***

A substantial majority of the Company' s Healthcare Businesses revenue is attributable to payments received from third-party payors including Medicare, Medicaid and private insurers. The Company is subject to various regulatory requirements in connection with its participation in the Medicare and Medicaid programs. The Center for Medicare and Medicaid Services has enacted rules that revised the policy on Medicare coverage of ambulance services focusing on the medical necessity for the particular ambulance



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**For the Year Ended August 31, 2003 − (Continued)**

services. Rule changes in this area impact the business of the Company. The Company has implemented a plan which it believes will somewhat mitigate potential adverse effects of rule changes on its business.

The Company, like other Medicare and Medicaid providers, is subject to government audits of its Medicare and Medicaid reimbursement claims. Accordingly, retroactive revenue adjustments from these programs could occur. The Company is also subject to the Medicare and Medicaid fraud and abuse laws, which prohibit, among other things, any bribe, kick-back or rebate in return for the referral of Medicare or Medicaid patients. Violations of these prohibitions may result in civil and criminal penalties and exclusion from participation in the Medicare and Medicaid programs. The Company has implemented policies and procedures that it believes will assure that it is in substantial compliance with these laws and has accrued provisions, as appropriate, for settlement of prior claims.

The Company is currently undergoing investigations by certain government agencies regarding compliance with Medicare fraud and abuse statutes. The Company is cooperating with the government agencies conducting these investigations and is providing requested information to the governmental agencies. Management believes that the outcome of any of these investigations would not have a materially adverse effect upon the Company.

***Fuel purchase commitments***

Historically, fuel costs represent approximately 3% to 5% of revenue. Due to the significance of fuel expenses, particularly diesel fuel, to the operations of the Company and the historical volatility of fuel prices, the Company has a program to help minimize the fluctuations in the price of its diesel fuel purchases. The intent of the program is to mitigate the short-term impact of fuel price changes on the Company' s operating margins and overall profitability by entering into forward supply contracts ("FSCs") with certain vendors. The Company enters into FSCs for roughly one third of the Company' s total annual fuel purchases. The FSCs generally stipulate set bulk delivery volumes at prearranged prices for a set period. The volumes agreed to be purchased by the Company are well below the forecasted total bulk fuel needs for the given location. Therefore, the risk of being forced to purchase fuel through the FSCs that is not required by the Company is minimal. Also, to the extent that the Company enters FSCs for portions of its total fuel needs, it may not realize the benefit of decreases in fuel prices. Conversely, to the extent that the Company does not enter into FSCs for portions of its total fuel needs, it may be adversely affected by increases in fuel prices.

***Director and Officer Claim Treatment Letter***

Pursuant to the terms and conditions of the Director and Officer Claim Treatment Letter dated June 27, 2001, the Predecessor Company, the informal steering committees of the lenders and prepetition note-holders and certain then present or former directors and officers of the Predecessor Company or its subsidiaries or affiliates agreed to resolve issues with respect to claims for indemnification and for reimbursement and costs of defense arising out of or relating to certain litigation involving the Predecessor Company or any of its subsidiaries or affiliates and the directors and officers, including certain securities lawsuits relating to ownership in Safety-Kleen. This agreement was confirmed pursuant to the Plan. These directors and officers continue to have access to the directors' and officers' insurance and are required to use commercially reasonable efforts to cause the insurers to pay claims, including defense costs. Further, the then existing $10 million trust plus accrued interest thereon that had previously been established to satisfy claims of the directors and officers will continue in existence until June 23, 2013 to pay any claims not covered by the insurance. The terms of the claim treatment letter require the Company to maintain a balance of $10 million in the trust by contributing additional funds in $1 million increments up to an aggregate amount of $10 million. At August 31, 2003, there was

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$9.2 million in the trust and no additional funds had been contributed to the trust by the Company. The maximum aggregate amounts available in the trust and under



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**For the Year Ended August 31, 2003 − (Continued)**

additional contributions by the Company is $20.0 million, which will be reduced to $17.5 million on June 23, 2005; $15.0 million on June 23, 2007; $12.5 million on June 23, 2009; $10.0 million on June 23, 2011; and $0 on June 23, 2013. Any funds remaining in the trust on June 23, 2013 will be returned to the Company.

***Contingent bonuses***

The Company and two of its subsidiaries, American Medical Response, Inc. (“AMR”) and EmCare Holdings, Inc. (“EmCare”) are parties to an employment agreement effective October 1, 2002 with William A. Sanger under which Mr. Sanger serves as President and Chief Executive Officer of AMR and as Chief Executive Officer of EmCare. Pursuant to the agreement, Mr. Sanger is entitled to a bonus payment upon a sale, or an initial public offering, of the stock of AMR and/or EmCare. This bonus is also payable if Mr. Sanger remains employed on October 1, 2007 and neither a sale nor an initial public offering has occurred. With respect to AMR, the bonus is equal to 5% of the enterprise value of AMR in excess of $410 million at the time of the event that entitles Mr. Sanger to the payment. With respect to EmCare, the bonus is equal to 5% of the enterprise value of EmCare in excess of $125 million at the time of the event that entitles Mr. Sanger to the payment.

EmCare Holdings, Inc. is party to an employment agreement effective April 1, 2003 with Don S. Harvey under which Mr. Harvey serves as President and Chief Operating Officer of EmCare. Pursuant to the agreement, Mr. Harvey is entitled to a bonus payment upon a sale of, or an initial public offering of, the stock of EmCare, provided Mr. Harvey remains employed under the agreement upon the occurrence of such event. The bonus is equal to 2% of the enterprise value of EmCare in excess of $125 million at the time of the event that entitles Mr. Harvey to the payment.

As the amount of bonuses payable, if any, cannot be reasonably estimated, the Company has not accrued for an amount in the consolidated financial statements.

***Organized strikes or work stoppages by unionized employees***

The Company is a party to collective bargaining agreements that cover the majority of its employees. The Company’ s largest collective bargaining agreement is between Greyhound Lines, Inc. and the Amalgamated Transit Union, or the ATU, and expires in January 2004. If the Company’ s unionized employees were to engage in a strike or other work stoppage prior to such expiration, or if the Company is unable to negotiate acceptable extensions of the agreement resulting in a strike or other work stoppage by the affected workers, the Company could experience a significant disruption of operations and increased operating costs as a result of higher wages or benefits paid to union members, which could have a material adverse effect on its business, financial condition and results of operations.

**Note 23 − Segmented information**

The Company has five reportable segments: Education services, Public Transit services, Greyhound, Healthcare Transportation services and Emergency Management services. The Education services segment provides school bus transportation throughout Canada and the United States. Public Transit services provide municipal and paratransit bus transportation within the United States. The Greyhound segment provides inter-city and tourism bus transportation throughout North America. Healthcare Transportation services provides services in the United States. The Emergency Management services segment provides services in the United States.

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The Company has changed the reportable segments as compared to prior periods reported by the Predecessor Company. The former Contract Bus services segment, which consisted of school bus transportation operations and the municipal and paratransit bus transportation operations, has been split into



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**For the Year Ended August 31, 2003 − (Continued)**

two distinct segments: the Education services segment and the Public Transit segment. The former healthcare services segment, which formerly consisted of the Healthcare Transportation operations and the Emergency Management operations, has been also split into two distinct segments: the Healthcare Transportation services segment and the Emergency Management services segment.

The Company evaluates performance and allocates resources based on income from operations before depreciation and amortization. The Company' s reportable segments are business units that offer different services and are each managed separately.

*Services*

| | | Predecessor Company | | |
|---|---|---|---|---|
| | For the period June 1, 2003 Through August 31, 2003 | For the period Sept. 1, 2002 Through May 31, 2003 | For the Year Ended August 31, 2002 | For the Year Ended August 31, 2001 |
| **Education Services** | | | | |
| Revenue | $ 184.9 | $ 1,314.8 | $ 1,479.7 | $ 1,462.1 |
| Income (loss) from operations before depreciation and amortization | (21.7 ) | 302.0 | 272.7 | 258.3 |
| Total identifiable assets | 1,309.6 | 1,429.4* | 1,768.1 | 1,708.1 |
| Capital expenditures | | | | |
| − sustenance and expansion (net) | 58.1 | 108.8 | 151.2 | 136.0 |
| − acquisitions | 0.1 | 3.2 | 3.6 | 0.1 |
| **Public Transit Services** | | | | |
| Revenue | $ 71.0 | $ 212.1 | $ 309.5 | $ 312.1 |
| Income (loss) from operations before depreciation and amortization | 9.2 | 7.3 | (1.7 ) | 11.6 |
| Total identifiable assets | 97.8 | 98.5 * | 217.5 | 220.6 |
| Capital expenditures | | | | |
| − sustenance and expansion (net) | 5.9 | 3.4 | 1.0 | 18.6 |
| − acquisitions | – | – | – | – |
| **Greyhound** | | | | |
| Revenue | $ 356.7 | $ 847.5 | $ 1,223.7 | $ 1,254.8 |
| Income from operations before depreciation and amortization | 61.2 | 5.8 | 53.6 | 85.3 |
| Total identifiable assets | 871.1 | 845.0 * | 1,183.8 | 1,236.8 |
| Capital expenditures | | | | |
| − sustenance and expansion (net) | 9.4 | 63.0 | 62.6 | 85.3 |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| – acquisitions | | – | | – | | – | | 1.9 |
| **Healthcare Transportation Services** | | | | | | | | |
| Revenue | $ | 255.9 | $ | 759.3 | $ | 987.9 | $ | 958.8 |
| Income from operations before depreciation and amortization | | 7.6 | | 55.8 | | 76.0 | | 23.2 |
| Total identifiable assets | | 603.7 | | 607.4 * | | 1,813.5 | | 1,786.3 |
| Capital expenditures | | | | | | | | |
| – sustenance and expansion (net) | | 17.7 | | 30.5 | | 51.6 | | 34.2 |
| – acquisitions | | – | | – | | – | | – |



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 − (Continued)**

| | | Predecessor Company | | |
|---|---|---|---|---|
| | For the period June 1, 2003 Through August 31, 2003 | For the period Sept. 1, 2002 Through May 31, 2003 | For the Year Ended August 31, 2002 | For the Year Ended August 31, 2001 |
| **Emergency Management Services** | | | | |
| Revenue | $ 128.6 | $ 352.0 | $ 431.3 | $ 430.5 |
| Income from operations before depreciation and amortization | 7.3 | 21.9 | 20.4 | 5.0 |
| Total identifiable assets | 298.5 | 295.8* | 670.2 | 674.4 |
| Capital expenditures | | | | |
| − sustenance and expansion (net) | 0.5 | 6.2 | 3.9 | 4.2 |
| − acquisitions | − | 1.4 | − | − |

* Total identifiable assets of the Company on June 1, 2003.

*Geographic*

| | | Predecessor Company | | |
|---|---|---|---|---|
| | For the period June 1, 2003 Through August 31, 2003 | For the period Sept. 1, 2002 Through May 31, 2003 | For the Year Ended August 31, 2002 | For the Year Ended August 31, 2001 |
| **United States** | | | | |
| Revenue | $ 911.9 | $ 3,215.8 | $ 4,089.9 | $ 4,073.7 |
| Income from operations before depreciation and amortization | 54.7 | 352.3 | 367.7 | 326.2 |
| Total long-lived assets | 1,806.2 | 1,774.8* | 4,225.8 | 4,331.3 |
| **Canada** | | | | |
| Revenue | $ 85.2 | $ 269.9 | $ 342.2 | $ 344.6 |
| Income from operations before depreciation and amortization | 8.9 | 40.5 | 53.3 | 57.2 |
| Total long-lived assets | 275.5 | 270.2 * | 428.7 | 412.7 |

* Total long-lived assets of the Company on June 1, 2003



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 – (Continued)**

*Consolidated*

| | | Predecessor Company | | |
|---|---|---|---|---|
| | For the period June 1, 2003 Through August 31, 2003 | For the period Sept. 1, 2002 Through May 31, 2003 | For the Year Ended August 31, 2002 | For the Year Ended August 31, 2001 |
| | | ($ millions) | | |
| Revenue | $ 997.1 | $ 3,485.7 | $ 4,432.1 | $ 4,418.3 |
| Income from operations before depreciation and amortization | 63.6 | 392.8 | 421.0 | 383.4 |
| Depreciation and amortization expense | (52.1) | (229.3) | (358.8) | (350.3) |
| Income from operations | 11.5 | 163.5 | 62.2 | 33.1 |
| Interest expense net of other income | (31.4) | (4.6) | (12.4) | (261.6) |
| Gain on discharge of debt | – | 1,482.8 | – | – |
| Fresh start accounting adjustments | – | (609.6) | – | – |
| Other financing related expenses | – | (35.0) | (44.7) | (63.8) |
| Income tax recovery (expense) | 10.0 | (4.5) | 9.8 | 45.8 |
| Income (loss) from continuing operations before cumulative effect of change in accounting principle | $ (9.9) | $ 992.6 | $ 14.9 | $ (246.5) |
| Total identifiable assets of segments | $ 3,180.7 | $ 3,276.1* | $ 5,653.1 | $ 5,626.2 |
| Corporate assets | 672.0 | 619.2 * | 558.7 | 593.6 |
| Total assets | $ 3,852.7 | $ 3,895.3 | $ 6,211.8 | $ 6,219.8 |
| Capital expenditures | | | | |
| – sustenance and expansion (net) | $ 91.6 | $ 213.5 | $ 270.5 | $ 278.4 |
| – acquisitions | 0.1 | 4.6 | 3.6 | 2.0 |

* Total identifiable assets of segments and corporate assets of the Company on June 1, 2003.



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 – (Continued)**

**Note 24 – Quarterly Financial Information** (unaudited)

| | Predecessor Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2003 | 2003 | | | 2002 | | | |
| | 4th Qtr. | 3rd Qtr.* | 2nd Qtr. | 1st Qtr. | 4th Qtr. | 3rd Qtr. | 2nd Qtr. | 1st Qtr. |
| | ($ millions except per share amounts) | | | | | | | |
| Revenue | $ 997.1 | $ 1,202.8 | $ 1,120.7 | $ 1,162.2 | $ 977.4 | $ 1,187.3 | $ 1,105.6 | $ 1,161.8 |
| Income (loss) from operating segments | 11.5 | 73.7 | 34.1 | 55.7 | (80.7) | 62.1 | 27.2 | 53.6 |
| Income (loss) from operations before cumulative effect of change in accounting principle | (9.9) | 62.2 | 16.2 | 41.0 | (68.2) | 42.8 | 7.3 | 33.0 |
| Cumulative effect of change in accounting principle | – | – | – | (2,205.4) | – | – | – | – |
| Net income (loss) | $ (9.9) | $ 62.2 | $ 16.2 | $ (2,164.4) | $ (68.2) | $ 42.8 | $ 7.3 | $ 33.0 |
| Earnings (loss) per share (Note 18) | | | | | | | | |
| Earnings (loss) before cumulative effect of change in accounting principle | $ (0.10) | $ 0.19 | $ 0.05 | $ 0.13 | $ (0.20) | $ 0.13 | $ 0.02 | $ 0.10 |
| Cumulative effect of change in accounting principle | – | – | – | (6.77) | – | – | – | – |
| Net earnings (loss) | $ (0.10) | $ 0.19 | $ 0.05 | $ (6.64) | $ (0.20) | $ 0.13 | $ 0.02 | $ 0.10 |

* As previously reported. Does not reflect fresh start accounting adjustments or the gain on discharge of debt.

During the fourth quarter of fiscal 2002 the Predecessor Company recorded significant charges relating to claims liability and professional liability reserves (totaling approximately $65 million) in addition to projected amounts. The reserves were increased based on the fiscal year end actuarial reports. These reports differed significantly from the mid-year actuarial reports, because of changes to a number of the assumptions.

**Note 25 – Condensed financial statements of excluded subsidiaries**

Pursuant to the terms of the Exit Facility obtained by the Company upon emergence from bankruptcy, the Company is required to segregate the consolidated results of operations between the subsidiaries of the Company not participating in the Exit Facility, the Excluded Subsidiaries, and the Company and its remaining subsidiaries ("Other than Excluded Subsidiaries").



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 – (Continued)**

**Condensed Consolidated Statement of Operations**

**For the period June 1, 2003 through August 31, 2003**

| | Other than Excluded Subsidiaries | Excluded Subsidiaries | Consolidated Totals |
|---|---|---|---|
| | | ($ millions) | |
| **Revenue** | $ 704.8 | $ 292.3 | $ 997.1 |
| Compensation expense | 468.7 | 113.0 | 581.7 |
| Accident claims and professional liability expenses | 45.9 | 17.0 | 62.9 |
| Vehicle related costs | 39.8 | 35.0 | 74.8 |
| Occupancy costs | 30.0 | 21.4 | 51.4 |
| Fuel | 20.5 | 16.2 | 36.7 |
| Depreciation | 37.1 | 10.6 | 47.7 |
| Amortization | 4.4 | – | 4.4 |
| Other operating expenses | 85.4 | 40.6 | 126.0 |
| **Income (loss) from operating segments** | (27.0) | 38.5 | 11.5 |
| Interest expense | (23.1) | (8.4) | (31.5) |
| Other income (loss) | 0.3 | (0.2) | 0.1 |
| **Income (loss) from operations before income taxes** | (49.8) | 29.9 | (19.9) |
| Income tax recovery (expense) | 20.0 | (10.0) | 10.0 |
| **Net income (loss)** | $ (29.8) | $ 19.9 | $ (9.9) |



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 – (Continued)**

**Condensed Consolidated Balance Sheet**

**As of August 31, 2003**

| | Other than Excluded Subsidiaries | Excluded Subsidiaries | Consolidated Totals |
|---|---|---|---|
| | | ($ millions) | |
| **Current assets** | | | |
| Cash and cash equivalents | $ 55.1 | $ 45.2 | $ 100.3 |
| Restricted cash and cash equivalents | 39.4 | – | 39.4 |
| Short-term deposits and marketable securities | 42.0 | – | 42.0 |
| Trade accounts receivable | 478.8 | 23.4 | 502.2 |
| Other receivables | 31.7 | 17.9 | 49.6 |
| Income taxes recoverable | 18.3 | (0.3 ) | 18.0 |
| Parts and supplies | 38.2 | 12.0 | 50.2 |
| Deferred income tax assets | 76.1 | 10.1 | 86.2 |
| Other current assets | 50.1 | 10.0 | 60.1 |
| **Total current assets** | 829.7 | 118.3 | 948.0 |
| Long-term investments | 514.1 | 39.4 | 553.5 |
| Property and equipment | 1,291.2 | 378.6 | 1,669.8 |
| Goodwill | 183.1 | – | 183.1 |
| Contracts and customer relationships | 216.9 | – | 216.9 |
| Deferred income tax assets | 88.3 | 114.9 | 203.2 |
| Deferred charges and other assets | 66.9 | 11.3 | 78.2 |
| **Total assets** | $ 3,190.2 | $ 662.5 | $ 3,852.7 |
| **Current liabilities** | | | |
| Accounts payable | $ 87.7 | $ 31.7 | $ 119.4 |
| Accrued liabilities | 397.3 | 108.7 | 506.0 |
| Current portion of long-term debt | 35.7 | 33.7 | 69.4 |
| **Total current liabilities** | 520.7 | 174.1 | 694.8 |
| Long-term debt | 1,012.5 | 132.6 | 1,145.1 |
| Pension liability | 4.9 | 220.8 | 225.7 |
| Other long-term liabilities | 408.2 | 88.6 | 496.8 |
| **Total liabilities** | 1,946.3 | 616.1 | 2,562.4 |
| **Shareholders' equity** | 1,243.9 | 46.4 | 1,290.3 |
| **Total liabilities and shareholders' equity** | $ 3,190.2 | $ 662.5 | $ 3,852.7 |

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 − (Continued)**

**Condensed Consolidated Statement of Cash Flows**

**For the period June 1, 2003 through August 31, 2003**

| | Other than Excluded Subsidiaries | Excluded Subsidiaries | Consolidated Totals |
|---|---|---|---|
| | | ($ millions) | |
| Net cash provided by operating activities | $ 132.8 | $ 54.2 | $ 187.0 |
| Cash flows from investing activities: | | | |
| Purchases of property and equipment | $ (84.9) | $ (5.6) | $ (90.5) |
| Proceeds from sale of property and equipment | 3.8 | 0.6 | 4.4 |
| Purchase of other assets | (0.7) | (0.4) | (1.1) |
| Net decrease (increase) in investments | 11.9 | (0.6) | 11.3 |
| Expended on acquisitions | (0.1) | − | (0.1) |
| Net cash used in investing activities | $ (70.0) | $ (6.0) | $ (76.0) |
| Cash flows from financing activities: | | | |
| Proceeds from issues of long-term debt | $ − | $ 17.3 | $ 17.3 |
| Repayments of long-term debt and other non-current liabilities | (11.4) | (36.2) | (47.6) |
| Payment of financing fees | (3.8) | − | (3.8) |
| Net cash used in financing activities | $ (15.2) | $ (18.9) | $ (34.1) |
| Net increase in cash and cash equivalents | $ 47.6 | $ 29.3 | $ 76.9 |
| Cash and cash equivalents at: | | | |
| Beginning of period | 7.5 | 15.9 | 23.4 |
| End of period | $ 55.1 | $ 45.2 | $ 100.3 |



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 – (Continued)**

**Predecessor Company**

**Condensed Consolidated Statement of Operations**
**For the period September 1, 2002 through May 31, 2003**

| | Other than Excluded Subsidiaries | Excluded Subsidiaries | Consolidated Totals |
|---|---|---|---|
| | | ($ millions) | |
| **Revenue** | $ 2,786.2 | $ 699.5 | $ 3,485.7 |
| Compensation expense | 1,670.0 | 331.1 | $ 2,001.1 |
| Accident claims and professional liability expenses | 190.9 | 50.5 | 241.4 |
| Vehicle related costs | 103.8 | 98.6 | 202.4 |
| Occupancy costs | 91.3 | 59.1 | 150.4 |
| Fuel | 88.8 | 44.6 | 133.4 |
| Depreciation | 192.4 | 36.0 | 228.4 |
| Amortization | 0.8 | 0.1 | 0.9 |
| Other operating expenses | 249.5 | 114.7 | 364.2 |
| **Income (loss) from operating segments** | 198.7 | (35.2) | 163.5 |
| Interest expense | (3.8) | (15.8) | (19.6) |
| Gain on discharge of debt | 1,482.8 | – | 1,482.8 |
| Fresh start accounting adjustments | (514.8) | (94.8) | (609.6) |
| Other financing related expenses | (35.0) | – | (35.0) |
| Other income | 13.5 | 1.5 | 15.0 |
| **Income (loss) from operations before income taxes and cumulative effect of change in accounting principle** | 1,141.4 | (144.3) | 997.1 |
| Income tax expense | (3.4) | (1.1) | (4.5) |
| **Income (loss) from operations before cumulative effect of change in accounting principle** | 1,138.0 | (145.4) | 992.6 |
| **Cumulative effect of change in accounting principle** | (1,775.9) | (429.5) | (2,205.4) |
| **Net loss** | $ (637.9) | $ (574.9) | $ (1,212.8) |



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 – (Continued)**

**Fresh Start**

**Condensed Consolidated Balance Sheet**
**As of June 1, 2003**

| | Other than Excluded Subsidiaries | Excluded Subsidiaries | Consolidated Totals |
|---|---|---|---|
| | | ($ millions) | |
| **Current assets** | | | |
| Cash and cash equivalents | $ 7.5 | $ 15.9 | $ 23.4 |
| Restricted cash and cash equivalents | 44.7 | – | 44.7 |
| Short-term deposits and marketable securities | 32.3 | – | 32.3 |
| Trade accounts receivable | 605.8 | 24.8 | 630.6 |
| Other receivables | 30.1 | 19.8 | 49.9 |
| Income taxes recoverable | 28.9 | (1.5 ) | 27.4 |
| Parts and supplies | 39.0 | 11.8 | 50.8 |
| Deferred income tax assets | 70.7 | 10.2 | 80.9 |
| Other current assets | 55.2 | 12.6 | 67.8 |
| **Total current assets** | 914.2 | 93.6 | 1,007.8 |
| Long-term investments | 541.2 | 39.2 | 580.4 |
| Property and equipment | 1,246.8 | 382.1 | 1,628.9 |
| Goodwill | 183.1 | – | 183.1 |
| Contracts and customer relationships | 221.0 | – | 221.0 |
| Deferred income tax assets | 70.7 | 124.8 | 195.5 |
| Deferred charges and other assets | 67.8 | 10.8 | 78.6 |
| **Total assets** | $ 3,244.8 | $ 650.5 | $ 3,895.3 |
| **Current liabilities** | | | |
| Accounts payable | $ 79.0 | $ 27.6 | $ 106.6 |
| Accrued liabilities | 421.7 | 101.5 | 523.2 |
| Current portion of long-term debt | 35.2 | 53.8 | 89.0 |
| **Total current liabilities** | 535.9 | 182.9 | 718.8 |
| Long-term debt | 1,021.6 | 128.5 | 1,150.1 |
| Pension liability | 4.4 | 220.7 | 225.1 |
| Other long-term liabilities | 405.5 | 86.5 | 492.0 |
| **Total liabilities** | 1,967.4 | 618.6 | 2,586.0 |
| **Shareholders' equity** | 1,277.4 | 31.9 | 1,309.3 |

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| | | | |
|---|---|---|---|
| **Total liabilities and shareholders' equity** | $ 3,244.8 | $ 650.5 | $ 3,895.3 |



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 – (Continued)**

**Predecessor Company**

**Condensed Consolidated Statement of Cash Flows**
**For the period September 1, 2002 through May 31, 2003**

| | Other than Excluded Subsidiaries | Excluded Subsidiaries | Consolidated Totals |
|---|---|---|---|
| | | ($ millions) | |
| Net cash provided by (used in) operating activities | $ 263.4 | $ (54.9) | $ 208.5 |
| Cash flows from investing activities: | | | |
| Purchase of property and equipment | $ (170.0) | $ (60.1) | $ (230.1) |
| Proceeds from sale of property and equipment | 7.9 | 16.7 | 24.6 |
| Purchase of other assets | (4.0) | 0.8 | (3.2) |
| Expended on acquisitions | (4.6) | – | (4.6) |
| Net increase in investments | (150.9) | (0.4) | (151.3) |
| Net cash used in investing activities | $ (321.6) | $ (43.0) | $ (364.6) |
| Cash flows from financing activities: | | | |
| Proceeds from issue of long-term debt | $ 1,025.6 | $ 182.2 | $ 1,207.8 |
| Repayment of long-term debt and other non-current liabilities | (61.2) | (88.1) | (149.3) |
| Repayment of liabilities subject to compromise | (1,185.0) | – | (1,185.0) |
| Payment of financing fees | (37.5) | – | (37.5) |
| Net cash provided by (used in) financing activities | $ (258.1) | $ 94.1 | $ (164.0) |
| Net decrease in cash and cash equivalents | $ (316.3) | $ (3.8) | $ (320.1) |
| Cash and cash equivalents at: | | | |
| Beginning of period | 323.8 | 19.7 | 343.5 |
| End of period | $ 7.5 | $ 15.9 | $ 23.4 |



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 − (Continued)**

**Predecessor Company**

**Condensed Consolidated Statement of Operations**
**For the year ended August 31, 2002**

| | Other than Excluded Subsidiaries | Excluded Subsidiaries | Consolidated Totals |
|---|---|---|---|
| | | ($ millions) | |
| **Revenue** | $ 3,412.2 | $ 1,019.9 | $ 4,432.1 |
| Compensation expense | 2,077.2 | 445.8 | 2,523.0 |
| Accident claims and professional liability expenses | 255.9 | 69.9 | 325.8 |
| Vehicle related costs | 143.2 | 129.3 | 272.5 |
| Occupancy costs | 119.4 | 82.8 | 202.2 |
| Fuel | 107.0 | 56.0 | 163.0 |
| Depreciation | 224.5 | 46.1 | 270.6 |
| Amortization | 76.1 | 12.1 | 88.2 |
| Other operating expenses | 355.3 | 169.3 | 524.6 |
| **Income from operating segments** | 53.6 | 8.6 | 62.2 |
| Interest expense | (6.1) | (21.6) | (27.7) |
| Other financing related expenses | (42.3) | (2.4) | (44.7) |
| Other income | 12.7 | 2.6 | 15.3 |
| **Income (loss) from operations before income taxes** | 17.9 | (12.8) | 5.1 |
| Income tax recovery | 9.1 | 0.7 | 9.8 |
| **Net income (loss)** | $ 27.0 | $ (12.1) | $ 14.9 |



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 – (Continued)**

**Predecessor Company**

**Condensed Consolidated Balance Sheet**
**August 31, 2002**

| | Other than Excluded Subsidiaries | Excluded Subsidiaries | Consolidated Totals |
|---|---|---|---|
| | | ($ millions) | |
| **Current assets** | | | |
| Cash and cash equivalents | $ 323.8 | $ 19.7 | $ 343.5 |
| Restricted cash and cash equivalents | 75.8 | – | 75.8 |
| Short-term deposits and marketable securities | 16.1 | – | 16.1 |
| Trade accounts receivable | 463.3 | 27.1 | 490.4 |
| Other receivables | 36.7 | 18.2 | 54.9 |
| Income taxes recoverable | 29.4 | (0.2 ) | 29.2 |
| Parts and supplies | 38.9 | 11.5 | 50.4 |
| Other current assets | 47.6 | 8.7 | 56.3 |
| **Total current assets** | 1,031.6 | 85.0 | 1,116.6 |
| Long-term investments | 372.5 | 45.4 | 417.9 |
| Property and equipment | 1,282.0 | 395.7 | 1,677.7 |
| Goodwill | 2,547.3 | 429.5 | 2,976.8 |
| Pension asset | 10.8 | – | 10.8 |
| Deferred charges | 9.4 | 2.6 | 12.0 |
| **Total assets** | $ 5,253.6 | $ 958.2 | $ 6,211.8 |
| **Current liabilities** | | | |
| Accounts payable | $ 80.3 | $ 29.4 | $ 109.7 |
| Accrued liabilities | 392.6 | 111.5 | 504.1 |
| Current portion of long-term debt | 12.3 | 8.0 | 20.3 |
| **Total current liabilities** | 485.2 | 148.9 | 634.1 |
| Long-term debt | 27.3 | 177.1 | 204.4 |
| Pension liability | – | 64.8 | 64.8 |
| Other long-term liabilities | 305.2 | 72.1 | 377.3 |
| Liabilities subject to compromise | 3,977.1 | – | 3,977.1 |
| **Total liabilities** | 4,794.8 | 462.9 | 5,257.7 |
| **Shareholders' equity** | 458.8 | 495.3 | 954.1 |
| **Total liabilities and shareholders' equity** | $ 5,253.6 | $ 958.2 | $ 6,211.8 |

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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 – (Continued)**

**Predecessor Company**

**Condensed Consolidated Statement of Cash Flows**
**For the year ended August 31, 2002**

| | Other than Excluded Subsidiaries | Excluded Subsidiaries | Consolidated Totals |
|---|---|---|---|
| | | ($ millions) | |
| Net cash provided by operating activities | $ 317.1 | $ 116.7 | $ 433.8 |
| Cash flows from investing activities: | | | |
| Purchases of property and equipment | $ (212.8) | $ (70.5) | $ (283.3) |
| Proceeds from sale of property and equipment | 21.9 | 23.6 | 45.5 |
| Purchase of other assets | (0.5) | (0.9) | (1.4) |
| Expended on acquisitions | (3.6) | – | (3.6) |
| Net increase in investments | (34.0) | (3.1) | (37.1) |
| Proceeds from sale of assets | 4.2 | – | 4.2 |
| Net cash used in investing activities | $ (224.8) | $ (50.9) | $ (275.7) |
| Cash flows from financing activities: | | | |
| Proceeds from issue of long-term debt | $ – | $ 172.2 | $ 172.2 |
| Repayments of long-term debt and other non-current liabilities | (35.3) | (232.7) | (268.0) |
| Net cash used in financing activities | $ (35.3) | $ (60.5) | $ (95.8) |
| Net increase in cash and cash equivalents | $ 57.0 | $ 5.3 | $ 62.3 |
| Cash and cash equivalents at: | | | |
| Beginning of year | 266.8 | $ 14.4 | 281.2 |
| End of year | $ 323.8 | $ 19.7 | $ 343.5 |



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 – (Continued)**

**Predecessor Company**

**Condensed Consolidated Statement of Operations**
**For the year ended August 31, 2001**

| | Other than Excluded Subsidiaries | Excluded Subsidiaries | Consolidated Totals |
|---|---|---|---|
| | | ($ millions) | |
| **Revenue** | $ 3,367.8 | $ 1,050.5 | $ 4,418.3 |
| Compensation expense | 2,060.6 | 472.5 | 2,533.1 |
| Accident claims and professional liability expenses | 296.6 | 45.4 | 342.0 |
| Vehicle related costs | 149.4 | 117.9 | 267.3 |
| Occupancy costs | 118.5 | 72.5 | 191.0 |
| Fuel | 126.2 | 68.2 | 194.4 |
| Depreciation | 220.5 | 40.6 | 261.1 |
| Amortization | 77.4 | 11.8 | 89.2 |
| Other operating expenses | 331.0 | 176.1 | 507.1 |
| **Income (loss) from operating segments** | (12.4) | 45.5 | 33.1 |
| Interest expense | (249.8) | (21.1) | (270.9) |
| Other financing related expenses | (60.5) | (3.3) | (63.8) |
| Other income (loss) | 10.0 | (0.7) | 9.3 |
| **Income (loss) from continuing operations before income taxes** | (312.7) | 20.4 | (292.3) |
| Income tax recovery (expense) | 47.0 | (1.2) | 45.8 |
| **Income (loss) from continuing operations** | (265.7) | 19.2 | (246.5) |
| **Income from discontinued operations** | 1,672.4 | – | 1,672.4 |
| **Net income** | $ 1,406.7 | $ 19.2 | $ 1,425.9 |



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 – (Continued)**

**Predecessor Company**

**Condensed Consolidated Statement of Cash Flows**
**For the year ended August 31, 2001**

| | Other than Excluded Subsidiaries | Excluded Subsidiaries | Consolidated Totals |
|---|---|---|---|
| | | ($ millions) | |
| Net cash provided by operating activities | $ 431.9 | $ 15.8 | $ 447.7 |
| Cash flows from investing activities: | | | |
| Purchases of property and equipment | $ (211.1) | $ (56.2) | $ (267.3) |
| Proceeds from sale of property and equipment | 17.4 | 4.4 | 21.8 |
| Purchase of other assets | (5.6) | (3.2) | (8.8) |
| Expended on acquisitions | (0.1) | (1.9) | (2.0) |
| Net increase in investments | (44.0) | (1.5) | (45.5) |
| Proceeds from sale of assets | 20.3 | – | 20.3 |
| Net cash used in investing activities | $ (223.1) | $ (58.4) | $ (281.5) |
| Cash flows from financing activities: | | | |
| Proceeds from issue of long-term debt | $ – | $ 342.2 | $ 342.2 |
| Repayments of long-term debt and other non-current liabilities | (38.3) | (296.9) | (335.2) |
| Net cash provided by (used in) financing activities | $ (38.3) | $ 45.3 | $ 7.0 |
| Net increase in cash and cash equivalents | $ 170.5 | $ 2.7 | $ 173.2 |
| Cash and cash equivalents at: | | | |
| Beginning of year | 96.3 | 11.7 | 108.0 |
| End of year | $ 266.8 | $ 14.4 | $ 281.2 |



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 − (Continued)**

**Note 26 − United States and Canadian accounting principles**

These consolidated financial statements have been prepared in accordance with U.S. GAAP and conform in all material respects with Canadian GAAP, except as follows:

***(1) Consolidated Financial Statements***

| | | Predecessor Company | | |
|---|---|---|---|---|
| | For the period June 1, 2003 Through August 31, 2003 | For the period Sept. 1, 2002 Through May 31, 2003 | For the Year Ended August 31, 2002 | For the Year Ended August 31, 2001 |
| | | ($ millions) | | |
| Net income (loss) in accordance with U.S. GAAP | $ (9.9) | $ (1,212.8) | $ 14.9 | $ 1,425.9 |
| Effects of differences in accounting for: | | | | |
| Costs of start-up activities(a) | – | (9.9) | (4.1) | (3.3) |
| Impairment charges under Canadian GAAP(b) | – | – | (194.7) | (1,105.1) |
| Impairment charges under U.S. GAAP(b) | – | 2,205.4 | – | – |
| Reduced goodwill amortization(b) | – | – | 59.5 | 25.3 |
| Reduction in income from discontinued operations(c) | – | – | – | (941.7) |
| Gain on debt discharge(e) | – | (1,482.8) | – | – |
| Fresh start accounting adjustments(e) | – | 609.6 | – | – |
| Net income (loss) in accordance with Canadian GAAP | $ (9.9) | $ 109.5 | $ (124.4) | $ (598.9) |
| Basic and diluted net income (loss) per share | $ (0.10) | $ 0.34 | $ (0.38) | $ (1.84) |



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 − (Continued)**

The amounts in the consolidated balance sheets that materially differ from those reported under U.S. GAAP are as follows: ($ in millions)

| | | | Fresh Start | | Predecessor Company | |
|---|---|---|---|---|---|---|
| | August 31, 2003 | | June 1, 2003 | | August 31, 2002 | |
| | U.S. GAAP | Canadian GAAP | U.S. GAAP | Canadian GAAP | U.S. GAAP | Canadian GAAP |
| **Assets:** | | | | | | |
| Other current assets(a) | $ – | $ – | $ – | $ – | $ 56.3 | $ 64.0 |
| Long-term investments(d) | $ 553.5 | 563.5 | – | – | 417.9 | 413.3 |
| Goodwill(b)(e) | 183.1 | – | 183.1 | – | 2,976.8 | 813.1 |
| Deferred income tax assets(d) | 289.4 | 285.9 | – | – | – | – |
| Pension asset(d) | – | – | – | – | 10.8 | 43.1 |
| Deferred charges(a) | – | – | – | – | 12.0 | 19.6 |
| **Liabilities and Shareholders' Equity:** | | | | | | |
| Other long-term liabilities(d) | – | – | – | – | 442.1 | 382.5 |
| Cumulative foreign currency translation adjustments(d) | – | (2.6 ) | – | – | – | (171.4 ) |
| Share premium(e) | 1,358.3 | 1,175.2 | 1,358.3 | 1,175.2 | – | – |
| Deficit(a)(b) | – | – | – | – | (1,017.7) | (3,166.1) |
| Accumulated other comprehensive loss(d) | (9.1 ) | – | – | – | (258.7 ) | – |

*(a) Reporting on the costs of start-up activities*

The Predecessor Company applied SOP 98-5 during fiscal 2000. During fiscal 2000, under U.S. GAAP, the Predecessor Company expensed $27.3 million in unamortized costs of start-up activities as a change in accounting principle. Under Canadian GAAP, SOP 98-5 is not applicable. As a result, under Canadian GAAP, the Predecessor Company did not record the $27.3 million change in accounting principle amount and continued with the policy of deferring start-up costs and amortizing the deferrals over a reasonable period representing an overall adjustment to conform to Canadian GAAP of $9.9 million expense, $4.1 million expense and $3.3 million expense during the period September 1, 2002 through May 31, 2003, fiscal 2002 and fiscal 2001, respectively. Fresh Start accounting eliminated this GAAP difference for periods subsequent to June 1, 2003 because the unamortized deferred start-up costs remaining under Canadian GAAP were written off on Fresh Start.

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*(b) Goodwill impairment*

Prior to September, 2002, the Predecessor Company had different accounting policies for determining goodwill impairment for Canadian and U.S. GAAP reporting. The effect of the difference in policy between U.S. GAAP and Canadian GAAP was to produce during fiscal 2001 a goodwill impairment charge under Canadian GAAP and reduce the amount of goodwill for fiscal 2001 by $1,105.1 million and during fiscal 2002, a goodwill impairment charge under Canadian GAAP and reduce the amount of goodwill by $194.7 million. Under U.S. GAAP, the above mentioned impairment charges do not exist. In addition, during fiscal 1999, the Canadian GAAP policy produced an additional $974.0 million goodwill impairment charge in addition to the goodwill impairment charge taken for U.S. GAAP. As a result of the increased goodwill



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 − (Continued)**

impairment charges, reduced goodwill amortization totalling $59.5 million (2001 − $25.3 million), was recorded during fiscal 2002.

As of September 1, 2002, the Predecessor Company followed the guidelines of SFAS No. 142, "Goodwill and Other Intangible Assets" and similar guidance under Canadian GAAP. The guidance in both countries discontinued the amortization of intangible assets with indefinite useful lives. In addition, the Predecessor Company was required to test goodwill and intangible assets with an indefinite life for impairment in accordance with the provisions of SFAS 142 and Canadian GAAP. Pursuant to the guidance, any impairment loss is to be recorded directly through the deficit account on the consolidated statement of deficit for Canadian GAAP and recorded as a cumulative effect of change in accounting principle on the consolidated statement of operations for U.S. GAAP. On September 1, 2002, under Canadian GAAP, this resulted in an impairment charge totalling $16.0 million. Under U.S. GAAP, this resulted in an impairment loss totalling $2,205.4 million, recorded as a cumulative effect of change in accounting principle.

*(c) Income from discontinued operations*

As discussed in Note 15, the Healthcare Businesses had been classified as discontinued operations. Any Canadian GAAP adjustments, noted above in (a) and (b) that directly affected the Healthcare businesses while they have been classified as discontinued operations, inversely affected the loss from discontinued operations in the consolidated statement of operations. As a result, under Canadian GAAP, the income from discontinued operations decreased by $941.7 million in fiscal 2001.

*(d) Comprehensive income*

U.S. GAAP requires that a comprehensive income statement be prepared. Under U.S. GAAP, SFAS No. 87, "Employers Accounting for Pensions", required the Company to record an increase in the additional minimum pension liability. Also, under U.S. GAAP, available-for-sale securities are to be reported at their fair values, with unrealized gains or losses reported in a separate component of shareholders' equity along with the cumulative foreign currency translation adjustments and the SFAS No. 87, pension adjustment. These amounts are reported under the caption "Accumulated other comprehensive loss".

Canadian GAAP does not have the concept of comprehensive income (loss). The cumulative foreign currency translation adjustment is reported in a separate component of shareholders' equity. The SFAS No. 87 pension adjustment (Predecessor Company − September 1, 2002 through May 31, 2003 − $268.3 million − August 31, 2002 − $91.9 million, August 31, 2001 − NIL) under U.S. GAAP is not recorded under Canadian GAAP. In addition, the recording of the available-for-sale securities at their fair values (June 1, through August 31, 2003 − a loss of $10.0 million, Predecessor Company − September 1, 2002 through May 31, 2003 − $13.8 million, August 31, 2002 − $4.6 million, August 31, 2001 − $0.9 million) is not recorded under Canadian GAAP.

*(e) Fresh Start accounting adjustments*

As of June 1, 2003, the Company followed the guidance of SOP 90-7 and similar guidance under Canadian GAAP. The guidance in both countries required the Company to adjust its assets and liabilities to their estimated fair values as of June 1, 2003. However, under Canadian GAAP, when the fair value of the enterprise as a whole exceeds the revalued net asset value, the difference (allocated to goodwill under U.S. GAAP) is not recorded. As a result, the $183.1 million of goodwill recorded under U.S. GAAP is not recorded for Canadian GAAP. Pursuant to the guidance, the net effect of all fresh start accounting adjustments and the gain on discharge of debt is to be recorded directly

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through the Predecessor Company' s deficit account on the consolidated statement of deficit for Canadian GAAP and recorded through the consolidated statement of operations for the period September 1, 2002 through May 31, 2003 for U.S. GAAP. On June 1, 2003, under Canadian GAAP, this resulted in positive adjustment through the Predecessor



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 − (Continued)**

Company' s deficit account totalling $658.9 million. Under U.S. GAAP, this resulted in a fresh start accounting adjustment of $609.6 million and a gain on discharge of debt of $1,482.8 million.

**Note 27 − Guarantors of Senior Notes**

The $406.0 million Senior Notes are guaranteed by the Company' s subsidiaries, other than the Excluded Subsidiaries, the Canadian subsidiaries and any of the Company' s subsidiaries that are in the business of insurance. The condensed consolidated financial statements for the guarantors, the non-guarantors and the parent company (reported as the Company and as the Predecessor Company for historical purposes) are as follows:

**Condensed Consolidated Statement of Operations**

**For the period June 1, 2003 through August 31, 2003**

| ($ millions) | Parent Company | Guarantors | Non-Guarantors | Eliminations | Consolidated Totals |
|---|---|---|---|---|---|
| Revenue | $ − | $ 619.7 | $ 377.4 | $ − | $ 997.1 |
| Operating, selling, general and administrative expenses | − | 615.6 | 317.9 | − | 933.5 |
| Depreciation and amortization expense | − | 35.4 | 16.7 | − | 52.1 |
| Intercompany management fees (income) | − | (1.5) | 1.5 | − | − |
| Income (loss) from operating segments | − | (29.8) | 41.3 | − | 11.5 |
| Interest expense, net of other income | (21.8) | (1.1) | (8.5) | − | (31.4) |
| Intercompany interest income (expense) | (0.8) | 1.3 | (0.5) | − | − |
| Equity in earnings (loss) of intercompany investments | (7.6) | 23.1 | − | (15.5) | − |
| Income (loss) before income taxes | (30.2) | (6.5) | 32.3 | (15.5) | (19.9) |
| Income tax recovery (expense) | 21.1 | 6.6 | (17.7) | − | 10.0 |
| Net income (loss) | $ (9.1) | $ 0.1 | $ 14.6 | $ (15.5) | $ (9.9) |



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 − (Continued)**

**Condensed Consolidated Balance Sheet**

**As of August 31, 2003**

| ($ millions) | Parent Company | Guarantors | Non-Guarantors | Eliminations | Consolidated Totals |
|---|---|---|---|---|---|
| Current assets | $ 44.0 | $ 662.7 | $ 241.3 | $ – | $ 948.0 |
| Long-term deferred income tax assets | 49.1 | – | 183.9 | (29.8) | 203.2 |
| Intercompany receivables and investments | 2,083.4 | 25.9 | 18.8 | (2,128.1) | – |
| Long-term investments | 110.3 | 129.0 | 314.2 | – | 553.5 |
| Property and equipment | – | 1,015.7 | 654.1 | – | 1,669.8 |
| Goodwill | – | 183.1 | – | – | 183.1 |
| Contracts and customer relationships | – | 216.8 | 0.1 | – | 216.9 |
| Other assets | 46.5 | 20.2 | 11.5 | – | 78.2 |
| | $ 2,333.3 | $ 2,253.4 | $ 1,423.9 | $ (2,157.9) | $ 3,852.7 |
| Current liabilities | $ 44.1 | $ 296.7 | $ 354.0 | $ – | $ 694.8 |
| Non-current liabilities | 998.9 | 180.6 | 717.9 | (29.8) | 1,867.6 |
| Shareholders' equity | 1,290.3 | 1,776.1 | 352.0 | (2,128.1) | 1,290.3 |
| | $ 2,333.3 | $ 2,253.4 | $ 1,423.9 | $ (2,157.9) | $ 3,852.7 |



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 − (Continued)**

**Condensed Consolidated Statement of Cash Flows**

**For the period June 1, 2003 through August 31, 2003**

| ($ millions) | Parent Company | Guarantors | Non-Guarantors | Consolidated Totals |
|---|---|---|---|---|
| Net cash provided by operating activities | $ 71.2 | $ 60.5 | $ 55.3 | $ 187.0 |
| Cash flows from investing activities: | | | | |
| Purchases of property and equipment | $ − | $ (70.9) | $ (19.6) | $ (90.5) |
| Proceeds from sale of property and equipment | − | 3.3 | 1.1 | 4.4 |
| Purchase of other assets | − | (0.7) | (0.4) | (1.1) |
| Expended on acquisitions | − | − | (0.1) | (0.1) |
| Net decrease (increase) in investments | 0.7 | (4.9) | 15.5 | 11.3 |
| Net cash provided by (used in) investing activities | $ 0.7 | $ (73.2) | $ (3.5) | $ (76.0) |
| Cash flows from financing activities: | | | | |
| Proceeds from issue of long-term debt | $ − | $ − | $ 17.3 | $ 17.3 |
| Repayments of long-term debt and other non-current liabilities | (6.2) | (0.4) | (41.0) | (47.6) |
| Payment of financing fees | (3.8) | − | − | (3.8) |
| Net cash used in financing activities | $ (10.0) | $ (0.4) | $ (23.7) | $ (34.1) |
| Net increase (decrease) in cash and cash equivalents | $ 61.9 | $ (13.1) | $ 28.1 | $ 76.9 |
| Cash and cash equivalents at: | | | | |
| Beginning of period | (21.1) | 16.9 | 27.6 | 23.4 |
| End of period | $ 40.8 | $ 3.8 | $ 55.7 | $ 100.3 |



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 – (Continued)**

**Predecessor Company**

**Condensed Consolidated Statement of Operations**
**For the period September 1, 2002 through May 31, 2003**

| ($ millions) | Parent Company | Guarantors | Non-Guarantors | Eliminations | Consolidated Totals |
|---|---|---|---|---|---|
| Revenue | $ – | $ 2,516.3 | $ 969.4 | $ – | $ 3,485.7 |
| Operating, selling, general and administrative expenses | 11.1 | 2,146.9 | 934.9 | – | 3,092.9 |
| Depreciation and amortization expense | 0.1 | 165.0 | 64.2 | – | 229.3 |
| Intercompany management fees (income) | (25.7) | 17.5 | 8.2 | – | – |
| Income (loss) from operating segments | 14.5 | 186.9 | (37.9) | – | 163.5 |
| Interest expense, net of other income | 11.2 | (1.4) | (14.4) | – | (4.6) |
| Intercompany interest income (expense) | – | 1.6 | (1.6) | – | – |
| Gain on discharge of debt | 1,410.5 | 72.3 | – | – | 1,482.8 |
| Fresh start accounting adjustments | (100.0) | (494.6) | (15.0) | – | (609.6) |
| Other financing related expenses | (27.6) | (7.4) | – | – | (35.0) |
| Equity in loss of intercompany investments | (315.6) | (73.6) | – | 389.2 | – |
| Income (loss) before income taxes and cumulative effect of a change in accounting principle | 993.0 | (316.2) | (68.9) | 389.2 | 997.1 |
| Income tax expense | (0.4) | (2.1) | (2.0) | – | (4.5) |
| Income (loss) before cumulative effect of a change in accounting principle | 992.6 | (318.3) | (70.9) | 389.2 | 992.6 |
| Cumulative effect of a change in accounting principle | – | (1,668.0) | (537.4) | – | (2,205.4) |
| Equity in loss from cumulative effect of a | (2,205.4) | (429.5) | – | 2,634.9 | – |

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| | | | | | |
|---|---|---|---|---|---|
| change in accounting principle of intercompany investments | | | | | |
| Net income (loss) | $ (1,212.8) | $ (2,415.8) | $ (608.3) | $ 3,024.1 | $ (1,212.8) |



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 – (Continued)**

**Condensed Consolidated Balance Sheet**

**As of June 1, 2003**

| ($ millions) | Parent Company | Guarantors | Non-Guarantors | Eliminations | Consolidated Totals |
|---|---|---|---|---|---|
| Current assets | $ 3.0 | $ 813.3 | $ 215.5 | $ (24.0) | $ 1,007.8 |
| Long-term deferred income tax assets | 31.0 | – | 194.8 | (30.3) | 195.5 |
| Intercompany receivables and investments | 2,196.4 | 42.5 | 9.2 | (2,248.1) | – |
| Long-term investments | 110.4 | 130.3 | 339.7 | – | 580.4 |
| Property and equipment | – | 976.5 | 652.4 | – | 1,628.9 |
| Goodwill | – | 183.1 | – | – | 183.1 |
| Contracts and customer relationships | – | 221.0 | – | – | 221.0 |
| Deferred charges and other assets | 48.5 | 19.2 | 10.9 | – | 78.6 |
| | $ 2,389.3 | $ 2,385.9 | $ 1,422.5 | $ (2,302.4) | $ 3,895.3 |
| Current liabilities | $ 79.4 | $ 294.9 | $ 368.5 | $ (24.0) | $ 718.8 |
| Non-current liabilities | 1,000.6 | 181.5 | 715.4 | (30.3) | 1,867.2 |
| Shareholders' equity | 1,309.3 | 1,909.5 | 338.6 | (2,248.1) | 1,309.3 |
| | $ 2,389.3 | $ 2,385.9 | $ 1,422.5 | $ (2,302.4) | $ 3,895.3 |



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 – (Continued)**

**Predecessor Company**

**Condensed Consolidated Statement of Cash Flows**
**For the period September 1, 2002 through May 31, 2003**

| ($ millions) | Parent Company | Guarantors | Non-Guarantors | Eliminations | Consolidated Totals |
|---|---|---|---|---|---|
| Net cash provided by operating activities | $ 102.0 | $ 100.0 | $ 6.5 | $ – | $ 208.5 |
| Cash flows from investing activities: | | | | | |
| Purchases of property and equipment | $ – | $ (129.5) | $ (100.6) | $ – | $ (230.1) |
| Proceeds from sale of property and equipment | – | 6.8 | 17.8 | – | 24.6 |
| Sale (purchase) of other assets | (1.3) | (2.6) | 0.7 | – | (3.2) |
| Expended on acquisitions | – | (4.6) | – | – | (4.6) |
| Net increase in investments | (99.2) | (24.0) | (28.1) | – | (151.3) |
| Increase in intercompany investments | (50.0) | – | – | 50.0 | – |
| Net cash provided by (used in) investing activities | $ (150.5) | $ (153.9) | $ (110.2) | $ 50.0 | $ (364.6) |
| Cash flows from financing activities: | | | | | |
| Proceeds from issue of long-term debt | $ 1,025.6 | $ – | $ 182.2 | – | $ 1,207.8 |
| Repayments of long-term debt and other non-current liabilities | – | (8.2) | (141.1) | – | (149.3) |
| Repayment of liabilities subject to compromise | (972.7) | (212.3) | – | – | (1,185.0) |
| Payment of financing fees | (37.5) | – | – | – | (37.5) |
| Issue intercompany capital | – | – | 50.0 | (50.0) | – |
| Net cash provided by (used in) financing activities | $ 15.4 | $ (220.5) | $ 91.1 | $ (50.0) | $ (164.0) |
| Net decrease in cash and cash equivalents | $ (33.1) | $ (274.4) | $ (12.6) | $ – | $ (320.1) |

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|---|---|---|---|---|---|
| Cash and cash equivalents at: | | | | | |
| Beginning of period | 12.0 | 291.3 | 40.2 | – | 343.5 |
| End of period | $ (21.1) | $ 16.9 | $ 27.6 | $ – | $ 23.4 |



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 – (Continued)**

**Predecessor Company**

**Condensed Consolidated Statement of Operations**
**Year Ended August 31, 2002**

| ($ millions) | Parent Company | Guarantors | Non-Guarantors | Eliminations | Consolidated Totals |
|---|---|---|---|---|---|
| Revenue | $ – | $ 3,070.0 | $ 1,362.1 | $ – | $ 4,432.1 |
| Operating, selling, general and administrative expenses | 11.7 | 2,756.4 | 1,243.0 | – | 4,011.1 |
| Depreciation and amortization expense | 0.2 | 265.6 | 93.0 | – | 358.8 |
| Intercompany management fees (income) | (72.9) | 58.1 | 14.8 | – | – |
| Income (loss) from operating segments | 61.0 | (10.1) | 11.3 | – | 62.2 |
| Interest expense, net of other income (loss) | (1.4) | 4.8 | (15.8) | – | (12.4) |
| Intercompany interest income (expense) | (5.2) | 2.6 | 2.6 | – | – |
| Other financing related expenses | (29.4) | (13.2) | (2.1) | – | (44.7) |
| Equity in earnings (loss) of intercompany investments | (10.1) | (13.9) | – | 24.0 | – |
| Income (loss) before income taxes | 14.9 | (29.8) | (4.0) | 24.0 | 5.1 |
| Income tax recovery (expense) | – | 10.1 | (0.3) | – | 9.8 |
| Net income (loss) | $ 14.9 | $ (19.7) | $ (4.3) | $ 24.0 | $ 14.9 |

**Predecessor Company**

**Condensed Consolidated Balance Sheet**
**As of August 31, 2002**

| ($ millions) | Parent Company | Guarantors | Non-Guarantors | Eliminations | Consolidated Totals |
|---|---|---|---|---|---|
| Current assets | $ 23.7 | $ 862.4 | $ 231.1 | $ (0.6) | $ 1,116.6 |
| Intercompany receivables (payables) and investments | 4,610.8 | 451.8 | (34.0) | (5,028.6) | – |
| Long-term investments | 11.5 | 107.0 | 299.4 | – | 417.9 |
| Property and equipment | 3.8 | 1,015.0 | 658.9 | – | 1,677.7 |

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| | | | | | |
|---|---|---|---|---|---|
| Goodwill | – | 2,385.5 | 591.3 | – | 2,976.8 |
| Other assets | – | 8.2 | 14.6 | – | 22.8 |
| | $ 4,649.8 | $ 4,829.9 | $ 1,761.3 | $ (5,029.2) | $ 6,211.8 |
| Current liabilities | $ 12.0 | $ 284.6 | $ 338.1 | $ (0.6) | $ 634.1 |
| Non-current liabilities | 5.8 | 131.3 | 509.4 | – | 646.5 |
| Liabilities subject to compromise | 3,677.9 | 299.2 | – | – | 3,977.1 |
| Shareholders' equity | 954.1 | 4,114.8 | 913.8 | (5,028.6) | 954.1 |
| | $ 4,649.8 | $ 4,829.9 | $ 1,761.3 | $ (5,029.2) | $ 6,211.8 |



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 – (Continued)**

**Predecessor Company**

**Condensed Consolidated Statement of Cash Flows**
**Year ended August 31, 2002**

| ($ millions) | Parent Company | Guarantors | Non-Guarantors | Eliminations | Consolidated Totals |
|---|---|---|---|---|---|
| Net cash provided by operating activities | $ 36.9 | $ 286.2 | $ 110.7 | $ – | $ 433.8 |
| Cash flows from investing activities: | | | | | |
| Purchases of property and equipment | $ (0.1 ) | $ (168.6) | $ (114.6) | $ – | $ (283.3) |
| Proceeds from sale of property and equipment | – | 18.2 | 27.3 | – | 45.5 |
| Purchase of other assets | – | (0.4 ) | (1.0 ) | – | (1.4 ) |
| Expended on acquisitions | – | (1.2 ) | (2.4 ) | – | (3.6 ) |
| Net decrease (increase) in investments | 2.4 | (26.2 ) | (13.3 ) | – | (37.1 ) |
| Proceeds from sale of assets | 1.2 | – | 3.0 | – | 4.2 |
| Increase in intercompany investments | (40.0) | (1.2 ) | – | 41.2 | – |
| Net cash provided by (used in) investing activities | $ (36.5) | $ (179.4) | $ (101.0) | $ 41.2 | $ (275.7) |
| Cash flows from financing activities: | | | | | |
| Proceeds from issue of long-term debt | $ – | $ – | $ 172.2 | $ – | $ 172.2 |
| Repayments of long-term debt and other non-current liabilities | – | (33.0 ) | (235.0) | – | (268.0) |
| Issue intercompany capital | – | – | 41.2 | (41.2) | – |
| Net cash used in financing activities | $ – | $ (33.0 ) | $ (21.6 ) | $ (41.2) | $ (95.8 ) |
| Net increase (decrease) in cash and cash equivalents | $ 0.4 | $ 73.8 | $ (11.9 ) | $ – | $ 62.3 |
| Cash and cash equivalents at: | | | | | |
| Beginning of year | 11.6 | 217.5 | 52.1 | – | 281.2 |

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|---|---|---|---|---|---|
| End of year | $ 12.0 | $ 291.3 | $ 40.2 | $ – | $ 343.5 |



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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 – (Continued)**

**Predecessor Company**

**Condensed Consolidated Statement of Operations**
**Year Ended August 31, 2001**

| ($ millions) | Parent Company | Guarantors | Non-Guarantors | Eliminations | Consolidated Totals |
|---|---|---|---|---|---|
| Revenue | $ – | $ 3,023.2 | $ 1,395.1 | $ – | $ 4,418.3 |
| Operating, selling, general and administrative expenses | 9.4 | 2,692.3 | 1,333.2 | – | 4,034.9 |
| Depreciation and amortization expense | 0.4 | 264.1 | 85.8 | – | 350.3 |
| Intercompany management fees (income) | (45.7) | 38.0 | 7.7 | – | – |
| Income (loss) from operating segments | 35.9 | 28.8 | (31.6) | – | 33.1 |
| Interest expense, net of other income (loss) | (227.9) | (13.4) | (20.3) | – | (261.6) |
| Intercompany interest income (expense) | 71.8 | (8.1) | (63.7) | – | – |
| Other financing related expenses | (38.5) | (16.7) | (8.6) | – | (63.8) |
| Equity in earnings (loss) of intercompany investments | (72.7) | 15.7 | – | 57.0 | – |
| Income (loss) from continuing operations before income taxes | (231.4) | 6.3 | (124.2) | 57.0 | (292.3) |
| Income tax recovery (expense) | (15.1) | 63.5 | (2.6) | – | 45.8 |
| Income (loss) from continuing operations | (246.5) | 69.8 | (126.8) | 57.0 | (246.5) |
| Income (loss) from discontinued operations | (248.5) | 1,920.9 | – | – | 1,672.4 |
| Equity in loss from discontinued operations of intercompany investments | 1,920.9 | – | – | (1,920.9) | – |
| Net income (loss) | $ 1,425.9 | $ 1,990.7 | $ (126.8) | $ (1,863.9) | $ 1,425.9 |

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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2003 – (Continued)**

**Predecessor Company**

**Condensed Consolidated Statement of Cash Flows**
**Year ended August 31, 2001**

| ($ millions) | Parent Company | Guarantors | Non-Guarantors | Eliminations | Consolidated Totals |
|---|---|---|---|---|---|
| Net cash provided by operating activities | $ 40.9 | $ 360.6 | $ 46.2 | $ – | $ 447.7 |
| Cash flows from investing activities: | | | | | |
| Purchases of property and equipment | $ (0.1) | $ (177.4) | $ (89.8) | $ – | $ (267.3) |
| Proceeds from sale of property and equipment | – | 12.7 | 9.1 | – | 21.8 |
| Purchase of other assets | – | (5.6) | (3.2) | – | (8.8) |
| Expended on acquisitions | – | – | (2.0) | – | (2.0) |
| Net decrease (increase) in investments | 4.1 | (31.1) | (18.5) | – | (45.5) |
| Proceeds from sale of assets | – | 20.3 | – | – | 20.3 |
| Increase in intercompany investments | – | (8.8) | – | 8.8 | – |
| Net cash provided by (used in) investing activities | $ 4.0 | $ (189.9) | $ (104.4) | $ 8.8 | $ (281.5) |
| Cash flows from financing activities: | | | | | |
| Proceeds from issue of long-term debt | $ – | $ – | $ 342.2 | $ – | $ 342.2 |
| Repayments of long-term debt and other non-current liabilities | – | (18.6) | (316.6) | – | (335.2) |
| Net increase (decrease) in intercompany advances | (927.2) | 215.5 | 711.7 | – | – |
| Issue intercompany capital | – | – | 8.8 | (8.8) | – |
| Net cash provided by (used in) financing activities | $ (927.2) | $ 196.9 | $ 746.1 | $ (8.8) | $ 7.0 |
| Net increase (decrease) in cash and cash equivalents | $ (882.3) | $ 367.6 | $ 687.9 | $ – | $ 173.2 |

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| | | | | | |
|---|---|---|---|---|---|
| Cash and cash equivalents at: | | | | | |
| Beginning of year | 893.9 | (150.1) | (635.8) | – | 108.0 |
| End of year | $ 11.6 | $ 217.5 | $ 52.1 | $ – | $ 281.2 |



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**LAIDLAW INTERNATIONAL, INC.**

**CONSOLIDATED BALANCE SHEETS**

**($ in millions)**

| | November 30, 2003 (unaudited) | August 31, 2003 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Cash and cash equivalents | **$ 75.1** | $ 100.3 |
| Restricted cash and cash equivalents | **67.7** | 39.4 |
| Short-term deposits and marketable securities | **17.7** | 42.0 |
| Trade accounts receivable | **685.6** | 502.2 |
| Other receivables | **53.4** | 49.6 |
| Income taxes recoverable | **16.0** | 18.0 |
| Parts and supplies | **49.9** | 50.2 |
| Deferred income tax assets | **69.2** | 86.2 |
| Other current assets | **59.0** | 60.1 |
| **Total current assets** | **1,093.6** | 948.0 |
| **Long-term investments** | **552.5** | 553.5 |
| **Property and equipment** | | |
| Land | **187.1** | 184.3 |
| Buildings | **156.2** | 151.1 |
| Vehicles | **1,275.7** | 1,228.4 |
| Other | **157.7** | 153.6 |
| | **1,776.7** | 1,717.4 |
| Less: Accumulated depreciation | **124.3** | 47.6 |
| | **1,652.4** | 1,669.8 |
| **Other assets** | | |
| Goodwill | **183.1** | 183.1 |
| Contracts and customer relationships | **212.3** | 216.9 |
| Deferred income tax assets | **209.8** | 203.2 |
| Deferred charges and other assets | **75.8** | 78.2 |
| | **681.0** | 681.4 |
| **Total assets** | **$ 3,979.5** | $ 3,852.7 |

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**LAIDLAW INTERNATIONAL, INC.**

**CONSOLIDATED BALANCE SHEETS**

**($ in millions except par value per share)**

| | November 30, 2003 (unaudited) | August 31, 2003 |
|---|---|---|
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Accounts payable | **$ 127.0** | $ 119.4 |
| Accrued liabilities | **477.1** | 506.0 |
| Current portion of long-term debt | **76.0** | 69.4 |
| **Total current liabilities** | **680.1** | 694.8 |
| **Long-term debt** | **1,208.8** | 1,145.1 |
| **Pension liability** | **226.0** | 225.7 |
| **Other long-term liabilities** | **526.6** | 496.8 |
| **Total liabilities** | **2,641.5** | 2,562.4 |
| **SHAREHOLDERS' EQUITY** | | |
| Common Shares; $0.01 par value per share; issued and outstanding 103,806,110 (August 31, 2003 – 103,777,422) | **1.0** | 1.0 |
| Share premium | **1,358.3** | 1,358.3 |
| Common shares held in trust; 3,777,419 issued | **(50.0 )** | (50.0 ) |
| Accumulated other comprehensive income (loss) | **16.0** | (9.1 ) |
| Retained earnings (deficit) | **12.7** | (9.9 ) |
| **Total shareholders' equity** | **1,338.0** | 1,290.3 |
| **Total liabilities and shareholders' equity** | **$ 3,979.5** | $ 3,852.7 |

The accompanying notes are an integral part of these statements.



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**LAIDLAW INTERNATIONAL, INC.**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

**($ in millions except per share amounts)**

**(unaudited)**

| | | Predecessor Company |
|---|---|---|
| | Three Months Ended November 30, 2003 | Three Months Ended November 30, 2002 |
| **Revenue** | **$ 1,210.3** | $ 1,162.2 |
| Compensation expense | **685.0** | 658.1 |
| Accident claims and professional liability expenses | **89.6** | 96.6 |
| Vehicle related costs | **69.9** | 66.5 |
| Occupancy costs | **49.9** | 48.6 |
| Fuel | **44.4** | 43.5 |
| Depreciation | **76.1** | 76.2 |
| Amortization | **4.6** | 0.2 |
| Other operating expenses | **121.3** | 116.8 |
| **Income from operating segments** | **69.5** | 55.7 |
| Interest expense | **(32.7 )** | (6.5 ) |
| Other financing related expenses | **–** | (8.2 ) |
| Other income | **0.9** | 1.5 |
| **Income before income taxes and cumulative effect of a change in accounting principle** | **37.7** | 42.5 |
| Income tax expense | **(15.1 )** | (1.5 ) |
| **Income before cumulative effect of a change in accounting principle** | **22.6** | 41.0 |
| Cumulative effect of a change in accounting principle | **–** | (2,205.4) |
| **Net income (loss)** | **$ 22.6** | $ (2,164.4) |
| **Basic earnings (loss) per share** | | |
| Income before cumulative effect of a change in accounting principle | **$ 0.23** | $ 0.13 |
| Cumulative effect of a change in accounting principle | **–** | (6.77 ) |
| Net income (loss) | **$ 0.23** | $ (6.64 ) |
| **Diluted earnings (loss) per share** | | |

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| | | |
|---|---|---|
| Income before cumulative effect of a change in accounting principle | **$ 0.22** | $ 0.13 |
| Cumulative effect of a change in accounting principle | – | (6.77) |
| Net income (loss) | **$ 0.22** | $ (6.64) |

The accompanying notes are an integral part of these statements.



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**LAIDLAW INTERNATIONAL, INC.**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

**($ in millions)**

**(unaudited)**

| | | Predecessor Company |
|---|---|---|
| | Three Months Ended November 30, 2003 | Three Months Ended November 30, 2002 |
| **Net income (loss)** | **$ 22.6** | $ (2,164.4) |
| Unrealized gains on securities net of reclassification adjustments for losses included in net income (net of $1.2 million of taxes; 2002 − NIL) | **2.0** | 1.5 |
| Foreign currency translation adjustments arising during the period (net of NIL taxes) | **23.1** | (1.4 ) |
| **Comprehensive income (loss)** | **$ 47.7** | $ (2,164.3) |

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**LAIDLAW INTERNATIONAL, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**($ in millions)**

**(unaudited)**

| | Three Months Ended November 30, 2003 | Predecessor Company Three Months Ended November 30, 2002 |
|---|---|---|
| **Operating activities** | | |
| Net income (loss) for the period | **$ 22.6** | $ (2,164.4) |
| Items not affecting cash: | | |
| Cumulative effect of a change in accounting principle | **–** | 2,205.4 |
| Depreciation and amortization | **80.7** | 76.4 |
| Other financing related expenses | **–** | 8.2 |
| Deferred income taxes | **14.1** | – |
| Other items | **4.1** | (1.7) |
| Increase in claims liability and professional liability insurance accruals | **5.8** | 28.7 |
| Cash used in financing working capital items | **(174.4)** | (140.0) |
| Cash portion of other financing related expenses | **(5.7)** | (9.6) |
| Decrease (increase) in restricted cash and cash equivalents | **1.2** | (11.1) |
| **Net cash used in operating activities** | **$ (51.6)** | $ (8.1) |
| **Investing activities** | | |
| Purchase of property, equipment and other assets, net of proceeds from sale | **$ (39.3)** | $ (67.6) |
| Expended on acquisitions | **–** | (3.2) |
| Net increase in investments | **(7.7)** | (9.0) |
| **Net cash used in investing activities** | **$ (47.0)** | $ (79.8) |
| **Financing activities** | | |
| Net increase in long-term debt and other long-term liabilities | **$ 73.4** | $ 2.6 |
| **Net cash provided by financing activities** | **$ 73.4** | $ 2.6 |
| **Net decrease in cash and cash equivalents** | **$ (25.2)** | $ (85.3) |
| **Cash and cash equivalents – beginning of period*** | **100.3** | 343.5 |
| **Cash and cash equivalents – end of period*** | **$ 75.1** | $ 258.2 |

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* These amounts represent the unrestricted cash and cash equivalents

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**LAIDLAW INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**For the Three Months Ended November 30, 2003**

**Note 1 − Basis of presentation**

The accompanying interim consolidated financial statements of Laidlaw International, Inc. (the "Company") have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim reporting, which conform, in all material respects (except as indicated in Note 11), with accounting principles generally accepted in Canada ("Canadian GAAP"). Accordingly, these financial statements do not include all of the disclosures required by generally accepted accounting principles for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included. All such adjustments are of a normal, recurring nature. Operating results for the three months ended November 30, 2003 are not necessarily indicative of the results that may be expected for the full year ending August 31, 2004. For further information, see the Company' s consolidated financial statements, including the accounting policies and notes thereto, included in the Company' s Annual Report on Form 10-K for the fiscal year ended August 31, 2003.

On June 1, 2003, the Company adopted fresh start accounting pursuant to the guidance provided by the American Institute of Certified Public Accountant' s Statement of Position 90-7 "Financial Reporting by Entities in Reorganization under the Bankruptcy Code". In accordance with the principles of fresh start accounting, the Company adjusted its assets and liabilities to their estimated fair values as of June 1, 2003. Due to the changes in the financial structure of the Company following its emergence from bankruptcy in June 2003, and the application of fresh start accounting, the consolidated financial statements of the Company issued subsequent to May 31, 2003 are not comparable with the consolidated financial statements issued by the predecessor company (the "Predecessor Company") prior to June 1, 2003. A black line has been drawn on the accompanying Consolidated Financial Statements to separate and distinguish between the Company and the Predecessor Company.

The basic earnings (loss) per share figures are calculated using the weighted average number of shares outstanding during the respective periods (100.0 million for the three months ended November 30, 2003 and 325.9 million for the Predecessor Company in the three months ended November 30, 2002). The diluted earnings per share for the three months ended November 30, 2003 assumes the sale on the open market of the Company' s common shares held in trust.

**Note 2 − Accounts receivable and revenue**

Trade accounts receivable as of November 30, 2003 are net of $552.5 million (August 31, 2003 − $527.9 million) of allowances for uncompensated care and contractual allowances in the Company' s Healthcare Transportation and Emergency Management business segments (the "Healthcare Businesses") and net of an allowance for doubtful accounts of $6.2 million (August 31, 2003 − $5.6 million) in the Company' s other three reportable segments.

**Note 3 − Intangible assets**

The contracts and customer relationships are net of $9.0 million of accumulated amortization at November 30, 2003 (August 31, 2003 − $4.5 million).

Included in deferred charges and other assets are radio frequency licenses totalling $12.0 million at November 30, 2003 (August 31, 2003 − $12.0 million). The licenses are considered to be assets with indefinite lives and as such, are not amortized.

**Note 4 − Long-term debt and interest rate swap**

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In December 2003, the Company modified the terms of its $625.0 million loan maturing in June 2009 (the “Term B Facility”). The interest rate charged on the loan has been reduced by 1.25%, to LIBOR plus



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**LAIDLAW INTERNATIONAL, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**For the Three Months Ended November 30, 2003 − (Continued)**

3.75% from LIBOR plus 5.0%. Additionally, the LIBOR floor or minimum LIBOR rate has been reduced 0.25% to 1.75% from the previous floor of 2.0%. Additionally, the Company entered into an interest rate swap agreement ("Swap") that effectively converted $110 million of Term B Facility floating rate debt to fixed rate debt with an interest rate of 6.8%. The Swap was entered into because the Company is required under the Term B Facility to have a fixed interest rate on a portion of the underlying debt. The Swap is considered a cash flow hedge and expires in September 2006.

**Note 5 − Stock awards and options**

Pursuant to the Company' s 2003 Equity and Performance Incentive Plan, in the first quarter of fiscal 2004 the Company issued stock based compensation to various employees and non-employee directors. These grants to employees represent the long-term incentive portion of the Company' s overall compensation plan for management. Due to the size and timing of the issuances, the impact on the Company' s consolidated financial statements is immaterial in the first quarter. A summary of stock based compensation issued in the quarter is as follows:

*Stock options* – On September 10, 2003, the Company issued 57,375 non-qualified stock options to non-employee directors with a strike price of $10.33 per share, which was equal to the fair market value of the Company' s stock at the date of grant. The stock options have a ten-year life and vest ratably over three years.

*Stock options and tandem stock appreciation rights* – On November 24, 2003, the Company issued 352,000 non-qualified stock options to key management employees with a strike price of $13.00 per share, which was equal to the fair market value of the Company' s stock at the date of grant. The stock options have a ten-year life and vest ratably over three years. In tandem with the stock option grant each participant received a stock appreciation right which allows the participant to receive, upon exercise of the right, the difference between the option strike price and fair market value of the Company' s stock on the exercise date. The Company can choose whether to deliver Company common stock or cash to the participant upon exercise of the stock appreciation right. Any exercise of a tandem stock appreciation right will automatically cancel the underlying stock option and any exercise of the stock option will automatically cancel the tandem stock appreciation right.

*Restricted Shares* – On September 10, 2003, the Company issued 28,688 shares of restricted common stock to non-employee directors which vest at the end of a three-year period. During the vesting period the participant has the rights of a shareholder in terms of voting and dividend rights but is restricted from transferring the shares.

*Deferred Shares* – On November 24, 2003, the Company issued 672,000 deferred shares to key management employees that vest ratably over a four-year period. On each vesting date the employee will receive common stock of the Company equal in number to the deferred shares that have vested. Upon delivery of the Company common stock an equal number of deferred shares are terminated. The participant has no voting rights with the deferred shares.

**Note 6 − Material contingencies**

***Ability of Greyhound Lines to continue as a going concern***

Based upon the current financial forecast for Greyhound Lines, Inc. ("Greyhound Lines") management is unable to predict with reasonable assurance whether Greyhound Lines will remain in compliance with the terms of its revolving credit facility (the "Greyhound Facility"). Management is closely monitoring this situation and intends on requesting covenant amendments should it appear likely such amendments will be necessary to remain in compliance with the covenants. In addition, Greyhound Lines will be seeking an extension of this facility prior to its current maturity of October 24, 2004. As of November 30, 2003,

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**LAIDLAW INTERNATIONAL, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**For the Three Months Ended November 30, 2003 − (Continued)**

Greyhound Lines had $15.0 million of cash borrowings under the Greyhound Facility, issued letters of credit of $56.8 million and had availability of $44.1 million. Additionally, Greyhound Lines was in compliance with all covenants.

Although Greyhound Lines has been successful in obtaining necessary amendments and extensions to the Greyhound Facility in the past, there can be no assurances that they will obtain additional modifications in the future if needed, or that the cost of any future modifications or other changes in the terms of the Greyhound Facility would not have a material effect on Greyhound Lines or the Company. If unsuccessful, this may impact Greyhound Lines' ability to continue as a going concern. If the "going concern" basis on which Greyhound Lines' consolidated financial statements were prepared was not appropriate for those consolidated financial statements, then significant adjustments would need to be made to the carrying value of the assets and liabilities, the reported revenue and expenses and balance sheet classifications used by Greyhound Lines. Accordingly, if such changes were made to Greyhound Lines' consolidated financial statements, significant adjustments would be required to the Company' s consolidated financial statements.

Compliance by the Company with the financial and other covenants in its senior secured credit facility is generally not dependent on the financial results or financial condition of Greyhound Lines, as Greyhound Lines' performance has been excluded for purposes of determining compliance with such provisions. Moreover, consistent with the intent to exclude events solely related to Greyhound Lines, the Company' s senior secured credit facility specifies that a default by Greyhound Lines under the Greyhound Facility or a bankruptcy filing by Greyhound Lines would not be an event of default under the Company' s senior secured credit facility. However, it is not clear whether and under what circumstances certain events related to the Company' s controlled group liabilities under ERISA with respect to Greyhound Lines' pension plans would lead to an event of default under the Company' s senior secured credit facility in the context of a Greyhound Lines bankruptcy filing. The Company currently is working with the agents for the lenders under its senior secured credit facility to clarify that an event of default is not to be triggered under such controlled group provisions in the context of a Greyhound Lines bankruptcy filing in light of the parties' intent to exclude events solely related to Greyhound Lines.

Should Greyhound Lines be unable to continue as a going concern, the Company may be required to honor certain of Greyhound Lines' lease commitments and pension obligations. The Company' s management believes that any required expenditures with respect to such liabilities would not materially impact the Company' s financial condition. In addition, management believes that the Company will be successful in either obtaining a clarification of the Company' s senior secured credit facility to confirm the Company' s understanding that an event of default under the facility would not be triggered in the context of a Greyhound Lines bankruptcy filing or, if such clarification is not obtained, refinancing the credit facility on terms that would not have a material effect on the Company' s financial condition.

***Organized strikes and work stoppages by unionized employees***

The Company is party to collective bargaining agreements that cover the majority of its employees. The Company' s largest collective bargaining agreement is between Greyhound Lines and the Amalgamated Transit Union, or the ATU, and expires on January 31, 2004. If the Company' s unionized employees were to engage in a strike or other work stoppage prior to such expiration, or if the Company is unable to negotiate acceptable extensions of the agreement resulting in a strike or other work stoppage by the affected workers, the Company could experience a significant disruption of operations and increased operating costs as a result of higher wages or benefits paid to union members, which could have a material adverse effect on our business, financial condition and results of operations.



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**LAIDLAW INTERNATIONAL, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**For the Three Months Ended November 30, 2003 − (Continued)**

***Contingent bonuses***

The Company and two of its subsidiaries, American Medical Response, Inc. ("AMR") and EmCare Holdings, Inc. ("EmCare") are parties to an employment agreement effective October 1, 2002 with William A. Sanger under which Mr. Sanger serves as President and Chief Executive Officer of AMR and Chief Executive Officer of EmCare. Pursuant to the agreement, Mr. Sanger is entitled to a bonus payment upon a sale, or an initial public offering, of the stock of AMR and/or EmCare. This bonus is also payable if Mr. Sanger remains employed on October 1, 2007 and neither a sale nor initial public offering has occurred. With respect to AMR, the bonus is equal to 5% of the enterprise value of AMR in excess of $410 million at the time of the event that entitles Mr. Sanger to the payment. With respect to EmCare, the bonus is equal to 5% of the enterprise value of EmCare in excess of $125 million at the time of the event that entitles Mr. Sanger to the payment.

EmCare is party to an employment agreement effective April 1, 2003 with Don S. Harvey under which Mr. Harvey serves as President and Chief Operating Officer of EmCare. Pursuant to the agreement, Mr. Harvey is entitled to a bonus payment upon a sale, or an initial public offering, of the stock of EmCare provided Mr. Harvey remains employed under the agreement upon the occurrence of such event. The bonus is equal to 2% of the enterprise value of EmCare in excess of $125 million at the time of the event that entitles Mr. Harvey to the payment.

No amounts were required to be accrued under these agreements as of November 30, 2003.

***Environmental matters***

The Company' s operations are subject to numerous environmental laws, regulations and guidelines adopted by various governmental authorities in the jurisdictions in which the Company operates. Liabilities are recorded when environmental liabilities are either known or considered probable and can be reasonably estimated. On an ongoing basis, management assesses and evaluates environmental risk and, when necessary, conducts appropriate corrective measures. The Company provides for environmental liabilities using its best estimates. Actual environmental liabilities could differ significantly from these estimates.

***Income tax matters***

The respective tax authorities, in the normal course, audit previous tax filings. It is not possible at this time to predict the final outcome of these audits or to establish a reasonable estimate of possible additional taxes owing, if any.

***Legal proceedings***

The Company is a defendant in various lawsuits arising in the ordinary course of business, primarily cases involving personal injury and property damage claims and employment related claims. Based on the Company' s assessment of known claims and the Predecessor Company' s claims payout pattern and discussion with internal and outside legal counsel and risk management personnel, management believes that there is no proceeding either threatened or pending against the Company relating to such claims arising out of the ordinary course of business that, if resolved against the Company, would have a materially adverse effect upon the Company' s consolidated financial position or results of operations.

***Healthcare Businesses Issues***

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The Company is currently undergoing investigations by certain government agencies regarding compliance with Medicare fraud and abuse statutes. The Company is cooperating with the government agencies conducting these investigations and is providing requested information to the governmental agencies.



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**LAIDLAW INTERNATIONAL, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**For the Three Months Ended November 30, 2003 − (Continued)**

Management believes that the outcome of any of these investigations would not have a materially adverse effect upon the Company.

**Note 7 − Cumulative effect of a change in accounting principle**

Effective September 1, 2002, the Predecessor Company adopted SFAS 142 and, as a result, the Predecessor Company ceased to amortize goodwill. SFAS 142 requires that goodwill be reviewed for impairment upon adoption of SFAS 142 and at least annually thereafter. Under SFAS 142, goodwill impairment is deemed to exist if the carrying amount of a reporting unit exceeds its estimated fair value and the carrying amount of the goodwill exceeds its estimated fair value. To determine estimated fair value of the reporting units the Predecessor Company utilized independent valuations of the underlying businesses.

During the three months ended November 30, 2002, the Predecessor Company completed the impairment assessment as required by SFAS 142 and determined that a significant portion of its goodwill was impaired as of September 1, 2002. As a result, the Predecessor Company recorded a non-cash charge of $2,205.4 million as a cumulative effect of a change in accounting principle.

**Note 8 − Segmented information**

The Company has five reportable segments: Education services, Public Transit services, Greyhound, Healthcare Transportation services and Emergency Management services. Revenues and income from operations before depreciation and amortization of the segments for the three months ended November 30, 2003 and 2002 are as follows:

| ($ in millions) | 2003 | Predecessor Company 2002 |
|---|---|---|
| **Education services** | | |
| Revenue | **$ 455.7** | $ 456.2 |
| Income from operations before depreciation and amortization | **109.5** | 106.6 |
| **Public Transit services** | | |
| Revenue | **$ 72.1** | $ 70.6 |
| Income (loss) from operations before depreciation and amortization | **0.5** | (0.1 ) |
| **Greyhound** | | |
| Revenue | **$ 287.1** | $ 274.4 |
| Income (loss) from operations before depreciation and amortization | **10.6** | (1.5 ) |
| **Healthcare Transportation services** | | |
| Revenue | **$ 262.0** | $ 247.5 |
| Income from operations before depreciation and amortization | **19.0** | 19.1 |
| **Emergency Management services** | | |
| Revenue | **$ 133.4** | $ 113.5 |
| Income from operations before depreciation and amortization | **10.6** | 8.0 |

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The Company' s goodwill balance of $183.1 million (August 31, 2003 − $183.1 million) is composed of goodwill from the Education services segment.

Total identifiable assets for each of the reportable segments has not changed materially since August 31, 2003 with the exception of the Education services segment where total identifiable assets at November 30,



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**LAIDLAW INTERNATIONAL, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**For the Three Months Ended November 30, 2003 − (Continued)**

2003 were $1,442.3 million compared to $1,309.6 million at August 31, 2003. The increase is due primarily to seasonal accounts receivable changes.

**Consolidated**

| ($ in millions) | 2003 | Predecessor Company 2002 |
|---|---|---|
| Revenue | **$ 1,210.3** | $ 1,162.2 |
| Income from operations before depreciation and amortization | **150.2** | 132.1 |
| Depreciation and amortization expense | **80.7** | 76.4 |
| Income from operating segments | **69.5** | 55.7 |
| Interest expense | **(32.7 )** | (6.5 ) |
| Other financing related expenses | **−** | (8.2 ) |
| Other income | **0.9** | 1.5 |
| Income tax expense | **(15.1 )** | (1.5 ) |
| Income for the period before cumulative effect of a change in accounting principle | **$ 22.6** | $ 41.0 |

**Note 9 − Condensed financial statements of restricted subsidiaries**

Pursuant to the terms of the Company' s $406.0 million Senior Notes, the Company is required to segregate the consolidated results of operations between the subsidiaries of the Company that are not a party to the agreement, which are comprised of the U.S. based businesses in the Greyhound segment (the "Unrestricted Subsidiaries"), and the Company and its remaining subsidiaries (the "Restricted Subsidiaries").



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**LAIDLAW INTERNATIONAL, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**For the Three Months Ended November 30, 2003 − (Continued)**

**Condensed Consolidated Statement of Operations**

**Three Months Ended November 30, 2003**

| ($ millions) | Restricted Subsidiaries | Unrestricted Subsidiaries | Consolidated Totals |
|---|---|---|---|
| Revenue | $ 980.1 | $ 230.2 | $ 1,210.3 |
| Compensation expense | 583.8 | 101.2 | 685.0 |
| Accident claims and professional liability expenses | 73.0 | 16.6 | 89.6 |
| Vehicle related costs | 35.5 | 34.4 | 69.9 |
| Occupancy costs | 30.1 | 19.8 | 49.9 |
| Fuel | 30.9 | 13.5 | 44.4 |
| Depreciation | 65.6 | 10.5 | 76.1 |
| Amortization | 4.6 | – | 4.6 |
| Other operating expenses | 85.4 | 35.9 | 121.3 |
| Income (loss) from operations | 71.2 | (1.7) | 69.5 |
| Interest expense | (25.9) | (6.8) | (32.7) |
| Other income (loss) | 1.1 | (0.2) | 0.9 |
| Income (loss) from operations before income taxes | 46.4 | (8.7) | 37.7 |
| Income tax recovery (expense) | (18.6) | 3.5 | (15.1) |
| Net income (loss) | $ 27.8 | $ (5.2) | $ 22.6 |



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**LAIDLAW INTERNATIONAL, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**For the Three Months Ended November 30, 2003 − (Continued)**

**Condensed Consolidated Balance Sheet**

**November 30, 2003**

| ($ millions) | Restricted Subsidiaries | Unrestricted Subsidiaries | Consolidated Totals |
|---|---|---|---|
| **Current assets** | | | |
| Cash and cash equivalents | $ 55.5 | $ 19.6 | $ 75.1 |
| Restricted cash and cash equivalents | 67.7 | – | 67.7 |
| Short-term deposits and marketable securities | 17.7 | – | 17.7 |
| Trade accounts receivable | 659.6 | 26.0 | 685.6 |
| Other receivables | 38.7 | 14.7 | 53.4 |
| Income taxes recoverable | 15.5 | 0.5 | 16.0 |
| Parts and supplies | 38.6 | 11.3 | 49.9 |
| Deferred income tax assets | 60.0 | 9.2 | 69.2 |
| Other current assets | 45.5 | 13.5 | 59.0 |
| **Total current assets** | 998.8 | 94.8 | 1,093.6 |
| Long-term investments | 511.5 | 41.0 | 552.5 |
| Property and equipment | 1,280.7 | 371.7 | 1,652.4 |
| Goodwill | 183.1 | – | 183.1 |
| Contracts and customer relationships | 212.3 | – | 212.3 |
| Deferred income tax assets | 93.6 | 116.2 | 209.8 |
| Deferred charges and other assets | 65.4 | 10.4 | 75.8 |
| **Total assets** | $ 3,345.4 | $ 634.1 | $ 3,979.5 |
| **Current liabilities** | | | |
| Accounts payable | $ 102.2 | $ 24.8 | $ 127.0 |
| Accrued liabilities | 370.7 | 106.4 | 477.1 |
| Current portion of long-term debt | 57.2 | 18.8 | 76.0 |
| **Total current liabilities** | 530.1 | 150.0 | 680.1 |
| Long-term debt | 1,075.9 | 132.9 | 1,208.8 |
| Pension liability | 4.4 | 221.6 | 226.0 |
| Other long-term liabilities | 435.6 | 91.0 | 526.6 |
| **Total liabilities** | 2,046.0 | 595.5 | 2,641.5 |
| **Shareholders' equity** | 1,299.4 | 38.6 | 1,338.0 |
| **Total liabilities and shareholders' equity** | $ 3,345.4 | $ 634.1 | $ 3,979.5 |



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**LAIDLAW INTERNATIONAL, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**For the Three Months Ended November 30, 2003 − (Continued)**

**Condensed Consolidated Statement of Cash Flows**

**Three Months Ended November 30, 2003**

| ($ millions) | Restricted Subsidiaries | Unrestricted Subsidiaries | Consolidated Totals |
|---|---|---|---|
| Net cash used in operating activities | $ (49.8) | $ (1.8 ) | $ (51.6 ) |
| Cash flows from investing activities: | | | |
| Purchase of property, equipment and other assets, net of proceeds from sale | $ (32.8) | $ (6.5 ) | $ (39.3 ) |
| Net increase in investments | (6.0 ) | (1.7 ) | (7.7 ) |
| Net cash used in investing activities | $ (38.8) | $ (8.2 ) | $ (47.0 ) |
| Cash flows from financing activities: | | | |
| Net increase (decrease) in long-term debt and other long-term liabilities | $ 89.0 | $ (15.6) | $ 73.4 |
| Net cash provided by (used in) financing activities | $ 89.0 | $ (15.6) | $ 73.4 |
| Net increase (decrease) in cash and cash equivalents | $ 0.4 | $ (25.6) | $ (25.2 ) |
| Cash and cash equivalents at: | | | |
| Beginning of period | 55.1 | 45.2 | 100.3 |
| End of period | $ 55.5 | $ 19.6 | $ 75.1 |



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**LAIDLAW INTERNATIONAL, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**For the Three Months Ended November 30, 2003 − (Continued)**

**Predecessor Company**

**Condensed Consolidated Statement of Operations**
**Three Months Ended November 30, 2002**

| ($ millions) | Restricted Subsidiaries | Unrestricted Subsidiaries | Consolidated Totals |
|---|---|---|---|
| Revenue | $ 935.9 | $ 226.3 | $ 1,162.2 |
| Compensation expense | 550.2 | 107.9 | 658.1 |
| Accident claims and professional liability expenses | 80.6 | 16.0 | 96.6 |
| Vehicle related costs | 35.0 | 31.5 | 66.5 |
| Occupancy costs | 29.5 | 19.1 | 48.6 |
| Fuel | 29.3 | 14.2 | 43.5 |
| Depreciation | 64.0 | 12.2 | 76.2 |
| Amortization | 0.2 | – | 0.2 |
| Other operating expenses | 80.0 | 36.8 | 116.8 |
| Income (loss) from operating segments | 67.1 | (11.4) | 55.7 |
| Interest expense | (1.4) | (5.1) | (6.5) |
| Other financing related expenses | (8.2) | – | (8.2) |
| Other income | 1.5 | – | 1.5 |
| Income (loss) before income taxes and cumulative effect of a change in accounting principle | 59.0 | (16.5) | 42.5 |
| Income tax expense | (1.1) | (0.4) | (1.5) |
| Income (loss) from operations before cumulative effect of a change in accounting principle | 57.9 | (16.9) | 41.0 |
| Cumulative effect of a change in accounting principle | (1,775.9) | (429.5) | (2,205.4) |
| Net loss | $ (1,718.0) | $ (446.4) | $ (2,164.4) |



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**LAIDLAW INTERNATIONAL, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**For the Three Months Ended November 30, 2003 − (Continued)**

**Predecessor Company**

**Condensed Consolidated Statement of Cash Flows**
**Three Months Ended November 30, 2002**

| ($ millions) | Restricted Subsidiaries | Unrestricted Subsidiaries | Consolidated Totals |
|---|---|---|---|
| Net cash provided by (used in) operating activities | $ (33.7) | $ 25.6 | $ (8.1) |
| Cash flows from investing activities: | | | |
| Purchase of property, equipment and other assets, net of proceeds from sale | $ (35.0) | $ (32.6) | $ (67.6) |
| Expended on acquisitions | (3.2) | – | (3.2) |
| Net decrease in investments | (8.0) | (1.0) | (9.0) |
| Net cash used in investing activities | $ (46.2) | $ (33.6) | $ (79.8) |
| Cash flows from financing activities: | | | |
| Net increase (decrease) in long-term debt and other non-current liabilities | $ (3.3) | $ 5.9 | $ 2.6 |
| Net cash provided by (used in) financing activities | $ (3.3) | $ 5.9 | $ 2.6 |
| Net decrease in cash and cash equivalents | $ (83.2) | $ (2.1) | $ (85.3) |
| Cash and cash equivalents at: | | | |
| Beginning of period | 323.8 | 19.7 | 343.5 |
| End of period | $ 240.6 | $ 17.6 | $ 258.2 |



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**LAIDLAW INTERNATIONAL, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**For the Three Months Ended November 30, 2003 − (Continued)**

**Condensed Consolidated Balance Sheet**

**As of August 31, 2003**

| ($ millions) | Restricted Subsidiaries | Unrestricted Subsidiaries | Consolidated Totals |
|---|---|---|---|
| **Current assets** | | | |
| Cash and cash equivalents | $ 55.1 | $ 45.2 | $ 100.3 |
| Restricted cash and cash equivalents | 39.4 | – | 39.4 |
| Short-term deposits and marketable securities | 42.0 | – | 42.0 |
| Trade accounts receivable | 478.8 | 23.4 | 502.2 |
| Other receivables | 31.7 | 17.9 | 49.6 |
| Income taxes recoverable | 18.3 | (0.3 ) | 18.0 |
| Parts and supplies | 38.2 | 12.0 | 50.2 |
| Deferred income tax assets | 76.1 | 10.1 | 86.2 |
| Other current assets | 50.1 | 10.0 | 60.1 |
| **Total current assets** | 829.7 | 118.3 | 948.0 |
| Long-term investments | 514.1 | 39.4 | 553.5 |
| Property and equipment | 1,291.2 | 378.6 | 1,669.8 |
| Goodwill | 183.1 | – | 183.1 |
| Contracts and customer relationships | 216.9 | – | 216.9 |
| Deferred income tax assets | 88.3 | 114.9 | 203.2 |
| Deferred charges and other assets | 66.9 | 11.3 | 78.2 |
| **Total assets** | $ 3,190.2 | $ 662.5 | $ 3,852.7 |
| **Current liabilities** | | | |
| Accounts payable | $ 87.7 | $ 31.7 | $ 119.4 |
| Accrued liabilities | 397.3 | 108.7 | 506.0 |
| Current portion of long-term debt | 35.7 | 33.7 | 69.4 |
| **Total current liabilities** | 520.7 | 174.1 | 694.8 |
| Long-term debt | 1,012.5 | 132.6 | 1,145.1 |
| Pension liability | 4.9 | 220.8 | 225.7 |
| Other long-term liabilities | 408.2 | 88.6 | 496.8 |
| **Total liabilities** | 1,946.3 | 616.1 | 2,562.4 |
| **Shareholders' equity** | 1,243.9 | 46.4 | 1,290.3 |
| **Total liabilities and shareholders' equity** | $ 3,190.2 | $ 662.5 | $ 3,852.7 |

**Note 10 − Guarantors of Senior Notes**

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The Company' s $406.0 million Senior Notes are guaranteed by the Company' s subsidiaries, other than the Unrestricted Subsidiaries, the Canadian subsidiaries and any of the Company' s subsidiaries that are in the business of insurance. The condensed consolidated financial statements for the guarantors, the non-guarantors



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**LAIDLAW INTERNATIONAL, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**For the Three Months Ended November 30, 2003 − (Continued)**

and the parent company (reported as the Company and as the Predecessor Company for historical purposes) are as follows:

**Condensed Consolidated Statement of Operations**

**Three months ended November 30, 2003**

| ($ millions) | Parent Company | Guarantors | Non-Guarantors | Eliminations | Consolidated Totals |
|---|---|---|---|---|---|
| Revenue | $ – | $ 872.5 | $ 337.8 | $ – | $ 1,210.3 |
| Operating, selling, general and administrative expenses | – | 743.3 | 316.8 | – | 1,060.1 |
| Depreciation and amortization expense | – | 60.2 | 20.5 | – | 80.7 |
| Intercompany management fees (income) | – | (0.8) | 0.8 | – | – |
| Income (loss) from operating segments | – | 69.8 | (0.3) | – | 69.5 |
| Interest expense, net of other income | (25.1) | (0.1) | (6.6) | – | (31.8) |
| Intercompany interest income (expense) | (0.5) | 1.1 | (0.6) | – | – |
| Equity in earnings (loss) of intercompany investments | 38.0 | (5.9) | – | (32.1) | – |
| Income (loss) before income taxes | 12.4 | 64.9 | (7.5) | (32.1) | 37.7 |
| Income tax recovery (expense) | 10.2 | (28.3) | 3.0 | – | (15.1) |
| Net income (loss) | $ 22.6 | $ 36.6 | $ (4.5) | $ (32.1) | $ 22.6 |

**Condensed Consolidated Balance Sheet**

**As of November 30, 2003**

| ($ millions) | Parent Company | Guarantors | Non-Guarantors | Eliminations | Consolidated Totals |
|---|---|---|---|---|---|
| Current assets | $ 22.7 | $ 832.2 | $ 238.7 | $ – | $ 1,093.6 |
| Long-term deferred income tax assets | 59.3 | – | 187.7 | (37.2) | 209.8 |
| Intercompany receivables (payables) and investments | 2,231.1 | (100.0) | 53.3 | (2,184.4) | – |
| Long-term investments | 108.7 | 114.8 | 329.0 | – | 552.5 |

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| | | | | | |
|---|---|---|---|---|---|
| Property and equipment | – | 976.9 | 675.5 | – | 1,652.4 |
| Goodwill | – | 183.1 | – | – | 183.1 |
| Contracts and customer relationships | – | 212.3 | – | – | 212.3 |
| Deferred charges and other assets | 44.4 | 20.9 | 10.5 | – | 75.8 |
| | $ 2,466.2 | $ 2,240.2 | $ 1,494.7 | $ (2,221.6) | $ 3,979.5 |
| Current liabilities | $ 69.5 | $ 271.6 | $ 339.0 | $ – | $ 680.1 |
| Non-current liabilities | 1,058.7 | 182.1 | 757.8 | (37.2 ) | 1,961.4 |
| Shareholders' equity | 1,338.0 | 1,786.5 | 397.9 | (2,184.4) | 1,338.0 |
| | $ 2,466.2 | $ 2,240.2 | $ 1,494.7 | $ (2,221.6) | $ 3,979.5 |



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**LAIDLAW INTERNATIONAL, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**For the Three Months Ended November 30, 2003 − (Continued)**

**Condensed Consolidated Statement of Cash Flows**

**Three months ended November 30, 2003**

| ($ millions) | Parent Company | Guarantors | Non-Guarantors | Consolidated Totals |
|---|---|---|---|---|
| Net cash provided by (used in) operating activities | $ (18.9) | $ (81.8) | $ 49.1 | $ (51.6) |
| Cash flows from investing activities: | | | | |
| Purchases of property, equipment and other assets net of proceeds from sale | $ – | $ (13.7) | $ (25.6) | $ (39.3) |
| Net decrease (increase) in investments | 1.6 | 1.2 | (10.5) | (7.7) |
| Net cash provided by (used in) investing activities | $ 1.6 | $ (12.5) | $ (36.1) | $ (47.0) |
| Cash flows from financing activities: | | | | |
| Net increase (decrease) in long-term debt and other long-term liabilities | $ 83.8 | $ (3.6) | $ (6.8) | $ 73.4 |
| Increase (decrease) in intercompany advances | (88.4) | 121.8 | (33.4) | – |
| Net cash provided by (used in) financing activities | $ (4.6) | $ 118.2 | $ (40.2) | $ 73.4 |
| Net increase (decrease) in cash and cash equivalents | $ (21.9) | $ 23.9 | $ (27.2) | $ (25.2) |
| Cash and cash equivalents at: | | | | |
| Beginning of period | 40.8 | 3.8 | 55.7 | 100.3 |
| End of period | $ 18.9 | $ 27.7 | $ 28.5 | $ 75.1 |



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**LAIDLAW INTERNATIONAL, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**For the Three Months Ended November 30, 2003 − (Continued)**

**Predecessor Company**

**Condensed Consolidated Statement of Operations**
**Three months ended November 30, 2002**

| ($ millions) | Parent Company | Guarantors | Non-Guarantors | Eliminations | Consolidated Totals |
|---|---|---|---|---|---|
| Revenue | $ − | $ 845.9 | $ 316.3 | $ − | $ 1,162.2 |
| Operating, selling, general and administrative expenses | 3.0 | 709.3 | 317.8 | − | 1,030.1 |
| Depreciation and amortization expense | 0.1 | 55.1 | 21.2 | − | 76.4 |
| Intercompany management fees (income) | (19.2) | 15.5 | 3.7 | − | − |
| Income (loss) from operating segments | 16.1 | 66.0 | (26.4) | − | 55.7 |
| Interest expense, net of other income | (0.1) | (0.4) | (4.5) | − | (5.0) |
| Intercompany interest income (expense) | − | 0.6 | (0.6) | − | − |
| Other financing related expenses | (5.2) | (3.0) | − | − | (8.2) |
| Equity in earnings (loss) of intercompany investments | 30.4 | (16.9) | − | (13.5) | − |
| Income (loss) before income taxes and cumulative effect of a change in accounting principle | 41.2 | 46.3 | (31.5) | (13.5) | 42.5 |
| Income tax expense | (0.2) | (0.7) | (0.6) | − | (1.5) |
| Income (loss) before cumulative effect of a change in accounting principle | 41.0 | 45.6 | (32.1) | (13.5) | 41.0 |
| Cumulative effect of a change in accounting principle | − | (1,668.0) | (537.4) | − | (2,205.4) |
| Equity in loss from cumulative effect of a change in accounting principle of intercompany investments | (2,205.4) | (429.5) | − | 2,634.9 | − |

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| | | | | | |
|---|---|---|---|---|---|
| Net income (loss) | $ (2,164.4) | $ (2,051.9) | $ (569.5) | $ 2,621.4 | $ (2,164.4) |



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**LAIDLAW INTERNATIONAL, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**For the Three Months Ended November 30, 2003 − (Continued)**

**Predecessor Company**

**Condensed Consolidated Statement of Cash Flows**
**For the three months ended November 30, 2002**

| ($ millions) | Parent Company | Guarantors | Non-Guarantors | Consolidated Totals |
|---|---|---|---|---|
| Net cash provided by (used in) operating activities | $ 5.4 | $ (42.1) | $ 28.6 | $ (8.1) |
| Cash flows from investing activities: | | | | |
| Purchases of property, equipment and other assets net of proceeds from sale | $ – | $ (24.4) | $ (43.2) | $ (67.6) |
| Expended on acquisitions | – | (3.2) | – | (3.2) |
| Net decrease (increase) in investments | 0.4 | (9.5) | 0.1 | (9.0) |
| Net cash provided by (used in) investing activities | $ 0.4 | $ (37.1) | $ (43.1) | $ (79.8) |
| Cash flows from financing activities: | | | | |
| Net increase (decrease) in long-term debt and other long-term liabilities | $ – | $ (1.5) | $ 4.1 | $ 2.6 |
| Net cash provided by (used in) financing activities | $ – | $ (1.5) | $ 4.1 | $ 2.6 |
| Net increase (decrease) in cash and cash equivalents | $ 5.8 | $ (80.7) | $ (10.4) | $ (85.3) |
| Cash and cash equivalents at: | | | | |
| Beginning of period | 12.0 | 291.3 | 40.2 | 343.5 |
| End of period | $ 17.8 | $ 210.6 | $ 29.8 | $ 258.2 |

**Condensed Consolidated Balance Sheet**

**As of August 31, 2003**

| ($ millions) | Parent Company | Guarantors | Non-Guarantors | Eliminations | Consolidated Totals |
|---|---|---|---|---|---|
| Current assets | $ 44.0 | $ 662.7 | $ 241.3 | $ – | $ 948.0 |
| Long-term deferred income tax assets | 49.1 | – | 183.9 | (29.8) | 203.2 |
| Intercompany receivables and investments | 2,083.4 | 25.9 | 18.8 | (2,128.1) | – |
| Long-term investments | 110.3 | 129.0 | 314.2 | – | 553.5 |
| Property and equipment | – | 1,015.7 | 654.1 | – | 1,669.8 |
| Goodwill | – | 183.1 | – | – | 183.1 |

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| | | | | | |
|---|---|---|---|---|---|
| Contracts and customer relationships | – | 216.8 | 0.1 | – | 216.9 |
| Deferred charges and other assets | 46.5 | 20.2 | 11.5 | – | 78.2 |
| | $ 2,333.3 | $ 2,253.4 | $ 1,423.9 | $ (2,157.9) | $ 3,852.7 |
| Current liabilities | $ 44.1 | $ 296.7 | $ 354.0 | $ – | $ 694.8 |
| Non-current liabilities | 998.9 | 180.6 | 717.9 | (29.8 ) | 1,867.6 |
| Shareholders' equity | 1,290.3 | 1,776.1 | 352.0 | (2,128.1) | 1,290.3 |
| | $ 2,333.3 | $ 2,253.4 | $ 1,423.9 | $ (2,157.9) | $ 3,852.7 |



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**LAIDLAW INTERNATIONAL, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**For the Three Months Ended November 30, 2003 − (Continued)**

**Note 11 − United States and Canadian Accounting Principles**

These consolidated financial statements have been prepared in accordance with U.S. GAAP and conform in all material respects with Canadian GAAP, except as follows:

| ($ millions) | Three Months Ended November 30, 2003 | Predecessor Company 2002 |
|---|---|---|
| Net income (loss) in accordance with U.S. GAAP | **$ 22.6** | $ (2,164.4) |
| Effects of differences in accounting for: | | |
| Costs of start-up activities(a) | − | (3.3) |
| Impairment charges under U.S. GAAP(b) | − | 2,205.4 |
| Net income in accordance with Canadian GAAP | **$ 22.6** | $ 37.7 |
| Basic net income per share | **$ 0.23** | $ 0.12 |

The amounts in the consolidated balance sheets that materially differ from those reported under U.S. GAAP are as follows: ($ in millions)

| | November 30, 2003 | | August 31, 2003* | |
|---|---|---|---|---|
| | U.S. GAAP | Canadian GAAP | U.S. GAAP | Canadian GAAP |
| **Assets:** | | | | |
| Long-term investments(c) | **$ 552.5** | **$ 559.3** | $ 553.5 | $ 563.5 |
| Goodwill(d) | **183.1** | − | 183.1 | − |
| Deferred income tax assets(c) | **279.0** | **276.7** | 289.4 | 285.9 |
| **Liabilities and Shareholders' Equity** | | | | |
| Cumulative foreign currency translation adjustments(c) | − | **20.5** | − | (2.6) |
| Share premium(d) | **1,358.3** | **1,175.2** | 1,358.3 | 1,175.2 |
| Accumulated other comprehensive income (loss)(c) | **16.0** | − | (9.1) | − |

* Refer to Note 26 of the Notes to the Consolidated Financial Statements as of August 31, 2003.

*(a) Reporting on the costs of start-up activities*

During fiscal 2000, the Predecessor Company applied SOP 98-5. As a result, during fiscal 2000, the Predecessor Company expensed $27.3 million in unamortized costs of start-up activities as a cumulative effect of a change in accounting principle under U.S. GAAP. Under

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Canadian GAAP, SOP 98-5 is not applicable. As a result, under Canadian GAAP, the Predecessor Company did not record the $27.3 million change in accounting principle amount and continued with the policy of deferring start-up costs and amortizing the deferrals over a reasonable period representing an overall adjustment to conform to Canadian GAAP of $3.3 million expense during the three months ended November 30, 2002. Fresh Start accounting eliminated this GAAP difference for periods subsequent to June 1, 2003, because the unamortized deferred start-up costs remaining under Canadian GAAP were written off on Fresh Start.



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**LAIDLAW INTERNATIONAL, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**For the Three Months Ended November 30, 2003 − (Continued)**

*(b) Goodwill impairment*

Prior to September 2002, the Predecessor Company had different accounting policies for determining goodwill impairment for Canadian and U.S. GAAP reporting. This difference in accounting policy resulted in additional goodwill impairment losses under Canadian GAAP for periods prior to September 2002.

As of September 1, 2002, the Predecessor Company followed the guidelines of SFAS No. 142, "Goodwill and Other Intangible Assets" and similar guidance under Canadian GAAP. The guidance in both countries discontinued the amortization of intangible assets with indefinite useful lives. In addition, the Predecessor Company was required to test goodwill and intangible assets with an indefinite life for impairment in accordance with the provisions of SFAS 142 and Canadian GAAP. Pursuant to the guidance, any impairment loss is to be recorded directly through the deficit account for Canadian GAAP and recorded as a cumulative effect of change in accounting principle on the consolidated statement of operations for U.S. GAAP. On September 1, 2002, under Canadian GAAP, this resulted in an impairment charge totalling $16.0 million. Under U.S. GAAP, this resulted in an impairment loss totalling $2,205.4 million, recorded as a cumulative effect of a change in accounting principle.

*(c) Comprehensive income*

U.S. GAAP requires that a comprehensive income statement be prepared. Under U.S. GAAP, available-for-sale securities are to be reported at their fair values, with unrealized gains or losses reported in a separate component of shareholders' equity along with the cumulative foreign currency translation adjustments. These amounts are tax affected and reported under the balance sheet caption "Accumulated other comprehensive income (loss)".

Canadian GAAP does not have the concept of comprehensive income (loss). The cumulative foreign currency translation adjustment is reported in a separate component of shareholders' equity. In addition, the adjustment of the available-for-sale securities to their fair values, net of tax, (November 30, 2003 − $4.5 million, August 31, 2003 − $6.5 million) is not recorded under Canadian GAAP.

*(d) Fresh Start accounting adjustments*

As of June 1, 2003, the Company followed the guidance of SOP 90-7 and similar guidance under Canadian GAAP. The guidance in both countries required the Company to adjust its assets and liabilities to their estimated fair values as of June 1, 2003. However, under Canadian GAAP, when the fair value of the enterprise as a whole exceeds the revalued net asset value, the difference (allocated to goodwill under U.S. GAAP) is not recorded. As a result, the $183.1 million of goodwill recorded under U.S. GAAP is not recorded for Canadian GAAP.



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Until , 2004, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

**$406,000,000 10 3/4% Senior Notes due 2011**

# Laidlaw International, Inc.

**Offer to Exchange Its 10 3/4% Senior Notes due 2011 for**

**any and all of Its Outstanding 10 3/4% Senior Notes due 2011**

**PROSPECTUS**

, 2004

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## PART II

## INFORMATION NOT REQUIRED IN PROSPECTUS

### Item 20. *Indemnification of Directors and Officers*

Our certificate of incorporation provides that we will indemnify, to the full extent permitted by the Delaware General Corporation Law or any other applicable law as in effect from time to time, each person who is or was or had agreed to become a director or officer of our company and each such person who is or was serving or who had agreed to serve at the request of our board of directors or an officer of our company as an employee or agent of our company or as a director, officer, employee or agent of another corporation, partnership, joint venture, employee benefit plan, trust or other entity, whether for profit or not for profit (including the heirs, executors, administrators or estate of such person). Our bylaws provide that we will, to the fullest extent permitted by applicable law, indemnify any person who is or was involved in any manner (including, without limitation, as a party or witness) or is threatened to be made so involved in any threatened, pending or completed investigation, claim, action, suit or proceeding, whether civil, criminal, administrative or investigative (including, without limitation, any action, suit or proceeding by or in the right of the company to procure a judgment in its favor) by reason of the fact that such person is or was or had agreed to become a director or officer of our company or is or was serving us at the request of our board of directors or of an officer of our company as a director, officer, employee or agent of another corporation, partnership, joint venture, employee benefit plan, trust or other entity, whether for profit or not for profit, or anything done or not done by such person in any such capacity, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such proceeding. The indemnification provided by our certificate of incorporation is not exclusive of any other rights to which any person seeking indemnification may be entitled under our bylaws, any agreement, vote of stockholders or disinterested directors or otherwise. We may purchase and maintain insurance to protect our company and any officer, director or other person described above against any expenses, judgments, fines and amounts paid in settlement or incurred by any such person in connection with any proceeding, to the fullest extent permitted by applicable law as then in effect.

Section 145 of the Delaware General Corporation Law permits a corporation to indemnify any person who was or is a party or who is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), by reason of the fact that he is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred by such person, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. In any threatened, pending or completed action by or in the right of the corporation, a corporation also may indemnify any such person for expenses (including attorneys' fees) actually and reasonably incurred by him in connection with that action' s defense or settlement, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation; however, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation, unless and only to the extent that a court shall determine that the indemnity is proper.

The Delaware General Corporation Law also permits a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person' s status as such, whether or not the corporation would have the power to indemnify such person against such liability under the Delaware General Corporation Law.



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Under the Delaware General Corporation Law, any indemnification shall be made by the corporation only as authorized in the specific case upon a determination that the indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct. Such determination shall be made:

(1) by a majority vote of the directors who are not parties to the action, suit or proceeding, even if less than a quorum;

(2) by a committee of directors designated by a majority vote of directors who are not parties to the action, suit or proceeding, even if less than a quorum;

(3) if there are no such directors, or if the directors so direct, by independent legal counsel in a written opinion; or

(4) by the stockholders.

We are also parties to indemnification agreements with our directors. Under these agreements, we have agreed to indemnify, defend and hold harmless, to the fullest extent permitted by Delaware law, any person made party or who is threatened to be made a party to any litigation or other claim by reason of the fact that he is or was a director. The director, however, is not entitled to indemnification under the agreement in connection with any claim initiated by him against us or any of our directors unless we have joined in or consented to the initiation of such claim. In addition, we have agreed to advance to the director specified expenses paid or incurred in connection with defending the claim or relating to, arising out of or resulting from the claim. The rights of the directors under the indemnification agreements is in addition to any other rights they may have under our certificate of incorporation, bylaws or the Delaware General Corporation Law.

**Item 21.** ***Exhibits.***

| Exhibit Number | Description of Exhibit |
|---|---|
| 2.1 | Third Amended Joint Plan of Reorganization of Laidlaw USA, Inc. and its Debtor Affiliates dated January 23, 2003 (incorporated by reference to Exhibit 2.1 to the Form 8-K of Laidlaw International, Inc. filed on July 7, 2003) |
| 2.2 | Modifications to the Third Amended Joint Plan of Reorganization (incorporated by reference to Exhibit 2.2 to the Form 8-K of Laidlaw International, Inc. filed on July 7, 2003) |
| 2.3 | Second Modifications to the Third Amended Joint Plan of Reorganization (incorporated by reference to Exhibit 2.3 to the Form 8-K of Laidlaw International, Inc. filed on July 7, 2003) |
| 3.1 | Certificate of Incorporation of Laidlaw International, Inc. (incorporated by reference to Exhibit 4.1 to the Form 8-K of Laidlaw International, Inc. filed on July 9, 2003) |
| 3.2 | By-Laws of Laidlaw International, Inc. (incorporated by reference to Exhibit 4.2 to the Form 8-K of Laidlaw International, Inc. filed on July 9, 2003) |
| 4.1 | Indenture, dated as of June 3, 2003, among Laidlaw International, Inc., the Guarantors named therein and Deutsche Bank Trust Company Americas, relating to the 10 3/4% Senior Notes due 2011 (incorporated by reference to Exhibit 4.1 to the Form 10-Q of Laidlaw International, Inc. for the quarter ended May 31, 2003) |
| 4.2 | First Supplemental Indenture, dated as of June 18, 2003, between Laidlaw International, Inc. and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.2 to the Form 10-Q of Laidlaw International, Inc. for the quarter ended May 31, 2003) |

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| | |
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| 4.3 | Registration Rights Agreement, dated as of June 3, 2003, among Laidlaw International, Inc., the Guarantors named therein and Citigroup Global markets Inc. and Credit Suisse First Boston LLC† |
| 4.4 | Indenture, dated April 16, 1997, by and among Greyhound Lines, Inc., the Guarantors and PNC Bank, N.A., as Trustee (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-4 of Greyhound Lines, Inc. regarding the Greyhound 11 1/2% Series B Senior Notes) |
| 4.5 | First Supplemental Indenture, dated as of July 9, 1997, between Greyhound Lines, Inc. and PNC Bank, N.A., as Trustee (incorporated by reference to Exhibit 4.5 to the Form 10-K of Greyhound Lines, Inc. for the year ended December 31, 2002) |



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| Exhibit Number | Description of Exhibit |
|---|---|
| 4.6 | Second Supplemental Indenture, dated as of August 25, 1997, between Greyhound Lines, Inc. and PNC Bank, N.A. as Trustee (incorporated by reference to Exhibit 4.6 to the Form 10-K of Greyhound Lines, Inc. for the year ended December 31, 2002) |
| 4.7 | Third Supplemental Indenture dated as of February 1, 1999 between Greyhound Lines, Inc. and Chase Manhattan Trust Company as Trustee (incorporated by reference to Exhibit 4.1 to the Form 10-Q of Greyhound Lines, Inc. for the quarter ended June 30, 1999) |
| 5.1 | Opinion of Jones Day† |
| 5.2 | Opinion of Bradley Arant Rose & White LLP† |
| 5.3 | Opinion of Bryan Cave LLP† |
| 5.4 | Opinion of Catlin Saxon Evans Fink Kolski & Romanez, P.A.† |
| 5.5 | Opinion of Cavin & Ingram, P.A.† |
| 5.6 | Opinion of Conner & Winters, P.C.† |
| 5.7 | Opinion of Davenport Evans Hurwitz & Smith, L.L.P.† |
| 5.8 | Opinions of Day, Berry & Howard LLP† |
| 5.9 | Opinion of Dorsey & Whitney LLP† |
| 5.10 | Opinion of Edwards & Angell, LLP† |
| 5.11 | Opinion of Fennemore Craig, A Professional Corporation† |
| 5.12 | Opinion of Frost Brown Todd LLC† |
| 5.13 | Opinion of Goodwin & Goodwin, LLP† |
| 5.14 | Opinion of Hackman Hulett & Cracraft, LLP† |
| 5.15 | Opinion of Jaffe, Raitt, Heuer & Weiss, PC† |
| 5.16 | Opinion of Kolesar & Leatham, Chtd.† |
| 5.17 | Opinion of Lisman, Webster, Kirkpatrick & Leckerling, P.C.† |
| 5.18 | Opinion of McLane, Graf, Raulerson & Middleton, Professional Association† |
| 5.19 | Opinion of Ober Kaler† |

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| | |
|---|---|
| 5.20 | Opinion of Oshima Chun Fong & Chung LLP† |
| 5.21 | Opinions of Phelps Dunbar LLP† |
| 5.22 | Opinion of Reinhart Boerner Van Deuren s.c.† |
| 5.23 | Opinion of Robinson, Bradshaw & Hinson, P.A.† |
| 5.24 | Opinion of Rose Law Firm† |
| 5.25 | Opinions of Saul Ewing LLP† |
| 5.26 | Opinion of Stoel Rives LLP† |
| 10.1 | Rights Agreement, dated as of June 23, 2003, between Laidlaw International, Inc. and Wells Fargo Bank Minnesota, National Association, as rights agent (incorporated by reference to Exhibit 4.3 to the Form 8-K of Laidlaw International, Inc. filed on July 9, 2003) |
| 10.2 | Laidlaw International, Inc. Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Form 10-Q of Laidlaw International, Inc. for the quarter ended May 31, 2003)* |
| 10.3 | Laidlaw International, Inc. Supplemental Executive Retirement Plans (incorporated by reference to Exhibit 10.2 to the Form 10-K of Laidlaw International, Inc. for the year ended August 31, 2003)* |
| 10.4 | Credit Agreement, dated as of June 19, 2003, among Laidlaw International, Inc., certain of its Subsidiaries and the financial institutions named therein (incorporated by reference to Exhibit 10.3 to the Form 10-Q of Laidlaw International, Inc. for the quarter ended May 31, 2003) |
| 10.5 | Amendment to the Credit Agreement, dated as of June 26, 2003 (incorporated by reference to Exhibit 10.4 to the Form 10-Q of Laidlaw International, Inc. for the quarter ended May 31, 2003) |



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| Exhibit Number | Description of Exhibit |
|---|---|
| 10.6 | Amendment to Credit Agreement, dated as of December 17, 2003 (incorporated by reference to Exhibit 10.1 to the Form 10-Q of Laidlaw International, Inc. for the quarter ended November 30, 2003) |
| 10.7 | Agreement, dated as of June 18, 2003, among Laidlaw Inc., certain of its U.S. Subsidiaries and the Pension Benefit Guaranty Corporation (incorporated by reference to Exhibit 10.5 to the Form 10-Q of Laidlaw International, Inc. for the quarter ended May 31, 2003) |
| 10.8 | Tax Sharing Agreement among Laidlaw International, Inc. and its U.S. subsidiaries, dated as of June 23, 2003 (incorporated by reference to Exhibit 10.6 to the Form 10-K of Laidlaw International, Inc. for the year ended August 31, 2003) |
| 10.9 | Employment Agreement between Kevin E. Benson and Laidlaw Inc., effective September 16, 2002 (incorporated by reference to Exhibit 10.7 to the Form 10-K of Laidlaw International, Inc. for the year ended August 31, 2003)* |
| 10.10 | Change in Control Severance Agreement between Kevin E. Benson and Laidlaw Inc. (incorporated by reference to Exhibit 10.8 to the Form 10-K of Laidlaw International, Inc. for the year ended August 31, 2003)* |
| 10.11 | Employment Agreement between Douglas A. Carty and Laidlaw Inc., effective December 9, 2002 (incorporated by reference to Exhibit 10.9 to the Form 10-K of Laidlaw International, Inc. for the year ended August 31, 2003)* |
| 10.12 | Change in Control Severance Agreement between Douglas A. Carty and Laidlaw Inc. (incorporated by reference to Exhibit 10.10 to the Form 10-K of Laidlaw International, Inc. for the year ended August 31, 2003)* |
| 10.13 | Employment Agreement among Laidlaw Inc., American Medical Response, Inc., EmCare Holdings, Inc. and William A. Sanger, effective October 1, 2002 (incorporated by reference to Exhibit 10.11 to the Form 10-K of Laidlaw International, Inc. for the year ended August 31, 2003)* |
| 10.14 | Employment Agreement between EmCare Holdings, Inc. and Don S. Harvey, effective April 1, 2003 (incorporated by reference to Exhibit 10.12 to the Form 10-K of Laidlaw International, Inc. for the year ended August 31, 2003)* |
| 10.15 | Amended and Restated Loan and Security Agreement among Greyhound Lines, Inc., as Borrower, the financial institutions named as lenders, and Foothill Capital Corporation as Agent, dated as of May 14, 2003 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Greyhound Lines, Inc. dated May 21, 2003) |
| 10.16 | Amendment to Employment Agreement between Kevin E. Benson and Laidlaw International, Inc., effective as of November 19, 2003† |
| 10.17 | Form of Indemnification Agreement† |
| 10.18 | Third Amendment to Credit Agreement, dated as of January 28, 2004† |
| 12.1 | Statement Regarding Computation of Ratios† |
| 21.1 | Subsidiaries of Laidlaw International, Inc. (incorporated by reference to Exhibit 21.1 to the Form 10-K of Laidlaw International, Inc. for the year ended August 31, 2003) |

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| | |
|---|---|
| 23.1 | Consent of PricewaterhouseCoopers LLP† |
| 23.2 | Consent of Jones Day (included as part of its opinion filed as Exhibit 5.1) |
| 23.3 | Consent of Bradley Arant Rose & White LLP (included as part of its opinion filed as Exhibit 5.2) |
| 23.4 | Consent of Bryan Cave LLP (included as part of its opinion filed as Exhibit 5.3) |
| 23.5 | Consent of Catlin Saxon Evans Fink Kolski & Romanez, P.A. (included as part of its opinion filed as Exhibit 5.4) |
| 23.6 | Consent of Cavin & Ingram, P.A. (included as part of its opinion filed as Exhibit 5.5) |
| 23.7 | Consent of Conner & Winters, P.C. (included as part of its opinion filed as Exhibit 5.6) |
| 23.8 | Consent of Davenport Evans Hurwitz & Smith, L.L.P. (included as part of its opinion filed as Exhibit 5.7) |
| 23.9 | Consent of Day, Berry & Howard LLP (included as part of its opinions filed as Exhibit 5.8) |



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| Exhibit Number | Description of Exhibit |
|---|---|
| 23.10 | Consent of Dorsey & Whitney LLP (included as part of its opinion filed as Exhibit 5.9) |
| 23.11 | Consent of Edwards & Angell, LLP (included as part of its opinion filed as Exhibit 5.10) |
| 23.12 | Consent of Fennemore Craig, A Professional Corporation (included as part of its opinion filed as Exhibit 5.11) |
| 23.13 | Consent of Frost Brown Todd LLC (included as part of its opinion filed as Exhibit 5.12) |
| 23.14 | Consent of Goodwin & Goodwin, LLP (included as part of its opinion filed as Exhibit 5.13) |
| 23.15 | Consent of Hackman Hulett & Cracraft, LLP (included as part of its opinion filed as Exhibit 5.14) |
| 23.16 | Consent of Jaffe, Raitt, Heuer & Weiss, PC (included as part of its opinion filed as Exhibit 5.15) |
| 23.17 | Consent of Kolesar & Leatham, Chtd. (included as part of its opinion filed as Exhibit 5.16) |
| 23.18 | Consent of Lisman, Webster, Kirkpatrick & Leckerling, P.C. (included as part of its opinion filed as Exhibit 5.17) |
| 23.19 | Consent of McLane, Graf, Raulerson & Middleton, Professional Association (included as part of its opinion filed as Exhibit 5.18) |
| 23.20 | Consent of Ober Kaler (included as part of its opinion filed as Exhibit 5.19) |
| 23.21 | Consent of Oshima Chun Fong & Chung LLP (included as part of its opinion filed as Exhibit 5.20) |
| 23.22 | Consent of Phelps Dunbar LLP (included as part of its opinions filed as Exhibit 5.21) |
| 23.23 | Consent of Reinhart Boerner Van Deuren s.c. (included as part of its opinion filed as Exhibit 5.22) |
| 23.24 | Consent of Robinson, Bradshaw & Hinson, P.A. (included as part of its opinion filed as Exhibit 5.23) |
| 23.25 | Consent of Rose Law Firm (included as part of its opinion filed as Exhibit 5.24) |
| 23.26 | Consent of Saul Ewing LLP (included as part of its opinions filed as Exhibit 5.25) |
| 23.27 | Consent of Stoel Rives LLP (included as part of its opinion filed as Exhibit 5.26) |
| 24.1 | Powers of Attorney† |
| 25.1 | Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of Deutsche Bank Trust Company Americas, as trustee, on Form T-1† |
| 99.1 | Form of Letter of Transmittal† |
| 99.2 | Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees† |

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99.3 Form of Notice of Guaranteed Delivery†

99.4 Form of Letter to Clients†

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* Management Contract or Compensatory Plan

† Filed herewith

**Item 22.** ***Undertakings***

The undersigned registrant hereby undertakes to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment hereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume



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and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in this registration statement.

The undersigned registrant hereby undertakes that, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned registrant hereby undertakes to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11 or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of this registration statement through the date of responding to the request.

The undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in this registration statement when it became effective.



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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

LAIDLAW INTERNATIONAL, INC.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Senior Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ KEVIN E. BENSON*<br>Kevin E. Benson | President, Chief Executive Officer and Director<br>(Principal Executive Officer) |
| /s/ DOUGLAS A. CARTY<br>Douglas A. Carty | Senior Vice President and Chief Financial Officer<br>(Principal Financial Officer) |
| /s/ WAYNE R. BISHOP*<br>Wayne R. Bishop | Vice President and Controller<br>(Principal Accounting Officer) |
| /s/ JOHN F. CHLEBOWSKI*<br>John F. Chlebowski | Director |
| /s/ JAMES H. DICKERSON, JR.*<br>James H. Dickerson, Jr. | Director |
| /s/ LAWRENCE M. NAGIN*<br>Lawrence M. Nagin | Director |
| /s/ VICKI A. O' MEARA*<br>Vicki A. O' Meara | Director |
| /s/ RICHARD R. RANDAZZO*<br>Richard R. Randazzo | Director |
| /s/ MARIA A. SASTRE*<br>Maria A. Sastre | Director |



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| Signature | Title(s) |
| --- | --- |
| /s/ PETER E. STANGL*<br>Peter E. Stangl | Director |
| /s/ CARROLL R. WETZEL, JR.*<br>Carroll R. Wetzel, Jr. | Director |

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

A1 LEASING, INC.
AMERICAN MEDICAL RESPONSE OF COLORADO, INC.
AMERICAN MEDICAL RESPONSE OF GEORGIA, INC.
AMERICAN MEDICAL RESPONSE OF ILLINOIS, INC.
AMERICAN MEDICAL RESPONSE OF
NORTH CAROLINA, INC.
AMERICAN MEDICAL RESPONSE OF OKLAHOMA, INC.
AMERICAN MEDICAL RESPONSE OF
SOUTH CAROLINA, INC.
AMERICAN MEDICAL RESPONSE OF TENNESSEE, INC.
AMERICAN MEDICAL RESPONSE OF TEXAS, INC.
ATLANTIC AMBULANCE SERVICES ACQUISITION, INC.
ATLANTIC/KEY WEST AMBULANCE, INC.
ATLANTIC/PALM BEACH AMBULANCE, INC.
BROWARD AMBULANCE, INC.
FLORIDA EMERGENCY PARTNERS, INC.
FOUNTAIN AMBULANCE SERVICE, INC.

HANK' S ACQUISITION CORP.
KUTZ AMBULANCE SERVICE, INC.
LIFECARE AMBULANCE SERVICE, INC.
LIFEFLEET SOUTHEAST, INC.
MEDEVAC MEDICAL RESPONSE, INC.
MEDEVAC MIDAMERICA, INC.
MEDIC ONE AMBULANCE SERVICES, INC.
MEDIC ONE OF COBB, INC.
MEDLIFE EMERGENCY MEDICAL SERVICE, INC.
METRO AMBULANCE SERVICE (RURAL), INC.
METRO AMBULANCE SERVICE, INC.
METRO AMBULANCE SERVICES, INC.
MOBILE MEDIC AMBULANCE SERVICE, INC.
PUCKETT AMBULANCE SERVICE, INC.
SEMINOLE COUNTY AMBULANCE, INC.
TEK, INC.
TIDEWATER AMBULANCE SERVICE, INC.
TROUP COUNTY EMERGENCY MEDICAL SERVICES, INC.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

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| Signature | Title(s) |
| --- | --- |
| /s/ WILLIAM PAHL*<br>William Pahl | President and Chief Executive Officer<br>(Principal Executive Officer) |
| /s/ EDMUND ZDOBINSKI*<br>Edmund Zdobinski | Vice President, Treasurer and<br>Assistant Secretary<br>(Principal Financial Officer<br>and Principal Accounting Officer) |
| /s/ WILLIAM A. SANGER*<br>William A. Sanger | Director |

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

MEDI-CAR AMBULANCE SERVICE, INC.
MEDI-CAR SYSTEMS, INC.
RANDLE EASTERN AMBULANCE SERVICE, INC.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ ROBERT GARNER*<br>Robert Garner | Chief Executive Officer<br>(Principal Executive Officer) |
| /s/ EDMUND ZDOBINSKI*<br>Edmund Zdobinski | Vice President, Treasurer and Assistant Secretary (Principal Financial Officer and Principal Accounting Officer) |
| /s/ WILLIAM A. SANGER*<br>William A. Sanger | Director |

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

AMBULANCE ACQUISITION, INC.
AMERICAN MEDICAL PATHWAYS, INC.
AMERICAN MEDICAL RESPONSE HOLDINGS, INC.
AMERICAN MEDICAL RESPONSE MANAGEMENT, INC.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ WILLIAM A. SANGER*<br>William A. Sanger | President, Chief Executive Officer and Director (Principal Executive Officer) |
| /s/ RANDEL G. OWEN*<br>Randel G. Owen | Vice President, Treasurer and Assistant Secretary (Principal Financial Officer and Principal Accounting Officer) |

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

AMERICAN MEDICAL RESPONSE, INC.
LAIDLAW MEDICAL TRANSPORTATION, INC.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ WILLIAM A. SANGER*<br>William A. Sanger | President, Chief Executive Officer and Director (Principal Executive Officer) |
| /s/ RANDEL G. OWEN*<br>Randel G. Owen | Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer) |

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

AMERICAN MEDICAL RESPONSE NORTHWEST, INC.
AMERICAN MEDICAL RESPONSE WEST
INTERNATIONAL LIFE SUPPORT, INC.
MERCY LIFE CARE
METROPOLITAN AMBULANCE SERVICE

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ LOUIS MEYER*<br>Louis Meyer | President and Chief Executive Officer<br>(Principal Executive Officer) |
| /s/ TIM DORN*<br>Tim Dorn | Vice President, Treasurer and Assistant Secretary (Principal Financial Officer) |
| /s/ WILLIAM A. SANGER*<br>William A. Sanger | Director |

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

AMERICAN INVESTMENT ENTERPRISES, INC.
AMERICAN MEDICAL RESPONSE OF INLAND EMPIRE
AMERICAN MEDICAL RESPONSE OF SOUTHERN CALIFORNIA
DESERT VALLEY MEDICAL TRANSPORT, INC.
HEMET VALLEY AMBULANCE SERVICE, INC.
MERCY, INC.
SPRINGS AMBULANCE SERVICE, INC.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ DAVID MINTZ*<br>David Mintz | President and Chief Executive Officer<br>(Principal Executive Officer) |
| /s/ MARK GREGG*<br>Mark Gregg | Vice President, Treasurer and Assistant Secretary<br>(Principal Financial Officer and<br>Principal Accounting Officer) |
| /s/ WILLIAM A. SANGER*<br>William A. Sanger | Director |

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

ADAM TRANSPORTATION SERVICE, INC.
AMERICAN MEDICAL RESPONSE MID-ATLANTIC, INC.
AMERICAN MEDICAL RESPONSE OF CONNECTICUT, INCORPORATED
AMERICAN MEDICAL RESPONSE OF MASSACHUSETTS, INC.
ASSOCIATED AMBULANCE SERVICE, INC.
FIVE COUNTIES AMBULANCE SERVICE, INC.
MERCY AMBULANCE OF EVANSVILLE, INC.
MIDWEST AMBULANCE MANAGEMENT COMPANY
PARAMED, INC.
PARK AMBULANCE SERVICE, INC.
PHYSICIANS & SURGEONS AMBULANCE SERVICE, INC.
SUNRISE HANDICAP TRANSPORT CORP.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ ROBERT LATORRACA*<br>Robert LaTorraca | President and Chief Executive Officer<br>(Principal Executive Officer) |
| /s/ RICHARD BARTUS*<br>Richard Bartus | Vice President, Treasurer and Assistant Secretary<br>(Principal Financial Officer and<br>Principal Accounting Officer) |
| /s/ WILLIAM A. SANGER*<br>William A. Sanger | Director |

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

LAIDLAW TRANSIT SERVICES, INC.
SAFE RIDE SERVICES, INC.
SUTRAN, INC.
VAN TRAN OF TUCSON, INC.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ J. HUGH MACDIARMID*<br>J. Hugh MacDiarmid | President, Chief Executive Officer and Director (Principal Executive Officer) |
| /s/ LARRY SISEL*<br>Larry Sisel | Chief Financial Officer<br>(Principal Financial Officer and<br>Principal Accounting Officer) |

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

ALLIED BUS SALES, INC.
CHATHAM COACH LINES, INC.
LAIDLAW TRANSIT, INC.
LAIDLAW TRANSIT MANAGEMENT COMPANY, INC.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ J. HUGH MACDIARMID*<br>J. Hugh MacDiarmid | President, Chief Executive Officer and Director (Principal Executive Officer) |
| /s/ JOHN MILLER*<br>John Miller | Chief Financial Officer<br>(Principal Financial Officer and Principal Accounting Officer) |

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

LAIDLAW TRANSIT HOLDINGS, INC.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ KEVIN E. BENSON*<br>Kevin E. Benson | President and Secretary<br>(Principal Executive Officer) |
| /s/ DOUGLAS A. CARTY<br>Douglas A. Carty | Vice President, Chief Financial Officer and Director<br>(Principal Financial Officer and<br>Principal Accounting Officer) |

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

AMERICAN EMERGENCY PHYSICIANS

MANAGEMENT, INC.
CHARLES T. MITCHELL, INC.
COORDINATED HEALTH SERVICES, INC.
ECEP, INC.
EMCARE ANESTHESIA SERVICES, INC.
EMCARE CONTRACT OF ARKANSAS, INC.
EMCARE OF ALABAMA, INC.
EMCARE OF ARIZONA, INC.
EMCARE OF CALIFORNIA, INC.
EMCARE OF COLORADO, INC.
EMCARE OF CONNECTICUT, INC.
EMCARE OF FLORIDA, INC.
EMCARE OF GEORGIA, INC.
EMCARE OF HAWAII, INC.
EMCARE OF INDIANA, INC.
EMCARE OF IOWA, INC.
EMCARE OF KENTUCKY, INC.
EMCARE OF LOUISIANA, INC.
EMCARE OF MICHIGAN, INC.
EMCARE OF MINNESOTA, INC.
EMCARE OF MISSISSIPPI, INC.
EMCARE OF MISSOURI, INC.
EMCARE OF NEVADA, INC.
EMCARE OF NEW HAMPSHIRE, INC.
EMCARE OF NEW JERSEY, INC.
EMCARE OF NEW MEXICO, INC.
EMCARE OF NEW YORK, INC.
EMCARE OF NORTH CAROLINA, INC.
EMCARE OF NORTH DAKOTA, INC.
EMCARE OF OHIO, INC.
EMCARE OF OKLAHOMA, INC.
EMCARE OF OREGON, INC.
EMCARE OF PENNSYLVANIA, INC.
EMCARE OF RHODE ISLAND, INC.
EMCARE OF SOUTH CAROLINA, INC.
EMCARE OF TENNESSEE, INC.
EMCARE OF TEXAS, INC.
EMCARE OF VERMONT, INC.
EMCARE OF VIRGINIA, INC.
EMCARE OF WASHINGTON, INC.
EMCARE OF WEST VIRGINIA, INC.
EMCARE OF WISCONSIN, INC.

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EMCARE PHYSICIAN PROVIDERS, INC.
EMCARE PHYSICIAN SERVICES, INC.
EMCARE SERVICES OF ILLINOIS, INC.
EMCARE SERVICES OF MASSACHUSETTS, INC.
EM-CODE REIMBURSEMENT SOLUTIONS, INC.
EMERGENCY MEDICINE EDUCATION SYSTEMS, INC.
EMERGENCY SPECIALISTS OF ARKANSAS, INC. II
FIRST MEDICAL/EMCARE INC.
HEALTHCARE ADMINISTRATIVE SERVICES, INC.
HELIX PHYSICIANS MANAGEMENT, INC.
NORMAN BRUCE JETTON, INC.
OLD STAT, INC.
PACIFIC EMERGENCY SPECIALISTS MANAGEMENT, INC.
REIMBURSEMENT TECHNOLOGIES, INC.
STAT PHYSICIANS, INC.
THE GOULD GROUP, INC.
TIFTON MANAGEMENT SERVICES, INC.
TUCKER EMERGENCY SERVICES, INC.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ WILLIAM A. SANGER*<br>William A. Sanger | Chief Executive Officer and Director<br>(Principal Executive Officer) |
| /s/ STEVE RATTON, JR.*<br>Steve Ratton, Jr. | Chief Financial Officer<br>(Principal Financial Officer and Principal Accounting Officer) |
| /s/ DOUGLAS A. CARTY | |

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

CONCORDE ADJUSTERS, INC.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ JEFFREY CASSELL*<br>Jeffrey Cassell | President and Director<br>(Principal Executive Officer) |
| /s/ DOUGLAS A. CARTY<br>Douglas A. Carty | Vice President and Chief Financial Officer<br>(Principal Financial Officer and<br>Principal Accounting Officer) |

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

LAIDLAW INTERNATIONAL FINANCE CORPORATION, INC.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ KEVIN E. BENSON*<br>Kevin E. Benson | President<br>(Principal Executive Officer) |
| /s/ DOUGLAS A. CARTY<br>Douglas A. Carty | Vice President, Chief Financial Officer and Director<br>(Principal Financial Officer and<br>Principal Accounting Officer) |

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

LAIDLAW MEDICAL HOLDINGS, INC.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ KEVIN E. BENSON*<br>Kevin E. Benson | President and Director<br>(Principal Executive Officer) |
| /s/ DOUGLAS A. CARTY<br>Douglas A. Carty | Vice President, Chief Financial Officer and Director (Principal Financial Officer and Principal Accounting Officer) |
| /s/ WILLIAM A. SANGER*<br>William A. Sanger | Director |

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

LAIDLAW TRANSPORTATION, INC.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ KEVIN E. BENSON*<br>Kevin E. Benson | President, Chief Executive Officer and Director<br>(Principal Executive Officer) |
| /s/ DOUGLAS A. CARTY<br>Douglas A. Carty | Chief Financial Officer<br>(Principal Financial Officer and Principal Accounting Officer) |

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

LAIDLAW ONE, INC.
LAIDLAW TRANSPORTATION MANAGEMENT, INC.
LAIDLAW TWO, INC.
LAIDLAW USA, INC.
S.C. FOOD SERVICES (U.S.A.), INC.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ KEVIN E. BENSON*<br>Kevin E. Benson | President<br>(Principal Executive Officer) |
| /s/ DOUGLAS A. CARTY<br>Douglas A. Carty | Vice President, Chief Financial Officer and Director (Principal Financial Officer and Principal Accounting Officer) |

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

LAIDLAW TRANSPORTATION HOLDINGS, INC.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ KEVIN E. BENSON*<br>Kevin E. Benson | President and Director<br>(Principal Executive Officer) |
| /s/ DOUGLAS A. CARTY<br>Douglas A. Carty | Vice President, Chief Financial Officer and Director<br>(Principal Financial Officer and<br>Principal Accounting Officer) |

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

EMCARE HOLDINGS INC.
EMCARE, INC.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ WILLIAM A. SANGER*<br>William A. Sanger | Chief Executive Officer and Director<br>(Principal Executive Officer) |
| /s/ STEVE RATTON, JR.*<br>Steve Ratton, Jr. | Chief Financial Officer<br>(Principal Financial Officer and<br>Principal Accounting Officer) |
| /s/ KEVIN E. BENSON*<br>Kevin E. Benson | Director |
| /s/ DOUGLAS A. CARTY<br>Douglas A. Carty | Director |

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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Table of Contents

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

EMCARE OF MARYLAND, LLC

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ WILLIAM A. SANGER*<br>William A. Sanger | Chief Executive Officer<br>(Principal Executive Officer) |
| /s/ STEVE RATTON, JR.*<br>Steve Ratton, Jr. | Chief Financial Officer<br>(Principal Financial Officer and<br>Principal Accounting Officer) |

Emcare, Inc.

By: /s/ DOUGLAS A. CARTY — Member

Name: Douglas A. Carty
Title: Vice President

Emcare Holdings, Inc.

By: /s/ DOUGLAS A. CARTY — Member

Name: Douglas A. Carty
Title: Vice President

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.

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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

AMERICAN MEDICAL RESPONSE DELAWARE VALLEY, LLC

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ ROBERT LATORRACA*<br>Robert LaTorraca | President and Chief Executive Officer<br>(Principal Executive Officer) |
| /s/ RICHARD BARTUS*<br>Richard Bartus | Vice President, Treasurer and<br>Assistant Secretary<br>(Principal Financial Officer and<br>Principal Accounting Officer) |
| American Medical Response, Inc.<br>By: /s/ DOUGLAS A. CARTY<br>Name: Douglas A. Carty<br>Title: Vice President | Member |

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

AMR BROCKTON, LLC

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ ROBERT LATORRACA*<br>Robert LaTorraca | President and Chief Executive Officer<br>(Principal Executive Officer) |
| /s/ RICHARD BARTUS*<br>Richard Bartus | Vice President, Treasurer<br>and Assistant Secretary<br>(Principal Financial Officer and<br>Principal Accounting Officer) |

American Medical Response of Massachusetts, Inc.

By: /s/ DOUGLAS A. CARTY — Member

Name: Douglas A. Carty
Title: Vice President

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

REGIONAL EMERGENCY SERVICES, L.P.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ WILLIAM PAHL*<br>William Pahl | President and Chief Executive Officer<br>(Principal Executive Officer) |
| /s/ EDMUND ZDOBINSKI*<br>Edmund Zdobinski | Vice President, Treasurer and Assistant Secretary<br>(Principal Financial Officer and<br>Principal Accounting Officer) |

Florida Emergency Partners, Inc.

By: /s/ DOUGLAS A. CARTY — Partner

Name: Douglas A. Carty
Title: Vice President

American Medical Response Management, Inc.

By: /s/ DOUGLAS A. CARTY — Partner

Name: Douglas A. Carty
Title: Vice President

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

LINC TRANSPORTATION, L.L.C.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ KEVIN E. BENSON*<br>Kevin E. Benson | President<br>(Principal Executive Officer) |
| /s/ DOUGLAS A. CARTY<br>Douglas A. Carty | Vice President and Chief Financial Officer<br>(Principal Financial Officer and<br>Principal Accounting Officer) |

Laidlaw International, Inc.

By: /s/ DOUGLAS A. CARTY — Member

Name: Douglas A. Carty
Title: Senior Vice President and Chief Financial Officer

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

PHYSICIAN ACCOUNT MANAGEMENT, INC.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ WILLIAM A. SANGER*<br>William A. Sanger | Chief Executive Officer and Director<br>(Principal Executive Officer) |
| /s/ STEVE RATTON, JR.*<br>Steve Ratton, Jr. | Chief Financial Officer<br>(Principal Financial Officer and Principal Accounting Officer) |

* Signed by Douglas A. Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naperville, State of Illinois, on January 29, 2004.

PROVIDER ACCOUNT MANAGEMENT, INC.

By: /s/ DOUGLAS A. CARTY

Name: Douglas A. Carty
Title: Vice President

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on January 29, 2004.

| Signature | Title(s) |
|---|---|
| /s/ WILLIAM A. SANGER*<br>William A. Sanger | Chief Executive Officer and Director<br>(Principal Executive Officer) |
| /s/ STEVE RATTON, JR.*<br>Steve Ratton, Jr. | Chief Financial Officer<br>(Principal Financial Officer and Principal Accounting Officer) |

* Signed by Douglas A Carty, pursuant to a power of attorney filed as an exhibit to this registration statement.



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## EXHIBIT INDEX

| Exhibit Number | Description of Exhibit |
|---|---|
| 2.1 | Third Amended Joint Plan of Reorganization of Laidlaw USA, Inc. and its Debtor Affiliates dated January 23, 2003 (incorporated by reference to Exhibit 2.1 to the Form 8-K of Laidlaw International, Inc. filed on July 7, 2003) |
| 2.2 | Modifications to the Third Amended Joint Plan of Reorganization (incorporated by reference to Exhibit 2.2 to the Form 8-K of Laidlaw International, Inc. filed on July 7, 2003) |
| 2.3 | Second Modifications to the Third Amended Joint Plan of Reorganization (incorporated by reference to Exhibit 2.3 to the Form 8-K of Laidlaw International, Inc. filed on July 7, 2003) |
| 3.1 | Certificate of Incorporation of Laidlaw International, Inc. (incorporated by reference to Exhibit 4.1 to the Form 8-K of Laidlaw International, Inc. filed on July 9, 2003) |
| 3.2 | By-Laws of Laidlaw International, Inc. (incorporated by reference to Exhibit 4.2 to the Form 8-K of Laidlaw International, Inc. filed on July 9, 2003) |
| 4.1 | Indenture, dated as of June 3, 2003, among Laidlaw International, Inc., the Guarantors named therein and Deutsche Bank Trust Company Americas, relating to the 10 3/4% Senior Notes due 2011 (incorporated by reference to Exhibit 4.1 to the Form 10-Q of Laidlaw International, Inc. for the quarter ended May 31, 2003) |
| 4.2 | First Supplemental Indenture, dated as of June 18, 2003, between Laidlaw International, Inc. and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.2 to the Form 10-Q of Laidlaw International, Inc. for the quarter ended May 31, 2003) |
| 4.3 | Registration Rights Agreement, dated as of June 3, 2003, among Laidlaw International, Inc., the Guarantors named therein and Citigroup Global markets Inc. and Credit Suisse First Boston LLC† |
| 4.4 | Indenture, dated April 16, 1997, by and among Greyhound Lines, Inc., the Guarantors and PNC Bank, N.A., as Trustee (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-4 of Greyhound Lines, Inc. regarding the Greyhound 11 1/2% Series B Senior Notes) |
| 4.5 | First Supplemental Indenture, dated as of July 9, 1997, between Greyhound Lines, Inc. and PNC Bank, N.A., as Trustee (incorporated by reference to Exhibit 4.5 to the Form 10-K of Greyhound Lines, Inc. for the year ended December 31, 2002) |
| 4.6 | Second Supplemental Indenture, dated as of August 25, 1997, between Greyhound Lines, Inc. and PNC Bank, N.A. as Trustee (incorporated by reference to Exhibit 4.6 to the Form 10-K of Greyhound Lines, Inc. for the year ended December 31, 2002) |
| 4.7 | Third Supplemental Indenture dated as of February 1, 1999 between Greyhound Lines, Inc. and Chase Manhattan Trust Company as Trustee (incorporated by reference to Exhibit 4.1 to the Form 10-Q of Greyhound Lines, Inc. for the quarter ended June 30, 1999) |
| 5.1 | Opinion of Jones Day† |

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| | |
|---|---|
| 5.2 | Opinion of Bradley Arant Rose & White LLP† |
| 5.3 | Opinion of Bryan Cave LLP† |
| 5.4 | Opinion of Catlin Saxon Evans Fink Kolski & Romanez, P.A.† |
| 5.5 | Opinion of Cavin & Ingram, P.A.† |
| 5.6 | Opinion of Conner & Winters, P.C.† |
| 5.7 | Opinion of Davenport Evans Hurwitz & Smith, L.L.P.† |
| 5.8 | Opinions of Day, Berry & Howard LLP† |
| 5.9 | Opinion of Dorsey & Whitney LLP† |
| 5.10 | Opinion of Edwards & Angell, LLP† |
| 5.11 | Opinion of Fennemore Craig, A Professional Corporation† |
| 5.12 | Opinion of Frost Brown Todd LLC† |
| 5.13 | Opinion of Goodwin & Goodwin, LLP† |
| 5.14 | Opinion of Hackman Hulett & Cracraft, LLP† |
| 5.15 | Opinion of Jaffe, Raitt, Heuer & Weiss, PC† |
| 5.16 | Opinion of Kolesar & Leatham, Chtd.† |

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| Exhibit Number | Description of Exhibit |
|---|---|
| 5.17 | Opinion of Lisman, Webster, Kirkpatrick & Leckerling, P.C.† |
| 5.18 | Opinion of McLane, Graf, Raulerson & Middleton, Professional Association† |
| 5.19 | Opinion of Ober Kaler† |
| 5.20 | Opinion of Oshima Chun Fong & Chung LLP† |
| 5.21 | Opinions of Phelps Dunbar LLP† |
| 5.22 | Opinion of Reinhart Boerner Van Deuren s.c.† |
| 5.23 | Opinion of Robinson, Bradshaw & Hinson, P.A.† |
| 5.24 | Opinion of Rose Law Firm† |
| 5.25 | Opinions of Saul Ewing LLP† |
| 5.26 | Opinion of Stoel Rives LLP† |
| 10.1 | Rights Agreement, dated as of June 23, 2003, between Laidlaw International, Inc. and Wells Fargo Bank Minnesota, National Association, as rights agent (incorporated by reference to Exhibit 4.3 to the Form 8-K of Laidlaw International, Inc. filed on July 9, 2003) |
| 10.2 | Laidlaw International, Inc. Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Form 10-Q of Laidlaw International, Inc. for the quarter ended May 31, 2003)* |
| 10.3 | Laidlaw International, Inc. Supplemental Executive Retirement Plans (incorporated by reference to Exhibit 10.2 to the Form 10-K of Laidlaw International, Inc. for the year ended August 31, 2003)* |
| 10.4 | Credit Agreement, dated as of June 19, 2003, among Laidlaw International, Inc., certain of its Subsidiaries and the financial institutions named therein (incorporated by reference to Exhibit 10.3 to the Form 10-Q of Laidlaw International, Inc. for the quarter ended May 31, 2003) |
| 10.5 | Amendment to the Credit Agreement, dated as of June 26, 2003 (incorporated by reference to Exhibit 10.4 to the Form 10-Q of Laidlaw International, Inc. for the quarter ended May 31, 2003) |
| 10.6 | Amendment to Credit Agreement, dated as of December 17, 2003 (incorporated by reference to Exhibit 10.1 to the Form 10-Q of Laidlaw International, Inc. for the quarter ended November 30, 2003) |
| 10.7 | Agreement, dated as of June 18, 2003, among Laidlaw Inc., certain of its U.S. Subsidiaries and the Pension Benefit Guaranty Corporation (incorporated by reference to Exhibit 10.5 to the Form 10-Q of Laidlaw International, Inc. for the quarter ended May 31, 2003) |

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| 10.8 | Tax Sharing Agreement among Laidlaw International, Inc. and its U.S. subsidiaries, dated as of June 23, 2003 (incorporated by reference to Exhibit 10.6 to the Form 10-K of Laidlaw International, Inc. for the year ended August 31, 2003) |
| 10.9 | Employment Agreement between Kevin E. Benson and Laidlaw Inc., effective September 16, 2002 (incorporated by reference to Exhibit 10.7 to the Form 10-K of Laidlaw International, Inc. for the year ended August 31, 2003)* |
| 10.10 | Change in Control Severance Agreement between Kevin E. Benson and Laidlaw Inc. (incorporated by reference to Exhibit 10.8 to the Form 10-K of Laidlaw International, Inc. for the year ended August 31, 2003)* |
| 10.11 | Employment Agreement between Douglas A. Carty and Laidlaw Inc., effective December 9, 2002 (incorporated by reference to Exhibit 10.9 to the Form 10-K of Laidlaw International, Inc. for the year ended August 31, 2003)* |
| 10.12 | Change in Control Severance Agreement between Douglas A. Carty and Laidlaw Inc. (incorporated by reference to Exhibit 10.10 to the Form 10-K of Laidlaw International, Inc. for the year ended August 31, 2003)* |
| 10.13 | Employment Agreement among Laidlaw Inc., American Medical Response, Inc., EmCare Holdings, Inc. and William A. Sanger, effective October 1, 2002 (incorporated by reference to Exhibit 10.11 to the Form 10-K of Laidlaw International, Inc. for the year ended August 31, 2003)* |
| 10.14 | Employment Agreement between EmCare Holdings, Inc. and Don S. Harvey, effective April 1, 2003 (incorporated by reference to Exhibit 10.12 to the Form 10-K of Laidlaw International, Inc. for the year ended August 31, 2003)* |

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| Exhibit Number | Description of Exhibit |
|---|---|
| 10.15 | Amended and Restated Loan and Security Agreement among Greyhound Lines, Inc., as Borrower, the financial institutions named as lenders, and Foothill Capital Corporation as Agent, dated as of May 14, 2003 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Greyhound Lines, Inc. dated May 21, 2003) |
| 10.16 | Amendment to Employment Agreement between Kevin E. Benson and Laidlaw International, Inc., effective as of November 19, 2003† |
| 10.17 | Form of Indemnification Agreement† |
| 10.18 | Third Amendment to Credit Agreement, dated as of January 28, 2004† |
| 12.1 | Statement Regarding Computation of Ratios† |
| 21.1 | Subsidiaries of Laidlaw International, Inc. (incorporated by reference to Exhibit 21.1 to the Form 10-K of Laidlaw International, Inc. for the year ended August 31, 2003) |
| 23.1 | Consent of PricewaterhouseCoopers LLP† |
| 23.2 | Consent of Jones Day (included as part of its opinion filed as Exhibit 5.1) |
| 23.3 | Consent of Bradley Arant Rose & White LLP (included as part of its opinion filed as Exhibit 5.2) |
| 23.4 | Consent of Bryan Cave LLP (included as part of its opinion filed as Exhibit 5.3) |
| 23.5 | Consent of Catlin Saxon Evans Fink Kolski & Romanez, P.A. (included as part of its opinion filed as Exhibit 5.4) |
| 23.6 | Consent of Cavin & Ingram, P.A. (included as part of its opinion filed as Exhibit 5.5) |
| 23.6 | Consent of Conner & Winters, P.C. (included as part of its opinion filed as Exhibit 5.6) |
| 23.8 | Consent of Davenport Evans Hurwitz & Smith, L.L.P. (included as part of its opinion filed as Exhibit 5.7) |
| 23.9 | Consent of Day, Berry & Howard LLP (included as part of its opinions filed as Exhibit 5.8) |
| 23.10 | Consent of Dorsey & Whitney LLP (included as part of its opinion filed as Exhibit 5.9) |
| 23.11 | Consent of Edwards & Angell, LLP (included as part of its opinion filed as Exhibit 5.10) |
| 23.12 | Consent of Fennemore Craig, A Professional Corporation (included as part of its opinion filed as Exhibit 5.11) |
| 23.13 | Consent of Frost Brown Todd LLC (included as part of its opinion filed as Exhibit 5.12) |
| 23.14 | Consent of Goodwin & Goodwin, LLP (included as part of its opinion filed as Exhibit 5.13) |
| 23.15 | Consent of Hackman Hulett & Cracraft, LLP (included as part of its opinion filed as Exhibit 5.14) |

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| 23.16 | Consent of Jaffe, Raitt, Heuer & Weiss, PC (included as part of its opinion filed as Exhibit 5.15) |
| 23.17 | Consent of Kolesar & Leatham, Chtd. (included as part of its opinion filed as Exhibit 5.16) |
| 23.18 | Consent of Lisman, Webster, Kirkpatrick & Leckerling, P.C. (included as part of its opinion filed as Exhibit 5.17) |
| 23.19 | Consent of McLane, Graf, Raulerson & Middleton, Professional Association (included as part of its opinion filed as Exhibit 5.18) |
| 23.20 | Consent of Ober Kaler (included as part of its opinion filed as Exhibit 5.19) |
| 23.21 | Consent of Oshima Chun Fong & Chung LLP (included as part of its opinion filed as Exhibit 5.20) |
| 23.22 | Consent of Phelps Dunbar LLP (included as part of its opinions filed as Exhibit 5.21) |
| 23.23 | Consent of Reinhart Boerner Van Deuren s.c. (included as part of its opinion filed as Exhibit 5.22) |
| 23.24 | Consent of Robinson, Bradshaw & Hinson, P.A. (included as part of its opinion filed as Exhibit 5.23) |
| 23.25 | Consent of Rose Law Firm (included as part of its opinion filed as Exhibit 5.24) |
| 23.26 | Consent of Saul Ewing LLP (included as part of its opinions filed as Exhibit 5.25) |
| 23.27 | Consent of Stoel Rives LLP (included as part of its opinion filed as Exhibit 5.26) |
| 24.1 | Powers of Attorney† |

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| Exhibit Number | Description of Exhibit |
|---|---|
| 25.1 | Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of Deutsche Bank Trust Company Americas, as trustee, on Form T-1† |
| 99.1 | Form of Letter of Transmittal† |
| 99.2 | Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees† |
| 99.3 | Form of Notice of Guaranteed Delivery† |
| 99.4 | Form of Letter to Clients† |

* Management Contract or Compensatory Plan

† Filed herewith

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**Exhibit 4.3**

**LAIDLAW INVESTMENTS LTD.**

**(to be renamed Laidlaw International, Inc.)**

**$406,000,000 10 3/4% Senior Notes due 2011**

REGISTRATION RIGHTS AGREEMENT

New York, New York
June 3, 2003

Citigroup Global Markets Inc.
Credit Suisse First Boston LLC
As Representatives of the Initial Purchasers
named in Schedule I hereto
c/o Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013

Dear Sirs:

Laidlaw Investments Ltd., a corporation organized under the laws of the Province of Ontario, Canada (the "*Company*"), proposes to issue and sell to the several parties named in Schedule I hereto (the "*Initial Purchasers*"), for whom you (the "*Representatives*") are acting as representatives, upon the terms set forth in a purchase agreement dated May 22, 2003 (the "*Purchase Agreement*"), its 10 3/4% Senior Notes due 2011 (the "*Notes*") relating to the initial placement of the Securities (the "*Initial Placement*"). The Company' s obligations under the Notes will be guaranteed on a senior unsecured basis (the "*Guarantees*") by each of its subsidiaries named in Schedule II to the Purchase Agreement (collectively, the "*Guarantors*"). References herein to the "Issuers" refer to the Company and the Guarantors. References herein to the "Securities" refer to the Notes and the Guarantees. To induce the Initial Purchasers to enter into the Purchase Agreement and to satisfy a condition of your obligations thereunder, the Company agrees with you for your benefit and the benefit of the holders from time to time of the Securities and Exchange Securities (as defined below) (including the Initial Purchasers) (each a "*Holder*" and, collectively, the "*Holders*" for so long as such Person holds Securities), as follows:

1. Definitions. Capitalized terms used herein without definition shall have their respective meanings set forth in the Purchase Agreement. As used in this Agreement, the following defined terms shall have the following respective meanings:

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"Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Affiliate" of any specified Person shall mean any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person. For purposes of this definition, control of a Person shall mean the power, direct or indirect, to direct or cause the direction of the management and policies of such Person whether by contract or otherwise; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

"Broker-Dealer" shall mean any broker or dealer registered as such under the Exchange Act.

"Business Day" shall mean any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in New York City.

"Commission" shall mean the Securities and Exchange Commission.

"Company" shall have the meaning set forth in the preamble hereto.

"Conduct Rules" shall have the meaning set forth in Section 4(u) hereof.

"CT" shall have the meanings set forth in Section 17 hereof.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Exchange Offer Registration Period" shall mean the 180-day period following the consummation of the Registered Exchange Offer, exclusive of any period during which any stop order shall be in effect suspending the effectiveness of the Exchange Offer Registration Statement.

"Exchange Offer Registration Statement" shall mean a registration statement of the Issuers on an appropriate form under the Act with respect to the Registered Exchange Offer, all amendments and supplements to such registration statement, including post-effective amendments thereto, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"Exchange Securities" shall mean debt securities of the Issuers identical in all material respects to the Securities (except that the cash interest and interest rate step up provisions and the U.S. transfer restrictions shall be modified or eliminated, as appropriate) to be issued under the Indenture.

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"Exchanging Dealer" shall mean any Holder (which may include any Initial Purchaser) that is a Broker-Dealer and elects to exchange any Securities that it acquired for its own account as a result of market-making activities or other trading activities (but not directly from any Issuer or any Affiliate of any Issuer) for Exchange Securities.

"Final Memorandum" shall have the meaning set forth in the Purchase Agreement.

"Guarantee" shall have the meaning set forth in the preamble hereto.

"Guarantors" shall have the meaning set forth in the preamble hereto.

"Holder" shall have the meaning set forth in the preamble hereto.

"Indenture" shall mean the indenture relating to the Securities to be dated as of the date of original issuance of the Notes among, the Company, the Guarantors and Deutsche Bank Trust, as trustee, as may be amended or supplemented from time to time in accordance with the terms thereof.

"Initial Placement" shall have the meaning set forth in the preamble hereto.

"Initial Purchasers" shall have the meaning set forth in the preamble hereto.

"Issuers" shall have the meaning set forth in the preamble hereto.

"Judgment Currency" shall have the meaning set forth in Section 18 hereof.

"Losses" shall have the meaning set forth in Section 6(d) hereof.

"Majority Holders" shall mean the Holders of a majority of the aggregate principal amount of Securities and Exchange Securities registered under any Registration Statement.

"Managing Underwriters" shall mean the investment banker or investment bankers and manager or managers that shall administer an underwritten offering.

"Person" shall mean an individual, trustee, corporation, partnership, limited liability company, joint stock company, trust, unincorporated association, union, business association, firm or other legal entity.

"Prospectus" shall mean the prospectus included in any Registration Statement (including, without limitation, a prospectus that discloses information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A under the Act), as amended or supplemented by any prospectus supplement, with

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respect to the terms of the offering of any portion of the Securities or the Exchange Securities covered by such Registration Statement, and all amendments and supplements thereto and all material incorporated by reference therein.

"Purchase Agreement" shall have the meaning set forth in the preamble hereto.

"Registered Exchange Offer" shall mean the proposed offer of the Issuers to issue and deliver to the Holders of the Securities that are not prohibited by any law or policy of the Commission from participating in such offer, in exchange for the Securities, a like aggregate principal amount of the Exchange Securities.

"Registration Statement" shall mean any Exchange Offer Registration Statement or Shelf Registration Statement that covers any of the Securities or the Exchange Securities pursuant to the provisions of this Agreement, any amendments and supplements to such registration statement, including post-effective amendments (in each case including the Prospectus contained therein), all exhibits thereto and all material incorporated by reference therein.

"Representatives" shall have the meaning set forth in the preamble hereto.

"Securities" shall have the meaning set forth in the preamble hereto.

"Shelf Registration" shall mean a registration effected pursuant to Section 3 hereof.

"Shelf Registration Period" shall have the meaning set forth in Section 3(b) hereof.

"Shelf Registration Statement" shall mean a "shelf" registration statement of the Issuers pursuant to the provisions of Section 3 hereof which covers some or all of the Securities or Exchange Securities, as applicable, on an appropriate form under Rule 415 under the Act, or any similar rule that may be adopted by the Commission, amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"Trustee" shall mean the trustee with respect to the Securities under the Indenture.

"underwriter" shall mean any underwriter of Securities or Exchange Securities in connection with an offering thereof under a Shelf Registration Statement.

2. Registered Exchange Offer. (a) The Issuers shall prepare and, not later than 240 days following the date of the original issuance of the Securities (or if such

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240th day is not a Business Day, the next succeeding Business Day), shall file with the Commission the Exchange Offer Registration Statement with respect to the Registered Exchange Offer. The Issuers shall use their respective reasonable best efforts to cause the Exchange Offer Registration Statement to become effective under the Act within 330 days of the date of the original issuance of the Securities (or if such 330th day is not a Business Day, the next succeeding Business Day).

(b) Upon the effectiveness of the Exchange Offer Registration Statement, the Issuers shall promptly commence the Registered Exchange Offer, it being the objective of such Registered Exchange Offer to enable each Holder electing to exchange Securities for Exchange Securities (assuming that such Holder is not an Affiliate of the Issuers, acquires the Exchange Securities in the ordinary course of such Holder' s business, is not engaged in and does not intend to engage in and has no arrangements or undertakings with any Person to participate in the distribution of the Exchange Securities, is not a broker-dealer tendering Securities directly acquired from any Issuer for its own account and is not prohibited by any law or policy of the Commission from participating in the Registered Exchange Offer) to trade such Exchange Securities from and after their receipt without any limitations or restrictions under the Act and without material restrictions under the blue sky or securities laws of a substantial proportion of the States of the United States.

(c) In connection with the Registered Exchange Offer, the Issuers shall:

(i) mail to each Holder a copy of the Prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;

(ii) keep the Registered Exchange Offer open for not less than 20 Business Days and not more than 30 Business Days after the date notice thereof is mailed to the Holders (or, in each case, longer if required by applicable law);

(iii) if the Issuers receive notice from an Exchanging Dealer that such Exchanging Dealer holds Securities acquired for the account of such Exchanging Dealer as a result of market making or other trading activities, use their respective reasonable best efforts to keep the Exchange Offer Registration Statement continuously effective under the Act, supplemented and amended as required, under the Act to ensure that it is available for sales of Exchange Securities by Exchanging Dealers during the Exchange Offer Registration Period;

(iv) utilize the services of a depositary for the Registered Exchange Offer with an address in the Borough of Manhattan in New York city, which may be the Trustee, or an Affiliate of the Trustee;

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(v) permit Holders to withdraw tendered Securities at any time prior to the close of business, New York City time, on the last Business Day on which the Registered Exchange Offer is open by sending to the entity specified in the Prospectus, a facsimile or letter setting forth the name of such Holder, the principal amount of the Securities delivered for exchange and a statement that such Holder is withdrawing such Holder' s election to have such Securities exchanged;

(vi) if requested by the Commission, prior to effectiveness of the Exchange Offer Registration Statement, provide a supplemental letter to the Commission (A) stating that the Issuers are conducting the Registered Exchange Offer in reliance on the position of the Commission in Exxon Capital Holdings Corporation (pub. avail. May 13, 1988) and Morgan Stanley and Co., Inc. (pub. avail. June 5, 1991); and (B) including a representation that the Issuers have not entered into any arrangement or understanding with any Person to distribute the Exchange Securities to be received in the Registered Exchange Offer and that, to the best of the Issuers' information and belief, each Holder participating in the Registered Exchange Offer is acquiring the Exchange Securities in the ordinary course of business and has no arrangement or understanding with any Person to participate in the distribution of the Exchange Securities; and

(vii) comply in all respects with all applicable laws relating to the Registered Exchange Offer.

(d) As soon as reasonably practicable after the close of the Registered Exchange Offer, the Issuers shall:

(i) accept for exchange all Securities duly tendered and not validly withdrawn pursuant to the Registered Exchange Offer in accordance with the terms of the Exchange Offer Registration Statement and letter of transmittal, which shall be an exhibit thereto;

(ii) deliver to the Trustee for cancellation in accordance with Section 4(s) hereof all Securities so accepted for exchange; and

(iii) cause the Trustee promptly to authenticate and deliver to each Holder of Securities a principal amount of Exchange Securities equal to the principal amount of the Securities of such Holder so accepted for exchange.

(e) Each Holder, by tendering Securities for exchange of Exchange Securities hereby acknowledges and agrees that any Broker-Dealer and any such Holder using the Registered Exchange Offer to participate in a distribution of the Exchange Securities (x) could not under Commission policy as in effect on the date of this Agreement rely on the

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position of the Commission in Morgan Stanley and Co., Inc. (pub. avail. June 5, 1991) and Exxon Capital Holdings Corporation (pub. avail. May 13, 1988), as interpreted in the Commission' s letter to Shearman & Sterling dated July 2, 1993 and similar no-action letters; and (y) must comply with the registration and prospectus delivery requirements of the Act in connection with any secondary resale transaction and must be covered by an effective registration statement containing the selling security holder information required by Items 507 and 508 of Regulation S-K, as applicable, under the Act if the resales are of Exchange Securities obtained by such Holder in exchange for Securities acquired by such Holder directly from any Issuer or one of its Affiliates. Accordingly, each Holder participating in the Registered Exchange Offer shall be required to represent to the Issuers that, at the time of the consummation of the Registered Exchange Offer:

(i) any Exchange Securities received by such Holder will be acquired in the ordinary course of business;

(ii) such Holder will have no arrangement or understanding with any Person to participate in the distribution of the Securities or the Exchange Securities within the meaning of the Act; and

(iii) such Holder is not an Affiliate of any Issuer.

(f) If any Initial Purchaser determines that it is not eligible to participate in the Registered Exchange Offer with respect to the exchange of Securities constituting any portion of an unsold allotment, at the request of such Initial Purchaser, the Issuers shall issue and deliver to such Initial Purchaser or the Person purchasing Exchange Securities registered under a Shelf Registration Statement as contemplated by Section 3 hereof from such Initial Purchaser, in exchange for such Securities, a like principal amount of Exchange Securities. The Company shall use its reasonable best efforts to cause the CUSIP Service Bureau to issue the same CUSIP and ISIN numbers for such Exchange Securities as for Exchange Securities issued pursuant to the Registered Exchange Offer.

3. Shelf Registration. If (i) due to any change in law or applicable interpretations thereof by the Commission' s staff, the Issuers determine upon advice of their outside counsel that they are not permitted to effect the Registered Exchange Offer as contemplated by Section 2 hereof; (ii) for any other reason the Registered Exchange Offer is not consummated within 375 days of the date hereof; (iii) prior to the 20th Business Day following the consummation of the Registered Exchange Offer (A) any Initial Purchaser so requests with respect to Securities that are not eligible to be exchanged for Exchange Securities in the Registered Exchange Offer and that are held by it following consummation of the Registered Exchange Offer; (B) any Holder (other than an Initial Purchaser) is not

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eligible to participate in the Registered Exchange Offer; or (C) in the case of any Initial Purchaser that participates in the Registered Exchange Offer or acquires Exchange Securities pursuant to Section 2(f) hereof, such Initial Purchaser does not receive freely tradeable Exchange Securities in exchange for Securities constituting any portion of an unsold allotment (it being understood that (x) the requirement that an Initial Purchaser deliver a Prospectus containing the information required by Items 507 and 508 of Regulation S-K, as applicable, under the Act in connection with sales of Exchange Securities acquired in exchange for such Securities shall result in such Exchange Securities being not "freely tradeable"; and (y) the requirement that an Exchanging Dealer deliver a Prospectus in connection with sales of Exchange Securities acquired in the Registered Exchange Offer in exchange for Securities acquired as a result of market-making activities or other trading activities shall not result in such Exchange Securities being not "freely tradeable"), the Issuers shall effect a Shelf Registration in accordance with Section 3(b) hereof.

(b)(i) The Issuers shall as promptly as reasonably practicable (but in no event more than 120 days after so required or requested pursuant to this Section 3), file with the Commission and thereafter shall use their reasonable best efforts to cause to be declared effective under the Act (within 210 days after so required or requested pursuant to this Section 3) a Shelf Registration Statement relating to the offer and sale of the Securities or the Exchange Securities, as applicable, by the Holders thereof from time to time in accordance with the methods of distribution elected by a majority of such Holders and set forth in such Shelf Registration Statement; *provided*, *however*, that nothing in this Section 3(b) shall require the filing of a Shelf Registration Statement prior to the deadline for filing the Exchange Offer Registration Statement set forth in Section 2(a); *provided, further*, that no Holder (other than an Initial Purchaser) shall be entitled to have the Securities held by it covered by such Shelf Registration Statement unless such Holder agrees in writing to be bound by all of the provisions of this Agreement applicable to such Holder; and *provided*, *further*, that with respect to Exchange Securities received by an Initial Purchaser in exchange for Securities constituting any portion of an unsold allotment, the Issuers may, if permitted by current interpretations by the Commission' s staff, file a post-effective amendment to the Exchange Offer Registration Statement containing the information required by Items 507 and 508 of Regulation S-K, as applicable, in satisfaction of their obligations under this subsection with respect thereto, and any such Exchange Offer Registration Statement, as so amended, shall be referred to herein as, and governed by the provisions herein applicable to, a Shelf Registration Statement. Notwithstanding anything to the contrary in this Agreement, on no more than two occasions, the Issuers shall not amend or supplement a Shelf Registration Statement or Prospectus, as the case may be, for a reasonable period of time, but not in excess of 90 days in any 12-month period, if the Board of Directors of the Company determines reasonably and in good faith that such amendment or supplement would require the disclosure of non-public material information that, in the reasonable judgment of the Board of Directors of the Company, would be detrimental to any Issuer if so disclosed or would otherwise

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materially adversely affect a financing, acquisition, disposition, merger or other material transaction.

(ii) The Issuers shall use their respective reasonable best efforts to keep the Shelf Registration Statement continuously effective, supplemented and amended as required by the Act, in order to permit the Prospectus forming part thereof to be usable by Holders for a period of two years from the original issue date of the Securities or such shorter period that will terminate when all the Securities or Exchange Securities, as applicable, covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement or cease to be outstanding (in any such case, such period being called the "*Shelf Registration Period*"). The Issuers shall be deemed not to have used their respective reasonable best efforts to keep the Shelf Registration Statement effective during the requisite period if any of them voluntarily takes any action that would result in Holders of Securities or Exchange Securities covered thereby not being able to offer and sell such Securities or Exchange Securities during that period, unless (A) such action is required by applicable law; or (B) such action is taken by such Issuer in good faith and for valid business reasons (not including avoidance of its obligations hereunder), including the acquisition or divestiture of assets, so long as the Issuers thereafter comply with the requirements of Section 4(k) hereof, if applicable.

4. Additional Registration Procedures. In connection with any Shelf Registration Statement and, to the extent applicable, any Exchange Offer Registration Statement, the following provisions shall apply:

(a) The Issuers shall:

(i) furnish to each of you, not less than five Business Days prior to the filing thereof with the Commission, a copy of the Exchange Offer Registration Statement or the Shelf Registration Statement, as the case may be, and each amendment thereto and each amendment or supplement, if any, to the Prospectus included therein (and upon written request all documents incorporated by reference therein after the initial filing) and shall use their reasonable best efforts to reflect in each such document, when so filed with the Commission, such comments as you reasonably propose within a reasonable time prior to such filing;

(ii) in the case of an Exchange Offer Registration Statement, to the extent permitted by the Act, include the information in substantially the form set forth in Annex A hereto on the front cover of the Prospectus included in the Exchange Offer Registration Statement, in substantially the form set forth in Annex B hereto in the forepart of the Exchange Offer Registration Statement in a section setting forth details of the Exchange Offer, in substantially the form set forth in Annex C hereto in the underwriting or plan of distribution section of the Prospectus contained in the

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Exchange Offer Registration Statement, and in substantially the form set forth in Annex D hereto in the letter of transmittal delivered pursuant to the Registered Exchange Offer;

(iii) if requested by an Initial Purchaser, include the information required by Item 507 or 508 of Regulation S-K, as applicable, in the Prospectus contained in the Exchange Offer Registration Statement; and

(iv) in the case of a Shelf Registration Statement, include the names of the Holders that propose to sell Securities or Exchange Securities pursuant to the Shelf Registration Statement as selling security holders.

(b) The Issuers shall cause any Registration Statement and the related Prospectus and any amendment or supplement thereto, as of the effective date of such Registration Statement or such amendment or supplement, (A) to comply in all material respects with the applicable requirements of the Act and the rules and regulations of the Commission; and (B) not to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(c) The Issuers shall advise you, the Holders of Securities or the Exchange Securities covered by any Shelf Registration Statement and any Exchanging Dealer under any Exchange Offer Registration Statement that has provided in writing to any Issuer a telephone or facsimile number and address for notices, and, if requested by you or any such Holder or Exchanging Dealer, shall confirm such advice in writing (which notice pursuant to clauses (ii)-(v) hereof shall be accompanied by an instruction to suspend the use of the Prospectus until the Issuers shall have remedied the basis for such suspension):

(i) when a Registration Statement or any amendment thereto has been filed with the Commission and when the Registration Statement or any post-effective amendment thereto has become effective;

(ii) of any request by the Commission for any amendment or supplement to the Registration Statement or the Prospectus or for additional information;

(iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose;

(iv) of the receipt by any Issuer of any notification with respect to the suspension of the qualification of the securities included therein for sale in any jurisdiction or the initiation of any proceeding for such purpose; and

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(v) of the happening of any event that requires any change in the Registration Statement or the Prospectus so that, as of such date, the statements therein are not misleading and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus, in the light of the circumstances under which they were made) not misleading; *provided*, that such notice need not identify the reasons for such event that requires such change in the Registration Statement.

(d) The Issuers shall use their respective reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of any Registration Statement or the qualification of the securities therein for sale in any jurisdiction at the earliest possible time.

(e) The Issuers shall furnish to each Holder of Securities or Exchange Securities covered by any Shelf Registration Statement, without charge, at least one copy of such Shelf Registration Statement and any post-effective amendment thereto, including, upon written request, all material incorporated therein by reference and all exhibits thereto (including exhibits incorporated by reference therein).

(f) The Issuers shall, during the Shelf Registration Period, deliver to each Holder of Securities or Exchange Securities covered by any Shelf Registration Statement, without charge, as many copies of the Prospectus (including each preliminary Prospectus) included in such Shelf Registration Statement and any amendment or supplement thereto as such Holder may reasonably request. The Issuers consent to the use of the Prospectus or any amendment or supplement thereto by each of the selling Holders of securities in connection with the offering and sale of the securities covered by the Prospectus, or any amendment or supplement thereto, included in the Shelf Registration Statement.

(g) The Issuers shall furnish to each Exchanging Dealer which so requests, without charge, at least one copy of the Exchange Offer Registration Statement and any post-effective amendment thereto, including, upon written request, all material incorporated by reference therein and all exhibits thereto (including exhibits incorporated by reference therein).

(h) The Issuers shall promptly deliver to each Initial Purchaser, each Exchanging Dealer and each other Person required to deliver a Prospectus during the Exchange Offer Registration Period, without charge, as many copies of the Prospectus included in such Exchange Offer Registration Statement and any amendment or supplement thereto as any such Person may reasonably request. The Issuers consent to the use of the Prospectus or any amendment or supplement thereto by any Initial Purchaser, any Exchanging Dealer and any such other Person that may be required to deliver a Prospectus following the Registered Exchange Offer in connection with the offering and sale of the Exchange Securities covered by the Prospectus, or any amendment or supplement thereto, included in the Exchange Offer Registration Statement.

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(i) Prior to the Registered Exchange Offer or any other offering of Securities or Exchange Securities pursuant to any Registration Statement, the Issuers shall arrange, if necessary, for the qualification of the Securities or the Exchange Securities for sale under the laws of such jurisdictions as any Holder shall reasonably request and will maintain such qualification in effect so long as required; *provided* that in no event shall any Issuer be obligated to qualify to do business in any jurisdiction where it is not then so qualified or to take any action that would subject it to taxation or service of process in suits, other than those arising out of the Initial Placement, the Registered Exchange Offer or any offering pursuant to a Shelf Registration Statement, in any such jurisdiction where it is not then so subject.

(j) The Issuers shall cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Exchange Securities or Securities to be issued or sold pursuant to any Registration Statement free of any restrictive legends and in such denominations and registered in such names as Holders may request.

(k) Upon the occurrence of any event contemplated by subsections (c) (ii) through (v) above, the Issuers shall promptly prepare a post-effective amendment to the applicable Registration Statement or an amendment or supplement to the related Prospectus or file any other required document so that, as thereafter delivered to the Initial Purchasers, the Prospectus will not include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; In such circumstances, the period of effectiveness of the Exchange Offer Registration Statement provided for in Section 2 hereof and the Shelf Registration Statement provided for in Section 3(b) hereof shall each be extended by the number of days from and including the date of the giving of a notice of suspension pursuant to Section 4(b) hereof to and including the date when the Initial Purchasers, the Holders and any known Exchanging Dealer shall have received such amended or supplemented Prospectus pursuant to this Section 4. As soon as practicable following receipt of notice from the Issuers in accordance with Section 4(c) hereof, each Holder and Exchanging Dealer agrees to suspend use of the Prospectus until such Holder and Exchanging Dealer receive copies of the amended or supplemented Prospectus or until it receives written notice from the Issuers that the use of the applicable Prospectus may be resumed.

(l) Not later than the effective date of any Registration Statement, the Issuers shall provide a CUSIP number for the Securities or the Exchange Securities, as the case may be, registered under such Registration Statement and provide the Trustee with printed certificates for such Securities or Exchange Securities, in a form eligible for deposit with The Depository Trust Company.

(m) The Company shall comply with all applicable rules and regulations of the Commission and shall make generally available to its security holders as soon as practicable after the effective date of the applicable Registration Statement an earnings statement satisfying the provisions of Section 11(a) of the Act.

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(n) The Issuers shall cause the Indenture to be qualified under the Trust Indenture Act in a timely manner.

(o) The Company may require each Holder of securities to be sold pursuant to any Shelf Registration Statement to furnish to the Company such information regarding the Holder and the distribution of such securities as the Company may from time to time reasonably require for inclusion in such Registration Statement. The Company may exclude from such Shelf Registration Statement the Securities or Exchange Securities of any Holder that unreasonably fails to furnish such information within a reasonable time after receiving such request and the Issuers shall be under no further obligation to such Holder to include such Holder in a Shelf Registration Statement.

(p) In the case of any Shelf Registration Statement, the Issuers shall enter into such and take all other appropriate actions (including if requested by Holders representing 10% of the principal amount of Securities covered by such Shelf Registration Statement, an underwriting agreement in customary form) in order to expedite or facilitate the registration or the disposition of the Securities or Exchange Securities, and in connection therewith, if an underwriting agreement is entered into, cause the same to contain indemnification provisions and procedures no less favorable than those set forth in Section 6 (or such other provisions and procedures acceptable to the Majority Holders and the Managing Underwriters, if any, with respect to all parties to be indemnified pursuant to Section 6).

(q) In the case of any Shelf Registration Statement, the Issuers shall:

(i) subject to execution of a confidentiality agreement in form and substance reasonably acceptable to the Issuers and the Holders, make reasonably available for inspection by the Holders of Securities or Exchange Securities to be registered thereunder any underwriter participating in any disposition pursuant to such Shelf Registration Statement, and any attorney, accountant or other agent retained by the Holders or any such underwriter, if any, all relevant financial and other records, pertinent corporate documents and properties of each Issuer and its subsidiaries during normal business hours at the offices where such information is typically kept;

(ii) cause the officers, directors and employees of each Issuer to supply all relevant information reasonably requested by the Holders, or any such underwriter, attorney, accountant or agent in connection with any such Shelf Registration Statement as is customary for similar due diligence examinations during normal business hours at the offices where such information is typically kept; *provided*, *however*, that any information that is subject to the confidentiality agreement referred to in Section 4(q)(i) above shall be kept confidential by the Holders, or any such underwriter, attorney, accountant or agent, unless such disclosure is made in connection with a court proceeding or required by law, or such information

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becomes available to the public generally or through a third party without an accompanying obligation of confidentiality; *provided*, *further*, that prior written notice shall be provided as soon as reasonably practicable to the applicable Issuer of the potential disclosure of any information in connection with a court proceeding or required by law to permit such Issuer to obtain a protective order or take such other action to prevent disclosure of such information;

(iii) make such representations and warranties to the Holders of Securities or Exchange Securities registered thereunder and the underwriters, if any, in form, substance and scope as are customarily made by issuers to underwriters in primary underwritten offerings and covering matters including, but not limited to, those set forth in the Purchase Agreement as may be reasonably requested;

(iv) obtain opinions of counsel to the Issuers and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the Managing Underwriters, if any) addressed to each selling Holder and the underwriters, if any, covering such matters as are customarily covered in opinions requested in underwritten offerings and such other matters as may be reasonably requested by such Holders and underwriters;

(v) obtain "cold comfort" letters and updates thereof from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by any Issuer for which financial statements and financial data are, or are required to be, included in the Shelf Registration Statement), addressed to each selling Holder of securities registered thereunder and the underwriters, if any, in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with primary underwritten offerings; and

(vi) deliver such documents and certificates as may be reasonably requested by the Majority Holders and the Managing Underwriters, if any, including those to evidence compliance with Section 4(k) and with any customary conditions contained in the underwriting agreement or other customary agreement entered into by the Issuers.

The actions set forth in clauses (iii), (iv), (v) and (vi) of this Section shall be performed at (A) the effectiveness of such Shelf Registration Statement and each post effective amendment thereto; and (B) each closing under any underwriting or similar agreement as and to the extent required thereunder.

(r) [RESERVED]

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(s) If a Registered Exchange Offer is to be consummated, upon delivery of the Securities by Holders to the Company (or to such other Person as directed by the Company) in exchange for the Exchange Securities, the Company shall mark, or caused to be marked, on the Securities so exchanged that such Securities are being canceled in exchange for the Exchange Securities. In no event shall the Securities be marked as paid or otherwise satisfied.

(t) The Issuers will use their respective reasonable best efforts (i) if the Securities have been rated prior to the initial sale of such Securities pursuant to the Purchase Agreement, to confirm such ratings will apply to the Securities or the Exchange Securities, as the case may be, covered by an Exchange Offer Registration Statement; or (ii) if the Securities were not previously rated, to cause the Securities covered by a Registration Statement to be rated with at least one nationally recognized statistical rating agency, if so requested by Majority Holders with respect to the related Registration Statement or by any Managing Underwriters.

(u) In the event that any Broker-Dealer shall underwrite any Securities or Exchange Securities or participate as a member of an underwriting syndicate or selling group or "assist in the distribution" (within the meaning of the Conduct Rules of the National Association of Securities Dealers, Inc. (the "*Conduct Rules*")) thereof, whether as a Holder or as an underwriter, a placement or sales agent or a broker or dealer in respect thereof, or otherwise, the Issuers shall assist such Broker-Dealer in complying with the requirements of such Conduct Rules, including, without limitation, by:

(i) if such Conduct Rules shall so require, engaging a "qualified independent underwriter" (as defined in such Rules) to participate in the preparation of the Registration Statement, to exercise usual standards of due diligence with respect thereto and, if any portion of the offering contemplated by such Registration Statement is an underwritten offering or is made through a placement or sales agent, to recommend the yield of such Securities or Exchange Securities;

(ii) indemnifying any such qualified independent underwriter to the extent of the indemnification of underwriters provided in Section 6 hereof; and

(iii) providing such information to such Broker-Dealer as may be required in order for such Broker-Dealer to comply with the requirements of such Conduct Rules and;

(v) The Issuers shall use their respective reasonable best efforts to take all other steps necessary to effect the registration of the Securities or the Exchange Securities, as the case may be, covered by a Registration Statement.

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5. Registration Expenses. The Issuers shall bear all expenses incurred in connection with the performance of their obligations under Sections 2, 3 and 4 (other than underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of a Holder' s Securities pursuant to the Shelf Registration Statement) hereof and, in the event of any Shelf Registration Statement, will reimburse the Holders for the reasonable fees and disbursements of one firm or counsel designated by the Majority Holders to act as counsel for the Holders in connection therewith, with such expenses not to exceed, in the aggregate, $50,000.

6. Indemnification and Contribution. (a) The Issuers jointly and severally agree to indemnify and hold harmless each Holder of Securities or Exchange Securities, as the case may be, covered by any Registration Statement (including each Initial Purchaser and each Affiliate thereof and with respect to any Prospectus delivery as contemplated in Section 4(h) hereof, each Exchanging Dealer), the directors, officers, employees and agents of each such Holder and each Person who controls any such Holder within the meaning of either the Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement as originally filed or in any amendment thereof, or in any preliminary prospectus or the Prospectus, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; *provided*, *however*, that the Issuers will not be liable in any case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Issuers by or on behalf of any such Holder specifically for inclusion therein. This indemnity agreement will be in addition to any liability which the Issuers may otherwise have; *provided*, that with respect to any untrue statement or omission of material fact made in any preliminary prospectus, the indemnity agreement contained in this Section 6(a) shall not inure to the benefit of any Holder from whom the Person asserting any such loss, claim, damage or liability purchased the securities concerned, to the extent that any such loss, claim, damage or liability of such Holder occurs under the circumstance where it shall have been determined by a court of competent jurisdiction by final and nonappealable judgment that (w) the Issuers had previously furnished copies of the Prospectus to the Holders in a timely manner, (x) delivery of the Prospectus was required by the Act to be made to such Person, (y) the untrue statement or omission of a material fact contained in such preliminary prospectus was corrected in the

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Prospectus and (z) there was not sent or given to such Person, at or prior to the written confirmation of the sale of such securities to such person, a copy of the Prospectus.

The Issuers also jointly and severally agree to indemnify or contribute as provided in Section 6(d) to Losses of each underwriter of Securities or Exchange Securities, as the case may be, registered under a Shelf Registration Statement, their directors, officers, employees or agents and each Person who controls such underwriter on substantially the same basis as that of the indemnification of the Initial Purchasers and the selling Holders provided in this Section 6(a) and shall, if requested by any Holder, enter into an underwriting agreement reflecting such agreement, as provided in Section 4(p) hereof.

(b) Each Holder of securities covered by a Registration Statement (including each Initial Purchaser, each Affiliate thereof and, with respect to any Prospectus delivery as contemplated in Section 4(h) hereof, each Exchanging Dealer) severally agrees to indemnify and hold harmless the Issuers each of their respective directors, each of their respective officers who signs such Registration Statement and each Person who controls any Issuer within the meaning of either the Act or the Exchange Act, to the same extent as the foregoing indemnity from the Issuers to each such Holder, but only with reference to written information relating to such Holder furnished to the Issuers by or on behalf of such Holder specifically for inclusion in the documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability which any such Holder may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section 6 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 6, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses; and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. The indemnifying party shall be entitled to appoint counsel of the indemnifying party' s choice at the indemnifying party' s expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); *provided*, *however*, that such counsel shall be reasonably satisfactory to the indemnified party. Notwithstanding the indemnifying party' s election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ one separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party

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would present such counsel with a conflict of interest; (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party; (iii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action; or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. It is understood, *however*, that the indemnifying party shall, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general circumstances, be liable for the fees and expenses of only one firm of attorneys (in addition to local counsel) at any time for all such indemnified parties. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding. An indemnifying party shall not be liable under this Section 6 to any indemnified party regarding any settlement or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent is consented to by such indemnifying party, which consent shall not be unreasonably withheld.

(d) In the event that the indemnity provided in paragraph (a) or (b) of this Section is unavailable to or insufficient to hold harmless an indemnified party for any reason, then each applicable indemnifying party shall have a joint and several obligation to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) (collectively "*Losses*") to which such indemnified party may be subject in such proportion as is appropriate to reflect the relative benefits received by such indemnifying party, on the one hand, and such indemnified party, on the other hand, from the Initial Placement and the Registration Statement which resulted in such Losses; *provided*, *however*, that in no case shall any Initial Purchaser or any subsequent Holder of any Security or Exchange Security be responsible, in the aggregate, for any amount in excess of the purchase discount or commission applicable to such Security, or in the case of an Exchange Security, applicable to the Security that was exchangeable into such Exchange Security, as set forth in the Purchase Agreement, nor shall any underwriter be responsible for any amount in excess of the underwriting discount or commission applicable to the securities purchased by such underwriter under the Registration Statement which resulted in such Losses. If the allocation provided by the immediately

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preceding sentence is unavailable for any reason, the indemnifying party and the indemnified party shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of such indemnifying party, on the one hand, and such indemnified party, on the other hand, in connection with the statements or omissions which resulted in such Losses as well as any other relevant equitable considerations. Benefits received by the Issuers shall be deemed to be equal to the sum of (x) the total net proceeds from the Initial Placement (before deducting expenses) as set forth in the Purchase Agreement and (y) the total amount of additional interest which the Issuers were not required to pay as a result of registering the securities covered by the Registration Statement which resulted in such Losses. Benefits received by the Initial Purchasers shall be deemed to be equal to the total purchase discounts and commissions as set forth in the Purchase Agreement, and benefits received by any other Holders shall be deemed to be equal to the value of receiving Securities or Exchange Securities, as applicable, registered under the Act. Benefits received by any underwriter shall be deemed to be equal to the total underwriting discounts and commissions, as set forth on the cover page of the Prospectus forming a part of the Registration Statement which resulted in such Losses. Relative fault shall be determined by reference to, among other things, whether any untrue or alleged untrue statement of or omission or alleged omission to state a material fact relates to information provided by the indemnifying party, on the one hand, or by the indemnified party, on the other hand, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The parties agree that it would not be just and equitable if contribution were determined by pro rata allocation (even if the Holders were treated as one entity for such purpose) or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 6, each Person who controls a Holder within the meaning of either the Act or the Exchange Act and each director, officer, employee and agent of such Holder shall have the same rights to contribution as such Holder, and each Person who controls any Issuer within the meaning of either the Act or the Exchange Act, each officer of any Issuer who shall have signed the Registration Statement and each director of any Issuer shall have the same rights to contribution as the Issuers, subject in each case to the applicable terms and conditions of this paragraph (d).

(e) The provisions of this Section will remain in full force and effect, regardless of any investigation made by or on behalf of any Holder or the Issuers or any of the officers, directors or controlling Persons referred to in this Section 6 hereof, and will survive the sale by a Holder of securities covered by a Registration Statement.

7. Underwritten Registrations. (a) If any of the Securities or Exchange Securities, as the case may be, covered by any Shelf Registration Statement are to be sold in

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an underwritten offering, the Managing Underwriters shall be selected by the Majority Holders after consultation with the Issuers.

(b) No Person may participate in any underwritten offering pursuant to any Shelf Registration Statement, unless such Person (i) agrees to sell such Person' s Securities or Exchange Securities, as the case may be, on the basis reasonably provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements; and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

8. No Inconsistent Agreements. No Issuer has, as of the date hereof, entered into, nor shall it, on or after the date hereof, enter into, any agreement with respect to its securities that is inconsistent with the rights granted to the Holders herein or otherwise conflicts with the provisions hereof.

9. Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, qualified, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Issuers have obtained the written consent of the Majority Holders; *provided* that, with respect to any matter that directly or indirectly affects the rights of any Initial Purchaser hereunder, the Issuers shall obtain the written consent of each such Initial Purchaser against which such amendment, qualification, supplement, waiver or consent is to be effective. Notwithstanding the foregoing (except the foregoing proviso), a waiver or consent to departure from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders whose Securities or Exchange Securities, as the case may be, are being sold pursuant to a Registration Statement and that does not directly or indirectly affect the rights of other Holders may be given by the Majority Holders, determined on the basis of Securities or Exchange Securities, as the case may be, being sold rather than registered under such Registration Statement.

10. Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail, telex, telecopier or air courier guaranteeing overnight delivery:

(a) if to a Holder, at the most current address given by such holder to the Issuers in accordance with the provisions of this Section, which address initially is, with respect to each Holder, the address of such Holder maintained by the Registrar under the Indenture, with a copy in like manner to Citigroup Global Markets Inc.;

(b) if to you, initially at the respective addresses set forth in the Purchase Agreement; and

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(c) if to the Issuers, initially at their address set forth in the Purchase Agreement.

All such notices and communications shall be deemed to have been duly given at the time delivered personally, if personally delivered; two business days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt is acknowledged, if telecopied; and on the next business day, if timely delivered to a nationally recognized air courier guaranteeing overnight delivery.

The Initial Purchasers or the Issuers by notice to the other parties may designate additional or different addresses for subsequent notices or communications.

11. Successors. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties hereto, including, without the need for an express assignment or any consent by the Issuers thereto, subsequent Holders of Securities and the Exchange Securities. The Issuers hereby agree to extend the benefits of this Agreement to any Holder of Securities or the Exchange Securities, and any such Holder may specifically enforce the provisions of this Agreement as if an original party hereto.

12. Counterparts. This Agreement may be signed in counterparts, each of which shall be an original and all of which together shall constitute one and the same agreement.

13. Headings. The headings used herein are for convenience only and shall not affect the construction hereof.

14. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed in the State of New York.

15. Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired or affected thereby, it being intended that all of the rights and privileges of the parties shall be enforceable to the fullest extent permitted by law.

16. Securities Held by the Issuers, etc. Whenever the consent or approval of Holders of a specified percentage of principal amount of Securities or Exchange Securities is required hereunder, Securities or Exchange Securities, as applicable, held by any Issuer or its Affiliates (other than subsequent Holders of Securities or Exchange Securities if such subsequent Holders are deemed to be Affiliates solely by reason of their holdings of such

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Securities or Exchange Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

17. Agent for Service; Submission to Jurisdiction; Waiver of Immunities. By the execution and delivery of this Agreement, for the purposes of this Agreement and for no other purposes, each Issuer (i) acknowledges that such Issuer has, by separate written instrument, irrevocably designated and appointed CT Corporation, System ("*CT*") (and any successor entity), as its authorized agent upon which process may be served in any suit or proceeding arising out of or relating to this Agreement the Securities or the Exchange Securities that may be instituted in any federal or state court in the State of New York or brought under Federal or state securities laws, and acknowledges that CT has accepted such designation, (ii) irrevocably submits to the jurisdiction of any such court in any such suit or proceeding, and (iii) agrees that service of process upon CT and written notices of said service to such Issuer in accordance with Section 10 hereof shall be deemed effective service of process upon it in any such suit or proceeding. As expressly contemplated by the preceding sentence, each Issuer further agrees to take any reasonable all action, including the execution and filing of any and all such documents and instruments, as may be necessary to continue such designation and appointment of CT in full force and effect so long as any of the Securities shall be outstanding; *provided*, *however*, that such Issuer may, by written notice to the Representatives, designate such additional or alternative agent for service of process under this Section 17 that (i) maintains an office located in the Borough of Manhattan, City of New York in the State of New York and (ii) is a corporate service company which acts as agent for service of process for other persons in the ordinary course of its business. Such written notice shall identify the name of such agent for process and the address of the office of such agent for process in the Borough of Manhattan, City of New York, State of New York.

To the extent that any Issuer has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process with respect to itself or its property, it hereby irrevocably waives such immunity in respect of its obligations under each of this Agreement, the Securities and the Exchange Securities for the purposes of this Section 17. In addition, for such purposes, each Issuer irrevocably waives and agrees not to assert, by way of motion, as a defense, or otherwise in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of the above-mentioned courts for any reason whatsoever, that such suit, action or proceeding is brought in an inconvenient forum or that the venue for such suit is improper, or that this Agreement, the Securities or the Exchange Securities or the subject matter hereof or thereof may not be enforced in such courts.

For the purposes of Section 18, the Issuers and the Initial Purchasers agree that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section 17 shall affect the right of the Trustee to serve legal process in

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any other manner permitted by law or affect the right of the Trustee to bring any action or proceeding against any Issuer or its property in the courts of any other jurisdictions.

18. Judgment Currency. The Issuers, jointly and severally, agree to indemnify and hold harmless each Holder (including each Initial Purchaser and each Affiliate thereof and, with respect to any Prospectus delivery as contemplated by Section 4(h) hereof, each Exchanging Dealer), the directors, officers, employees and agents of each such Holder and each person who controls any such Holder within the meaning of either the Act or the Exchange Act against any loss incurred by such indemnified party as a result of any judgment or order being given or made in favor of such indemnified party for any amount due under this Agreement and such judgment or order being expressed and paid in a currency (the "*Judgment Currency*") other than United States dollar and as a result of any variation as between (i) the rate of exchange at which the United States dollar amount is converted into the Judgment Currency for the purpose of such judgment or order and (ii) the spot rate of exchange in The City of New York at which such indemnified party on the date of payment of such judgment or order is able to purchase United States dollars with the amount of the Judgment Currency actually received by such indemnified party. The foregoing indemnity shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "spot rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of, or conversion into, United States dollars.

19. Termination. This Agreement shall automatically terminate if the Company completes a Special Mandatory Redemption (as defined in the Indenture).

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this Agreement and your acceptance shall represent a binding agreement among the Issuers and the several Initial Purchasers.

Very truly yours,

LAIDLAW INVESTMENTS, LTD.
(to be renamed Laidlaw International, Inc.)

By: /s/ Ivan R. Cairns
Name: Ivan R. Cairns
Title: Senior Vice President and Secretary

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LAIDLAW TRANSPORTATION, INC., a Delaware corporation

LAIDLAW USA, INC., a New York corporation

LAIDLAW TRANSPORTATION HOLDINGS, INC., a Delaware corporation

LAIDLAW TRANSPORTATION MANAGEMENT INC., an Ohio corporation

LAIDLAW MEDICAL HOLDINGS, INC., a Delaware corporation

LAIDLAW INTERNATIONAL FINANCE CORPORATION INC., A Delaware corporation

By: /s/ Ivan R. Cairns

Name: Ivan R. Cairns
Title: Senior Vice President and Secretary

S.C. FOOD SERVICES (U.S.A.), INC., a Delaware corporation

LAIDLAW ONE INC., a Delaware corporation

LAIDLAW TWO, INC., a Delaware corporation

By: /s/ Ivan R. Cairns

Name: Ivan R. Cairns
Title: President and Secretary

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CONCORDE ADJUSTERS, INC., a Delaware corporation

By: /s/ Ivan R. Cairns
Name: Ivan R. Cairns
Title: Vice President

LAIDLAW TRANSIT HOLDINGS, INC., a Delaware corporation

LAIDLAW TRANSIT, INC., a Delaware corporation

ALLIED BUS SALES, INC., an Indiana corporation

LAIDLAW TRANSIT MANAGEMENT COMPANY, INC., a Pennsylvania corporation

CHATHAM COACH LINES, INC., a Delaware corporation

LAIDLAW TRANSIT SERVICES, INC., a Delaware corporation

SUTRAN, INC., a South Dakota corporation

VAN TRAN OF TUCSON, INC., an Arizona corporation

SAFE RIDE SERVICES, INC., an Arizona corporation

By: /s/ Ivan R. Cairns
Name: Ivan R. Cairns
Title: Secretary

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EMCARE GROUP

EMCARE HOLDINGS INC., a Delaware corporation

EMCARE, INC., a Delaware corporation

AMERICAN EMERGENCY PHYSICIANS MANAGEMENT, INC., a California corporation

CHARLES T. MITCHELL, INC., a Hawaii corporation

COORDINATED HEALTH SERVICES, INC., a Pennsylvania corporation

ECEP, INC., a Missouri corporation

EMCARE ANESTHESIA SERVICES, INC., a Delaware corporation

EMCARE CONTRACT OF ARKANSAS, INC., an Arkansas corporation

EMCARE OF ALABAMA, INC., an Alabama corporation

EMCARE OF ARIZONA, INC., an Arizona corporation

EMCARE OF CALIFORNIA, INC., a California corporation

EMCARE OF COLORADO, INC., a Colorado corporation

EMCARE OF FLORIDA, INC., a Florida corporation

EMCARE OF GEORGIA, INC., a Georgia corporation

EMCARE OF HAWAII, INC., a Hawaii corporation

EMCARE OF INDIANA, INC., an Indiana corporation

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EMCARE OF IOWA, INC., an Iowa corporation

EMCARE OF KENTUCKY, INC., a Kentucky corporation

EMCARE OF LOUISIANA, INC., a Louisiana corporation

EMCARE OF MARYLAND, LLC, a Maryland limited liability company

EMCARE OF MICHIGAN, INC., a Michigan corporation

EMCARE OF MINNESOTA, INC., a Minnesota corporation

EMCARE OF MISSISSIPPI, INC., a Mississippi corporation

EMCARE OF MISSOURI, INC., a Missouri corporation

EMCARE OF NEVADA, INC., a Nevada corporation

EMCARE OF NEW HAMPSHIRE, INC., a New Hampshire corporation

EMCARE OF NEW JERSEY, INC., a New Jersey corporation

EMCARE OF NEW MEXICO, INC., a New Mexico corporation

EMCARE OF NEW YORK, INC., a New York corporation

EMCARE OF NORTH CAROLINA, INC., a North Carolina corporation

EMCARE OF NORTH DAKOTA, INC., a North Dakota corporation

EMCARE OF OHIO, INC., an Ohio corporation

EMCARE OF OKLAHOMA, INC., an Oklahoma corporation

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EMCARE OF OREGON, INC., an Oregon corporation

EMCARE OF PENNSYLVANIA, INC., a Pennsylvania corporation

EMCARE OF RHODE ISLAND, INC., a Rhode Island corporation

EMCARE OF SOUTH CAROLINA, INC., a South Carolina corporation

EMCARE OF TENNESSEE, INC., a Tennessee corporation

EMCARE OF TEXAS, INC., a Texas corporation

EMCARE OF VERMONT, INC., a Vermont corporation

EMCARE OF VIRGINIA, INC., a Virginia corporation

EMCARE OF WASHINGTON, INC., a Washington corporation

EMCARE OF WEST VIRGINIA, INC., a West Virginia corporation

EMCARE OF WISCONSIN, INC., a Wisconsin corporation

EMCARE PHYSICIAN SERVICES, INC., a Delaware corporation

EMCARE PHYSICIAN PROVIDERS, INC., a Missouri corporation

EMCARE SERVICES OF ILLINOIS, INC., an Illinois corporation

EMCARE SERVICES OF MASSACHUSETTS, INC., a Massachusetts corporation

EM-CODE REIMBURSEMENT SOLUTIONS, INC., a Delaware corporation

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EMERGENCY MEDICINE EDUCATION SYSTEMS, INC., a Texas corporation

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EMERGENCY SPECIALISTS OF ARKANSAS, INC. II, a Texas corporation

FIRST MEDICAL/EMCARE INC., a California corporation

HEALTHCARE ADMINISTRATIVE SERVICES, INC., a Delaware corporation

HELIX PHYSICIANS MANAGEMENT, INC., a California corporation

NORMAN BRUCE JETTON, INC., a California corporation

OLD STAT, INC., a Delaware corporation

PACIFIC EMERGENCY SPECIALISTS MANAGEMENT, INC., a California corporation

REIMBURSEMENT TECHNOLOGIES, INC., a Pennsylvania corporation

STAT PHYSICIANS, INC., a Florida corporation

THE GOULD GROUP, INC., a Texas corporation

TIFTON MANAGEMENT SERVICES, INC., a Georgia corporation

TUCKER EMERGENCY SERVICES, INC., a Georgia corporation

By: /s/ Ivan R. Cairns
Name: Ivan R. Cairns
Title: Vice President

AMERICAN MEDICAL RESPONSE GROUP

AMERICAN MEDICAL RESPONSE, INC., a Delaware corporation

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AMBULANCE ACQUISITION, INC., a Delaware corporation

AMR BROCKTON, L.L.C., a Delaware limited liability company

MEDLIFE EMERGENCY MEDICAL SERVICE, INC., an Alabama corporation

METROPOLITAN AMBULANCE SERVICE, a California corporation

HANK' S ACQUISITION CORP., an Alabama corporation

AMERICAN MEDICAL RESPONSE OF INLAND EMPIRE, a California corporation

FOUNTAIN AMBULANCE SERVICE, INC., an Alabama corporation

GOLDEN GATE ASSOCIATES, a California corporation

FLORIDA EMERGENCY PARTNERS, INC., a Texas corporation

SAN FRANCISCO AMBULANCE SERVICE, INC., a California corporation

AMERICAN MEDICAL RESPONSE NORTHWEST, INC., an Oregon corporation

SPRINGS AMBULANCE SERVICE, INC., a California corporation

AMERICAN MEDICAL RESPONSE OF COLORADO,
INC., a Delaware corporation

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MEDEVAC MIDAMERICA, INC., a Missouri corporation

AMERICAN MEDICAL RESPONSE WEST, a California corporation

DESERT VALLEY MEDICAL TRANSPORT, INC., a California corporation

INTERNATIONAL LIFE SUPPORT, INC., a Hawaii corporation

MEDEVAC MEDICAL RESPONSE, INC., a Missouri corporation

AMERICAN MEDICAL RESPONSE OF OKLAHOMA, INC., a Delaware corporation

AMERICAN MEDICAL RESPONSE OF TEXAS, INC., a Delaware corporation

KUTZ AMBULANCE SERVICE, INC., a Wisconsin corporation

AMERICAN MEDICAL RESPONSE HOLDINGS, INC., a Delaware corporation

AMERICAN MEDICAL RESPONSE MANAGEMENT, INC., a Delaware corporation

REGIONAL EMERGENCY SERVICES, L.P., a Delaware limited partnership

A1 LEASING, INC., a Florida corporation

MOBILE MEDIC AMBULANCE SERVICE, INC., a Delaware corporation

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Please Consider the Environment Before Printing This Document

METRO AMBULANCE SERVICES, INC., a Delaware corporation

METRO AMBULANCE SERVICE (RURAL), INC., a Delaware corporation

MEDIC ONE AMBULANCE SERVICES, INC., a Delaware corporation

AMERICAN MEDICAL RESPONSE OF SOUTH CAROLINA, INC., a Delaware corporation

AMERICAN MEDICAL RESPONSE OF NORTH CAROLINA, INC., a Delaware corporation

AMERICAN MEDICAL RESPONSE OF GEORGIA, INC., a Delaware corporation

RANDLE EASTERN AMBULANCE SERVICE, INC., a Florida corporation

MEDI-CAR SYSTEMS, INC., a Florida corporation

AMERICAN MEDICAL RESPONSE OF TENNESSEE, INC., a Delaware corporation

PHYSICIANS & SURGEONS AMBULANCE SERVICE, INC., an Ohio corporation

AMERICAN MEDICAL RESPONSE OF ILLINOIS, INC., a Delaware corporation

TROUP COUNTY EMERGENCY MEDICAL SERVICES, INC., a Georgia corporation

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MEDI-CAR AMBULANCE SERVICE, INC., a Florida corporation

MIDWEST AMBULANCE MANAGEMENT COMPANY, a Delaware corporation

PARAMED, INC., a Michigan corporation

MERCY AMBULANCE OF EVANSVILLE, INC., an Indiana corporation

TIDEWATER AMBULANCE SERVICE, INC., a Virginia corporation

AMERICAN MEDICAL RESPONSE OF CONNECTICUT, INCORPORATED, a Connecticut corporation

ATLANTIC AMBULANCE SERVICES ACQUISITION, INC., a Delaware corporation

AMERICAN MEDICAL RESPONSE OF MASSACHUSETTS, INC., a Massachusetts corporation

ATLANTIC/KEY WEST AMBULANCE, INC., a Delaware corporation

AMERICAN MEDICAL RESPONSE MID-ATLANTIC, INC., a Pennsylvania corporation

ATLANTIC/PALM BEACH AMBULANCE, INC., a Delaware corporation

AMERICAN MEDICAL RESPONSE DELAWARE VALLEY, LLC, a Delaware limited liability company

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SEMINOLE COUNTY AMBULANCE, INC., a Delaware corporation

METRO AMBULANCE SERVICE, INC., a Georgia corporation

LIFEFLEET SOUTHEAST, INC., a Florida corporation

BROWARD AMBULANCE, INC., a Delaware corporation

AMERICAN MEDICAL PATHWAYS, INC., a Delaware corporation

LAIDLAW MEDICAL TRANSPORTATION, INC., a Delaware corporation

LIFECARE AMBULANCE SERVICE, INC., an Illinois corporation

TEK, INC., an Illinois corporation

HEMET VALLEY AMBULANCE SERVICE, INC., a California corporation

MEDIC ONE OF COBB, INC., a Georgia corporation

GIEGER TRANSFER SERVICE, INC., a Mississippi corporation

MERCY LIFE CARE, a California corporation

AMERICAN MEDICAL RESPONSE OF SOUTHERN CALIFORNIA, a California corporation

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PUCKETT AMBULANCE SERVICE, INC., a Georgia corporation

MERCY, INC., a Nevada corporation

AMERICAN INVESTMENT ENTERPRISES, INC., a Nevada corporation

ADAM TRANSPORTATION SERVICE, INC., a New York corporation

ASSOCIATED AMBULANCE SERVICE, INC., a New York corporation

PARK AMBULANCE SERVICE INC., a New York corporation

FIVE COUNTIES AMBULANCE SERVICE, INC., a New York corporation

SUNRISE HANDICAP TRANSPORT CORP., a New York corporation

By: /s/ Ivan R. Cairns
Name: Ivan R. Cairns
Title: Vice President

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The foregoing Agreement is hereby confirmed and accepted as of the date first above written.

CITIGROUP GLOBAL MARKETS INC.
CREDIT SUISSE FIRST BOSTON LLC

As Representatives of the Initial Purchasers named in Schedule I hereto

By: CITIGROUP GLOBAL MARKETS INC.

By: /s/ Timothy Dilworth

Name: Timothy Dilworth
Title: Vice President

For themselves and the other several Initial Purchasers named in Schedule I to the foregoing Agreement.

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**SCHEDULE I**

Initial Purchasers:
Citigroup Global Markets Inc.
Credit Suisse First Boston LLC

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**SCHEDULE II**

Guarantors

[ ]

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**ANNEX A**

Each Broker-Dealer that receives Exchange Securities 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 Securities. 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 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 Securities received in exchange for Securities where such Securities were acquired by such Broker-Dealer as a result of market-making activities or other trading activities. The Issuers have agreed that, starting on the Expiration Date (as defined herein) and ending on the close of business 180 days after the Expiration Date, they will make this Prospectus available to any Broker-Dealer for use in connection with any such resale. See "Plan of Distribution".

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**ANNEX B**

Each Broker-Dealer that receives Exchange Securities for its own account in exchange for Securities, where such Securities were acquired by such Broker-Dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. See "Plan of Distribution".

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**ANNEX C**

## PLAN OF DISTRIBUTION

Each Broker-Dealer that receives Exchange Securities 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 Securities. 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 Securities received in exchange for Securities where such Securities were acquired as a result of market-making activities or other trading activities. The Issuers have agreed that, starting on the Expiration Date and ending on the close of business 180 days after the Expiration Date, they will make this Prospectus, as amended or supplemented, available to any Broker-Dealer for use in connection with any such resale. In addition, until , 200 , all dealers effecting transactions in the Exchange Securities may be required to deliver a prospectus.

The Issuers will not receive any proceeds from any sale of Exchange Securities by Broker-Dealers. Exchange Securities received by Broker-Dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the Exchange Securities or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such Broker-Dealer and/or the purchasers of any such Exchange Securities. Any Broker-Dealer that resells Exchange Securities that were received by it for its own account pursuant to the Exchange Offer and any broker or dealer that participates in a distribution of such Exchange Securities may be deemed to be an "underwriter" within the meaning of the Act and any profit of any such resale of Exchange Securities and any commissions or concessions received by any such Persons may be deemed to be underwriting compensation under the Act. The Letter of Transmittal states that by acknowledging that it will deliver and by delivering a prospectus, a Broker-Dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Act.

For a period of 180 days after the Expiration Date, the Issuers will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any Broker-Dealer that requests such documents in the Letter of Transmittal. The Issuers have agreed to pay all expenses incident to the Exchange Offer (including the expenses of one counsel for the holder of the Securities) other than commissions or concessions of any brokers or dealers and will indemnify the holders of the Securities (including any Broker-Dealers) against certain liabilities, including liabilities under the Act.

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**ANNEX D**

[ ] CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name: _____

Address: _____

_____

If the undersigned is not a Broker-Dealer, the undersigned represents that it acquired the Exchange Securities in the ordinary course of its business, it is not engaged in, and does not intend to engage in, a distribution of Exchange Securities and it has no arrangements or understandings with any Person to participate in a distribution of the Exchange Securities. If the undersigned is a Broker-Dealer that will receive Exchange Securities for its own account in exchange for Securities, it represents that the Securities to be exchanged for Exchange Securities were acquired by it as a result of market-making activities or other trading activities and acknowledges that it will deliver a prospectus in connection with any resale of such Exchange Securities; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Act.

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Exhibit 5.1

[Letterhead of Jones Day]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Blvd.
Naperville, Illinois 60563

Re: Registration Statement on Form S-4 filed by
Laidlaw International, Inc. (the "Registration Statement")

Ladies and Gentlemen:

We have acted as counsel to Laidlaw International, Inc., a Delaware corporation (the "Company"), the companies listed on Annex A hereto (collectively, the "Covered Guarantors") and the companies listed on Annex B hereto (collectively, the "Other Guarantors," and, together with the Covered Guarantors, the "Subsidiary Guarantors") in connection with the issuance and exchange (the "Exchange Offer") of up to $406,000,000 aggregate principal amount of the Company' s 10 3/4% Senior Notes due 2011 (the "Exchange Notes") for an equal principal amount of the Company' s 10 3/4% Senior Notes due 2011 outstanding on the date hereof (the "Outstanding Notes"). The Exchange Notes will be issued pursuant to the Indenture, dated as of June 3, 2003 (the "Original Indenture"), by and among the Company, the Subsidiary Guarantors and Deutsche Bank Trust Company Americas, as trustee (the "Trustee"), as amended by the First Supplemental Indenture, dated as of June 18, 2003, by and among the Company, the Subsidiary Guarantors and the Trustee (the "Supplemental Indenture" and, together with the Original Indenture, the "Indenture"). The Outstanding Notes are, and the Exchange Notes will be, guaranteed (each, a "Subsidiary Guarantee") on a joint and several basis by the Subsidiary Guarantors.

In rendering this opinion, we have examined such documents and records, including an examination of originals or copies certified or otherwise identified to our satisfaction, and matters of law as we have deemed necessary for purposes of this opinion. Based upon the foregoing and subject to the assumptions, qualifications and limitations stated herein, we are of the opinion that:

1. When the Registration Statement becomes effective under the Securities Act of 1933 (the "Securities Act") and the Exchange Notes are executed by the Company, authenticated by the Trustee in accordance with the Indenture and delivered in accordance with the terms of the Exchange Offer in exchange for the Outstanding Notes, the Exchange Notes will be validly issued by the Company and will constitute valid and binding obligations of the Company;

2. When the Registration Statement becomes effective under the Securities Act and the Subsidiary Guarantees of the Exchange Notes (the "Exchange Guarantees") of the Covered Guarantors are delivered in accordance with the terms of the Exchange Offer in exchange for the Subsidiary Guarantees of the Outstanding Notes (the "Outstanding Guarantees") of the Covered

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Guarantors, the Exchange Guarantee of each Covered Guarantor will be validly issued by the respective Covered Guarantor and will constitute a valid and binding obligation of the respective Covered Guarantor; and

3. When the Registration Statement becomes effective under the Securities Act and the Exchange Guarantees of the Other Guarantors are delivered in accordance with the terms of the Exchange Offer in exchange for the Outstanding Guarantees of the Other Guarantors, the Exchange Guarantee of the respective Other Guarantor will constitute a valid and binding obligation of the respective Other Guarantor.

The opinions set forth above are subject to the following assumptions, qualifications and limitations:

For purposes of our opinions set forth in paragraph 3 with respect to the Exchange Guarantees of the Other Guarantors, we assume that (a) each Other Guarantor is a corporation or limited liability company existing and in good standing in its respective jurisdiction of incorporation or organization as listed opposite such Other Guarantor' s name on Annex B attached hereto (collectively, the "Jurisdictions") and (b) the Indenture (i) has been (A) duly authorized by the respective Other Guarantor and (B) executed and delivered by the respective Other Guarantor under the laws of the applicable Jurisdiction, (ii) does not violate the laws of the applicable Jurisdiction and (iii) constitutes a valid and binding obligation of the respective Other Guarantor under the laws of the applicable Jurisdiction.

Our opinions with respect to the enforceability of, and the obligations referred to in, the Exchange Notes and Exchange Guarantees are subject to (i) bankruptcy, insolvency, fraudulent transfer or conveyance, reorganization, voidable preference, moratorium or other similar laws of general applicability relating to or affecting creditors' rights and remedies generally and (ii) general principles of equity, regardless of whether such enforceability is considered in a proceeding at equity or at law, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, and the availability of the remedy of specific performance or injunctive relief.

For purposes of our opinions insofar as they relate to the Subsidiary Guarantors, we have assumed that the obligations of each of the Subsidiary Guarantors under the Exchange Guarantees are, and would be deemed by a court of competent jurisdiction to be, in furtherance of its corporate purposes, or necessary or convenient to the conduct, promotion or attainment of the business of the respective Subsidiary Guarantor.

Our examination of matters of law in connection with the opinions expressed herein has been limited to, and accordingly our opinions herein are limited to, the laws of the General Corporation Law of the State of Delaware, the Delaware Limited Liability Company Act, the Delaware Revised Uniform Limited Partnership Act, including the applicable provisions of the Delaware Constitution and the reported judicial decisions interpreting such laws, the California General Corporation Law, the Georgia Business Corporation Code, the Illinois Business Corporation Act of 1983, the New York Business Corporation Law, the Ohio General

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Corporation Law and the Texas Business Corporation Act, in each case as currently in effect, and we express no opinion as to the effect of the laws of any other jurisdiction on the opinions expressed herein.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement and to the reference to us with respect to this opinion under the caption "Legal Matters" in the prospectus constituting a part of the Registration Statement. In giving such consent, we do not thereby admit that we are included in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

Very truly yours,

/s/ Jones Day

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**ANNEX A**

| Name | State |
|---|---|
| Adam Transportation Service, Inc. | New York |
| Ambulance Acquisition, Inc. | Delaware |
| American Emergency Physicians Management, Inc. | California |
| American Medical Pathways, Inc. | Delaware |
| American Medical Response Delaware Valley, LLC | Delaware |
| American Medical Response Holdings, Inc. | Delaware |
| American Medical Response Management, Inc. | Delaware |
| American Medical Response of Colorado, Inc. | Delaware |
| American Medical Response of Georgia, Inc. | Delaware |
| American Medical Response of Illinois, Inc. | Delaware |
| American Medical Response of Inland Empire | California |
| American Medical Response of North Carolina, Inc. | Delaware |
| American Medical Response of Oklahoma, Inc. | Delaware |
| American Medical Response of South Carolina, Inc. | Delaware |
| American Medical Response of Southern California | California |
| American Medical Response of Tennessee, Inc. | Delaware |
| American Medical Response of Texas, Inc. | Delaware |
| American Medical Response West | California |
| American Medical Response, Inc. | Delaware |
| AMR Brockton, L.L.C | Delaware |
| Associated Ambulance Service, Inc. | New York |
| Atlantic Ambulance Services Acquisition, Inc. | Delaware |
| Atlantic/Key West Ambulance, Inc. | Delaware |
| Atlantic/Palm Beach Ambulance, Inc. | Delaware |
| Broward Ambulance, Inc. | Delaware |
| Chatham Coach Lines, Inc. | Delaware |
| Concorde Adjusters, Inc. | Delaware |
| Desert Valley Medical Transport, Inc. | California |

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| Name | State |
|---|---|
| EmCare Anesthesia Services, Inc. | Delaware |
| EmCare Holdings Inc. | Delaware |
| EmCare of California, Inc. | California |
| EmCare of Georgia, Inc. | Georgia |
| EmCare of New York, Inc. | New York |
| EmCare of Ohio, Inc. | Ohio |
| EmCare of Texas, Inc. | Texas |
| EmCare Physician Services, Inc. | Delaware |
| EmCare Services of Illinois, Inc. | Illinois |
| EmCare, Inc. | Delaware |
| EM-CODE Reimbursement Solutions, Inc. | Delaware |
| Emergency Medicine Education Systems, Inc. | Texas |
| Emergency Specialists of Arkansas, Inc. II | Texas |
| First Medical/EmCare Inc. | California |
| Five Counties Ambulance Service, Inc. | New York |
| Florida Emergency Partners, Inc. | Texas |
| Healthcare Administrative Services, Inc. | Delaware |
| Helix Physicians Management, Inc. | California |
| Hemet Valley Ambulance Service, Inc. | California |
| Laidlaw International Finance Corporation, Inc. | Delaware |
| Laidlaw Medical Transportation, Inc. | Delaware |
| Laidlaw One, Inc. | Delaware |
| Laidlaw Transit Holdings, Inc. | Delaware |
| Laidlaw Transit Services, Inc. | Delaware |
| Laidlaw Transit, Inc. | Delaware |
| Laidlaw Medical Holdings, Inc. | Delaware |
| Laidlaw Transportation Holdings, Inc. | Delaware |
| Laidlaw Transportation Management Inc. | Ohio |
| Laidlaw Transportation, Inc. | Delaware |

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| Name | State |
|---|---|
| Laidlaw Two, Inc. | Delaware |
| Laidlaw USA, Inc. | New York |
| LifeCare Ambulance Service, Inc. | Illinois |
| LINC Transportation, LLC | Delaware |
| Medic One Ambulance Services, Inc. | Delaware |
| Medic One of Cobb, Inc. | Georgia |
| Mercy Life Care | California |
| Metro Ambulance Service (Rural), Inc. | Delaware |
| Metro Ambulance Service, Inc. | Delaware |
| Metro Ambulance Services, Inc. | Georgia |
| Metropolitan Ambulance Service | California |
| Midwest Ambulance Management Company | Delaware |
| Mobile Medic Ambulance Service, Inc. | Delaware |
| Norman Bruce Jetton, Inc. | California |
| Old STAT, Inc. | Delaware |
| Pacific Emergency Specialists Management, Inc. | California |
| Park Ambulance Service Inc. | New York |
| Physicians & Surgeons Ambulance Service, Inc. | Ohio |
| Provider Account Management, Inc. | Delaware |
| Puckett Ambulance Service, Inc. | Georgia |
| Regional Emergency Services, L.P. | Delaware |
| S.C. Food Services (U.S.A.), Inc. | Delaware |
| Seminole County Ambulance, Inc. | Delaware |
| Springs Ambulance Service, Inc. | California |
| Sunrise Handicap Transport Corp. | New York |
| TEK, Inc. | Illinois |
| The Gould Group, Inc. | Texas |
| Tifton Management Services, Inc. | Georgia |
| Troup County Emergency Medical Services, Inc. | Georgia |

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| Name | State |
| --- | --- |
| Tucker Emergency Services, Inc. | Georgia |

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**ANNEX B**

| Name | State |
|---|---|
| A1 Leasing, Inc. | Florida |
| Allied Bus Sales, Inc. | Indiana |
| American Investment Enterprises, Inc. | Nevada |
| American Medical Response Mid-Atlantic, Inc. | Pennsylvania |
| American Medical Response Northwest, Inc. | Oregon |
| American Medical Response of Connecticut, Incorporated | Connecticut |
| American Medical Response of Massachusetts, Inc. | Massachusetts |
| Charles T. Mitchell, Inc. | Hawaii |
| Coordinated Health Services, Inc. | Pennsylvania |
| ECEP, Inc. | Missouri |
| EmCare Contract of Arkansas, Inc. | Arkansas |
| EmCare of Alabama, Inc. | Alabama |
| EmCare of Arizona, Inc. | Arizona |
| EmCare of Colorado, Inc. | Colorado |
| EmCare of Connecticut, Inc. | Connecticut |
| EmCare of Florida, Inc. | Florida |
| EmCare of Hawaii, Inc. | Hawaii |
| EmCare of Indiana, Inc. | Indiana |
| EmCare of Iowa, Inc. | Iowa |
| EmCare of Kentucky, Inc. | Kentucky |
| EmCare of Louisiana, Inc. | Louisiana |
| EmCare of Maryland, LLC | Maryland |
| EmCare of Michigan, Inc. | Michigan |
| EmCare of Minnesota, Inc. | Minnesota |
| EmCare of Mississippi, Inc. | Mississippi |
| EmCare of Missouri, Inc. | Missouri |
| EmCare of Nevada, Inc. | Nevada |
| EmCare of New Hampshire, Inc. | New Hampshire |
| EmCare of New Jersey, Inc. | New Jersey |
| EmCare of New Mexico, Inc. | New Mexico |
| EmCare of North Carolina, Inc. | North Carolina |
| EmCare of North Dakota, Inc. | North Dakota |

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| Name | State |
|---|---|
| EmCare of Oklahoma, Inc. | Oklahoma |
| EmCare of Oregon, Inc. | Oregon |
| EmCare of Pennsylvania, Inc. | Pennsylvania |
| EmCare of Rhode Island, Inc. | Rhode Island |
| EmCare of South Carolina, Inc. | South Carolina |
| EmCare of Tennessee, Inc. | Tennessee |
| EmCare of Vermont, Inc. | Vermont |
| EmCare of Virginia, Inc. | Virginia |
| EmCare of Washington, Inc. | Washington |
| EmCare of West Virginia, Inc. | West Virginia |
| EmCare of Wisconsin, Inc. | Wisconsin |
| EmCare Physician Providers, Inc. | Missouri |
| EmCare Services of Massachusetts, Inc. | Massachusetts |
| Fountain Ambulance Service, Inc. | Alabama |
| Hank' s Acquisition Corp. | Alabama |
| International Life Support, Inc. | Hawaii |
| Kutz Ambulance Service, Inc. | Wisconsin |
| Laidlaw Transit Management Company, Inc. | Pennsylvania |
| LifeFleet Southeast, Inc. | Florida |
| Medevac Medical Response, Inc. | Missouri |
| Medevac MidAmerica, Inc. | Missouri |
| Medi-Car Ambulance Service, Inc. | Florida |
| Medi-Car Systems, Inc. | Florida |
| MedLife Emergency Medical Service, Inc. | Alabama |
| Mercy Ambulance of Evansville, Inc. | Indiana |
| Mercy, Inc. | Nevada |
| Paramed, Inc. | Michigan |
| Physician Account Management, Inc. | Florida |
| Randle Eastern Ambulance Service, Inc. | Florida |
| Reimbursement Technologies, Inc. | Pennsylvania |
| Safe Ride Services, Inc. | Arizona |
| STAT Physicians, Inc. | Florida |
| SuTran, Inc. | South Dakota |
| Tidewater Ambulance Service, Inc. | Virginia |

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| Name | State |
| --- | --- |
| Van Tran of Tucson, Inc. | Arizona |

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**Exhibit 5.2**

[Letterhead of Bradley Arant Rose & White LLP]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Blvd.
Naperville, Illinois 60563

Jones Day
77 W. Wacker Drive
Chicago, Illinois 60601

Re: Laidlaw Alabama Subsidiaries

Ladies and Gentlemen:

We have acted as special local counsel to Laidlaw International, Inc., a Delaware corporation (formerly, Laidlaw Investments Ltd.) (the "Company"), solely for the purpose of delivering this opinion in connection with the issuance by each of EmCare of Alabama, Inc., Fountain Ambulance Service, Inc., MedLife Emergency Medical Service, Inc. and Hank' s Acquisition Corp. (collectively, the "Specified Guarantors"), each of which is a corporation organized and existing under the laws of the State of Alabama and a direct or indirect subsidiary of the Company, of guarantees (the "Guarantees") of $406,000,000 in aggregate principal amount of the Company' s 10 3/4 % Senior Notes due 2011 (the "Notes"). The Notes are being issued pursuant to an indenture, dated as of June 3, 2003, as amended by the First Supplemental Indenture dated as of June 18, 2003 (as so amended, the "Indenture"), by and among the Company, the Specified Guarantors, the other subsidiary guarantors named therein and Deutsche Bank Trust Company Americas, as trustee.

In connection with the opinions expressed below, we have examined and relied on originals or copies (certified or otherwise identified to our satisfaction) of the following:

(i) the form of Notes;

(ii) the form of Guarantees;

(iii) the Indenture;

(iv) the Registration Rights Agreement, as defined in the Indenture; and

(v) such corporate records of the Specified Guarantors and such other records, documents and instruments as we have deemed necessary as a basis for the opinions

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expressed below, including the articles of incorporation and bylaws of the Specified Guarantors certified to us by the Secretary of each of the Specified Guarantors as being currently in effect and certain resolutions (collectively, the "Authorizing Resolutions") adopted by the Boards of Directors and sole shareholder of the Specified Guarantors relating to the transactions contemplated herein.

In our examination, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the authenticity of all documents submitted to us as originals and the conformity with authentic original documents of all documents submitted to us as copies. With respect to certain factual matters, we have relied with your consent and without further investigation upon certificates or statements of governmental officials, upon the representations and warranties of the parties made in or pursuant to the Indenture and the other transaction documents referred to therein and upon certificates of officers of the Specified Guarantors who we believe to be responsible, copies of which have been furnished to you, and have assumed that all such certificates, statements, representations and warranties were true and correct as of the date made and remain true and correct through the date hereof.

In rendering the opinions expressed below, we have assumed, with respect to all of the transactions and documents referred to herein:

(i) that all of the parties to such documents other than the Specified Guarantors are duly organized and validly existing and have the power and authority (corporate or other) to execute, deliver and perform their obligations under such documents;

(ii) that such documents have been duly authorized, executed and delivered by all parties thereto other than the Specified Guarantors, and constitute the legal, valid and binding obligations of all parties thereto other than the Specified Guarantors, enforceable against them in accordance with their terms;

(iii) that the terms and conditions of the Indenture, the Notes and the Guarantees (collectively, the "Transaction Documents") have not been amended, modified or supplemented by any other agreement, action or understanding of the parties and there has been no waiver of any of the material provisions of any of the Transaction Documents;

(iv) that the Transaction Documents and the transactions reflected therein or contemplated thereby have been negotiated entirely outside the State of Alabama; that the Transaction Documents have been executed and delivered entirely outside the State of Alabama; and that no employee, officer, director or agent of the holders of the Notes or the Trustee has visited the State of Alabama for the purpose of negotiating, executing or delivering any of the Transaction Documents;

(v) insofar as the opinions set forth herein relate to the validity and enforceability in New York (or any other jurisdiction) of the Transaction Documents which provide that they are to be governed by the laws of the State of New York, we have assumed that such agreements are legal, valid, binding and enforceable under such laws;

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(vi) that the holders of the Notes and the Trustee are duly organized and validly existing under the laws of their respective jurisdictions of incorporation, and have qualified to do business and are in good standing in all relevant jurisdictions, including, if required by applicable law, the State of Alabama, and have complied with all legal requirements pertaining to their status as the same relates to their rights to enforce the Transaction Documents against the other parties thereto;

(vii) that, to the extent certain standards of conduct may be imposed as a matter of law on the holders of the Notes or the Trustee as a condition to or a requirement for enforceability (including, without limitation, any requirement that they act reasonably, in good faith, in a commercially reasonable manner, or otherwise in compliance with applicable law), they have acted in compliance with such standards, in good faith and without notice of any defense against the enforcement of any rights created by the Transaction Documents, and they will comply with such standards of conduct and will seek to enforce their rights under the Transaction Documents only in accordance with such standards;

(viii) that there has been no mutual mistake of fact or misunderstanding, fraud, duress or undue influence in connection with the transactions contemplated by, or the terms and conditions contained in, Transaction Documents;

(ix) that the Confirmation Order, as defined in the Indenture, was duly entered, approving the transactions contemplated in the Transaction Documents and that the Confirmation Order is a final order, is not subject to any stay and has not been vacated or modified by the Bankruptcy Court, as defined in the Indenture, and remains in full force and effect; and

(x) that the consummation of the transactions contemplated in the Transaction Documents is consistent with the Confirmation Order.

Based on the foregoing, and subject to the qualifications stated herein, we are of the opinion that:

1. Based solely upon (a) the certificates issued by the Alabama Secretary of State dated as of January 6, 2004, and (b) the certificates issued by the Alabama Department of Revenue dated as of January 9, 2004, each of the Specified Guarantors is a corporation validly existing and in good standing under the laws of the State of Alabama.

2. As of the date of the Indenture, each of the Specified Guarantors had all necessary corporate power and authority to enter into the Indenture, and as of the date hereof, each of the Specified Guarantors has all necessary corporate power and authority to enter into, and to perform its obligations under, the Indenture and the Guarantees;

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3. The execution and delivery by the Specified Guarantors of each of the Indenture and the Guarantees have been duly authorized by all necessary corporate action on the part of the Specified Guarantors.

4. When (a) the Registration Statement on Form S-4 of the Company relating to the Notes (the "Registration Statement") becomes effective under applicable provisions of the Securities Act of 1933, as amended (the "Securities Act"), and (b) the Guarantees have been executed on behalf of each of the Specified Guarantors by an Authorized Officer (as defined in the Authorizing Resolutions) and delivered to the Trustee or an authorized agent for the holders of the Notes in accordance with the Indenture, the Guarantees will have been duly executed and issued by the Specified Guarantors and validly delivered.

5. We note that the Guarantees provide that they are to be governed by the laws of the State of New York. Provided that the particular law being applied is not contrary to the law or public policy of the State of Alabama, and provided further that the transactions contemplated by the Transaction Documents bear a reasonable relation to the State of New York, we believe it is likely that an Alabama court or a federal court sitting in Alabama as the forum state and applying Alabama conflict of laws rules (in either case, an "Alabama Court") would give effect to the designation by the parties thereto of New York law as the governing law with respect to the Guarantees. However, because choice of law issues are decided on a case-by-case basis, depending on the facts of the particular transaction, the matter is not free from doubt and we are unable to conclude with certainty that an Alabama Court would give effect to the provisions of the Transaction Documents which designate New York law as the governing law. Subject to the foregoing, if for any reason the substantive laws of the State of Alabama were deemed to apply to the Guarantees, then when the Registration Statement becomes effective under applicable provisions of the Securities Act, each of the Guarantees would constitute the legal, valid and binding obligation of the respective Specified Guarantors, enforceable against them in accordance with their respective terms, except as otherwise stated elsewhere in this opinion and except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, fraudulent transfer, moratorium or other laws from time to time in effect affecting the enforcement of creditors' rights generally or by general principles of equity, including, without limitation, the absence of specific performance as a remedy under certain circumstances.

The foregoing opinions are subject to the following limitations and qualifications:

A. We express no opinion with respect to whether the execution, delivery and performance of the Indenture or the Guarantees by any one or more of the Specified Guarantors will (i) violate, conflict with or cause a default under the provisions of any indenture, instrument or agreement to which any such Specified Guarantor is a party or is subject or by which it or any of its property is bound or (ii) require the consent of any other party.

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B. Our opinions herein, insofar as they relate to the legality, validity, binding nature or enforceability of the Guarantees are subject to the possibility that certain standards of conduct may be imposed as a matter of law on the Trustee, the other parties to such Transaction Documents and any current or subsequent holder of the Notes as a condition to or a requirement for enforceability (including, without limitation, a requirement that the Trustee, such other parties and any such current or subsequent holder act reasonably, fairly, in good faith, in a commercially reasonable manner or otherwise in compliance with applicable law).

C. No opinions are expressed herein regarding any provision of the Transaction Documents relating to waivers, or which are in the nature of waivers, including, without limitation, (i) any purported waiver under any of the Transaction Documents or any purported consent thereunder, relating to the rights of any party (including, without limitation, marshaling of assets, exemptions, choice of or consent to arbitration, venue, forum or jurisdiction, reinstatement, rights of subrogation, contribution or indemnity, right to trial by jury, statutes of limitations and rights of redemption), or duties owing to it, existing as a matter of law or equity, and (ii) any provision of any of the Transaction Documents which purports to waive any right or claim of offset, or any right to assert any defense or counterclaim, or any provision which provides for the transfer of a document or instrument free and clear from all offsets, counterclaims and defenses against the assignor.

D. No opinions are expressed herein regarding (i) the existence, adequacy, payment or receipt of consideration or value, or the effect of any inadequacy of consideration or value upon the enforceability of any of the Transaction Documents or (ii) the title to any property of the Specified Guarantors.

E. We have not considered and express no opinion regarding any federal or state securities or blue sky laws or regulations, or any federal or state tax law.

F. We express no opinion as to whether any of the transactions contemplated by the Transaction Documents may be deemed fraudulent conveyances or preferential transfers voidable under federal law or the laws of the State of Alabama.

G. No opinions are expressed herein regarding any provision of the Transaction Documents (i) relating to powers of attorney, releases from liability or exculpation, (ii) which purports to establish evidentiary standards (including provisions regarding the conclusive or presumptive correctness of a person’ s determination) or to determine rights or obligations on the basis of a person’ s satisfaction or lack of satisfaction, or discretion, or which provides for

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resolution of conflicts among two or more provisions of a single document, or two or more documents, (iii) which permits, or purports to permit, a party to select or enforce inconsistent remedies, or (iv) which constitutes, in form or in substance, an agreement, contract or stipulation to confess judgment.

H. No opinions are expressed herein regarding the availability of specific performance as a remedy in connection with any of the Transaction Documents.

I. We express no opinion as to the effect of the compliance or noncompliance by any of the holders of the Notes or the Trustee with any federal or state laws or regulations applicable to any of them because of any such entity' s legal or regulatory status or the nature of such entity' s business or requiring any of the holders of the Notes or the Trustee to qualify to conduct business in any jurisdiction.

J. We point out that Alabama law may (i) in certain circumstances permit oral amendments, consents and waivers to written contracts despite contractual provisions to the contrary, (ii) limit the enforceability of indemnification provisions in certain circumstances, and (iii) render unenforceable, or limit the enforceability of, certain provisions of documents which are in the nature of a "forum selection clause," an "arbitration clause," an agreement to submit future disputes to mandatory arbitration, or an agreement to submit in the future to the jurisdiction of a court outside the State of Alabama.

K. We call to your attention the fact that any person which exercises in Alabama any of the rights or remedies provided in the Transaction Documents may need to qualify to do business in the State of Alabama before exercising such rights or remedies.

The foregoing opinions are limited to matters involving the law of the State of Alabama, and we do not express any opinion as to federal laws or the laws of any other state or jurisdiction, or to any local laws, ordinances or rules of any municipality, county or political subdivision of the State of Alabama. The opinions expressed herein are limited to the matters stated herein and no opinion may be implied or inferred beyond the matters expressly stated herein. The opinions expressed herein are as of the date hereof (irrespective of the date on which this opinion letter is delivered to you, if different from the date set forth on the first page of this opinion letter), and we assume no obligation to update or supplement these opinions to reflect any facts or circumstances which may come to our attention or any changes in law which may occur after the date of this letter.

This opinion letter is rendered only to you and is solely for your benefit in connection with the Registration Statement to be filed with the Securities and Exchange Commission in connection with the issuance of the Notes. We hereby consent to the filing of this opinion letter as an exhibit to the Registration Statement and to the reference to us under the caption "Legal

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Matters" in the Prospectus constituting a part of the Registration Statement. In giving such consent, we do not admit that we are included in the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations of the Securities and Exchange Commission promulgated thereunder.

Yours very truly,
/s/ Bradley Arant Rose & White LLP

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**Exhibit 5.3**

[Letterhead of Bryan Cave LLP]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Blvd.
Naperville, Illinois 60563

Jones Day
77 W. Wacker Drive
Chicago, Illinois 60601

Ladies and Gentlemen:

We have acted as special Missouri counsel for the following companies: ECEP, Inc., EmCare of Missouri, Inc., EmCare Physician Providers, Inc., Medevac Medical Response, Inc., Medevac MidAmerica, Inc. (each a "Company" and collectively, the "Companies"), in connection with the Registration Statement on Form S-4 (the "Registration Statement") filed by Laidlaw International Inc., a Delaware corporation ("Laidlaw") (formerly known as Laidlaw Investments, Ltd., a corporation organized under the laws of the Province of Ontario, Canada) and the Guarantor Subsidiaries (defined below), with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"), relating to the offer by Laidlaw (the "Exchange Offer") to exchange $1,000 principal amount of Laidlaw' s registered 10 3/4% Senior Notes due 2011 (the "Exchange Notes"), for each $1,000 of principal amount of its 10 3/4% Senior Notes due 2011 (the "Outstanding Notes"), of which $406,000,000 aggregate principal amount is outstanding as of the date hereof. The Outstanding Notes were issued and sold pursuant to a Purchase Agreement dated as of May 22, 2003 (the "Purchase Agreement") by and among Laidlaw and the Initial Purchasers (as such term is defined in the Purchase Agreement). The capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Purchase Agreement. The Exchange Notes will be issued pursuant to the indenture dated as of June 3, 2003 by and among Laidlaw, the guarantors named therein (the "Guarantor Subsidiaries"), and Deutsche Bank Trust Company Americas, as trustee (the "Trustee"), as amended by the First Supplemental Indenture, dated as of June 18, 2003 (as amended, the "Indenture"), which is filed as an exhibit to the Registration Statement. This opinion is furnished to you at the request of the Companies.

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We have not been involved in the preparation of the Registration Statement, nor were we involved in the negotiation, preparation or execution of (i) the Purchase Agreement, (ii) the Indenture, (iii) the Registration Rights Agreement dated June 3, 2003 by and among the Issuers and the Initial Purchasers (the "Registration Rights Agreement") or (iv) the Guarantees of the Exchange Notes (the "Exchange Guarantees") to be entered into by each of the Companies and delivered in accordance with the terms of the Exchange Offer in exchange for the guarantees of such Companies of their Outstanding Notes (the "Outstanding Guarantees") (which Exchange Guarantees are included as an exhibit to the Indenture, which is filed as an exhibit to the Registration Statement), or (v) any of the related agreements executed or delivered in connection therewith. We have been retained solely for the purpose of rendering certain opinions pursuant to Missouri law.

In connection herewith, we have made such investigations of law as we have deemed necessary or appropriate for purposes of enabling us to render this opinion. We have also examined and relied without independent investigation as to matters of fact upon the documents, certificates, statements, corporate records and instruments listed below and such other documents and certificates we deemed necessary or appropriate as a basis for us to render the opinions hereinafter expressed:

a. the Registration Statement;

b. the Purchase Agreement;

c. the Indenture;

d. the Registration Rights Agreement;

e. the Exchange Guarantees;

f. the corporate good standing certificates listed on Appendix I hereto (collectively, the "Good Standing Certificates") and the certified Articles of Incorporation listed in Appendix I hereto (collectively, the "Certified Articles of Incorporation");

g. an Officer' s Certificate by a corporate officer of each Company dated as of even date herewith certifying its Certificate or Articles of Incorporation, by-laws and authorizing resolutions (collectively, the "Officer' s Certificates");

h. certificates and statements of officers of the Companies, representations and warranties of the Companies in the Transaction Documents and certificates and statements of public officials with respect to certain factual matters.

The Purchase Agreement, Indenture, Registration Rights Agreement and Exchange Guarantees are referred to herein collectively as the "Transaction Documents."

For purposes of this opinion, we have not reviewed any document other than the Registration Statement and the Transaction Documents. In particular, we have not reviewed any document that is referred to in or incorporated by reference into the Registration Statement or the Transaction Documents other than the documents expressly referred to herein. We have assumed that there exists no provision in any document that we have not reviewed that bears upon or is inconsistent with the opinions stated herein. We have conducted no independent factual investigation of our own but rather have relied solely upon the foregoing documents, the statements and information set

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forth therein and the additional matters recited or assumed herein, all of which we have assumed to be true, complete and accurate in all material respects.

In our examination of the foregoing, we have assumed the genuineness of all signatures on all documents examined by us (except the signatures of officers of each of the Companies), the legal competence and capacity of each person executing documents, the authenticity of all documents submitted to us as originals, the conformity to authentic originals of all documents submitted to us as copies, the due authorization, execution and delivery of all documents (other than due authorization by each of the Companies of the Transaction Documents) where due authorization, execution and delivery are a prerequisite to the effectiveness thereof. With respect to good standing and related matters, we have relied solely upon the Good Standing Certificates from the Secretary of State of Missouri, and, with respect to the valid existence of each Company, we have relied solely upon the Certified Articles of Incorporation of such Company as certified by the Secretary of State of Missouri.

For purposes of the opinions expressed herein, we have assumed that each of the parties to the Transaction Documents (i) other than the Companies, has the power and authority to execute, deliver and perform each Transaction Document to which it is a party and has duly authorized each Transaction Document to which it is a party, (ii) has duly and validly executed and delivered each Transaction Document to which it is a party, and (iii) has satisfied those legal requirements that are applicable to it to the extent necessary to make each Transaction Document to which it is a party enforceable against it, and that each such Transaction Document is binding on and enforceable against each such party.

Based upon the foregoing and in reliance thereon, and subject to the qualifications and limitations stated herein, we are of the opinion that, with respect to each of the Companies:

1. Such Company is validly existing and in good standing under the laws of the State of Missouri.

2. As of the date of the Indenture, such Company had all necessary power and corporate authority to enter into, and as of the date hereof, such Company has all necessary corporate power and corporate authority to consummate its obligations under, the Indenture.

3. The execution and delivery by each Company of the Indenture and the consummation by such Company of its obligations thereunder have been authorized by all necessary action of such Company.

4. When:

(i) the Registration Statement has become effective under the Act;

(ii) the Indenture has become duly qualified under the Trust Indenture Act of 1939, as amended;

(iii) the Exchange Notes shall have been duly executed and authenticated by Laidlaw and delivered in exchange for the Outstanding Notes in accordance with the provisions of the Indenture; and

(iv) the Exchange Guarantees (in the form attached as Exhibit F to the Indenture) shall have been duly executed by each of the Companies and delivered in exchange for the Outstanding Guarantees in accordance with the provisions of the Indenture,

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then the Exchange Guarantee will constitute the valid and binding obligation of each such Company.

In addition to the assumptions, comments, qualifications, limitations and exceptions set forth above, the opinions set forth herein are further limited by, subject to and based upon the following assumptions, qualifications, limitations and exceptions:

(a) Except as otherwise stated herein, we have undertaken no independent investigation or verification of such matters, and no inference should be drawn to the contrary from the fact of our representation of the Companies.

(b) Our opinions herein reflect only the application of applicable Missouri law (excluding the securities and blue sky laws of such state) and the Federal laws of the United States. We note that the Exchange Guarantees and the Indenture each provide that they are governed by and are to be construed and enforced in accordance with the substantive laws of the State of New York. However, in rendering the opinions expressed herein, we have assumed, with your permission, that the substantive laws of the State of Missouri would apply. The opinions set forth herein are made as of the date hereof and are subject to, and may be limited by, future changes in the factual matters set forth herein, and we undertake no duty to advise you of the same. The opinions expressed herein are based upon the law in effect (and published or otherwise generally available) on the date hereof, and we assume no obligation to revise or supplement these opinions should such law be changed by legislative action, judicial decision or otherwise. In rendering our opinions, we have not considered, and hereby disclaim any opinion as to, the application or impact of any laws, cases, decisions, rules or regulations of any other jurisdiction, court or administrative agency.

(c) The enforceability of the Exchange Guarantees and the Indenture may be limited by (i) applicable bankruptcy, insolvency, reorganization, receivership, moratorium or similar laws affecting or relating to the rights and remedies of creditors generally including, without limitation, laws relating to fraudulent transfers or conveyances, preferences and equitable subordination, and Sections 544 through 550 of the Bankruptcy Code and Sections 428.005 through 428.135 of the Missouri Revised Statutes, (ii) general principles of equity (regardless of whether considered in a proceeding in equity or at law), and (iii) an implied covenant of good faith and fair dealing.

(d) The enforceability of the Exchange Guarantees and of the Indenture may be limited by Article XI, Section 7 of the Constitution of the State of Missouri. In particular, as against a Missouri corporation, enforceability of a guarantee may be subject to attack on state constitutional grounds. The Constitution of the State of Missouri, Article XI, Section 7, prohibits Missouri corporations from issuing stocks, bonds or other obligations for the payment of money except for money paid, labor done or property actually received, and voids issuances in violation thereof. While the issue is not free from doubt, it is our best judgment that a court applying Missouri law would hold that enforceability of the Exchange Guarantees and of the Indenture may not be challenged on these grounds.

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(e) The enforceability of the Exchange Guarantees and of the Indenture is subject to generally applicable rules of law that may, (i) in the absence of a waiver or consent by a Company, discharge such Company to the extent that action by a creditor impairs the value of collateral securing guaranteed debt to the detriment of such guarantor, or guaranteed debt is materially modified, or (ii) if any provisions of the Exchange Guarantees or Indenture are held to be contrary to law or unenforceable by any court of law, limit the enforceability of the remainder thereof to circumstances in which the illegal or unenforceable portion thereof is not an essential part of the parties' agreement.

(f) We express no opinion as to:

(i) the enforceability of any provision in the Exchange Guarantees or the Indenture purporting or attempting to (A) confer exclusive jurisdiction and/or venue upon certain courts or otherwise waive the defenses of *forum non conveniens* or improper venue or (B) confer subject matter jurisdiction on a court not having independent grounds therefor or (C) modify or waive the requirements for effective service of process for any action that may be brought or (D) waive the right of the Company or any other person to a trial by jury or (E) provide that remedies are cumulative or that decisions by a party are conclusive or (F) modify or waive the rights to notice, legal defenses, statutes of limitations or other benefits that cannot be waived under applicable law, because such provisions are subject to determination by the courts in which litigation may be instituted that such provisions are fair and reasonable and comply with and/or are permitted by applicable constitutional provisions and by applicable laws, regulations and rules of court;

(ii) the enforceability of (A) any rights to indemnification or contribution provided for in the Exchange Guarantees or the Indenture which are violative of public policy underlying any law, rule or regulation (including any federal or state securities law, rule or regulation), (B) any provisions purporting to provide to any party the right to receive costs and expenses beyond those reasonably incurred by it or (C) provisions in the Exchange Guarantees or Indenture whose terms are left open for later resolution by the parties; and

(iii) the effect on the enforceability of any of the Exchange Guarantees or the Indenture of any decision of an arbitration tribunal or an arbitrator pursuant to any provision for mandatory or optional arbitration to the extent such decision does not give effect to the terms of such Exchange Guarantee or Indenture or to applicable law;

(iv) the effect on the enforceability of any of the Exchange Guarantees or the Indenture of fiduciary duties or of oral modifications to any of the Exchange Guarantees or the Indenture;

(v) the enforceability of (1) any clause requiring additional payments upon, or otherwise limiting prepayment or termination to the extent construed as a penalty, or (2) the choice of law provisions of the Exchange Guarantees or the Indenture;

(vi) whether any Company may guarantee or otherwise be liable for, or pledge its assets to secure, indebtedness incurred by Laidlaw except to the extent that such Company may be determined to have benefited from the incurrence of the indebtedness by Laidlaw or whether such benefit may be measured other than by the extent to which the proceeds of the indebtedness incurred by Laidlaw are, directly or indirectly, made available to such Company for its corporate purposes;

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(vii) the authorizations, approvals or consents as may be necessary under federal or state securities and "blue sky" laws (including, without limitation, Missouri securities or "blue sky" laws) or the Trust Indenture Act of 1939, as amended) in connection with the transactions contemplated by the Transaction Documents; and

(viii) the authorizations, approvals or consents as may be necessary under any laws or regulations governing ambulances, any other healthcare operations or the payment for or provision of healthcare services, including, without limitation, transportation services.

We do not give any opinions except as set forth above. We are not rendering any opinions with respect to any of the Transaction Documents other than the Exchange Guarantees or the Indenture. We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. We also consent to your filing copies of this opinion as an exhibit to the Registration Statement with agencies of such states as you deem necessary in the course of complying with the laws of such states regarding the Exchange Offer. In giving such consent, we do not thereby concede that we are within the category of persons whose consent is required under Section 7 of the Act or the Rules and Regulations of the Commission thereunder.

Very truly yours,

/s/ BRYAN CAVE LLP

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## APPENDIX I

### Good Standing Certificates

ECEP, Inc. Certificate of Corporate Good Standing dated January 6, 2004.

EmCare of Missouri, Inc. Certificate of Corporate Good Standing dated January 6, 2004.

EmCare Physician Providers, Inc. Certificate of Corporate Good Standing dated January 6, 2004.

Medevac Medical Response, Inc. Certificate of Corporate Good Standing dated January 6, 2004.

Medevac MidAmerica, Inc. Certificate of Corporate Good Standing dated January 6, 2004.

### Certified Articles of Incorporation

ECEP, Inc. Certificate of Corporate Records dated January 7, 2004.

EmCare of Missouri, Inc. Certificate of Corporate Records dated January 7, 2004.

EmCare Physician Providers, Inc. Certificate of Corporate Records dated January 7, 2004.

Medevac Medical Response, Inc. Certificate of Corporate Records dated January 7, 2004.

Medevac MidAmerica, Inc. Certificate of Corporate Records dated January 7, 2004.

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Exhibit 5.4

[Letterhead of Catlin Saxon Evans Fink Kolski & Romanez, P.A.]

January 29, 2004

To: Laidlaw International, Inc.
55 Shuman Blvd.
Naperville, Illinois 60563

Jones Day
77 W. Wacker Drive
Chicago, Illinois 60601

**Re: S-4 Registration Statement of Laidlaw International, Inc.**

Ladies and Gentlemen:

We have acted as local counsel to the companies listed on Exhibit A (each a "Florida Guarantor" and collectively, the "Florida Guarantors") in connection with the filing of the Form S-4 Registration Statement of Laidlaw International, Inc. relating to its exchange offer of its 10 ¾% Senior Notes due 2011. With your permission, all assumptions and statements of reliance in this letter have been made without any independent investigation or verification on our part except to the extent otherwise expressly stated, and we express no opinion with respect to the subject matter or accuracy of the assumptions or items upon which we have relied.

In connection with the opinions expressed in this letter, we have examined such matters of law as we have deemed necessary for the purposes of the opinions expressed below. We have examined, among other documents, the following:

(a) the proposed form of Exchange Guarantee to be executed by each Florida Guarantor (the "Exchange Guarantee");

(b) an executed copy of the Indenture, as amended by the First Supplemental Indenture, dated as of June 18, 2003, among Laidlaw International, Inc. the guarantors named therein and Deutsche Bank Trust Company Americas (the "Indenture");

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(c) the Form S-4 Registration Statement of Laidlaw International, Inc;

(d) Officer' s Certificate of the Florida Guarantors regarding the articles of incorporation, By-Laws and resolutions; and

(e) corporate resolutions of the Florida Guarantors authorizing execution and delivery of the Documents.

The documents referred to in items (a), (b), (c), (d) and (e) above are collectively referred to in this letter as the "Documents".

In all such examinations, we have assumed the legal capacity of all natural persons executing documents, the genuineness of all signatures, the authenticity of original and certified documents and the conformity to original or certified copies of all copies submitted to us as conformed or reproduction copies. As to various questions of fact relevant to the opinions expressed in this letter, we have relied upon, and assume the accuracy of, representations and warranties contained in the Documents and certificates and written statements and other information of or from representatives of the Florida Guarantors and others and assume compliance on the part of all parties (other than the Florida Guarantors) to the Documents with their covenants and agreements contained in such Documents. We have assumed that the resolutions adopted by each of the Florida Guarantors authorizing the Florida Guarantors to execute and deliver the Documents were adopted and approved in accordance with Florida law and the Articles Of Incorporation and By-Laws of each of the Florida Guarantors, and have assumed that such resolutions remain in effect and have not been amended, modified, rescinded or terminated. We have relied solely upon certificates of public officials as to the factual matters set forth therein and, as to the opinions expressed in paragraph 1 below, as to the legal conclusion expressed therein.

Based upon the foregoing, and subject to the limitations, qualifications and assumptions set forth in this letter, we are of the opinion that:

1. Based on a search of computer records of the Florida Secretary of State on the internet, as of January 29, 2004 and the certificates of good standing dated May 12, 2003, from the Secretary of State of the State of Florida each of the Florida Guarantors is a corporation validly existing and in good standing under the laws of Florida.

2. Based solely upon the certified copies of the Articles of Incorporation of the Florida Guarantors and the By-Laws presented to us as being the current By-Laws of the Florida

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Guarantors, as of the date of the Indenture, each of the Florida Guarantors had the corporate power and authority to enter into, and as of the date hereof each of the Florida Guarantors has the corporate power and authority to perform its obligations under the Indenture.

3. Based solely upon certified copies of the Articles of Incorporation of the Florida Guarantors and the By-Laws presented to us as being the current By-Laws of the Florida Guarantors, and upon the resolutions of the Florida Guarantors, the execution, delivery and performance of the Indenture by each Florida Guarantor (i) has been authorized by all necessary corporate action by such Florida Guarantor and (ii) does not contravene any provision of the Articles of Incorporation and By-Laws of such Florida Guarantor.

4. When the Registration Statement has become effective under the Securities Act and the Exchange Guarantees of the Florida Guarantors are delivered in accordance with the terms of the exchange offer, the Exchange Guarantee of each Florida Guarantor will be validly issued by that Florida Guarantor and will constitute a valid and binding obligation of that Florida Guarantor.

The opinions expressed in this letter are limited to the law of the State of Florida.

This opinion letter is governed by, and shall be interpreted in accordance with, the Legal Opinion Accord (the "Accord") of the ABA Section of Business Law (1991). As a consequence, it is subject to a number of qualifications, exceptions, definitions, limitations on coverage and other limitations, all as more particularly described in the Accord, and this opinion letter should be read in conjunction therewith.

Notwithstanding the affirmative nature of the opinions set forth herein, we express no opinion on the effect of any federal or state securities laws, anti-trust laws, bankruptcy or fraudulent transfer or conveyance laws with respect to the Documents, nor do we express any opinion as to whether the consummation of the transactions contemplated by the Documents violates or will result in noncompliance with the ordinances, codes, regulations or other local laws of any county, municipality, district or other local governmental entity. Furthermore, we express no opinion regarding the enforceability of provisions relating to arbitration and appeals therefrom, if any.

We hereby consent to the filing of this opinion as Exhibit 5.4 to the Registration Statement and to the reference to us with respect to this opinion under the caption "Legal Matters" in the prospectus constituting a part of the Registration Statement. In giving such consent, we do not thereby admit that we are included in the category of persons whose consent is required under

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Section 7 of the Securities Act or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

The opinions expressed in this letter are solely for the benefit of the addressees in connection with the transactions referred to in this letter and may not be relied on by the addressees for any other purpose, in any manner or for any purpose by any other person or entity.

Sincerely yours,

/s/ Brian L. Fink

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**Exhibit A.**

1) **Medi-Car Ambulance Service, Inc.**

2) **LifeFleet Southeast, Inc.**

3) **Randle Eastern Ambulance Service, Inc.**

4) **EmCare of Florida, Inc.**

5) **STAT Physicians, Inc.**

6) **A1 Leasing, Inc.**

7) **Medi-Car Systems, Inc.**

8) **Physician Account Management, Inc.**

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**Exhibit 5.5**

[Letterhead of Cavin & Ingram, P.A.]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Boulevard
Naperville, IL 60563

Jones Day
77 W. Wacker Drive
Chicago, IL 60601

Re: Emcare of New Mexico, Inc. − Opinion in Connection with the Filing of the Form S-4 Registration Statement ("Registration Statement") of Laidlaw International, Inc. Relating to Its Exchange Offer of Its 10 3/4% Senior Notes Due 2011

Ladies and Gentlemen:

We have acted as counsel to Emcare of New Mexico, Inc., a New Mexico corporation ("Subsidiary Guarantor") in connection with the issuance of certain Senior Notes ("Senior Notes") of Laidlaw International, Inc., a Delaware corporation ("Laidlaw"). Subsidiary Guarantor is a subsidiary of Laidlaw, and is a guarantor of the Senior Notes and a party to various agreements related thereto.

In connection with the opinions hereinafter expressed, we have examined the following:

(1) Subsidiary Guarantor' s Articles of Incorporation ("Articles of Incorporation");

(2) Subsidiary Guarantor' s Bylaws ("Bylaws");

(3) Resolutions of the Board of Directors of Subsidiary Guarantor regarding, *inter alia*, approval of the Senior Notes and all matters related thereto;

(4) Subsidiary Guarantor' s Officer' s Certificate ("Officer' s Certificate");

(5) Certificate of Good Standing and Compliance ("Certificate of Good Standing") from the Office of the Public Regulation Commission of the State of New Mexico regarding Subsidiary Guarantor;

(6) The Indenture Regarding Senior Notes, as amended ("Indenture"); and

(7) Subsidiary Guarantor' s Guarantee of the Senior Notes ("Guarantee").

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In connection with this opinion, we have examined the above-described documents and such matters of law as we have deemed appropriate to render the opinions expressed hereinbelow. For purposes of this opinion, we have assumed, with your permission and without independent investigation, inquiry, or verification, the following:

(a) The genuineness of all signatures on all documents and certificates referred to herein or relied upon by us;

(b) The authenticity of all documents submitted to us as originals;

(c) The conformity to originals of all documents submitted to us as copies;

(d) All information set forth on the Certificate of Good Standing was true and correct on the date of issuance thereof and will remain true and correct to and including the date of this opinion; and

(e) The execution, delivery and performance by Subsidiary Guarantor of the Indenture and/or Guarantee do not and will not violate, or require Subsidiary Guarantor to obtain consents, permissions or approvals under any existing contract, mortgage, indenture, or other agreement to which Subsidiary Guarantor is a party or by which Subsidiary Guarantor or any of its property is bound.

Based on the foregoing assumptions and subject to the exceptions, qualifications, and limitations hereinbelow, we are of the opinion that:

(1) The Subsidiary Guarantor is validly existing and in good standing under its jurisdiction of organization;

(2) As of the date of the Indenture, the Subsidiary Guarantor had all necessary power and corporate authority to enter into, and as of the date hereof, the Subsidiary Guarantor has all necessary corporate power and corporate authority to perform its obligations under, the Indenture;

(3) The execution, delivery and performance by the Subsidiary Guarantor of the Indenture has been authorized by all necessary action of the Subsidiary Guarantor; and

(4) When the Registration Statement becomes effective under the Securities Act of 1933 and the Guarantee of the Senior Notes is delivered in accordance with the terms of the exchange offer in exchange for the guarantee by the Subsidiary Guarantor of the outstanding notes, the Guarantee will be validly executed and delivered and will constitute a valid and binding obligation of the Subsidiary Guarantor.

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The foregoing opinions are subject to the following exceptions, qualifications, and limitations:

(a) This opinion is rendered solely as to matters of New Mexico law, and we do not purport to express any opinion herein concerning any law other than the laws of the State of New Mexico;

(b) We undertake no responsibility to advise you of law that becomes effective after the date hereof or changes in the facts after the date hereof that would alter the scope or substance of the opinions expressed herein.

This opinion is furnished to the addressees hereof solely for their benefit in connection with the Registration Statement, and may not be relied upon by any other person without our prior written consent; provided, however, that we consent to the filing of this opinion as an Exhibit to the Registration Statement and the reference to our firm under the caption "Legal Matters" in the prospectus constituting part of the Registration Statement.

Very truly yours,

CAVIN & INGRAM, P.A.

By: /s/ Sealy H. Cavin, Jr.
Sealy H. Cavin, Jr.

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Exhibit 5.6

[Letterhead of Conner & Winters, P.C.]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Blvd.
Naperville, Illinois 60563

Jones Day
77 W. Wacker Drive
Chicago, Illinois 60601

Re: Issuance of Senior Notes−Laidlaw International, Inc. fka Laidlaw Investments Ltd.
Oklahoma subsidiary guarantor−EmCare of Oklahoma, Inc.

Ladies and Gentlemen:

We have acted as special counsel to EmCare of Oklahoma, Inc. ("Oklahoma Guarantor") in connection with the execution and delivery of the instruments, agreements and documents listed in Schedule 1 attached hereto (collectively, the "Opinion Documents").

All capitalized terms used herein, but not defined herein, have the meanings assigned to them in the Indenture.

In rendering the opinions set forth in this letter, we have relied as to factual matters, to the extent we have deemed proper, upon the representations contained in the Opinion Documents and upon certificates of public officials. We have examined the Opinion Documents and such records, certificates, instruments and other documents as are in our judgment are necessary or appropriate to enable us to render this opinion.

In rendering the opinion set forth in this letter, we have assumed the following to be true and have conducted no investigation to confirm such assumption or to determine to the contrary:

(a) the authenticity of all documents, instruments and certificates submitted to us as originals and the conformity with the originals of all documents, instruments and certificates submitted to us as certified, conformed or photostatic copies;

(b) the legal capacity of natural persons;

(c) the genuineness of all signatures, stamps and seals;

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(d) the due authorization, execution and delivery of the Opinion Documents and all documents relating thereto by each of the parties thereto (other than Oklahoma Guarantor);

(e) the due authority of all persons executing the Opinion Documents and all such other documents, except persons executing such documents on behalf of Oklahoma Guarantor;

(f) that the Opinion Documents constitute and will remain the legal, valid and binding obligations of all parties thereto (other than Oklahoma Guarantor) and are enforceable against such other parties in accordance with their terms; and

(g) there are no other agreements or understandings among the parties to any of the Opinion Documents that would modify the terms of any of the Opinion Documents or the respective rights or obligations of the parties thereunder.

Based on the foregoing, and subject to the qualifications set forth herein, we are of the opinion that:

1. The Oklahoma Guarantor is validly existing and in good standing under Oklahoma law.

2. As of the date of the Indenture, the Oklahoma Guarantor had all necessary power and corporate authority to enter into, and as of the date hereof, the Oklahoma Guarantor has all necessary corporate power and corporate authority to perform its obligations under the Indenture.

3. The execution, delivery and performance by the Oklahoma Guarantor of the Indenture and the Guaranty have been authorized by all necessary action of the Oklahoma Guarantor.

4. When the Registration Statement becomes effective under the Securities Act of 1933 and the Guaranty of the Exchange Notes is delivered in accordance with the terms of the exchange offer in exchange for the guaranty by the Oklahoma Guarantor of the outstanding notes, the Guaranty will be validly issued and will constitute a valid and binding obligation of the Oklahoma Guarantor.

The opinion expressed above is subject to the following additional qualifications:

A. We express no opinion regarding any laws other than the laws of the State of Oklahoma. To the extent opinions are expressed herein on matters as to which the laws of any other jurisdiction apply, including without limitation the laws of the State of New York, we have assumed that such laws are the same in all relevant respects as the laws of the State of Oklahoma.

B. We express no opinion as to the validity, binding effect or enforceability of any provision of any of the Opinion Documents which purports to:

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(i) limit or expand remedies beyond those recognized in Oklahoma courts;

(ii) give the right of specific performance;

(iii) alter rules of civil procedure or evidence;

(iv) waive defenses or rights;

(v) create and govern a trustee or creditor in possession status;

(vi) create indemnities or exculpate a party from liability;

(vii) authorize the secured party to take discretionary independent action for the account of or as an agent or attorney in fact for the debtor;

(viii) limit or expand the rights of set off;

(ix) guarantee the performance of acts other than payment of money;

(x) prevent the modification of written documents by performed oral agreements;

(xi) limit jurisdiction of the courts, establish any exclusive venue, purport to waive jury trial, or establish evidentiary standards; or

(xii) provide for the appointment of a receiver without notice.

The invalidity or unenforceability of such provisions should not, in our opinion, substantially interfere with the practical realization of the benefits of the Opinion Documents.

C. We are relying upon the representations set forth in the Opinion Documents as to the sufficiency of the consideration in favor of the Oklahoma Guarantor.

This opinion is limited to the matters stated herein and no opinion is implied or may be inferred beyond the matters expressly stated. This opinion may not be used, circulated, quoted or otherwise referred to in connection with any transaction other than those contemplated by the Opinion Documents.

The effective date of this opinion is the date first set forth above, and we do not undertake to advise you of any matter brought to our attention thereafter which would or may modify, in whole or in part, any or all of the foregoing opinion. We hereby consent to the filing of this opinion as an exhibit to the Form S-4 Registration Statement of Laidlaw International, Inc. and to the reference of our firm under the caption “Legal Matters” in the prospectus constituting part of said Registration Statement.

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Very truly yours,

/s/ CONNER & WINTERS, P.C.

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SCHEDULE 1
OPINION DOCUMENTS

1. Indenture dated June 3, 2003 (the "Indenture"), between Laidlaw International, Inc. (the "Company"), certain subsidiary guarantors of the Company (the "Guarantors") and Deutsche Bank Trust Company Americas (the "Trustee"), in the original principal amount of $406,000,000.00, securing the performance of certain senior notes to be issued thereunder.

2. First Supplemental Indenture dated June 18, 2003, between the Company, the Guarantors and the Trustee.

3. Registration Statement on Form S-4 (the "Registration Statement") of the Company relating to the exchange offer of its outstanding senior notes for 10.75% senior notes due 2011 registered under the Securities Act of 1933 (the "Exchange Notes")

4. Form of guarantee of the Exchange Notes, attached as exhibit F to the Indenture (the "Guaranty").

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**Exhibit 5.7**

[Letterhead of Davenport, Evans, Hurwitz & Smith, L.L.P.]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Blvd.
Naperville, Illinois 60563

Jones Day
77 W. Wacker Drive
Chicago, Illinois 60601

Ladies and Gentlemen:

For purposes of issuing this opinion only, we have acted as local counsel in the State of South Dakota to Sutran, Inc., a South Dakota corporation (the "Company"), in connection with its guarantee of the 10 3/4% Senior Notes due 2011 issued by Laidlaw International, Inc., a Delaware corporation ("Laidlaw"), pursuant to an Indenture dated as of June 3, 2003, among Laidlaw, the subsidiaries of Laidlaw listed therein, and Deutsche Bank Trust Company Americas, as Trustee, as supplemented by the First Supplemental Indenture dated as of June 18, 2003 (as supplemented, herein the "Indenture"). As described in the Form S-4 Registration Statement of Laidlaw International, Inc. of even date herewith (the "Registration Statement"), such Senior Notes are being issued in exchange for existing senior notes of Laidlaw. Capitalized terms used in this opinion and not otherwise defined herein shall have the meanings set forth in the Indenture.

In rendering this opinion to you we have examined executed copies of the Registration Statement, the Indenture and the Guarantee, and have, with your approval, assumed the following without independent investigation:

(a) All signatures on all documents submitted to us are genuine; all documents submitted to us as originals are authentic; and all documents submitted to us as certified copies, telecopies or photocopies conform to the originals of such documents, which themselves are authentic.

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(b) All representations and warranties made by the parties to the Indenture and the Guarantee were and are true, complete and correct in all relevant respects.

(c) All documents which state they are to be governed by the laws of the State of New York are enforceable under the laws of the State of New York.

(d) There are no agreements among the parties or with any third party which would have an effect on the opinions expressed herein.

We have also examined such certificates or comparable documents of officers of the Company and public officials as we have deemed relevant and necessary as a basis for the opinions hereinafter set forth.

As to all questions of fact material to this opinion that have not been independently established, we have relied upon the representations and warranties of the Company contained in the documents. As used herein, "to our knowledge" means the conscious awareness of facts or other information by any lawyer in our firm actively involved in the transactions contemplated in connection herewith.

Subject to the foregoing assumptions and to the qualifications and limitations below expressed, we are of the opinion, insofar as the laws of the State of South Dakota are concerned, that:

1. The Company is validly existing and in good standing under its jurisdiction of organization.

2. As of the date of the Indenture, the Company had all necessary corporate power and authority to enter into, and as of the date hereof, the Company has all necessary corporate power and authority to perform its obligations under, the Indenture.

3. The execution, delivery and performance by the Company of the Indenture have been authorized by all necessary action of the Company.

4. When the Registration Statement becomes effective under the Securities Act of 1933 and the Guarantee of the Senior Notes is executed and delivered in accordance with the terms of the exchange offer in exchange for the guaranty by the Company of the existing senior notes of Laidlaw, the Guarantee will be validly executed and delivered and will constitute a valid and binding obligation of the Company.

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Conditions, Limitations and Exceptions

Our opinions as hereinabove expressed are subject to the following qualifications, limitations, assumptions and exceptions:

(a) The enforceability of the Guarantee may be subject to or limited by (i) bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent transfer, or other similar laws relating to or affecting the rights of creditors generally, (ii) general principles of equity, whether enforceability is considered in a proceeding at law or in equity, and (iii) the overriding public policy of the State of South Dakota.

(b) With respect to the choice of law provisions incorporated into the Guarantee, South Dakota judicial decisions have held that contracts must be construed in accordance with the laws of the place where they are made unless it can be shown that it was the intention of the parties to be bound by the law of some other jurisdiction. The South Dakota Supreme Court has held that, when parties to a contract agree that such contract shall be governed by the laws of a specific state, the laws of that specific state shall govern provided: (i) the parties to such contracts are not greatly disparate in bargaining power; (ii) the choice of law provision is reasonable and fair; (iii) enforcement of the choice of law provision would not be unfair or unreasonable; (iv) opportunity existed for negotiation of the choice of law provisions; and (v) the use of the choice of law provision does not violate overriding public policy considerations within the State of South Dakota. Our opinion is based on the assumption that the foregoing requirements have been satisfied with respect to the choice of law provisions. We express no opinion as to whether the foregoing requirements have been satisfied.

(c) The Guarantee incorporates provisions which establish the jurisdiction and venue for actions arising therefrom. With respect to jurisdiction and venue-selection clauses, the South Dakota Supreme Court has held that when the parties to a contract agree that actions arising from the contract will be brought in a particular jurisdiction, that agreement should be given effect unless it is shown that to do so would be unfair or unreasonable. Therefore, the enforceability of such provisions is uncertain.

(d) Under SDCL 56-1-18, the obligations of a guarantor must be neither larger in amount nor in other respects more burdensome than that of the principal. Also, under SDCL 56-1-22, a guarantor is exonerated except so far as he may be indemnified by the principal if by any act of the creditor, without the consent of the guarantor, the original obligation of the principal is altered in any respect or the remedies or rights of the creditor against the principal in respect thereto are in any way impaired or suspended. The Guarantee may be unenforceable to the extent inconsistent with such statutes.

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We express no opinion with regard to any matter which may be governed by the law of any jurisdiction other than the laws of the State of South Dakota.

This opinion is rendered as of the effective date set forth above, and we express no opinion as to circumstances or events which may occur subsequent to such date. Further, we undertake no obligation or responsibility to update or supplement this opinion in response to subsequent changes in the law or future events affecting the transactions contemplated by the Indenture.

This opinion is solely for the benefit of the addressees hereof, their successors and assigns, in connection with the Indenture and may not be used in any other context or circulated or quoted to, or relied upon by, any other person or entity for any purpose without our express written consent. We hereby expressly consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our firm under the caption "Legal Matters" in the prospectus constituting part of the Registration Statement.

Very truly yours,

/s/ DAVENPORT, EVANS, HURWITZ & SMITH, L.L.P.

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Exhibit 5.8

[Letterhead of Day, Berry & Howard LLP]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Blvd.
Naperville, Illinois 60563

Jones Day
77 W. Wacker Drive
Chicago, Illinois 60601

Re: Offer to Exchange $406,000,000 10 3/4 Senior Notes due 2011 of Laidlaw International, Inc. (the "Exchange Notes") for a like amount of the outstanding 10 3/4 Senior Notes due 2011 of the same Issuer

Ladies and Gentlemen:

We have acted as special Massachusetts counsel to American Medical Response of Massachusetts, Inc. ("AMR of MA") and EmCare Services of Massachusetts, Inc. ("EmCare of MA" and together with AMR of MA, the "Subsidiary Guarantors"), each a Massachusetts corporation, in connection with the transactions contemplated by the following documents:

(a) the Registration Statement on Form S-4 filed by Laidlaw International, Inc. ("Laidlaw") with the Securities and Exchange Commission on the date hereof (the "Registration Statement");

(b) the Indenture dated as of June 3, 2003 (the "Indenture") among Laidlaw, the Guarantors named therein and Deutsche Bank Trust Company Americas, as Trustee (the "Trustee"), including the form of the Notes and the notation of Guarantee attached thereto; and

(c) the First Supplemental Indenture to the Indenture dated as of June 18, 2003 (the "Supplemental Indenture") among Laidlaw, the Guarantors and Additional Guarantors named therein and the Trustee.

The documents described in the foregoing clauses (b) and (c) are collectively referred to herein as the "Subject Transaction Documents". Unless otherwise indicated, all capitalized terms used but not defined herein have the respective meanings set forth in the Registration Statement.

In connection with this opinion, we have reviewed the Registration Statement and the Subject Transaction Documents. We also have examined the originals, or duplicates or certified or conformed copies, of such records, instruments and other documents and have made such

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other investigations as we have deemed relevant and necessary in connection with the opinions expressed herein. As to questions of fact material to this opinion, we have relied upon certificates of public officials and of officers and representatives of the Subsidiary Guarantors. In addition, we have examined, and have relied as to matters of fact upon, the statements in the Registration Statement, whose accuracy we have not independently verified.

In rendering the opinions set forth below, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as duplicates or certified or conformed copies, and the authenticity of the originals of such latter documents.

As to each party to any of the Subject Transaction Documents other than the Subsidiary Guarantors, we have assumed that such party had at all relevant times all requisite corporate or analogous power to enter into and perform its obligations under the Subject Transaction Documents to which it is a party and that each such Subject Transaction Document has been executed and delivered, pursuant to due authorization by such party, and is the binding and enforceable obligation of such party.

Based upon and subject to the foregoing, and subject to the further qualifications and limitations set forth below, we are of the opinion that:

1. Each of the Subsidiary Guarantors is validly existing as a corporation under the laws of the Commonwealth of Massachusetts;

2. Each of the Subsidiary Guarantors had as of the date of the Indenture all necessary corporate power and authority to enter into the Indenture, and each Subsidiary Guarantor has as of the date hereof all necessary corporate power and authority to perform its obligations under the Indenture.

3. The execution, delivery and performance by the Subsidiary Guarantors of the Indenture has been duly authorized by all necessary corporate action of each thereof;

4. When the Registration Statement has become effective under the Securities Act and the Exchange Notes are delivered in accordance with the exchange offer contemplated thereby, the Guarantee of the Exchange Notes by the Subsidiary Guarantors set forth in the Indenture and noted on the Exchange Notes will have been validly executed and delivered by the Subsidiary Guarantors and will constitute a valid and binding obligation of the Subsidiary Guarantors in accordance with its terms.



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The opinions expressed herein are subject to the following limitations:

(a) We express no opinion with respect to any laws other than the laws of the Commonwealth of Massachusetts. In that regard, we note that each of the Subject Transaction Documents is by its terms governed by the laws of New York and for purposes of this opinion we have assumed that, insofar as governed by the law of New York, each such Document is the legal and binding obligation of the parties thereto, enforceable in accordance with its terms.

(b) Our opinion in Paragraph 4 above is subject to (i) the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith and fair dealing.

(c) We express no opinion with respect to any provision of the Subject Transaction Documents relating to indemnification or exculpation in connection with violations of any securities laws or relating to indemnification, contribution or exculpation in connection with willful, reckless or criminal acts or gross negligence of the indemnified or exculpated person or the person receiving contribution.

(d) We express no opinion as to the enforceability of any provision of the Subject Transaction Documents that purports to be a waiver of illegality as a defense or a waiver of any other right or defense that, as a matter of law, cannot be waived by agreement.

(e) We express no opinion as to the effect of any provision in the Subject Transaction Documents which purports to permit modification or waiver thereof only by means of an agreement in writing signed by the parties thereto.

(f) We undertake no obligation to advise you of facts or changes in law occurring after the date of this opinion letter which might affect the opinions expressed herein, whether or not the same would, if now existing or known to us, cause any change or modification of this opinion.

(g) This opinion letter is limited to the matters expressly set forth herein, and no opinion is to be implied or may be inferred beyond the matters expressly so stated herein.

We consent to the filing of a copy of this opinion letter as an exhibit to the Registration statement and to the reference to this firm under the caption "Legal Matters" in the prospectus constituting part of the Registration Statement.

Very truly yours,

/s/ Day, Berry & Howard LLP



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Exhibit 5.8

[Letterhead of Day, Berry & Howard LLP]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Blvd.
Naperville, Illinois 60563

Jones Day
77 W. Wacker Drive
Chicago, Illinois 60601

Re: Offer to Exchange $406,000,000 10 3/4 Senior Notes due 2011 of Laidlaw International, Inc. (the "Exchange Notes") for a like amount of the outstanding 10 3/4 Senior Notes due 2011 of the same Issuer

Ladies and Gentlemen:

We have acted as special Connecticut counsel to American Medical Response of Connecticut, Incorporated ("AMR of CT") and EmCare of Connecticut, Inc. ("EmCare of CT" and together with AMR of CT, the "Subsidiary Guarantors"), each a Connecticut corporation, in connection with the transactions contemplated by the following documents:

(a) the Registration Statement on Form S-4 filed by Laidlaw International, Inc. ("Laidlaw") with the Securities and Exchange Commission on the date hereof (the "Registration Statement");

(b) the Indenture dated as of June 3, 2003 (the "Indenture") among Laidlaw, the Guarantors named therein and Deutsche Bank Trust Company Americas, as Trustee (the "Trustee"), including the form of the Notes and the notation of Guarantee attached thereto; and

(c) the First Supplemental Indenture to the Indenture dated as of June 18, 2003 (the "Supplemental Indenture") among Laidlaw, the Guarantors and Additional Guarantors named therein and the Trustee.

The documents described in the foregoing clauses (b) and (c) are collectively referred to herein as the "Subject Transaction Documents". Unless otherwise indicated, all capitalized terms used but not defined herein have the respective meanings set forth in the Registration Statement.

In connection with this opinion, we have reviewed the Registration Statement and the Subject Transaction Documents. We also have examined the originals, or duplicates or certified or conformed copies, of such records, instruments and other documents and have made such

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other investigations as we have deemed relevant and necessary in connection with the opinions expressed herein. As to questions of fact material to this opinion, we have relied upon certificates of public officials and of officers and representatives of the Subsidiary Guarantors. In addition, we have examined, and have relied as to matters of fact upon, the statements in the Registration Statement, whose accuracy we have not independently verified.

In rendering the opinions set forth below, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as duplicates or certified or conformed copies, and the authenticity of the originals of such latter documents.

As to each party to any of the Subject Transaction Documents other than the Subsidiary Guarantors, we have assumed that such party had at all relevant times all requisite corporate or analogous power to enter into and perform its obligations under the Subject Transaction Documents to which it is a party and that each such Subject Transaction Document has been executed and delivered, pursuant to due authorization by such party, and is the binding and enforceable obligation of such party.

Based upon and subject to the foregoing, and subject to the further qualifications and limitations set forth below, we are of the opinion that:

1. Each of the Subsidiary Guarantors is validly existing as a corporation under the laws of the State of Connecticut;

2. AMR of CT had as of the date of the Indenture, and EmCare of CT had as of the date of the Supplemental Indenture, all necessary corporate power and authority to enter into the Indenture or the Supplemental Indenture, as applicable; and each Subsidiary Guarantor has as of the date hereof all necessary corporate power and authority to perform its obligations under the Indenture.

3. The execution, delivery and performance by AMR of CT of the Indenture and by EmCare of CT of the Supplemental Indenture has been duly authorized by all necessary corporate action of each thereof;

4. When the Registration Statement has become effective under the Securities Act and the Exchange Notes are delivered in accordance with the exchange offer contemplated thereby, the Guarantee of the Exchange Notes by the Subsidiary Guarantors set forth in the Indenture and noted on the Exchange Notes will have been validly executed and delivered by the Subsidiary Guarantors and will constitute a valid and binding obligation of the Subsidiary Guarantors in accordance with its terms.



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The opinions expressed herein are subject to the following limitations:

(a) We express no opinion with respect to any laws other than the laws of the State of Connecticut. In that regard, we note that each of the Subject Transaction Documents is by its terms governed by the laws of New York and for purposes of this opinion we have assumed that, insofar as governed by the law of New York, each such Document is the legal and binding obligation of the parties thereto, enforceable in accordance with its terms.

(b) Our opinion in Paragraph 4 above is subject to (i) the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith and fair dealing.

(c) We express no opinion with respect to any provision of the Subject Transaction Documents relating to indemnification or exculpation in connection with violations of any securities laws or relating to indemnification, contribution or exculpation in connection with willful, reckless or criminal acts or gross negligence of the indemnified or exculpated person or the person receiving contribution.

(d) We express no opinion as to the enforceability of any provision of the Subject Transaction Documents that purports to be a waiver of illegality as a defense or a waiver of any other right or defense that, as a matter of law, cannot be waived by agreement.

(e) We express no opinion as to the effect of any provision in the Subject Transaction Documents which purports to permit modification or waiver thereof only by means of an agreement in writing signed by the parties thereto.

(f) We undertake no obligation to advise you of facts or changes in law occurring after the date of this opinion letter which might affect the opinions expressed herein, whether or not the same would, if now existing or known to us, cause any change or modification of this opinion.

(g) This opinion letter is limited to the matters expressly set forth herein, and no opinion is to be implied or may be inferred beyond the matters expressly so stated herein.

We consent to the filing of a copy of this opinion letter as an exhibit to the Registration statement and to the reference to this firm under the caption "Legal Matters" in the prospectus constituting part of the Registration Statement.

Very truly yours,

/s/ Day, Barry & Howard LLP



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Exhibit 5.9

[Letterhead of Dorsey & Whitney LLP]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Boulevard
Naperville, Illinois 60563

Jones Day
77 W. Wacker Drive
Chicago, Illinois 60601

Re: EmCare of Colorado, Inc., EmCare of Iowa, Inc., EmCare of Minnesota, Inc., EmCare of North Dakota, Inc., and EmCare of Washington, Inc., as guarantors of Laidlaw International, Inc. US$406,000,000 10¾% Senior Notes due 2011

Ladies and Gentlemen:

We have acted as special counsel to EmCare of Colorado, Inc., a Colorado corporation, EmCare of Iowa, Inc., an Iowa corporation, EmCare of Minnesota, Inc., a Minnesota corporation, EmCare of North Dakota, Inc., a North Dakota corporation, and EmCare of Washington, Inc., a Washington corporation (collectively, the "Subsidiary Guarantors"), in the states of Colorado, Iowa, Minnesota, North Dakota and Washington, in connection with the issuance of US$406,000,000 10¾% Senior Notes due 2011 (the "Notes") by Laidlaw International, Inc., a Delaware corporation (the "Issuer"), formerly Laidlaw Investments, Inc., an Ontario corporation, and the guarantee (the "Guarantee") of the Notes by the Subsidiary Guarantors pursuant to the Indenture dated June 3, 2003 among the Issuer, the guarantors named therein (including the Subsidiary Guarantors) and Deutsche Bank Trust Company Americas, as trustee (the "Trustee"), as amended by the First Supplemental Indenture dated June 18, 2003 among the Issuer, certain additional guarantors named therein and the Trustee (collectively the "Indenture").

For the purpose of this opinion, we have examined and relied upon originals, or copies certified or otherwise identified to our satisfaction, of the following documents:

(i) the Indenture;

(ii) the articles of incorporation of EmCare of Colorado, Inc., certified by the Colorado Secretary of State as of May 5, 2003 and verified on the Internet website of the Colorado Secretary of State as of January 27, 2004;

(iii) the articles of incorporation of EmCare of Iowa, Inc., certified by the Iowa Secretary of State as of May 12, 2003 and as of January 8, 2004;

(iv) the articles of incorporation of EmCare of Minnesota, Inc., certified by the Minnesota Secretary of State as of May 13, 2003 and as of January 7, 2004;

(v) the articles of incorporation of EmCare of North Dakota, Inc., certified by the North Dakota Secretary of State as of May 12, 2003 and January 7, 2004;

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(vi) the articles of incorporation of EmCare of Washington, Inc., certified by the Washington Secretary of State as of May 12, 2003 and January 26, 2004;

(vii) the bylaws of each Subsidiary Guarantor certified by an officer of such Subsidiary Guarantor as of June 3, 2003 and as of the date hereof;

(viii) certificates of good standing concerning EmCare of Colorado, Inc., from the Colorado Secretary of State as of May 5, 2003 and as of January 27, 2004;

(ix) certificates of existence concerning EmCare of Iowa, Inc. from the Iowa Secretary of State issued May 12, 2003 and January 8, 2004;

(x) certificates of good standing concerning EmCare of Minnesota, Inc., from the Minnesota Secretary of State as of May 13, 2003 and as of January 7, 2004;

(xi) certificates of fact concerning EmCare of North Dakota, Inc., from the North Dakota Secretary of State as of May 12, 2003 and January 7, 2004;

(xii) certificates of existence/authorization concerning EmCare of Washington, Inc., from the Washington Secretary of State as of May 12, 2003 and January 26, 2004;

(xiii) a certificate of an officer of each Subsidiary Guarantor dated June 3, 2003; and

(xiv) a certificate of an officer of each Subsidiary Guarantor dated the date hereof.

In rendering the opinions expressed below, we have assumed, with your permission and without verification:

(a) the authenticity of all documents submitted to us as originals,

(b) the genuineness of all signatures,

(c) the legal capacity and authority of natural persons, and

(d) the conformity to originals of all documents submitted to us as copies and the authenticity of the originals of such copies.

Based upon the foregoing and such legal considerations as we have deemed necessary, and subject to the assumptions and qualifications set forth herein, we are of the opinion that:

1. Each Subsidiary Guarantor is duly incorporated under the laws of its state of incorporation. Each of EmCare of Colorado, Inc., EmCare of Minnesota, Inc. and EmCare of North Dakota, Inc. is an existing corporation in good standing under the laws of its state of incorporation. EmCare of Iowa, Inc. is an existing corporation under the laws of the State of Iowa. EmCare of Washington, Inc.

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is duly authorized to transact business in the corporate form in the State of Washington.

2. As of the date of the Indenture, each Subsidiary Guarantor had the corporate power and authority to enter into the Indenture, and, as of the date hereof, each Subsidiary Guarantor has the corporate power and authority to perform its obligations under the Indenture.

3. The execution, delivery and performance by each Subsidiary Guarantor of the Indenture have been authorized by all necessary corporate action of such Subsidiary Guarantor. The Indenture has been duly executed and delivered by each Subsidiary Guarantor.

4. The execution, delivery and performance by each Subsidiary Guarantor of the Guarantee in the form attached as Exhibit F to the Indenture has been duly authorized by all requisite corporate action of such Subsidiary Guarantor.

The foregoing opinions apply only with respect to the laws of the states of Colorado, Iowa, Minnesota, North Dakota and Washington, and we express no opinion with respect to the laws of any other jurisdiction.

This opinion letter addresses the legal consequences of only the facts existing or assumed as of the date hereof. We disclaim any obligation to update this opinion letter for events occurring or coming to our attention after the date hereof.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement filed with the U.S. Securities and Exchange Commission with respect to the Exchange Notes (as defined in the Indenture).

Very truly yours,

/s/ DORSEY & WHITNEY LLP

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**Exhibit 5.10**

[Letterhead of Edwards & Angell, LLP]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Blvd.
Naperville, Illinois 60563

Jones Day
77 West Wacker Dr.
Chicago, Illinois 60601

Re: Laidlaw International, Inc. 10 3/4% Senior Notes due 2011

Ladies and Gentlemen:

We have acted as special counsel to EmCare of Rhode Island, Inc., a Rhode Island corporation (the "Rhode Island Guarantor") in connection with a Registration Statement on Form S-4 to be filed by Laidlaw International, Inc., a Delaware corporation (the "Issuer") and the Rhode Island Guarantor and certain other direct or indirect subsidiaries of the Issuer (such subsidiaries, together with the Rhode Island Guarantor, the "Guarantors") on or about the date hereof (the "Registration Statement") with the Securities and Exchange Commission for the purpose of registering under the Securities Act of 1933, as amended (the "Act"), the offering of up to $406,000,000 in aggregate principal amount of 10 3/4% Senior Notes due 2011 (the "Exchange Notes") guaranteed by the Guarantors (the "Exchange Guarantees", and together with the Exchange Notes, the "Securities") in exchange for up to $406,000,000 in aggregate principal amount of the Issuer' s outstanding 10 3/4% Senior Notes due 2011 (the "Outstanding Notes") guaranteed by the Guarantors (the "Outstanding Guarantees"). This opinion letter is being delivered in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Act.

In connection with rendering this opinion, we have examined the following documents and records:

(1) The Certificate of Incorporation of the Rhode Island Guarantor, as amended to date;

(2) The By-Laws of the Rhode Island Guarantor, as amended to date;

(3) A Certificate of Good Standing issued by the Rhode Island Secretary of State on January 27, 2004;

(4) An executed copy of the Indenture dated as of June 3, 2003, as amended by the Supplemental Indenture dated as of June 18, 2003, among the Issuer, the Guarantors and Deutsche Bank Trust, as Trustee, relating to the issuance of the Outstanding Notes and the Exchange Notes and the respective guarantees thereof (the "Indenture"), including the form of Securities to be issued pursuant thereto;

(5) A draft of the Registration Statement in substantially final form; and

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(6) All corporate minutes and proceedings of the Rhode Island Guarantor relating to the Exchange Guarantee by the Rhode Island Guarantor being registered under the Registration Statement (the "Rhode Island Exchange Guarantee").

We have also made such inquiries and examined, among other things, such further documents, records and proceedings as we have deemed pertinent in connection with the issuance of said Rhode Island Exchange Guarantee. In our examination, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the completeness and authenticity of all documents submitted to us as originals, and the conformity to the originals of all documents submitted to us as certified, photostatic or conformed copies, and the validity of all laws and regulations.

The opinions hereinafter expressed are qualified to the extent that (i) the enforceability of any right or remedy may be subject to or affected by any bankruptcy, reorganization, insolvency, fraudulent conveyance, moratorium or other similar laws relating to or affecting the rights of creditors generally, whether the issue of enforceability is considered in a proceeding in equity or at law; (ii) the remedy of injunctive relief, specific performance and any other equitable remedies may be unavailable in any jurisdiction or may be withheld as a matter of judicial discretion; and (iii) the enforceability of any right or remedy may be subject to general principles of equity including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether enforceability is considered in a proceeding in equity or in law) and to the discretion of the court before which proceedings thereof may be brought.

We are qualified to practice law in the State of Rhode Island and do not purport to express any opinion herein concerning any law other than the laws of the State of Rhode Island and the federal law of the United States.

Based upon the foregoing, and subject to the qualifications, limitations, assumptions and exceptions set forth herein, it is our opinion that:

1. The Rhode Island Guarantor is validly existing as a corporation in good standing under the laws of the State of Rhode Island. As of the date of the Indenture, the Rhode Island Guarantor had corporate power and authority to enter into, and as of the date hereof has corporate power and authority to perform its obligations under, the Indenture.

2. The Rhode Island Exchange Guarantee has been duly authorized by the Rhode Island Guarantor.

3. Following the effectiveness of the Registration Statement and receipt by the Issuer of the Outstanding Notes with the Outstanding Guarantees thereon in exchange for the Exchange Notes with the Exchange Guarantees thereon as described in the Registration Statement, and assuming the due execution, authentication, issuance and delivery of the Exchange Notes and the Exchange Guarantees as provided in the Indenture, the Rhode Island Exchange Guarantee will constitute the valid and binding obligation of the Rhode Island Guarantor.



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We consent to the use of this opinion as an exhibit to the Registration Statement and to the reference to our firm under the caption "Legal Matters" in the prospectus which is a part of the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act or the rules and regulations promulgated thereunder.

Very truly yours,

/s/ Edwards & Angell, LLP



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**Exhibit 5.11**

[Letterhead of Fennemore Craig, A Professional Corporation]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Blvd.
Naperville, Illinois 60563

Jones Day
77 W. Wacker Drive
Chicago, Illinois 60601

Re: Offer to Exchange All $406,000,000 Outstanding 10 3/4 % Senior Notes due 2011 (the "Outstanding Notes") for registered 10 3/4 % Senior Notes due 2011 (the "Exchange Notes" and, collectively with the Outstanding Notes, the "Notes") of Laidlaw International, Inc., a Delaware corporation (the "Company")

Ladies and Gentlemen:

We have acted as special and limited Arizona counsel to Safe Ride Services, Inc., an Arizona corporation ("SRS"), EmCare of Arizona, Inc., an Arizona corporation ("ECA"), and Van Tran of Tucson, Inc., an Arizona corporation ("VTT" and, together with SRS and ECA, the "Arizona Guarantors") solely in connection with the above-captioned Notes.

For purposes of this opinion, we have examined such questions of law and fact as we have deemed necessary or appropriate, and have examined the following documents relating to the Notes:

1. Indenture dated as of June 3, 2003, among the Company, the Guarantors named therein, and Deutsche Bank Trust Company Americas, as trustee (the "Trustee"), as amended by the First Supplemental Indenture dated as of June 18, 2003, among the Company, the Additional Guarantors and the other Guarantors named therein, and the Trustee (collectively, the "Indenture"); and

2. Form of Guarantee of the Exchange Notes, attached as Exhibit F to the Indenture (the "Guarantee").

The documents and instruments referred to above are collectively called the "Transaction Documents". We have also reviewed the Form S-4 Registration Statement filed with the Securities and Exchange Commission on the date hereof with respect to the Offer to Exchange the Outstanding Notes for the Exchange Notes (the "Registration Statement"). Capitalized terms used herein but not otherwise defined in this opinion letter shall have the meanings ascribed to them in the Transaction Documents.

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In addition, we have reviewed the following documents of the Arizona Guarantors (the "Corporate Records"):

(a) A copy of the Articles of Incorporation of SRS, dated October 9, 1989, certified by the Arizona Corporation Commission (the "Commission") on January 14, 2004;

(b) A copy of the Bylaws of SRS, certified by an officer of SRS as of the date hereof;

(c) A copy of the Certificate of Good Standing of SRS dated January 13, 2004, issued by the Commission;

(d) A copy of the Officer' s Certificate of SRS and VTT, executed by an officer of each of SRS and VTT as of the date hereof;

(e) A copy of the Action Taken by Written Consent of the Sole Director of SRS and VTT, as certified by an officer of SRS and VTT as of the date hereof;

(f) A copy of the Articles of Incorporation of ECA, dated April 9, 1998, certified by the Commission on January 14, 2004;

(g) A copy of the Bylaws of ECA, certified by an officer of ECA as of the date hereof;

(h) A copy of the Certificate of Good Standing of ECA dated January 13, 2004, as issued by the Commission;

(i) A copy of the Officer' s Certificate of ECA, executed by an officer of ECA as of the date hereof;

(j) A copy of the Action Taken by Written Consent of the Sole Director of ECA, as certified by an officer of ECA as of the date hereof;

(k) A copy of the Articles of Incorporation of VTT, dated June 8, 1988, as amended, certified by the Commission on January 14, 2004;

(l) A copy of the Bylaws of VTT, as amended, certified by an officer of VTT as of the date hereof; and

(m) A copy of the Certificate of Good Standing of VTT dated January 14, 2004, as issued by the Commission.

We call your attention to the fact that, to the extent specifically qualified and limited herein and in the specific opinions rendered, we did not conduct any investigation, inquiry or verification which might independently confirm the facts based upon which this opinion is rendered and, with your permission, we have relied upon the representations and warranties as to factual matters

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contained in and made by the Arizona Guarantors in the Transaction Documents and in the Officer' s Certificates as set forth in the Corporate Records described above. We have no independent actual knowledge that any of such facts, representations or statements is untrue. No inference as to our knowledge of the existence or absence of any fact should be drawn from the fact of our representation of the Arizona Guarantors. In rendering our opinions set forth below as to the good standing of the Arizona Guarantors, we have relied exclusively on those certificates of public officials as set forth in the Corporate Records described above. We have not obtained any tax good standing certificates and no opinion is provided herein with respect to tax good standing or other tax matters.

For purposes of our opinions below, we have assumed the following:

(n) All factual information set forth in the Transaction Documents, Registration Statement, Corporate Records, instruments and certificates referred to herein is true, correct, accurate and complete.

(o) The genuineness of the Corporate Records, conformance of all copies with the originals thereof and originals to all copies thereof, and the accuracy of all statements, representations and warranties contained therein.

(p) All certificates, documents and instruments dated prior to the date hereof remain in full force and are accurate and correct on the date hereof.

(q) That the Certificates of Good Standing received from the Commission are complete, accurate and correct on the date hereof.

Based on the foregoing, and subject to the qualifications and exceptions below, we are of the opinion that:

3. SRS is a corporation, duly organized, validly existing and in good standing under the laws of the State of Arizona. As of the date of the Indenture, SRS had the requisite corporate power and corporate authority to enter into, and as of the date hereof, SRS has the requisite corporate power and corporate authority to carry out the terms and conditions applicable to it under, the Indenture.

4. ECA is a corporation, duly organized, validly existing and in good standing under the laws of the State of Arizona. As of the date of the Indenture, ECA had the requisite corporate power and corporate authority to enter into, and as of the date hereof, ECA has the requisite corporate power and corporate authority to carry out the terms and conditions applicable to it under, the Indenture.

5. VTT is a corporation, duly organized, validly existing and in good standing under the laws of the State of Arizona. As of the date of the Indenture, VTT had the requisite corporate power and corporate authority to enter into, and as of the date hereof, VTT has the requisite

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corporate power and corporate authority to carry out the terms and conditions applicable to it under, the Indenture.

4. The execution, delivery, and performance by each Arizona Guarantor of the Transaction Documents to which such Arizona Guarantor is a party have been duly authorized by all requisite corporate action on the part of such Arizona Guarantor.

Our opinions and statements expressed herein are restricted to matters governed by the laws of the State of Arizona. With respect to such law, our opinions are as to what the law is or might reasonably be expected to be at the date hereof, and we express no opinion as to the possibility or effect of any change of law or fact, and have no obligation to amend this opinion or notify any addressee hereof of a change of fact or law, by legislative action, judicial decision or otherwise, or if we become aware of facts not known to us at the time these opinions are rendered. Further, nothing in this letter is intended to and shall not be deemed to undertake or assume any responsibility or obligation to file or record any documents, file any continuation statements, prepare or file any amendments or modifications, or take any other steps or actions whatsoever after the date of this letter.

This opinion is given as of the date hereof, and nothing herein shall be deemed to extend the date of this opinion or to be an expression of our opinion at any date subsequent to the date of this letter. Except as expressly stated herein, no opinions are offered or implied as to any matter, and no inference may be drawn beyond the strict scope of this opinion as expressed herein. We have conducted no investigation or review of or inquiry into any business or activities of the Arizona Guarantors.

This opinion is furnished to you in connection with the Exchange Offer of the Outstanding Notes for the Exchange Notes and may not be relied upon by any other person or entity without our express prior written consent. We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our firm under the caption “Legal Matters” in the prospectus constituting part of the Registration Statement.

Very truly yours,

/s/ Fennemore Craig
A Professional Corporation

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Exhibit 5.12

[Letterhead of Frost Brown Todd LLC]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Boulevard
Napierville, IL 60563

Jones Day
77 W. Wacker Drive
Chicago, IL 60601

*Re: Laidlaw International, Inc. and its Subsidiaries*
*Registration Statement on Form S-4 Related to Exchange of*
*$406,000,000 Principal Amount of 10¾% Senior Notes Due June 15, 2011 of*
*Laidlaw International, Inc. for New Exchange Notes*

Ladies and Gentlemen:

We have acted as special counsel in the Commonwealth of Kentucky (sometimes referred to as the "Commonwealth") and the State of Tennessee (sometimes referred to as the "State") for EmCare of Kentucky, Inc., a Kentucky corporation (the "Kentucky Guarantor") and EmCare of Tennessee, Inc., a Tennessee corporation (the "Tennessee Guarantor" and together with the Kentucky Guarantor, the "Designated Guarantors"), with respect to certain legal matters in connection with the Registration Statement on Form S-4 (the "Registration Statement"), dated the date hereof, and filed or to be filed with the Securities and Exchange Commission (the "Commission") in connection with the registration by Laidlaw International, Inc., a Delaware corporation (the "Company"), under the Securities Act of 1933, as amended (the "Securities Act") of (i) the offer and exchange by the Company (the "Exchange Offer") of $406,000,000 aggregate principal amount of its 10¾% Senior Notes due June 15, 2011 (the "Initial Notes"), for a new series of notes bearing substantially identical terms and in like principal amount (the "Exchange Notes" and together with the Initial Notes, the "Notes") and (ii) the Guarantees of certain subsidiaries of the Company, including the Designated Guarantors of the Initial Notes and the Exchange Notes. The Initial Notes were issued, and the Exchange Notes will be issued, under an Indenture dated as of June 3, 2003 among the Company, the Guarantors named therein, including the Designated Guarantors, and Deutsche Bank Trust Company Americas, as Trustee, and the First Supplemental Indenture dated as of June 18, 2003 among the Company, the Guarantors and Deutsche Bank Trust Company Americas, as Trustee (the "Indenture" and the First Supplemental Indenture, collectively, the "Indenture"). The Exchange Offer will be conducted on such terms and conditions as are set forth in the prospectus contained in the Registration Statement to which this opinion is filed as an exhibit. All capitalized terms not defined herein shall have the same meanings assigned to them in the Indenture and/or the

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Registration Statement. The term "Relevant States," as used herein, shall refer to the individual State and Commonwealth set forth above or to such State and Commonwealth collectively as the context requires.

In our capacity as such counsel, we have examined originals, or copies identified to our satisfaction as being true copies, of such records, documents or other instruments as in our judgment are necessary or appropriate to enable us to render the opinions expressed below. These records, documents and instruments include the following:

A. the Indenture;

B. the Registration Rights Agreement;

C. the Registration Statement;

D. the Guarantees to be executed by the Designated Guarantors in connection with the Exchange Offer and the registration of the Exchange Notes (the "Exchange Guarantees");

E. certified copies of resolutions of the Board of Directors of the Kentucky Guarantor and the Tennessee Guarantor authorizing and relating to the Indenture, the Purchase Agreement, the Registration Rights Agreement, the Exchange Guarantee, the Exchange Offer and the filing of the Registration Statement with the Commission and the transactions contemplated thereby;

F. certified copies of the Articles of Incorporation of the Kentucky Guarantor and the Tennessee Guarantor, each dated May 12, 2003;

G. certified copies of the Bylaws of the Kentucky Guarantor and the Tennessee Guarantor, as amended;

H. Certificate of Existence of the Kentucky Guarantor from the Secretary of State of the Commonwealth of Kentucky (the "Kentucky Secretary of State") dated January 7, 2004;

I. the corporate data and information published by the Kentucky Secretary of State on its website respecting the "good standing" of the Kentucky Guarantor as of the date of this opinion letter;

J. Certificate of Existence for the Tennessee Guarantor from the Secretary of State of the State of Tennessee (the "Tennessee Secretary of State") dated January 7, 2004;

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K. the corporate data and information published by the Tennessee Secretary of State respecting the existence and status of the Tennessee Guarantor as of the date of this opinion letter; and

L. an Officer' s Certificate dated the date hereof and delivered to this firm by the Designated Guarantors in connection with the Exchange Offer and the filing of the Registration Statement with the Commission.

The documents identified as (i) items A through D above are collectively referred to herein as the "Transaction Documents", and (ii) items E through L are collectively referred to as the "Constituent Documents."

We have been furnished with, and with your consent have relied upon, certificates of officers of the Designated Guarantors with respect to certain factual matters, copies of which have been delivered to the Trustee. In addition, we have obtained and relied upon such certificates and assurances from public officials as we have deemed necessary, copies of which have been delivered to the Company and the Trustee. In all such examinations, we have assumed that the signatures of persons and entities signing all documents in connection with which this opinion is rendered are genuine (other than the signatures of the Designated Guarantors on the Exchange Guarantees), all documents submitted to us as originals or duplicate originals are authentic and all documents submitted to us as copies, whether certified or not, conform to authentic documents. We have further relied upon and assumed the accuracy and completeness of all certificates and other statements, documents and records reviewed by us, and the accuracy and completeness of all representations, warranties, schedules and exhibits contained in the Transaction Documents, in each case with respect to the factual matters set forth therein.

In rendering the opinions hereinafter set forth, we have assumed that there has occurred due execution and delivery of the Transaction Documents by all parties thereto and all documentation in connection therewith, other than with respect to the execution and delivery of the Exchange Guarantees and all documents in connection therewith by the Designated Guarantors. Additionally, we have, with your consent, assumed and relied upon the following:

(i) That the Registration Statement, and any amendments thereto (including post-effective amendments), will have become effective and the Exchange Notes will be issued and sold in compliance with applicable federal and state securities laws, including the Securities Act, and in the manner described in the Registration Statement.

(ii) That (y) all parties to the documents reviewed by us (other than the Designated Guarantors) are duly organized, validly existing and in good standing under the laws of all jurisdictions where they are organized, conducting their businesses or otherwise required to be qualified, and have full power and authority to execute, deliver and perform their duties under such documents, and such execution, delivery and performance are proper undertakings by such

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parties, are permitted by applicable law (other than the laws of the Relevant States to the extent expressly provided in our opinions below), and are within the scope of their respective enumerated powers, and all such documents have been duly authorized, by such parties (other than the Designated Guarantors), and (z) all parties to the documents reviewed by us (other than the Designated Guarantors) have duly executed and delivered such documents, and all of the proceedings and undertakings which are necessary in order for such parties (other than the Designated Guarantors) to execute and deliver such documents and perform their duties thereunder have been properly carried out in accordance with the requirements of applicable law (other than the laws of the Relevant States expressly provided in our opinions below);

(iii) That the Transaction Documents constitute the legal, valid and binding obligations of all parties thereto (other than the Designated Guarantors), the Transaction Documents are enforceable against the parties thereto (other than the Designated Guarantors) in accordance with their respective terms;

(iv) That all parties to the Transaction Documents acted, and the extension of credit in connection with the issuance, sale and purchase of the Notes were or will be made, in good faith as required by, and within the meaning of, Section 364(e) of the Bankruptcy Code;

As indicated above, we are special Kentucky and Tennessee counsel for the Designated Guarantors and wish to emphasize that (x) we have not participated in the negotiation or preparation of the Registration Statement, the Indenture or the Exchange Guarantees, except that advice was rendered as to the conformance of the Exchange Guarantees with the Relevant State laws; (y) we have not represented the Designated Guarantors except in connection with the transactions contemplated by the Transaction Documents; and (z) our knowledge concerning the Designated Guarantors has been obtained solely in connection with such transactions. Except as expressly set forth herein, we have not undertaken any independent investigation, examination or inquiry to determine the existence or absence of any facts (and have not caused the review of any court file or indices).

Subject to the foregoing assumptions and the following qualifications, we are of the opinion that:

1. The Kentucky Guarantor is a corporation validly existing and in good standing under the laws of the Commonwealth of Kentucky, and the Tennessee Guarantor is a corporation validly existing and in good standing under the laws of the State of Tennessee.

2. Each Designated Guarantor had, as of the date of the Indenture, all requisite corporate power and authority to enter into, and as of the date hereof, has all requisite corporate power and authority to perform its obligations under, the Indenture.

3. The execution, delivery and performance of the Indenture to which each of the Designated Guarantors is a party have been duly authorized by all necessary corporate action on

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the part of the Designated Guarantors.

4. When (i) the Registration Statement has been declared effective, (ii) the Indenture has been duly qualified under the Trust Indenture Act of 1939, as amended, (iii) the Exchange Notes have been duly executed and authenticated in accordance with the Indenture and duly delivered to the Holders thereof in exchange for the Initial Notes, and (iv) the Exchange Guarantees have been duly executed and delivered, and assuming for purposes of this opinion only that the substantive laws of the Relevant States apply, the obligations arising under the Exchange Guarantees will become valid and binding on the Designated Guarantors, enforceable against the Designated Guarantors in accordance with their respective terms.

Our opinions above are subject to the qualifications that:

A. Insofar as the opinions contained in this letter relate to the validity or enforceability of any document or instrument, they are subject to (i) all applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws affecting the rights of creditors generally, as well as by limitations imposed upon creditors generally by the constitutions of the United States and the Relevant States; and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). In addition, the enforcement of any of the Holders' and the Trustee' s rights may in all cases be subject to an implied duty of good faith on its part. Accordingly, we express no opinion as to the extent to which any provision may be specifically enforced, except as set forth herein.

B. We express no opinion as to the validity or enforceability of any particular provision of any of the Transaction Documents relating to: (i) the availability of any specific or equitable relief of any kind; (ii) the collection of interest on overdue interest or providing for a penalty rate of interest that is unreasonable in amount or late charges on overdue or defaulted obligations that are unreasonable in amount; (iii) the recovery of attorneys' fees and costs unreasonable in amount and, in the Commonwealth, beyond those permitted by KRS §411.195 and KRS §453.260; (iv) the survivability of any term, covenant or condition contained in the Transaction Documents after the termination of the applicable Transaction Documents; (v) the grant of any party or the Trustee powers of attorney to any party or the Trustee; (vi) exculpation clauses and clauses relating to releases or waivers of unmatured claims or rights; or (vii) the appointment of a receiver without judicial approval.

D. In addition, we express no opinion as to the validity and enforceability of any provision in any Transaction Document to the extent that such provision purports to: (i) vary, waive, or release the Trustee or any party from the obligation to comply with, any requirement of diligent performance, commercial reasonableness, good faith, notice or other duty of care with respect to the recognition or preservation of any rights of any Designated Guarantor; (ii) require any Designated Guarantor to indemnify or hold any party or the Trustee harmless from (A) the consequences of any willful misconduct or negligent or other wrongful or unlawful act or omission on the part of any party or Trustee, or (B) any personal liability of any officer, director or employee of any party or Trustee; (iii) constitute a waiver by any Designated Guarantor of

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(A) any statutory right except where advance waiver is expressly permitted by the relevant statute; (B) rights of redemption or appraisal, or the benefits of any law which exempts property from liability for debt; or (iv) nullify the effect of a lack of validity or enforceability of a Transaction Document; (v) preclude the modification of the Transaction Documents through conduct, custom or course of performance, action or dealing; or (vi) waive or change any rules of civil procedures or which may be limited by principles of public policy (including, without limitation, the consent to jurisdictions of courts located in a forum other that that in which any party is located).

E. The opinions rendered in paragraph 1 as to the valid existence and good standing are based solely on and limited to the Certificates of Existence and the corporate data and information published on the websites of the Kentucky Secretary of State and the Tennessee Secretary of State, all of which are referenced as items H through K in the paragraph listing the documents and records reviewed in giving this opinion.

We are admitted to practice in the Relevant States. We express no opinion as to matters under or involving the laws of any jurisdiction other than the laws of the Relevant States. No opinion is expressed regarding the effect of, or compliance with (i) Federal and state antitrust laws, (ii) tax laws, rules and regulations, or (iii) Federal securities laws, including, without limitation, state blue sky laws, the Securities Act and all other laws, statutes and requirements related thereto.

The opinions expressed in this letter are strictly limited to the matters stated herein, and no other opinions may be implied. This opinion is provided as a legal opinion only, effective as of the date of this letter, and not as a guaranty or warranty of the matters discussed herein or as representations of fact. We undertake no duty to update our opinion as laws or facts may change after the date hereof. We understand that the addressees have made such independent investigations of the facts as the addressees deemed necessary, and that the determination of the extent of that investigation that is necessary has been made independent of this opinion letter.

This opinion is rendered only to the Company and Jones Day and is solely for their benefit in connection with the above transactions. This opinion may not be relied upon by the Company and Jones Day for any other purpose, or quoted to or relied upon by any other person, firm or corporation for any purpose without our prior written consent, and may not be disclosed, quoted, or filed with a government agency or otherwise referred to without our prior written consent. We, however, do consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of our firm name in the prospectus forming a part of the Registration Statement under the caption “Legal Matters.” By giving such consent, we do not admit that we are within the category of person whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission issued thereunder.

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Respectfully submitted,

FROST BROWN TODD LLC

By: /s/ William C. Gullett

William C. Gullett, Member

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**Exhibit 5.13**

[Letterhead of Goodwin & Goodwin, LLP]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Boulevard
Naperville, IL 60563

Jones Day
77 W. Wacker Drive
Chicago, IL 60601

Re: $406 Million 10 3/4% Notes Due 2011

Ladies and Gentlemen:

We have acted as counsel for Emcare of West Virginia, Inc., a West Virginia corporation (the "Company"), in connection with the Company' s guarantee (the "Guarantee") of up to $406 million aggregate principal amount of 10 3/4% Senior Notes due 2011 of Laidlaw International Inc., a Delaware corporation, (formerly known as Laidlaw Investments Ltd.) ("Laidlaw") (the "Exchange Notes") to be issued in exchange for an equal principal amount of Laidlaw' s 10 3/4% Senior Notes due 2011 outstanding on the date hereof (the "Outstanding Notes"). The Exchange Notes will be issued pursuant to the Indenture dated as of June 3, 2003 by and among Laidlaw, as issuer, each of the subsidiary guarantors signatory thereto (the "Subsidiary Guarantors") and Deutsche Bank Trust Company Americas, as Trustee, as supplemented by that First Supplemental Indenture dated as of June 18, 2003 by and among Laidlaw, each of the additional guarantors signatory thereto (the "Additional Guarantors") and Deutsche Bank Trust Company Americas, as Trustee (the "Indenture").

In rendering this opinion, we have examined such documents, records and matters of law as we have deemed necessary for the purposes of this opinion. As to matters of fact bearing upon the opinions expressed herein, we have, without investigation, relied upon the representations given by the Company in the officers' certificates and a certificate of the West Virginia Secretary of State. Based upon the foregoing and subject to the qualifications and limitations dated herein, we are of the opinion that:

1. The Company is a corporation duly incorporated and validly existing under West Virginia law;

2. As of the date of the Indenture, the Company had all necessary corporate power and corporate authority to enter into, and as of the date hereof, the Company has all necessary corporate power and corporate authority to perform its obligations under the Indenture;

3. The execution, delivery and performance by the Company of the Indenture has been authorized by all necessary action of the Company;

4. When the Registration Statement on Form S-4 relating to the Exchange Notes becomes effective under the Securities Act of 1933, as amended (the "Securities

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Act") and the Company' s Guarantee of the Exchange Notes is executed by the Company and delivered in exchange for the Company' s guarantee of the Outstanding Notes, the Company' s Guarantee of the Exchange Notes will be validly executed and delivered and will constitute a valid and binding obligation of the Company.

The opinions set forth herein are subject to the effect of the bankruptcy reorganization, insolvency (including all laws relating to fraudulent transfers), receivership, moratorium and other similar laws affecting the rights and remedies of creditors generally and the effect of general principles of equity, whether applied by a court of law or equity. We have assumed that the Company' s obligations under the Guarantee are, and would be deemed by a court of competent jurisdiction to be, in furtherance of its corporate purposes, or necessary or convenient to the conduct, or promotion or attainment of the business of the Company. The foregoing opinions are limited to matters involving the laws of the State of West Virginia, and no opinion, either expressly or by implication, is expressed herein as to matters of law in any other jurisdiction.

This opinion is rendered only to you and is solely for your benefit in connection with the Registration Statement on Form S-4 (the "Registration Statement") of Laidlaw to be filed with the Securities and Exchange Commission in connection with the Exchange Notes. We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us under the caption "Legal Matters" in the Prospectus constituting a part of the Registration Statement. In giving such consent, we do not admit that we are included in the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations of the Securities and Exchange Commission promulgated thereunder.

Very truly yours,

/s/ Goodwin & Goodwin, LLP

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**Exhibit 5.14**

[Letterhead of Hackman Hulett & Cracraft, LLP]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Boulevard
Naperville, IL 60563

Jones Day
77 West Wacker Drive
Chicago, IL 60601

Ladies and Gentlemen:

We have acted as local counsel in the State of Indiana to the US Subsidiary Guarantors listed on Exhibit A (each a "Subsidiary Guarantor" and collectively, the "Subsidiary Guarantors") in connection with the Guarantee ( "Guarantee") of up to $406,000,000 aggregate principal amount of 10 3/4% Senior Notes due 2011 (the "Exchange Notes") of Laidlaw International, Inc., a Delaware corporation (the "Company"). The Exchange Notes are being issued and exchanged for an equal principal amount of the Company' s 10 3/4% Senior Notes due 2011 outstanding as of the date hereof (the "Outstanding Notes"). The Exchange Notes are to be issued pursuant to the Indenture dated as of June 3, 2003 (as amended, the "Indenture"), by and among the Company, the Subsidiary Guarantors, and Deutsche Bank Trust Company Americas, as trustee (the "Trustee"). The Outstanding Notes are, and the Exchange Notes will be, guaranteed on a joint and several basis by the Subsidiary Guarantors (as well as the other subsidiary guarantors of the Company). Capitalized terms used in this letter and not otherwise defined have the meanings assigned to such terms in the Indenture. With your permission, all assumptions and statements of reliance in this letter have been made without any independent investigation or verification on our part except to the extent otherwise expressly stated, and we express no opinion with respect to the subject matter or accuracy of the assumptions or items upon which we have relied.

In connection with the opinions expressed in this letter, we have examined such documents, records and matters of law as we have deemed necessary for the purposes of the opinions expressed below. We have examined, among other documents, (a) an executed copy of the Indenture and the First Supplemental Indenture dated June 18, 2003; and (b) the form of Guarantees as provided in Exhibit F to the Indenture. The documents referred to in items (a) and (b) above are collectively referred to in this letter as the "Documents."

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In all such examinations, we have assumed the legal capacity of all natural persons executing the Documents, the genuineness of all signatures, the authenticity of original and certified documents and the conformity to original or certified copies of all copies submitted to us as conformed or reproduction copies. As to various questions of fact relevant to the opinions expressed in this letter, we have relied upon, and assume the accuracy of, representations and warranties contained in the Documents and certificates and written statements and other information of or from representatives of the Company and/or the Subsidiary Guarantors and others and assume compliance on the part of all parties (other than the Subsidiary Guarantors) to the Documents with their covenants and agreements contained in such Documents. We have relied solely upon certificates of public officials as to the factual matters set forth therein and, as to the opinions expressed in paragraph 1 below, as to the legal conclusion expressed therein.

Based upon the foregoing, and subject to the limitations, qualifications and assumptions set forth in this letter, we are of the opinion that:

1. Each Subsidiary Guarantor is validly existing and in good standing under the laws of the State of Indiana;

2. As of the date of the Indenture, each Subsidiary Guarantor had all necessary corporate power and corporate authority to enter into, and as of the date hereof, each Subsidiary Guarantor has all necessary corporate power and corporate authority to perform its obligations under, the Indenture;

3. The execution, delivery and performance by each Subsidiary Guarantor of the Indenture have been authorized by all necessary action of the Subsidiary Guarantor; and

4. The execution, delivery and issuance of the Guarantee have been authorized by all necessary action of the Subsidiary Guarantor.

The foregoing opinions are subject to the following qualifications and limitations:

With respect to the opinions expressed in paragraphs 3 and 4, we have assumed, with your permission, that the resolutions attached to the Officers' Certificates were consented to in writing by all members of the boards of directors of the Subsidiary Guarantors, and that such director or directors constitute the full boards of directors as required by the by-laws of the Subsidiary Guarantors; that each Subsidiary Guarantor has obtained all requisite third-party and governmental authorizations, consents and approvals, and made any filings and registrations required to enable it to execute, deliver and perform its Guarantee; that such execution, delivery and performance will not violate and conflict with any law, rule, regulation, order, decree, judgment, instrument or agreement binding upon or applicable to the Subsidiary Guarantor or its properties; and that the obligations of each of the Subsidiary Guarantors under the Guarantees are, and would be deemed by a court of competent jurisdiction to be, in furtherance of its corporate purposes, or

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necessary or convenient to the conduct, promotion or attainment of the business of the respective Subsidiary Guarantor.

The opinions expressed in this letter are limited to the laws of the State of Indiana.

This opinion is rendered only to you and is solely for your benefit in connection with the Registration Statement on Form S-4 (the "Registration Statement") of the Company to be filed with the Securities and Exchange Commission in connection with the issuance of the Exchange Notes. We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us under the caption "Legal Matters" in the Prospectus constituting a part of the Registration Statement. In giving such consent, we do not admit that we are included in the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations of the Securities and Exchange Commission promulgated thereunder.

Very truly yours,

/s/ Hackman Hulett & Cracraft, LLP

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**EXHIBIT A**

**Subsidiary Guarantors**

Allied Bus Sales, Inc.

Mercy Ambulance of Evansville, Inc.

EmCare of Indiana, Inc.

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**Exhibit 5.15**

[Letterhead of Jaffe, Raitt, Heuer & Weiss, PC]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Blvd.
Naperville, Illinois 60563

Jones Day
77 W. Wacker Drive
Chicago, Illinois 60601

Re: Exchange Offer of Laidlaw International, Inc. ("Laidlaw") $406,000,000 10 3/4% Senior Notes Due 2011 – Emcare of Michigan, Inc. and Paramed, Inc., Guarantors

Ladies and Gentlemen:

We are acting as special local counsel in the State of Michigan to Emcare of Michigan, Inc. ("Emcare") and Paramed, Inc. ("Paramed"), each a Michigan corporation (Emcare and Paramed are collectively referred to herein as the "Guarantors"), in connection with a registration statement on Form S-4 (the registration statement on Form S-4, including any amendments and supplements thereto, is referred to herein as the "Registration Statement") as filed with the Securities and Exchanges Commission on January 29, 2004 under the Securities Act of 1933, as amended (the "Securities Act"). The Registration Statement relates to the issuance and exchange (the "Exchange Offer") of up to $406,000,000 aggregate principal amount of 10 3/4% Senior Notes Due 2011 of Laidlaw (the "Exchange Notes"), to be registered under the Securities Act for an equal principal amount of Laidlaw' s outstanding 10 3/4% Senior Notes Due 2011 (the "Outstanding Notes"). The Outstanding Notes were, and the Exchange Notes will be, issued pursuant to an Indenture dated June 3, 2003 by and among Laidlaw, the Guarantors, Deutsche Bank Trust Company Americas, as Trustee, and certain other guarantors thereunder (as amended by the First Supplemental Indenture dated as of June 18, 2003, the "Indenture"). Pursuant to the terms of the Indenture, the Outstanding Notes are guaranteed by the Guarantors pursuant to that certain Guaranty executed and delivered by Emcare (the "Original Emcare Guaranty") and that certain Guaranty executed and delivered by Paramed (the "Original Paramed Guaranty"), each of which were executed and delivered in connection with the initial purchase of the Outstanding Notes. The Original Emcare Guaranty and the Original Paramed Guaranty are collectively referred to herein as the "Original Guaranties."

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Pursuant to the terms of the Indenture, the Exchange Notes will, upon effectiveness of the Registration Statement and execution by Laidlaw of the Exchange Notes pursuant to the Exchange Offer, be guaranteed by a new guaranty executed and delivered by Emcare (the "Emcare Exchange Guaranty") and by a new guaranty executed and delivered by Paramed (the "Paramed Exchange Guaranty"). The Emcare Exchange Guaranty and the Paramed Exchange Guaranty are referred to herein as the "Exchange Guaranties."

In connection with our representation of the Guarantors, we have reviewed executed copies of the transaction and registration documents listed on the attached Schedule I (the "Guarantor Documents"), the documents and instruments on the attached Schedule II (the "Organizational Documents"), and an Officer' s Certificate of each Guarantor (the "Officer' s Certificates").

In rendering our opinion, we have assumed, without independent verification or investigation: (i) the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies (ii) that the Emcare Articles and the Paramed Articles (as such terms are defined in Schedule II hereof) have not been amended or modified since January 8, 2004, and remain in full force and effect; (iii) that the parties to the Guarantor Documents (other than the Guarantors) had and have all necessary power and authority to execute, deliver, accept and perform their respective obligations under the Guarantor Documents; (iv) that all necessary action has been taken by all parties to the Guarantor Documents (other than the Guarantors) so as to cause each of them to be bound by the Guarantor Documents under the terms of their respective governing documents and the laws of their respective jurisdictions of formation; (v) that each of the Guarantor Documents constitutes the legally valid and binding obligations of the parties to the Guarantor Documents, enforceable against such parties in accordance with their respective terms; (vi) that all material factual matters, including without limitation, representations and warranties, contained in the Guarantor Documents and Officer' s Certificates are true and correct as set forth therein and that there are no other inconsistent agreements or understandings, written or oral, which exist between the parties relating to the matters addressed herein, (vii) that all of the outstanding shares of each Guarantor are owned, directly or indirectly, by Laidlaw, and (viii) that the Exchange Guaranties will be substantially identical to the Original Guaranties.

Our review has been limited to examining the Guarantor Documents, Organizational Documents, Officer' s Certificates and applicable Michigan law. To the extent that any opinion in this letter relates to or is dependent upon factual information, or is expressed in terms of our knowledge or awareness, we have relied exclusively on the assumptions stated above, and we have not undertaken to independently verify any such facts or information. In this regard, our knowledge is limited to the conscious awareness of facts or other information by (i) the attorney executing this opinion on behalf of our firm, (ii) any attorney in our firm who has been actively involved in (a) negotiating the terms and conditions of the Guarantor Documents, (b) drafting the Guarantor Documents, or (c) preparing this opinion; and (iii) the attorney in our firm who is primarily responsible for providing the response for a particular issue or confirmation addressed

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in this opinion. We have further assumed that any other document delivered in connection with the transactions contemplated by the Purchase Agreement other than the Guarantor Documents do not affect the opinions rendered herein.

Based solely upon the foregoing and subject to the limitation and qualifications set forth below, we are of the opinion that, under Michigan law:

(1) Each of the Guarantors is validly existing and in good standing as a corporation under the laws of the State of Michigan.

(2) As of the date of the Indenture, each Guarantor had all necessary power and corporate authority to enter into, and as of the date hereof, each Guarantor has all necessary corporate power and corporate authority to perform their respective obligations under, the Indenture.

(3) The execution, delivery and performance by each Guarantor of the Indenture has been authorized by all necessary action of each Guarantor.

(4) When the Registration Statement has become effective under the Securities Act and the Exchange Guaranties are delivered in accordance with the terms of the Exchange Offer:

a. The Emcare Exchange Guarantee will be duly authorized, executed, issued and delivered by Emcare; and

b. The Paramed Exchange Guarantee will be duly authorized, executed, issued and delivered by Paramed.

Our opinions set forth above are subject to the following qualifications:

(i) Our opinions are limited to the laws of the State of Michigan.

(ii) Our opinions are limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws of general application affecting the rights of creditors.

In addition to the qualifications set forth above, we express no opinion as to the validity, binding effect or enforceability of the Guarantor Documents.

The opinions expressed in this letter are based upon the law in effect in the State of Michigan on the date hereof. We take no responsibility for updating the opinions expressed herein or for taking into account any event, action, interpretation, change of law or similar item which may occur after the date hereof.

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This opinion is rendered only to you and is solely for your benefit in connection with the Registration Statement. We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us with respect to this opinion under the caption "Legal Matters" in the prospectus constituting a part of the Registration Statement. In giving such consent, we do not thereby admit that we are included in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Securities Exchange Commission promulgated thereunder.

Very truly yours,

/s/ JAFFE, RAITT, HEUER & WEISS
Professional Corporation

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**SCHEDULE I**
**GUARANTOR DOCUMENTS**

1. Indenture dated as of June 3, 2003 among Laidlaw Investments Ltd., the guarantors named therein and Deutsche Bank Trust Company Americas, as Trustee, executed by Guarantors

2. The Registration Statement on Form S-4 relating to the Exchange Offer, filed with the Securities Exchange Commission on the date hereof

3. The Original Emcare Guarantee executed and delivered by Emcare in connection with the issuance of the Outstanding Notes

4. The Original Paramed Guarantee executed and delivered by Paramed in connection with the issuance of the Outstanding Notes

5. First Supplemental Indenture, dated as of June 18, 2003, among Laidlaw Investments, Ltd., the Guarantors, the additional guarantors named therein, and Deutsche Bank Trust Company Americas

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**SCHEDULE II**
**ORGANIZATIONAL DOCUMENTS**

1. Articles of Incorporation of Emcare certified as a true copy by the Director of the Bureau of Commercial Services, Michigan Department of Consumer and Industry Services on January 8, 2004 ("Emcare Articles").

2. Certificate of Good Standing for Emcare from the Bureau of Commercial Services, Michigan Department of Consumer and Industry Services dated January 8, 2004.

3. Emcare of Michigan, Inc. Officer' s Certificate.

4. Articles of Incorporation of Paramed certified as a true copy by the Director of the Bureau of Commercial Services, Michigan Department of Consumer and Industry Services on January 8, 2004 ("Paramed Articles").

5. Certificate of Good Standing for Paramed from the Bureau of Commercial Services, Michigan Department of Consumer and Industry Services dated January 8, 2004.

6. Paramed, Inc. Officer' s Certificate.

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**Exhibit 5.16**

[Letterhead of Kolesar & Leatham, Chtd.]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Boulevard
Naperville, Illinois 60563

Jones Day
77 West Wacker Drive
Chicago, Illinois 60601

Re: $406,000,000 of 10 3/4% Senior Notes due 2011

Ladies and Gentlemen:

We have acted as special Nevada counsel for Emcare of Nevada, Inc., a Nevada corporation ("Emcare"), American Investment Enterprises, Inc., a Nevada corporation ("AIE") and Mercy, Inc., a Nevada corporation ("Mercy") (each a "Nevada Guarantor" and collectively, and the "Nevada Guarantors") in connection with the issuance and exchange (the "Exchange Offer") of up to $406,000,000 aggregate principal amount of the 10 3/4 % Senior Notes due 2011 (the "Exchange Notes") of Laidlaw International, Inc., a Delaware corporation (the "Company") for an equal principal amount of the Company' s 10 3/4% Senior Notes due 2011 outstanding on the date hereof (the "Outstanding Notes"), to be issued pursuant to the Indenture, dated as of June 3, 2003 (the "Indenture"), by and among the Company, the Nevada Guarantors, inter alia, and Deutsche Bank Trust Company Americas, as Trustee (the "Trustee"), as amended by the First Supplemental Indenture dated as of June 18, 2003. The Outstanding Notes are, and the Exchange Notes will be, guaranteed on a joint and several basis by, inter alia, the Nevada Guarantors.

In connection with the opinions expressed herein, we have examined such documents, records and matters of law as we have deemed relevant or necessary for purposes of this opinion.

Based on the foregoing, and subject to the further limitations, qualifications and assumptions set forth herein, we are of the opinion that:

1. Each of the Nevada Guarantors is validly existing and in good standing under the laws of the State of Nevada.

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2. As of the date of the Indenture, each Nevada Guarantor had all necessary power and corporate authority to enter into, and as of the date hereof, each Nevada Guarantor has all necessary corporate power and corporate authority to perform its obligations under, the Indenture;

3. The execution, delivery and performance by each Nevada Guarantor of the Indenture and the guarantee of the Exchange Notes has been authorized by all necessary action of each Nevada Guarantor; and

4. When the Registration Statement relating to the Exchange Notes filed with the Securities and Exchange Commission on the date hereof becomes effective under the Securities Act of 1933 and the guarantee of the Exchange Notes is delivered in accordance with the terms of the exchange offer, the guarantee will be validly executed and delivered by, and will constitute a valid and binding obligation of each, Nevada Guarantor.

The opinions set forth above are subject to the following assumptions, qualifications and limitations:

We have assumed, for purposes of the opinions expressed herein, the legal capacity of all natural persons executing documents, the genuineness of all signatures, the authenticity of original and certified documents and the conformity to original or certified copies of all copies submitted to us as conformed or reproduction copies. For the purposes of the opinions expressed herein, we also have assumed that each of the foregoing transaction documents is the valid, binding and enforceable obligation of each of the parties thereto, enforceable in accordance with its terms.

The opinions expressed in paragraph 1 above with respect to the existence and/or good standing of the Nevada Guarantors are based solely on certificates of public officials as to factual matters or legal conclusions set forth therein. As to various questions of fact relevant to the opinions expressed herein, we have relied upon representations contained in the Certificates of each Nevada Guarantor, attached hereto.

The opinions expressed herein are limited to the laws of the State of Nevada. We express no opinion with respect to the laws, including, the securities laws of any other jurisdiction.

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We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and the reference to us with respect to this opinion under the caption "Legal Matter" in the prospectus constituting a part of the Registration Statement.

Very truly yours,

/s/ KOLESAR & LEATHAM, CHTD.

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Exhibit 5.17

[Letterhead of Lisman, Webster, Kirkpatrick & Leckerling, P.C.]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Road
Naperville, IL 60563

Jones Day
77 W. Wacker Drive
Chicago, IL 60601

$406,000,000 10 ¾ % Senior Note Offering
By Laidlaw International, Inc. and Certain Guarantors

Ladies and Gentlemen:

This opinion is being rendered to you in connection with the exchange offer (the "Exchange Offer") by Laidlaw International, Inc. (the "Issuer") relating to its 10 ¾ % Senior Notes due 2011 (the "Outstanding Notes") issued pursuant to an Indenture, dated June 3, 2003, among the Issuer, the guarantors named therein and Deutsche Bank Trust Company Americas (as amended by the First Supplemental Indenture, dated June 18, 2003, the "Indenture"), to various purchasers. The Exchange Offer is described in a Registration Statement (the "Registration Statement"), filed with the Securities and Exchange Commission on January 29, 2004. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Indenture.

We acted as special counsel to the Issuer, as corporate parent of Emcare of Vermont, Inc. (the"Guarantor") in connection with the issuance and sale of the Senior Notes. We understand that the Guarantor will issue it guaranty, in the form of the guaranty, dated June 3, 2003 (the "Exchange Guaranty") at such time as the Registration Statement is declared effective by the Securities and Exchange Commission.

We have examined and are familiar with the Indenture and an executed copy of the guaranty, dated June 3, 2003, of the Guarantor.

In rendering this opinion, we have also examined originals, or copies certified or otherwise authenticated to our satisfaction, of the following documents and records:

1. A copy of resolutions adopted by the Shareholder and Board of Directors of the Guarantor, effective May 22, 2003, authorizing, *inter alia*, the execution and delivery of the Indenture and the Exchange Guaranty by the Guarantor, certified as true and correct and in effect as of the date thereof by its Secretary;

2. The Articles of Incorporation of the Guarantor, as amended to date, certified as of May 13, 2003 by the Secretary of State of the State of Vermont;

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3. Certificates, dated May 13, 2003 and January 29, 2004, from the Secretary of State of the State of Vermont, as to the Guarantor' s good standing;

4. The Bylaws of the Guarantor, as amended to date, certified as true, correct and complete as of January 29, 2004, by its Secretary;

5. The online database maintained by the Secretary of State of the State of Vermont, as published on January 29, 2004; and

6. Such other corporate documents and records of the Guarantor, such other certifications or representations as to factual matters of public officials and officers of the Guarantor and such other documents as we have deemed necessary or appropriate for the purpose of rendering this opinion.

The opinion hereinafter set forth relative to the Guarantor' s incorporation, valid existence and good standing under the laws of the State of Vermont is based solely upon the above-referenced certificates from and database maintained by the Secretary of State of Vermont, and we have not conducted an independent review or investigation of the matters set forth in such certificate.

Further, all opinions expressed herein are premised upon the assumptions that: (i) all records and documents examined by us in the preparation of this opinion are complete, authentic and accurate; (ii) all signatures contained in such records and documents are genuine signatures of parties purporting to have signed the same; (iii) all natural persons signing said documents and records had, at the time of such signing, full legal capacity to sign and deliver said documents; and (iv) each of the Indenture and Exchange Guaranty is the legal, valid and binding obligation of the lender, trustee or other participant, as the case may be, enforceable against each of them in accordance with the terms thereof. We have further assumed, without independent investigation, that each of the parties will perform its obligations under the Indenture in good faith and will act reasonably in exercising any discretion thereunder. Although we have premised our opinions contained herein upon the assumptions stated above and have neither independently investigated nor attempted to verify or establish the accuracy of such matters, nothing has come to the attention of those attorneys in our firm who have devoted substantive attention to the transactions contemplated by the Indenture which would lead us to question the accuracy of such assumptions.

Based on the foregoing and upon such examination of law as we have deemed necessary, and subject to the assumptions and qualifications hereinafter set forth, we are of the opinion that:

1. The Guarantor is validly existing and in good standing under its jurisdiction of organization;

2. As of the date of the Indenture the Guarantor had all necessary corporate power and authority to enter into, and of the date hereof the Guarantor has all necessary corporate power and authority to performs its obligations under the Indenture.

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3. The execution, delivery and performance by the Guarantor of the Indenture has been duly authorized by all necessary action of the Guarantor.

4. When the Registration Statement becomes effective under the Securities Act of 1933 and the Exchange Guaranty is delivered in accordance with the terms of the Exchange Offer in exchange for the guaranty, dated June 3, 2003, of the Guarantor of the Outstanding Notes, the Exchange Guaranty will constitute a valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms.

The foregoing opinions are subject to the following and further assumptions, limitations, qualifications and exceptions:

(a) Our opinions are subject to (i) applicable bankruptcy, insolvency, avoidance, reorganization, moratorium or similar laws affecting the rights of creditors and banks generally, including any statutory or other laws regarding fraudulent conveyances or transfers and preferential transfers or bulk transfers and (ii) general principles of equity (regardless of whether considered in a proceeding in equity or at law).

(b) Our opinions are further qualified by principles of law that: (i) limit or affect the enforcement of provisions of a contract that purport to constitute a waiver of the obligations of good faith, fair dealing, diligence or reasonableness, (ii) provide that forum selection clauses in contracts are not necessarily binding on the court(s) in the forum selected, (iii) limit the availability of a remedy under certain circumstances where another remedy has been elected, (iv) limit the right of a creditor to use force or cause a breach of the peace in enforcing rights, (v) relate to the sale or disposition of collateral or the requirements of a commercially reasonable sale, (vi) limit the enforceability of provisions releasing, exculpating or exempting a party from, or requiring indemnification of a party for, liability for its own actions or inactions, (vii) may, where less than all of a contract may be unenforceable, limit the enforceability of the balance of the contract to circumstances in which the unenforceable portion is not an essential part of the agreed exchange, (vii) govern and afford judicial discretion regarding the determination of damages and entitlement to attorneys' fees and other costs, (viii) may permit a party who has materially failed to render or offer performance required by a contract to cure that failure unless (A) permitting a cure would unreasonably hinder the aggrieved party from making substitute arrangements for performance, or (B) it was important in the circumstances to the aggrieved party that performance occur by the date stated in the contract, (ix) may permit notice to be given by a means or in a manner different from that specified in a contract, (x) limit or deny the right of a party to act as an attorney-in-fact for another, (xi) limit or deny enforcement of any forfeitures, liquidated damages or late charges to the extent the same are found to be

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penalties in violation of public policy, (xii) limit or deny enforcement of a waiver of jury trial as not knowingly and voluntarily given or as violation of public policy, or (xiii) deny enforcement to a selection of law provision.

The opinions herein expressed are limited to matters of Vermont and United States federal law. We express no opinion as to the effect or applicability of the laws of any other jurisdiction.

This opinion is intended solely for your use in connection with the Exchange Offer, and may not be reproduced or filed publicly, or relied upon by any other person, without the written consent of the undersigned; however, we acknowledge and consent to inclusion of this opinion as an exhibit to the Registration Statement.

Very truly yours,

/s/ Carl H. Lisman

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Exhibit 5.18

[Letterhead of McLane, Graf, Raulerson & Middleton, Professional Association]

January 29, 2004
Laidlaw International, Inc.
55 Shuman Blvd.
Naperville, Illinois 60563

Re: EmCare of New Hampshire, Inc. (the "Company") Guaranty of Laidlaw International, Inc. Registered $10^3/_4$% Senior Notes due 2011 (the "Exchange Notes") to be exchanged for certain outstanding Laidlaw International, Inc. $10^3/_4$% Senior Notes due 2011 (the "Outstanding Notes")

Ladies and Gentlemen:

This opinion is being furnished in our capacity as special New Hampshire Counsel to the Company in connection with the Offer to Exchange all $406,000,000 Outstanding $10^3/_4$% Senior Notes due 2011, for registered $10^3/_4$% Senior Notes due 2011 (the "Exchange Offer"). This firm previously represented the Company in connection with the issuance of legal opinions in June, 2003. One opinion involved the Company' s guaranty of the Outstanding Notes. Our engagement is limited to the issuance of this opinion concerning the Company' s delivery of the Exchange Guaranty. We did not represent the Company in connection with the negotiation and preparation of the Exchange Offer and Indenture or the transactions contemplated by the Indenture and the Exchange Offer. There exist matters of a legal and factual nature with respect to the Company as to which we have not been consulted or provided representation.

In preparation of this opinion we have examined (1) the Registration Rights Agreement by and among Laidlaw Investments Ltd. and the Guarantors and Citigroup Global Markets Inc. and Credit Suisse First Boston LLC as Representatives of the Initial Purchasers dated June 3, 2003 ("Registration Rights Agreement"); (2) the Indenture between Laidlaw International, Inc. and the Guarantors and Deutsche Bank Trust Company Americas dated June 3, 2003 and the First Supplemental Indenture dated as of June 18, 2003 (together the "Indenture"); (3) the undated Guaranty of the Company of the Outstanding Notes (the "First Guaranty"); (4) a draft of the Registration Statement relating to the Exchange Offer(the "Registration Statement") ; (5) a copy of the Articles of Incorporation of the Company dated January 9, 2004 by the New Hampshire Secretary of State; (6) Bylaws of the Company provided to us by legal counsel to Laidlaw International, Inc. ("Laidlaw"); (7) a certificate of the Company' s

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existence from the New Hampshire Secretary of State dated January 9, 2004; and (8) a copy of a Resolution of the Board of Directors dated May 22, 2003 certified by a Vice-President of the Company (the "Resolution"). (The Registration Statement, the Indenture, the Registration Rights Agreement, and the First Guaranty are referred to as the "Documents.") We have not examined any other documents or items for the purposes of this opinion.

We have assumed that the Exchange Guaranty, a draft copy of which has been provided for us to review, will be identical in all material respects to the draft.

We have assumed without independent verification that the information and the representations and warranties made by Laidlaw Investment, Ltd. ("LIL") concerning the Company in the Documents are accurate, complete and not misleading, although nothing has come to our attention which would suggest that any such information, representation or warranty is inaccurate, incomplete or misleading in any material respect. We have not conducted any independent outside review of agreements, contracts, indentures, instruments, orders, judgments, rules, regulations, writs, injunctions or decrees by which the Company or any of its property may be bound, nor have we made any outside independent investigation as to the existence of actions, suits, investigations or proceedings, if any, pending or threatened against the Company. We have not reviewed the financial books or records of the Company and do not express any opinion as to financial or tax matters or compliance with tax laws.

In all our examinations, we have assumed the genuineness of all signatures, the authenticity of all documents purporting to be originals, and the conformity to the originals of all documents submitted to us as conformed or photostatic copies, which facts we have not independently verified.

We have assumed, and we have no information to the contrary, that the Resolution accurately reflects the actions taken. Because we have only been provided the Articles, By-Laws and the Resolution and have not been provided the rest of the minutes of the Company, we have assumed, with your permission, that the Resolution has not been revoked or altered in any subsequent action or vote taken by the Company' s Board of Directors or Shareholder, is in full force and effect, and is not affected in any way by any prior vote of the Board of Directors or shareholders of the Company. We have also assumed, with your permission, that because LIL was domesticated in Delaware pursuant to Del. Gen. Corp. L. Ch. 339, § 388, that Laidlaw is the same legal entity as LIL and that actions taken by LIL prior to domestication constitute action of Laidlaw and the references in the Resolution to LIL mean and include Laidlaw.

We have also assumed, and we have no information to the contrary, that the information contained in the Documents we have reviewed is accurate, complete and not misleading, and we have not independently verified such information.

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We have also assumed that the transactions contemplated by the Documents have been duly authorized by each of the parties to it other than the Company, that each of the Documents has been duly executed and delivered by each of the other parties to them, that each of the other parties has the power and authority to execute and deliver each of the Documents, and that each constitutes a legal, valid and binding agreement of each of the other parties, subject, if at to the General Qualifications as defined in the American Bar Association Section of Business Legal Opinion Accord (1991) (the "Enforceability Qualification").

We are providing this letter as members of the Bar of the State of New Hampshire, and we express no opinion as to matters involving the laws of any jurisdiction other than the State of New Hampshire. This opinion is limited to the effect of the laws (including administrative and judicial interpretations) of the State of New Hampshire as they existed on the date of this letter and to the facts bearing upon the opinions below as they existed on the date of this letter, and we expressly disclaim any obligation or undertaking to update or modify the opinions below as a consequence of any future changes in the applicable laws or in the facts bearing upon those opinions. We express no opinion as to the impact of the laws of the United States on the Documents and to the transaction contemplated therein including, without limitation, securities laws and bankruptcy law.

We express no opinion as to the impact on the Documents and the transactions contemplated therein by the securities laws of New Hampshire. Notwithstanding anything to the contrary in the Documents, we have assumed that the Company is not, and that the execution and delivery of the Documents and performance of the terms and provisions of the Documents and the transactions contemplated therein by the Company or by others will not make the Company an issuer or a dealer of securities and that all consents, filings, approvals, authorizations, licenses and the like required under New Hampshire law which may be required of any other party in connection with the transaction contemplated by the Documents have been obtained.

Based upon the forgoing, we are of the opinion that:

1. The Company is validly existing and in good standing under the laws of the State of New Hampshire.

2. As of the date of the Indenture, the Company had all necessary power and corporate authority to enter into the Indenture and no such power or authority has been revoked; and

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3. The execution and delivery by the Company of the Indenture has been authorized by all necessary action of the Company.

The above opinions are solely for the benefit of the party to whom this letter is addressed in connection with the Company' s guaranty of the Exchange Notes pursuant to the Agreement. This letter is not to be quoted or otherwise referred to nor furnished to any other person, without our prior written consent. No person other than you shall be entitled to rely on the opinions expressed in this letter, except that Jones Day may rely on this opinion for the sole purpose of rendering its opinion on the Exchange Guaranty. We hereby consent to the filing of this opinion as an exhibit to the Registration Statement.

McLANE, GRAF, RAULERSON & MIDDLETON,
PROFESSIONAL ASSOCIATION

By: /s/ Joseph A. Foster
Joseph A. Foster
Vice President

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**Exhibit 5.19**

[Letterhead of Ober Kaler]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Blvd.
Naperville, Illinois 60563

and

Jones Day
77 W. Wacker Drive
Chicago, Illinois 60601

Ladies and Gentlemen:

We have acted as special counsel in the Commonwealth of Virginia to the entities set forth on Schedule A attached hereto (the "Virginia Guarantors"), solely for the purpose of rendering this opinion in connection with the registration statement of Laidlaw International, Inc. (the "Company") on Form S-4 (the registration statement on Form S-4, including any amendments and supplements thereto is referred to herein as the "Registration Statement") as filed with the Securities and Exchange Commission on January 29, 2004 under the Securities Act of 1933, as amended (the "Securities Act"). The Registration Statement relates to the Company' s issuance and exchange (the "Exchange Offer") of up to $406,000,000 aggregate principal amount registered 10.75% Senior Notes due 2011 (the "Exchange Notes"), to be registered under the Securities Act for an equal principal amount of the Company' s outstanding 10.75% Senior Notes due 2011 (the "Outstanding Notes"). The Outstanding Notes were, and the Exchange Notes will be, issued pursuant to an Indenture, dated as of June 3, 2003 (as amended by the First Supplemental Indenture, dated as of June 18, 2003, the "Indenture") among the Company, the Guarantors, and Deutsche Bank Trust, as Trustee. The Outstanding Notes are, and the Exchange Notes will be, guaranteed by the Guarantors, including the Virginia Guarantors. The guarantees of the Virginia Guarantors are referred to herein as the "Virginia Guarantees" and the Indenture and Virginia Guarantees are referred to herein as the "Transaction Documents."

All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in the Indenture.

In our capacity as special counsel to the Virginia Guarantors and for the purposes of the opinions set forth below, we have examined such documents and records, including an examination of originals and copies certified or otherwise identified to our satisfaction, and matters of law as we have deemed necessary for purposes of this

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opinion, including a certificate of each of the Virginia Guarantors and the certificates of the State Corporation Commission of the Commonwealth of Virginia described on Schedule B attached hereto and made a part hereof, to the effect that the Virginia Guarantors are corporations existing under the laws of Virginia and are in good standing (the "Virginia Good Standing Certificates").

With respect to questions of fact material to our opinions, without undertaking to verify the same by independent investigation, we have relied upon representations and certifications by public officers and by officers of the Guarantors and others, including, without limitation, Certificates of the Virginia Guarantors (the "Certificates").

In basing the opinions and other matters set forth herein on "our knowledge", the words "our knowledge" signify that, in the course of our review and analysis for the purpose of rendering this opinion letter, no information has come to our attention that would give us actual knowledge or actual notice that any such opinions or other matters are not accurate or that any of the foregoing reports, records, documents, certificates, instruments and information on which we have relied are not accurate and complete. Except as otherwise stated herein, we have undertaken no independent investigation or verification of such matters. The words "our knowledge" and similar language used herein are intended to be limited to the knowledge of the lawyers within our firm who have worked on matters relating to this opinion letter.

In rendering the opinions set forth below, we have assumed the following:

A. Each of the Virginia Guarantors has been duly organized under the laws of the Commonwealth of Virginia.

B. Each of the parties thereto (other than the Virginia Guarantors) has duly and validly authorized, executed and delivered the Transaction Documents and each other instrument, document and agreement executed in connection with the Transaction Documents to which such party is a signatory, and such party' s obligations set forth therein (other than the obligations of the Virginia Guarantors under the Transaction Documents) are its legal, valid and binding obligations, enforceable in accordance with their respective terms.

C. Each person executing any such instrument, document or agreement on behalf of any such party (other than on behalf of the Virginia Guarantors) is duly authorized to do so.

D. Each natural person executing any such instrument, document or agreement is legally competent to do so.

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E. There are no oral or written modifications of or amendments to the Transaction Documents, and there has been no waiver of any of the provisions of such documents, by actions or conduct of the parties or otherwise.

F. All documents submitted to us as originals are authentic, all documents submitted to us as certified or photostatic or facsimile copies conform to the original documents, all signatures on all documents submitted to us for examination are genuine, and all public records reviewed are accurate and complete.

G. The execution and delivery of, and performance of its obligations under and compliance with the provisions of, the Transaction Documents by each of the parties thereto (other than the Virginia Guarantors) will not (i) contravene any applicable law to which it or any of its assets are subject or (ii) contravene or conflict with any provision of its Articles of Association, charter, or equivalent constituent documents.

H. All representations, warranties, certifications and statements with respect to matters of fact and other factual information (1) made or contained in the Transaction Documents or in the Certificates by or on behalf of the Virginia Guarantors; (2) made by public officers; or (3) made by officers or representatives of the Virginia Guarantors, are accurate, true, correct and complete in all respects.

I. As to all acts undertaken by any governmental authority, and of those persons purporting to act in any governmental capacity, the persons acting on behalf of the governmental authority have the power and authority to do so, and all actions taken by such persons on behalf of such governmental authority are valid, legal and sufficient.

J. All governmental permits or approvals reviewed by us are accurate, complete and authentic, and the appropriate regulatory authorities have adhered to applicable legal and procedural requirements.

K. All documents furnished to us in final draft or final execution form conform to the final, executed originals of such documents.

Based upon our review of the foregoing and subject to the limitations, exceptions, assumptions and qualifications stated herein, we are of the opinion that, as of the date of this letter:

1. Each of the Virginia Guarantors is a corporation validly existing and, based solely on the Virginia Good Standing Certificates, in good standing under the laws of the Commonwealth of Virginia.

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2. As of the date of the Indenture, the Virginia Guarantors had all necessary corporate power and authority to enter into the Indenture, and as of the date of this letter, the Virginia Guarantors have all necessary corporate power and authority to perform their obligations under the Indenture.

3. The execution, delivery and performance by the Virginia Guarantors of the Indenture have been authorized by all necessary corporate action of the Virginia Guarantors.

4. When the Registration Statement has become effective under the Securities Act and the Guarantees of the Exchange Notes have been executed and delivered by the Guarantors in accordance with the terms of the Exchange Offer in exchange for the Guarantees of the Outstanding Notes, the Virginia Guarantees will have been validly executed and delivered and the Virginia Guarantees will constitute a valid and binding obligation of each of the Virginia Guarantors. Although the Indenture is expressed to be governed by the laws of the State of New York, for the purpose of the opinion provided in this paragraph 4 we have assumed that the substantive laws of the State of New York are identical in all material respects to the substantive laws of the Commonwealth of Virginia.

The opinions set forth herein are subject to the following qualifications:

A. We express no opinion regarding the laws of any jurisdiction other than the laws of the Commonwealth of Virginia and the laws of the United States of America (the "Laws"). Notwithstanding anything to the contrary contained herein, we express no opinion concerning the following laws and all rules, regulations, orders and decisions relating thereto: (i) Federal securities laws, including, without limitation, the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Investment Company Act of 1940, as amended, the Investment Advisors Act of 1940, as amended, and the securities laws of any state, including the securities laws of the Commonwealth of Virginia; (ii) Federal and state tax laws; (iii) Federal and state health care laws; (iv) Federal and state antitrust and unfair competition laws; (v) state fraudulent conveyance statutes, Section 544 and 547-550 of the Federal Bankruptcy Code or similar statutes or case law; (vi) state and Federal insurance laws; and (vii) local laws (including statutes, administrative decisions and rules and regulations of county, municipal and similar political subdivisions).

B. Our opinions herein are subject to, and we express no opinion regarding: (i) the exercise of judicial discretion in accordance with general principles of equity,

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including, without limitation, concepts of materiality, reasonableness, good faith, and fair dealing, and the possible unavailability of specific performance or injunctive remedy (whether applied by court of law or by court of equity); (ii) the valid exercise of the constitutional powers of the United States of America and the sovereign police and tax powers of the Commonwealth of Virginia or other governmental units having jurisdiction; and (iii) with regard to the enforceability of the Transaction Documents, the bankruptcy, receivership, insolvency, reorganization, fraudulent transfer, liquidation, moratorium, and other similar laws heretofore or hereafter enacted relating to, or affecting generally, the enforcement of creditors' rights and remedies. Furthermore, enforceability of the Transaction Documents may be limited to the extent that the remedies are sought by a party with respect to a breach that a court concludes is not material or does not adversely affect such party, and enforceability may be limited by any unconscionable, inequitable, or unreasonable conduct on the part of such party seeking enforcement, defenses arising from such party' s failure to act in accordance with the terms and conditions of the Transaction Documents, defenses arising as a consequence of the passage of time or defenses arising as a result of such party' s failure to act reasonably or in good faith or to comply with the terms of the Transaction Documents.

C. We have not reviewed and express no opinion as to any agreement, document, certificate, or instrument, other than the Transaction Documents, that is referred to in, incorporated by reference into, or attached to any of the Transaction Documents.

D. We express no opinion regarding: (i) the legality, validity or enforceability under the Transaction Documents of (1) any waiver or ratification of future rights, and any vague or broadly stated waivers that do not delineate the subject matter of the waiver with reasonable specificity; (2) any waiver found contrary to public policy; (3) any waiver of any right to consequential or other damages or of any rights granted by statute or common law or of any procedural, judicial, or substantive rights or defenses, such as rights to notice, right to a jury trial, statutes of limitation, appraisal or valuation rights, and marshaling of assets; (4) any waiver of objections to the bringing of an action or proceeding in a particular jurisdiction, forum, or venue, where such waivers are determined to be insufficiently clear and explicit, against public policy, unreasonable in the circumstances of a particular application, or prohibited by law; or (5) indemnification or exculpation (a) with respect to the negligence or misconduct of any party to the Transaction Documents or any one acting on their behalf, or with respect to violations of law, or (b) that is found contrary to statute or public policy; or (ii) the legality, validity or enforceability of covenants not to compete.

E. We express no opinion regarding the legality, validity or enforceability of any provision of the Transaction Documents that (i) provides for the jurisdiction of the

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courts of any particular jurisdiction or restrict access to courts; (ii) states that any failure or delay in exercising rights, powers, privileges or remedies under the Transaction Documents will not operate as a waiver thereof; (iii) purports to allow the Trustee or any holder of the Exchange Notes to accelerate the maturity of any obligation, to institute foreclosure proceedings, to dispossess a tenant, to terminate a leasehold right or to exercise any similar right, without notice to the parties thereto or without notice to any other obligor (including, without limitation notice of intent to accelerate); (iv) purports to establish evidentiary standards for suits or proceedings to enforce the Transaction Documents or evidentiary standards relating to powers granted therein; (v) purports to establish or satisfy certain factual standards or conditions; (vi) purports to sever unenforceable provisions from the Transaction Documents, to the extent that the enforcement of remaining provisions would frustrate the fundamental intent to the parties to the Transaction Documents; (vii) restricts access to legal or equitable remedies; (vii) purports to appoint any party as attorney-in-fact or agent for the Guarantors; (ix) purports to entitle the Trustee or any holder of the Exchange Notes, as a matter of right, to the appointment of a receiver after the occurrence of a default; (x) imposes late payment charges, liquidated damages, penalties, prepayment premiums or increased interest rates upon delinquency in payment or the occurrence of a default or a prepayment of indebtedness; (xi) purports to entitle the Trustee or any holder of the Exchange Notes to exercise self-help or other non judicial remedies, such as any rights of setoff, (xii) specifies that provisions thereof may only be waived in writing; (xiii) purports to authorize or consent to a confessed judgment; (xiv) purports to entitle the Trustee or any holder of the Exchange Notes to unspecified fees or charges imposed in its sole discretion; (xv) requires the Guarantors to give notice to the Trustee or any holder of the Exchange Notes of any acts or omissions of the Trustee or such holder of the Exchange Notes or any of their respective agents or employees; or (xvi) provides that rights or remedies are not exclusive, that rights or remedies may be exercised without notice, that each right or remedy is cumulative and may be exercised in addition to or with any other right or remedy, that election of a particular remedy or remedies does not preclude recourse to one or more other remedies, or that failure to exercise or a delay in exercising rights of remedies will not operate as a waiver of any such right or remedy. Notwithstanding certain provisions in the Transaction Documents, the Trustee and the holders of the Exchange Notes may be limited to recovering reasonable attorneys' fees and legal expenses and only reasonable compensation for losses.

F. We express no opinion as to the effect of non-compliance by the Trustee or any holder of the Exchange Notes with any state or Federal laws or regulations applicable to the transactions contemplated by the Transaction Documents. We are unaware of the individual circumstances of the Trustee or any holder of the Exchange Notes and, consequently we express no opinion with respect to (i) the necessity or appropriateness of qualification to do business in any state as a foreign corporation by the

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Trustee or any holder of the Exchange Notes either now or at any future date, or (ii) any consequences that might result from the failure of any such party so to qualify if required by law to do so, including, without limitation, the inability to maintain suit on any contracts, including the Transaction Documents, until such party so qualifies to do business as a foreign corporation and satisfies any other requirements under the applicable law arising out of failure to qualify to do business.

G. The opinions expressed herein concern only the effect of the Laws (excluding the principles of conflict of laws) as currently in effect. We assume no obligation to supplement this opinion if any Laws change after the date hereof or if we become aware of any facts that might change the opinions expressed herein after the date hereof.

H. The opinions expressed in this letter are limited to the matters set forth in this opinion letter, and no other opinions should be inferred beyond the matters expressly herein stated.

Our opinions contained herein are rendered solely in connection with the Registration Statement and may not be relied upon in any manner by any Person other than the addressees hereof (collectively, the "Reliance Parties"), or by any Reliance Party for any other purpose. We hereby consent to the filing of this opinion as an exhibit to the Registration Statement.

Sincerely,

/s/ OBER, KALER, GRIMES & SHRIVER
a Professional Corporation

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Schedule A

EmCare of Virginia, Inc.

Tidewater Ambulance Service, Inc.

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**Exhibit 5.20**

[Letterhead of Oshima Chun Fong & Chung LLP]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Blvd.
Naperville, Illinois 60563

Jones Day
77 W. Wacker Drive
Chicago, Illinois 60601

Re: $406 Million 10 3/4% Senior Notes due 2011

Ladies and Gentlemen:

We have acted as special counsel to International Life Support, Inc., a Hawaii corporation ("International"), Charles T. Mitchell, Inc., a Hawaii corporation ("Mitchell"), and EmCare of Hawaii, Inc., a Hawaii corporation ("Emcare"), in connection with their respective guarantees (each, a "Guarantee") of up to $406,000,000 aggregate principal amount of 10 3/4% Senior Notes due 2011 (the "Exchange Notes") of Laidlaw International, Inc., a Delaware corporation ("Laidlaw"), to be issued pursuant to the Indenture, dated as of June 3, 2003 (as amended by the First Supplemental Indenture, dated as of June 18, 2003, the "Indenture"), by and among Laidlaw, certain subsidiaries of Laidlaw including International, Mitchell and EmCare, and Deutsche Bank Trust Company Americas, as Trustee. International, Mitchell and EmCare are hereinafter sometimes referred to individually as a "Subsidiary Guarantor," and collectively as the "Subsidiary Guarantors." The Exchange Notes are to be issued in exchange for an equal principal amount of 10 3/4% Senior Notes due 2011 of Laidlaw outstanding on the date hereof (the "Outstanding Notes"), on the terms set forth in the prospectus contained in the Registration Statement on Form S-4 (as may be amended from time to time, the "Registration Statement") relating to the exchange of the Exchange Notes for the Outstanding Notes (the "Exchange Offer"). This Opinion Letter is provided to you at the request of the Subsidiary Guarantors. Except as otherwise indicated herein, capitalized terms used in this Opinion Letter are defined as set forth in the Registration Statement or the Accord (see below).

This Opinion Letter is governed by, and shall be interpreted in accordance with, the Legal Opinion Accord (the "Accord") of the ABA Section of Business Law (1991). As a consequence, it is subject to a number of qualifications, exceptions, definitions, limitations on coverage and other limitations, all as more particularly described in the Accord, and this Opinion Letter should be read in conjunction therewith. The law covered by the opinions expressed herein is limited to the Law of the State of Hawaii.

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We have reviewed copies of the following documents submitted to us, and we have assumed that such copies are true and correct copies of such documents:

1. An unexecuted copy of the Registration Statement.

2. An executed copy of the Indenture, including the form of Guarantee attached as Exhibit F to the Indenture.

3. State of Hawaii Certificate of Good Standing of each Subsidiary Guarantor, dated January 5, 2004.

4. Certified copy of the Articles of Association of International dated September 28, 1965, and amendments thereto dated December 11, 1970, July 25, 1979, and September 2, 1988, issued and certified by the Department of Commerce and Consumer Affairs of the State of Hawaii on May 12, 2003.

5. Certified copy of the Articles of Incorporation of Mitchell dated April 1, 1977, and amendment thereto dated May 17, 1999, issued and certified by the Department of Commerce and Consumer Affairs of the State of Hawaii on May 12, 2003.

6. Certified copy of the Articles of Incorporation of EmCare dated May 22, 1974, and amendments thereto dated January 20, 1977, January 14, 1992, and August 17, 1998, issued and certified by the Department of Commerce and Consumer Affairs of the State of Hawaii on May 12, 2003.

7. Amended By-Laws of International dated August 9, 1985.

8. Undated By-Laws of Mitchell.

9. Undated Bylaws of EmCare.

10. Officer' s Certificate of International and Officer' s Certificate of Mitchell and Emcare, each dated the date hereof (collectively, the "Officer' s Certificates").

We have reviewed only the documents described in 1. through 10. above, have assumed that the copies of these documents previously delivered to us are copies of the final documents, and have made no other investigations or inquiry. We have not undertaken independently to verify any of the facts set forth in the Officer' s Certificates, and our opinions are necessarily based on the assumptions that the copies of the articles, bylaws, and Board of Directors resolutions of International previously delivered to us in connection with International' s guarantee of the Outstanding Notes are the Exhibits A, B and C, respectively, to the Officer' s Certificate of International, that the copies of the articles, bylaws, and Board of Directors resolutions of Mitchell and EmCare previously delivered to us in connection with their respective guarantees of the Outstanding Notes are the Exhibits A-1 and A-2, B-1 and B-2, and

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C-1 and C-2, respectively, to the Officer' s Certificate of Mitchell and EmCare, and that all of the facts contained in the Officer' s Certificates were true as of the date when made or given and continue to be true on the date hereof. We have assumed there are no outstanding consent decrees or similar agreements, or court or administrative orders, writs, judgments or decrees that name any Subsidiary Guarantor or that affect or are binding upon any Subsidiary Guarantor or its assets. We have also, without independent investigation, relied upon the truth and accuracy of factual representations contained in or made by the parties pursuant to the Indenture and the Registration Statement.

We further have assumed that the obligations of each Subsidiary Guarantor under its Guarantee are, and would be deemed by a court of competent jurisdiction to be, in furtherance of such Subsidiary Guarantor' s corporate purposes and objectives. While there is no Hawaii case law directly on point, there have been decisions in other jurisdictions, with statutes defining a corporation' s powers that are similar to the analogous Hawaii statute, in which it has been held that a subsidiary corporation lacks the power to guarantee the obligations of a related corporation if such guarantee is not in furtherance of the subsidiary' s corporate purposes or objectives.

We note that certain opinions are addressed in the opinion of the law firm of Jones Day, counsel for the Laidlaw, and in certain other opinions filed as exhibits to the Registration Statement. We understand those letters are being provided to you separately, and we express no opinion with respect to the matters covered thereby.

Based upon and subject to the foregoing, we are of the opinion that:

1. Each Subsidiary Guarantor is validly existing and in good standing under the laws of the State of Hawaii.

2. As of the date of the Indenture, each Subsidiary Guarantor had all necessary corporate power and corporate authority to enter into, and as of the date hereof, each Subsidiary Guarantor has all necessary corporate power and corporate authority to perform its obligations under, the Indenture.

3. The execution, delivery and performance by each Subsidiary Guarantor of the Indenture have been duly authorized by all necessary entity action on the part of such Subsidiary Guarantor.

4. The Guarantee of each Subsidiary Guarantor has been duly authorized by such Subsidiary Guarantor and, when the Registration Statement becomes effective under the Securities Act of 1933, as amended (the "Securities Act"), and the Guarantees are executed and delivered in accordance with the terms of the Exchange Offer in exchange for the guarantees of the Outstanding Notes, validly issued.

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The General Qualifications (the Bankruptcy and Insolvency Exception, the Equitable Principles Limitation and the Other Common Qualifications) apply to the Opinions set forth above.

This Opinion Letter may be relied upon by you only in connection with the registration of the Exchange Notes and the related Guarantees of the Subsidiary Guarantors and may not be used or relied upon by you or any other person for any purpose whatsoever, except to the extent authorized in the Accord, without in each instance our prior written consent. We hereby consent to the filing of this Opinion Letter as an exhibit to the Registration Statement. In giving such consent, we do not thereby admit that we are included in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

Very truly yours,

/s/ Oshima Chun Fong & Chung LLP

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**Exhibit 5.21**

[Letterhead of Phelps Dunbar, L.L.P.]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Blvd.
Naperville, Illinois 60563

and

Jones Day
77 W. Wacker Drive
Chicago, Illinois 60601

Re: Laidlaw: EmCare of Louisiana (Exchange Notes)

Ladies and Gentlemen:

We have acted as special Louisiana counsel to EmCare of Louisiana, Inc., a Louisiana corporation (the "Subsidiary Guarantor") in connection with the S-4 Registration Statement filed with the Securities and Exchange Commission on the date hereof (the "Registration Statement") of Laidlaw International, Inc., a Delaware corporation (the "Parent"), and certain subsidiaries of the Parent including the Subsidiary Guarantor, as additional registrants, relating to the Parent' s exchange offer of its 10 3/4% Senior Notes due 2011. Capitalized terms used in this opinion, except where otherwise defined herein, have the respective meanings specified in the Registration Statement.

In connection with this opinion, we have examined copies of the following documents:

(a) The Registration Statement;

(b) The Indenture dated as of June 3, 2003, and the First Supplemental Indenture dated as of June 18, 2003;

(c) The form of guarantees by the Subsidiary Guarantor and other affiliates (the "Guaranty") of the Exchange Notes;

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(d) The Registration Rights Agreement dated June 3, 2003;

(e) Certificate of the Louisiana Secretary of State dated January 6, 2004, certifying that attached to such Certificate are true and correct copies of certain documents relating to the Subsidiary Guarantor, including Articles of Incorporation dated March 26, 1998, and Annual Report dated March 24, 2003;

(f) Certificate of Louisiana Secretary of State dated January 6, 2004, certifying that the Subsidiary Guarantor is in good standing;

(g) Bylaws of the Subsidiary Guarantor, provided by counsel for the Parent;

(h) Action Taken by Unanimous Written Consent of the Board of Directors of the Subsidiary Guarantor dated May 22, 2003, adopting certain resolutions set forth therein (the "Resolutions"); and

(i) Supplemental Officer' s Certificate by the Subsidiary Guarantor (and another additional registrant).

The documents described in items (a) through (d) are hereinafter sometimes collectively referred to as the "Indenture Documents". This opinion with respect to the Indenture Documents shall not be deemed to extend to other documents or agreements which are incorporated therein by reference, or which may be attached to the Indenture Documents as exhibits or otherwise referenced therein. We have assumed that the Indenture Documents as executed are in the forms of the latest respective drafts provided to us with all blanks, schedules and exhibits therein accurately completed and attached.

In our examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, and the conformity to authentic originals of all documents submitted to us as copies. As to various questions of fact material to our opinion, we have relied upon representations and recitals made in the Indenture Documents and upon certificates of public officials and of officers of the Subsidiary Guarantor. We have assumed that the individuals who signed the Resolutions were on such date all of the directors of the Subsidiary Guarantor, that the Resolutions have been filed

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with the records of proceedings of the Board of Directors of the Subsidiary Guarantor, that the Subsidiary Guarantor has made no filings with the Louisiana Secretary of State on or after January 6, 2004, and has no unfiled amendments to its articles of incorporation, and that the Subsidiary Guarantor' s bylaws and the Resolutions have not been revoked or modified in any respect.

In rendering the opinions expressed below, we have assumed, with respect to all of the documents referred to in this opinion letter, that:

(i) such documents have been duly authorized, executed and delivered by, and constitute legal, valid, binding and enforceable obligations of, all of the parties to such documents (other than the Subsidiary Guarantor);

(ii) all of the parties to such documents (other than the Subsidiary Guarantor) are duly organized and validly existing and have the power and authority (corporate or other) to execute, deliver and perform such documents, and the consummation of the transactions contemplated thereby does not violate the corporate or other charter documents or bylaws of, or any corporate or banking laws pertinent to, or agreements or court orders or judgments binding upon, the parties thereto (other than the Subsidiary Guarantor);

(iii) That the only business of the Subsidiary Guarantor is the provision of emergency management services to hospital-based emergency departments as described in the Registration Statement;

(iv) That no consent, approval, authorization or order of, or filing with, any court or any Louisiana governmental authority, applicable to the Subsidiary Guarantor specifically (as opposed to applicable normally to similarly situated general business corporations engaged in the business specified above), is necessary for the execution, delivery and performance by the Subsidiary Guarantor of the Indenture Documents;

(v) That any consents, approvals, authorizations or orders of, or filings with, any federal or other governmental authority outside of Louisiana necessary for the execution, delivery and performance of the Indenture Documents by the parties thereto (or the parties on whose behalf they are acting) have been obtained or made;

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(vi) That the execution, delivery and performance of the Indenture Documents by the parties thereto do not violate any laws or regulations of any federal or other governmental authority outside of Louisiana;

(vii) That the Indenture Documents constitute the legal, valid and binding obligations of the parties thereto under the laws of the State of New York as chosen by the parties;

(viii) That each of the holders of the Notes and the Trustee have satisfied all legal requirements that are applicable to it to the extent necessary to make the Indenture Documents enforceable by it and complied with all legal requirements pertaining to its status as such status relates to the performance of its obligations under the Indenture Documents and its rights to enforce the Indenture Documents;

(ix) That the Subsidiary Guarantor has received consideration for the grant of the Guaranty; and

(x) That there are no documents or agreements between or among the Subsidiary Guarantor, the Parent, the holders of the Notes or the Trustee, or any two or more of said parties, which alter the provisions of the Indenture Documents and which would have an effect on the opinions expressed in this opinion letter.

Based on the foregoing, and subject to the further limitations, qualifications and assumptions set forth below, we are of the opinion that:

1. The Subsidiary Guarantor is a corporation validly existing and in good standing under the laws of the State of Louisiana.

2. As of the date of the Indenture, the Subsidiary Guarantor had the corporate power and authority to enter into, and as of the date hereof, the Subsidiary Guarantor has the corporate power and authority to perform its obligations under, the Indenture.

3. The Subsidiary Guarantor' s execution, delivery and performance of its obligations under the Indenture Documents to which it is a party have been duly authorized by all necessary corporate action on the part of the Subsidiary Guarantor.

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4. Although the Guaranty (through the Indenture) contains a choice of law provision stating that it should be governed by and construed in accordance with the laws of the State of New York, when the Registration Statement becomes effective under the Securities Act of 1933 and the Guaranty is executed by the President, any Vice President, the Treasurer or the Secretary of the Subsidiary Guarantor and is delivered in accordance with the terms of the exchange offer in exchange for the guaranty by the Subsidiary Guarantor of the outstanding notes, then in the event that the laws of the State of Louisiana were applied to govern the Guaranty, the Guaranty will constitute the legal, valid and binding obligation of the Subsidiary Guarantor enforceable against the Subsidiary Guarantor in accordance with its terms.

The opinions expressed above are further subject to the specific exceptions and qualifications enumerated below:

(A) The opinions expressed above are subject to the effect of bankruptcy, insolvency, reorganization, moratorium, or other laws affecting creditors' rights generally from time to time in effect, and by general principles of equity (whether enforcement is considered in a proceeding in equity or law), including (without limitation) concepts of materiality, reasonableness, good faith and fair dealing which among other effects may limit the availability of certain remedies, such as self-help, injunctive relief and specific performance. In particular, we express no opinion as to the possible applicability of provisions of the bankruptcy, insolvency and similar laws of the United States and the State of Louisiana pertaining to fraudulent conveyances. The legality, validity and enforceability of the Guaranty may depend upon the determination that it was made for a fair consideration, and that the transactions contemplated by the Indenture Documents have furthered the business interests and corporate purposes of the Subsidiary Guarantor.

(B) We have not examined or verified, and we express no opinion as to, the existence, or condition of, or the status of title to, any properties, rights or interests. We express no opinion as to the creation, perfection or priority of any security interests under or pursuant to the Indenture Documents.

(C) We express no opinion as to the enforceability under Louisiana law of the following provisions in the Indenture Documents: (i) irrevocable appointments of any party as attorney-in-fact for the Subsidiary Guarantor; (ii) prospective ratifications and confirmations of actions, consents to jurisdiction (personal or subject matter), venue or non-judicial service of process, provisions permitting acceleration of indebtedness without notice of acceleration, and waivers of set off or compensation, subrogation, notices, court hearings, legal delays, venue objections, improper service of process objections, jury trial, statutes of limitations or liberative prescription periods, or waivers of claims, damages, counterclaims or defenses not known or not presently in existence or global waivers of rights and remedies afforded by law; (iii) provisions in any Indenture Document that its provisions may be amended or waived only by an agreement

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in writing signed by all parties thereto, or authorizing the delay or failure to exercise a right without waiving such right or making remedies cumulative; (iv) provisions which purport to establish evidentiary standards or the conclusiveness or reasonableness of actions, or to permit proceedings without possession or production of the Notes; (v) provisions purporting to establish that funds or other property are or will be held by a party in trust for another party; (vi) provisions for the reinstatement or revival of documents or portions thereof after their termination or performance or after judicial proceedings pertaining thereto are abandoned or determined adversely, or providing that judgments are conclusive (even if statutory grounds for nullity exist); (vii) provisions purporting to assign rights and elections arising under bankruptcy laws; (viii) provisions purporting to continue the liability of the Subsidiary Guarantor under the Indenture Documents notwithstanding (a) failure to give written notice to the Subsidiary Guarantor of payment defaults and an opportunity to cure, (b) any defenses (such as prescription or statute of limitation, or invalidity) to the obligations secured thereby that Parent could assert except discharge in bankruptcy of Parent, and (c) a modification or amendment of the obligations secured thereby or the documents evidencing the obligations secured thereby, or an impairment of real security held therefor, in any material manner and without the Subsidiary Guarantor' s consent; (ix) provisions relating to the severability of agreements; (x) provisions purporting to or which would have the result of indemnifying a person for violations of securities laws; and (xi) authorizations of attorney' s fees or liquidated damages to the extent that a court determines that such fees or damages are not reasonable in amount.

(D) We express no opinion regarding whether the Subsidiary Guarantor has made any filings (other than as stated in Opinion paragraph 1 above) or obtained or maintained any permits or other approvals required by or necessary for the operation of its business, or whether the Subsidiary Guarantor or its property is in compliance with or in violation of any federal or state environmental, zoning, safety or other laws or regulations.

(E) We express no opinion as to the application or effect of any state or federal securities, blue sky, health insurance, environmental, intellectual property or tax laws.

(F) The Opinion expressed above in Opinion paragraph 1 does not extend to, and we express no opinion as to, whether the Subsidiary Guarantor is in "tax good standing" as to the payment of or filings related to state taxes (as opposed to filings relating to its entity status with the Louisiana Secretary of State).

(G) We have assumed compliance if and as necessary by the Indenture and the transactions contemplated thereby with the Trust Indenture Act.

(H) Without limiting the opinion stated in Opinion paragraph 4, we express no opinion as to whether a court applying Louisiana law would give effect to the choice of New York law as governing the validity and enforceability of the Indenture Documents.

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The foregoing opinion is limited to the laws of the State of Louisiana. We express no opinion as to matters governed by federal laws or the laws of any other state or any foreign jurisdiction or any matters of municipal law. Furthermore, no opinion is expressed herein as to the effect of any future acts of the parties or changes in existing law. We undertake no responsibility to advise you of any changes after the date hereof in the law or the facts presently in effect that would alter the scope or substance of the opinion herein expressed. This letter expresses our legal opinion as to the foregoing matters based on our professional judgment at this time; it is not, however, to be construed as a guaranty, nor is it a warranty that a court considering such matters would not rule in a manner contrary to the opinion set forth above.

The opinion expressed herein is rendered as of the date hereof. We consent to the filing of this opinion as an exhibit to the Registration Statement, and to the reference to this firm under the caption "Legal Matters" in the prospectus constituting part of the Registration Statement.

Very truly yours,

/s/ PHELPS DUNBAR, L.L.P.

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**Exhibit 5.21**

[Letterhead of Phelps Dunbar LLP]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Boulevard
Naperville, Illinois 60563

Jones Day
77 W. Wacker Drive
Chicago, Illinois 60601

Re: Laidlaw: EmCare of Mississippi, Inc. (Exchange Note)

Ladies and Gentlemen:

We have acted as special Mississippi counsel to EmCare of Mississippi, Inc., a Mississippi corporation ("Subsidiary Guarantor") in connection with the S-4 Registration Statement filed with the Securities and Exchange Commission on the date hereof (the "Registration Statement") of Laidlaw International, Inc., a Delaware corporation (the "Parent"), and certain subsidiaries of the Parent, including the Subsidiary Guarantor, as additional registrants, relating to the Parent' s exchange offer of its 10 3/4% Senior Notes due 2011. Capitalized terms used in this Opinion, except where otherwise defined herein, have the respective meanings specified in the Registration Statement.

In connection with this opinion, we have examined copies of the following documents:

(a) The Registration Statement;

(b) The Indenture dated as of June 3, 2003 and the First Supplemental Indenture dated as of June 18, 2003;

(c) The form of guarantees of the Exchange Notes by the Subsidiary Guarantor and other affiliates provided for in the Indenture in Article 10 (the "Guaranty");

(d) The Registration Rights Agreement dated June 3, 2003;

(e) Copies of the Articles of Incorporation of the Subsidiary Guarantor, certified by the State of Mississippi Secretary of State on January 8, 2004 that such copies of Articles of Incorporation are true and correct;

(f) Certificate of Existence/Authority of the State of Mississippi Secretary of State of the Subsidiary Guarantor, dated January 5, 2004;

(g) Bylaws of the Subsidiary Guarantor, provided by counsel for the Parent;

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(h) Action Taken by Unanimous Written Consent of the Board of Directors of the Subsidiary Guarantor dated May 22, 2003, adopting certain resolutions set forth therein (the "Resolutions"); and

(i) Supplemental Officer' s Certificate by the Subsidiary Guarantor and another additional registrant.

The documents described in items (a) through (d) are hereinafter sometimes collectively referred to as the "Indenture Documents". This opinion with respect to the Indenture Documents shall not be deemed to extend to other documents or agreements which are incorporated therein by reference, or which may be attached to the Indenture Documents as exhibits or otherwise referenced therein. We have assumed that the Indenture Documents as executed are in the forms of the latest respective drafts provided to us with all blanks, schedules and exhibits therein accurately completed and attached.

In our examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, and the conformity to authentic originals of all documents submitted to us as copies. As to various questions of fact material to our opinion, we have relied upon representations and recitals made in the Indenture Documents and upon certificates of public officials and of officers of the Subsidiary Guarantor. We have assumed that the individuals who signed the Resolutions were on such date all of the directors of the Subsidiary Guarantor, that the Resolutions have been filed with the records of proceedings of the Board of Directors of the Subsidiary Guarantor, that Subsidiary Guarantor has made no filings with the State of Mississippi Secretary of State on or after January 5, 2004, and have no unfiled amendments to its articles of incorporation, and that the Subsidiary Guarantor' s bylaws and the Resolutions have not been revoked or modified in any respect.

In rendering the opinions expressed below, we have assumed, with respect to all of the documents referred to in this opinion letter, that:

(i) such documents have been duly authorized, executed and delivered by, and constitute legal, valid, binding and enforceable obligations of, all of the parties to such documents (other than the Subsidiary Guarantor);

(ii) all of the parties to such documents (other than the Subsidiary Guarantor) are duly organized and validly existing and have the power and authority (corporate or other) to execute, deliver and perform such documents, and the consummation of the transactions contemplated thereby does not violate the corporate or other charter documents or bylaws of, or any corporate or banking laws pertinent to, or agreements or court orders or judgments binding upon, the parties thereto (other than the Subsidiary Guarantor);

(iii) that the only business of the Subsidiary Guarantor is the provision of emergency management services to hospital-based emergency departments as described in the Registration Statement;

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(iv) that no consent, approval, authorization or order of, or filing with, any court or any Mississippi governmental authority, applicable to the Subsidiary Guarantor specifically (as opposed to applicable normally to similarly situated general business corporations engaged in the business specified above), is necessary for the execution, delivery and performance by the Subsidiary Guarantor of the Indenture Documents;

(v) that any consents, approvals, authorizations or orders of, or filings with, any federal or other governmental authority outside of Mississippi necessary for the execution, delivery and performance of the Indenture Documents by the parties thereto (or the parties on whose behalf they are acting) have been obtained or made;

(vi) that the execution, delivery and performance of the Indenture Documents by the parties thereto do not violate any laws or regulations of any federal or other governmental authority outside of Mississippi;

(vii) that the Indenture Documents constitute the legal, valid and binding obligations of the parties thereto under the laws of the State of New York as chosen by the parties;

(viii) that each of the holders of the Notes and the Trustee have satisfied all legal requirements that are applicable to it to the extent necessary to make the Indenture Documents enforceable by it and complied with all legal requirements pertaining to its status as such status relates to the performance of its obligations under the Indenture Documents and its rights to enforce the Indenture Documents;

(ix) that the Subsidiary Guarantor has received consideration for the grant of the Guaranty;

(x) that there are no documents or agreements between or among the Subsidiary Guarantor, the Parent, the holders of the Notes or the Trustee, or any two or more of said parties, which alter the provisions of the Indenture Documents and which would have an effect on the opinions expressed in this opinion letter; and

(xi) that New York law bears a reasonable relationship to the transactions contemplated by the Indenture Documents and the selection of New York law has been made in good faith and not to avoid the laws of Mississippi.

Based on the foregoing, and subject to the further limitations, qualifications and assumptions set forth below, we are of the opinion that:

1. Subsidiary Guarantor is a corporation validly existing and in good standing under the laws of the State of Mississippi.

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2. As of the date of the Indenture, Subsidiary Guarantor had the corporate power and authority to enter into, and as of the date hereof, the Subsidiary Guarantor has the corporate power and authority to perform its obligations under the Indenture.

3. Subsidiary Guarantor' s execution, delivery and performance of its obligations under the Indenture Documents to which it is a party have been duly authorized by all necessary corporate action on the part of the Subsidiary Guarantor.

4. Although the Guaranty (through the Indenture) contains a choice of law provision stating that it should be governed by and construed in accordance with the laws of the State of New York, when the Registration Statement becomes effective under the Securities Act of 1933 and the Guaranty is executed by the President, any Vice-President, the Treasurer or the Secretary of the Subsidiary Guarantor and is delivered in accordance with the terms of the exchange offer in exchange for the guaranty by the Subsidiary Guarantor of the outstanding Notes, then in the event that the laws of the State of Mississippi were applied to govern the Guaranty, the Guaranty will constitute the legal, valid and binding obligation of the Subsidiary Guarantor enforceable against the Subsidiary Guarantor in accordance with its terms.

The opinions expressed above are further subject to the specific exceptions and qualifications enumerated below:

(A) The opinions expressed above are subject to the effect of bankruptcy, insolvency, reorganization, moratorium, or other laws affecting creditors' rights generally from time to time in effect, and by general principles of equity (whether enforcement is considered in a proceeding in equity or law), including (without limitation) concepts of materiality, reasonableness, good faith and fair dealing which among other effects may limit the availability of certain remedies, such as self-help, injunctive relief and specific performance. In particular, we express no opinion as to the possible applicability of provisions of the bankruptcy, insolvency and similar laws of the United States and the State of Mississippi pertaining to fraudulent conveyances. The legality, validity and enforceability of the Guaranty may depend upon the determination that it was made for a fair consideration, and that the transactions contemplated by the Indenture Documents have furthered the business interests and corporate purposes of the Subsidiary Guarantor.

(B) We have not examined or verified, and we express no opinion as to, the existence, or condition of, or the status of title to, any

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properties, rights or interests. We express no opinion as to the creation, perfection or priority of any security interests under or pursuant to the Indenture Documents.

We express no opinion as to the enforceability under Mississippi law of the following provisions in the Indenture Documents: (i) irrevocable appointments of any party as attorney-in-fact for the Subsidiary Guarantor; (ii) prospective ratifications and confirmations of actions, consents to jurisdiction (personal or subject matter), venue or non-judicial service of process, provisions permitting acceleration of indebtedness without notice of acceleration, and waivers of set off or compensation, subrogation, notices, court hearings, legal delays, venue objections, improper service of process objections, jury trial, statutes of limitations or liberative prescription periods, or waivers of claims, damages, counterclaims or defenses not known or not presently in existence or global waivers of rights and remedies afforded by law; (iii) provisions in any Indenture Document that its provisions may be amended or waived only by an agreement in writing signed by all parties thereto, or authorizing the delay or failure to exercise a right without waiving such right or making remedies cumulative; (iv) provisions which purport to establish evidentiary standards or the conclusiveness or reasonableness of actions, or to permit proceedings without possession or production of the Notes; (v) provisions

(C) purporting to establish that funds or other property are or will be held by a party in trust for another party; (vi) provisions for the reinstatement or revival of documents or portions thereof after their termination or performance or after judicial proceedings pertaining thereto are abandoned or determined adversely, or providing that judgments are conclusive (even if statutory grounds for nullity exist); (vii) provisions purporting to assign rights and elections arising under bankruptcy laws; (viii) provisions purporting to continue the liability of the Subsidiary Guarantor under the Indenture Documents notwithstanding (a) failure to give written notice to the Subsidiary Guarantor of payment defaults and an opportunity to cure, (b) any defenses (such as prescription or statute of limitation, or invalidity) to the obligations secured thereby that Parent could assert except discharge in bankruptcy of Parent, and (c) a modification or amendment of the obligations secured thereby or the documents evidencing the obligations secured thereby, or an impairment of real security held therefor, in any material manner and without the Subsidiary Guarantor' s consent; (ix) provisions relating to the severability of agreements; (x) provisions purporting to or which would have the result of indemnifying a person for violations of securities laws; and (xi)

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authorizations of attorney' s fees or liquidated damages to the extent that a court determines that such fees or damages are not reasonable in amount.

(D) We express no opinion regarding whether the Subsidiary Guarantor has made any filings (other than as stated in Opinion paragraph 1 above) or obtained or maintained any permits or other approvals required by or necessary for the operation of its business, or whether the Subsidiary Guarantor or its property is in compliance with or in violation of any federal or state environmental, zoning, safety or other laws or regulations.

(E) We express no opinion as to the application or effect of any state or federal securities, blue sky, health insurance, environmental, intellectual property or tax laws.

(F) The Opinion expressed above in Opinion paragraph 1 does not extend to, and we express no opinion as to, whether the Subsidiary Guarantor is in "tax good standing" as to the payment of or filings related to state taxes (as opposed to filings relating to their entity status with the State of Mississippi Secretary of State).

(G) We have assumed compliance if and as necessary by the Indenture and the transactions contemplated thereby with the Trust Indenture Act.

(H) Without limiting the opinion stated in Opinion paragraph 4, we express no opinion as to whether a court applying Mississippi law would give effect to the choice of New York law as governing the validity and enforceability of the Indenture Documents.

The foregoing opinion is limited to the laws of the State of Mississippi. We express no opinion as to matters governed by federal laws or the laws of any other state or any foreign jurisdiction or any matters of municipal law. Furthermore, no opinion is expressed herein as to the effect of any future acts of the parties or changes in existing law. We undertake no responsibility to advise you of any changes after the date hereof in the law or the facts presently in effect that would alter the scope or substance of the opinion herein expressed. This letter expresses our legal opinion as to the foregoing matters based on our professional judgment at this time; it is not, however, to be construed as a guaranty, nor is it a warranty that a court considering such matters would not rule in a manner contrary to the opinion set forth above.

The opinion expressed herein is rendered as of the date hereof. We consent to the filing of the Opinion as an exhibit to the Registration Statement, and to the reference to this law firm under the caption "Legal Matters" in the prospectus constituting part of the Registration Statement.

Very truly yours,

/s/ PHELPS DUNBAR LLP

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**Exhibit 5.22**

[Letterhead of Reinhart Boerner Van Deuren s.c.]

January 29, 2004

Laidlaw International, Inc.
55 Sherman Blvd.
Naperville, IL 60563

Jones Day
77 West Wacker Drive
Chicago, IL 60601

Ladies and Gentlemen:

We have acted as special Wisconsin counsel to Kutz Ambulance Service, Inc., a Wisconsin corporation ("Kutz"), and EmCare of Wisconsin, Inc., a Wisconsin corporation ("EmCare" and, collectively with Kutz, the "Wisconsin Guarantors"), in connection with the guaranties of the Wisconsin Guarantors (the "Guarantees") of notes to be issued by Laidlaw International, Inc. (f/k/a Laidlaw Investments Ltd.) pursuant to the Registration Rights Agreement to replace the Notes originally issued by Laidlaw Investments Ltd. ("LIL") pursuant to an indenture dated as of June 3, 2003 (the "Indenture"), by and among LIL, the Wisconsin Guarantors and the other subsidiaries of Laidlaw, Inc., a Canadian corporation, party thereto and Deutsche Bank Trust Company Americas, as trustee, as amended by the First Supplemental Indenture, dated as of June 18, 2003 (the "First Supplemental Indenture"). Capitalized terms not otherwise defined herein have the meanings assigned to them in the Indenture, as amended.

We have examined and relied upon originals or copies of the following documents that you have provided:

1. Articles of Incorporation of each of the Wisconsin Guarantors.

2. By-Laws of each of the Wisconsin Guarantors.

3. Consent resolutions of the Board of Directors of each of the Wisconsin Guarantors.

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4. The Registration Rights Agreement.

5. Form S-4 Registration Statement of Laidlaw International, Inc.

6. The Indenture and First Supplemental Indenture.

7. Officers' certificates delivered to us as to certain matters (the "Officers' Certificates").

8. The Guarantees

9. Such other instruments and documents as we have deemed necessary or advisable for the purpose of rendering this opinion.

As to various questions of fact material to our opinion, we have , without investigation, relied upon certificates of officers of the Wisconsin Guarantors and of state officials. In rendering this opinion we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies or drafts of documents to be executed and that William A. Sanger has the authority under the Articles of Incorporation and By-Laws of EmCare to act as the sole director of EmCare.

Based on the foregoing, and upon such additional investigation as we have deemed necessary, it is our opinion that:

1. Each of the Wisconsin Guarantors is a corporation validly existing under the laws of the State of Wisconsin and, based solely on applicable certificates of the Department of Financial Institutions of the State of Wisconsin (the "Department of Financial Institutions"), (a) has filed with the Department of Financial Institutions during its most recently completed report year the required annual report; (b) is not the subject of a proceeding under Wisconsin Statutes section 180.1421, to cause its administrative dissolution; (c) no determination has been made by the Department of Financial Institutions that grounds exist for the action set forth in clause (b); (d) no filing has been made with the Department of Financial Institutions of a decree of dissolution with respect

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to either of the Wisconsin Guarantors; and (e) Articles of Dissolution of either of the Wisconsin Guarantors have not been filed with the Department of Financial Institutions.

2. As of June 3, 2003, the execution and delivery of the Indenture had been duly authorized by all necessary corporate action on the part of each of the Wisconsin Guarantors, and the Wisconsin Guarantors had the corporate power and authority to enter into the Indenture. The Wisconsin Guarantors have the corporate power and authority to perform their obligations under the Indenture and the Guarantees.

3. The execution and delivery of the Guarantees by each of the Wisconsin Guarantors have been duly authorized by all necessary corporate action on the part of each of the Wisconsin Guarantors.

The opinions herein are limited to the law of the State of Wisconsin. This opinion is rendered solely for your information and assistance in connection with the transaction described above and may not be relied upon by any other person or for any other purpose without our prior written consent.

We hereby consent to the use of our name under the caption "Legal Matters" in the prospectus constituting part of the Form S-4 Registration Statement and to the filing of a copy of this opinion as an exhibit thereto. In giving our consent, we do not admit that we

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are "experts" within the meaning of Section 11 of the Act or within the category of persons whose consent is required by Section 7 of the Act.

Yours very truly,

/s/ REINHART BOERNER VAN DEUREN s.c.

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**Exhibit 5.23**

[Letterhead of Robinson, Bradshaw & Hinson, P.A.]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Boulevard
Naperville, Illinois 60563

Jones Day
77 West Wacker Drive
Chicago, Illinois 60601

Ladies and Gentlemen:

We have acted as special local counsel to Emcare of North Carolina, Inc., a North Carolina corporation ("Emcare of North Carolina") and Emcare of South Carolina, Inc., a South Carolina corporation ("Emcare of South Carolina," and together with Emcare of North Carolina, the " NC/SC Subsidiary Guarantors,"), in connection with the registration of the 10.75% senior notes due 2011 of Laidlaw International, Inc., a Delaware corporation, formerly known as Laidlaw Investments Ltd. (the "Company"), and guarantees of such senior notes by certain subsidiaries of the Company, including the NC/SC Subsidiary Guarantors. We call your attention to the fact that the Company and the NC/SC Subsidiary Guarantors are regularly represented by outside counsel, other than this firm.

In connection with this opinion we have examined copies as delivered to us by the Company, of (i) the Indenture dated as of June 3, 2003 between the Company, certain subsidiaries of the Company, including the NC/SC Subsidiary Guarantors, and Deutsche Bank Trust Company Americas, as Trustee (the "Trustee"), as amended by the First Supplemental Indenture dated as of June 18, 2003 (the "Indenture") and (ii) a form of the Exchange Guarantee (as provided by the Company) to be executed by certain subsidiaries of the Company, including the NC/SC Subsidiary Guarantors, in favor of the Trustee and the Holders of the Notes (as defined in the Indenture) (the "Exchange Guarantee," and together with the Indenture, the "Opinion Documents").

We also have examined a Certificate of Existence regarding Emcare of North Carolina from the North Carolina Secretary of State dated January 5, 2004, Articles of Incorporation of Emcare of North Carolina certified by the North Carolina Secretary of State on January 5, 2004, the Bylaws of Emcare of North Carolina (as provided by the Company), Resolutions of the Sole Director of Emcare of North Carolina and of Emcare of South Carolina, respectively, both dated May 22, 2003 (as provided by the Company) (collectively, the "Resolutions"), a Certificate of Existence regarding Emcare of South Carolina from the South Carolina Secretary of State dated January 6, 2004, Articles of Incorporation of Emcare of South Carolina certified by the South

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Carolina Secretary of State on January 6, 2004 and the Bylaws of Emcare of South Carolina (as provided by the Company) (collectively, the "Corporate Documents"). In addition we have considered such matters of law and fact as we, in our professional judgment, have deemed appropriate to render the opinions contained herein.

In rendering the opinions contained herein, we have assumed, among other things, that all documents submitted to us as copies conform with the originals thereof and that the Indenture has been duly executed and delivered as of the date of this opinion by each party thereto other than the NC/SC Subsidiary Guarantors and in the same form as received by us. Without limiting the scope of our opinions expressly stated herein, we otherwise have assumed in rendering the opinions contained herein that the Opinion Documents constitute legal, valid and binding obligations of the parties thereto.

The opinions set forth herein are limited to matters governed by the laws of the States of North Carolina and South Carolina, and no opinion is expressed herein as to the laws of any other jurisdiction. We express no opinion concerning (i) any matter respecting or affected by any laws other than laws that a lawyer in North Carolina or South Carolina, respectively, exercising customary professional diligence would reasonably recognize as being directly applicable to the NC/SC Subsidiary Guarantors, the Opinion Documents or any of them, or (ii) any federal securities laws and regulations and state "Blue Sky" laws and regulations.

Based upon and subject to the foregoing and the further limitations and qualifications hereinafter expressed, it is our opinion that:

1. Emcare of North Carolina is a corporation in existence under the laws of the State of North Carolina, and Emcare of South Carolina is a corporation in existence under the laws of the State of South Carolina.

2. Each NC/SC Subsidiary Guarantor has the corporate power and authority to execute, deliver and perform its obligations under the Indenture.

3. Each NC/SC Subsidiary Guarantor has duly authorized the execution, delivery and performance of the Indenture by all necessary corporate action, and each NC/SC Subsidiary Guarantor has duly executed and delivered the Indenture.

4. Each NC/SC Subsidiary Guarantor has duly authorized the execution and delivery of the Exchange Guarantee.

The opinions expressed above are subject to the following qualifications and limitations:

A. In rendering our opinion that Emcare of North Carolina "is a corporation" and "is in existence," we have relied solely upon a Certificate of Existence regarding Emcare of North

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Carolina from the North Carolina Secretary of State dated January 5, 2004. In rendering our opinion that Emcare of South Carolina "is a corporation" and "is in existence," we have relied solely upon a Certificate of Existence regarding Emcare of South Carolina from the South Carolina Secretary of State dated January 6, 2004.

B. In rendering our opinions that each of the NC/SC Subsidiary Guarantors has duly executed and delivered the Indenture and the Guarantee and that each NC/SC Subsidiary Guarantor has authorized the execution, delivery and performance of the Indenture by all necessary corporate action, we have relied solely upon the Officer' s Certificates executed by Emcare of North Carolina and the Officer' s Certificates executed by Emcare of South Carolina.

C. In rendering the opinions contained herein, we have assumed that each NC/SC Subsidiary Guarantor' s minute books and other corporate documents and records are not inconsistent with, and do not impose any restrictions or obligations in addition to those included in, such NC/SC Subsidiary Guarantor' s Corporate Documents, on which we have relied exclusively in rendering the opinions contained herein.

* * *

This opinion letter is delivered solely for the benefit of Laidlaw International, Inc. and Jones Day, in connection with the execution, delivery and performance of the Opinion Documents and the transactions contemplated thereby. This opinion letter may not be relied upon in any manner or for any purpose by any other person, nor may any copies be furnished to any other person without the prior written consent of this firm, except that this opinion letter may be filed with the Securities and Exchange Commission as an exhibit to the Company' s Registration Statement on Form S-4 dated as of the date hereof. We also consent to the reference to this firm under the caption "Legal Matters" in the prospectus constituting part of the Registration Statement. Our opinions expressed herein are as of the date hereof, and we undertake no obligation to advise you of any changes of applicable law or any other matters that may come to our attention after the date hereof that may affect our opinions expressed herein.

Very truly yours,

/s/ ROBINSON, BRADSHAW & HINSON, P.A.

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**Exhibit 5.24**

[Letterhead of Rose Law Firm, a Professional Association]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Blvd.
Naperville, Illinois 60563

Jones Day
77 W. Wacker Drive
Chicago, Illinois 60601

Re: EMCARE CONTRACT OF ARKANSAS, INC. as a subsidiary guarantor ("Subsidiary Guarantor") in connection with the exchange offer of 10 3/4% Senior Notes by Laidlaw International, Inc. ("Laidlaw") and Form S-4 Registration Statement of Laidlaw and certain affiliates, including Subsidiary Guarantor relating to said exchange offer (the "Registration Statement")

Ladies and Gentlemen:

We are acting as special local counsel to EMCARE CONTRACT OF ARKANSAS, INC., an Arkansas corporation ("Subsidiary Guarantor") in connection with the above referenced exchange offer of senior notes by Laidlaw.

For the purposes of the opinions set forth below we understand the Subsidiary Guarantor has executed and delivered the Indenture ("Indenture") and, after effectiveness of the Registration Statement and completion of the exchange offer, will execute the Exchange Guarantee ("Guaranty"; sometimes, together with the Indenture herein called the "Documents") described in the Registration Statement. Additionally, we have examined copies of the following:

1. Articles of Incorporation and Bylaws of Subsidiary Guarantor; and

2. Certificate of Good Standing for Subsidiary Guarantor issued by the Arkansas Secretary of State and dated as January 9, 2004; and

3. Certificate of Corporate Resolutions for the Subsidiary Guarantor authorizing execution, delivery and performance of the Indenture and Guaranty and the transactions evidenced thereby, which you previously provided us.

4. Certificate of Incumbency for the Subsidiary Guarantor, which you previously provided us.

We have also made such investigations of law as were necessary and relevant as a basis for this opinion; but we have not undertaken any review of the Registration Statement or the accuracy of any statement made therein except as expressly set forth in this letter.

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As to matters of fact bearing upon the opinions set forth below, we have, with your consent, relied solely upon and have not independently verified the accuracy of any representations, warranties and other factual statements contained in the Registration Statement or Documents, the Subsidiary Guarantor' s Articles of Incorporation, the January 9th Certificate of Good Standing, the Certificate of Corporate Resolutions of the Subsidiary Guarantor and the Certificate of Incumbency. We note that we do not represent the Subsidiary Guarantor in any other matters. Whenever the phrases "to our knowledge", "to our knowledge after due inquiry" or similar words are used, the inquiry is, with your consent, limited to the representations, warranties and factual statements contained in the foregoing documents, and knowledge is, with your consent, limited to the matters set forth therein and the actual knowledge of the attorneys working on this matter, Garland J. Garrett and John T. Hardin, who are the only attorneys of this firm who have given substantive attention to these matters; provided, however, nothing has come to our knowledge which indicates such representations, warranties and factual statements are inaccurate. In rendering such opinions, we have further relied on the following assumptions, the accuracy of which we have not independently verified:

A. Each signature is genuine and all signatories that are natural persons have legal capacity to execute the Documents.

B. Each Document has been duly authorized, executed and delivered by each party thereto, other than Subsidiary Guarantor, and is enforceable against such party in accordance with its terms under the laws of all jurisdictions other than the State of Arkansas.

C. Each Document executed by persons other than Subsidiary Guarantor has been duly authorized, executed and delivered by each such other person and is enforceable against each such other person in accordance with its terms.

D. Each of Laidlaw and its various subsidiaries and affiliates, other than the Subsidiary Guarantor, is a business organization with its principal place of business outside of Arkansas, and the addressees of this letter are business and/or banking organizations and/or natural persons with their principal places of business and/or residences outside of Arkansas; the agreement on the final terms of the Documents and the transactions evidenced thereby, and the final execution and delivery of the Documents, all occurred outside the State of Arkansas; payment of all amounts on the Senior Notes or other evidences of indebtedness under the Documents will occur outside the State of Arkansas; the parties voluntarily elected the laws of New York to govern the Documents, and that jurisdiction has a reasonable relationship to the Documents and the transactions evidenced thereby; and the choice of such law is valid pursuant to the conflict of law principles of that jurisdiction.

E. There has not been any mutual mistake of fact or misunderstanding, fraud, duress or undue influence in connection with execution or delivery of the Documents.

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Based upon the foregoing, it is our opinion that:

The Subsidiary Guarantor is validly existing and in good standing under the laws of Arkansas;

As of the date of the Indenture, the Subsidiary Guarantor had all necessary power and corporate authority to enter into, and as of the date hereof, the Subsidiary Guarantor has all necessary corporate power and corporate authority to perform its obligations under, the Indenture; and

The execution, delivery and performance by the Subsidiary Guarantor of the Indenture has been authorized by all necessary action of the Subsidiary Guarantor; and

When the Registered Statement has become effective under the Securities Act of 1933 and the Subsidiary Guarantees of the Exchange Notes of the Guarantors (as such terms are defined in the Registration Statement) are delivered in accordance with the Exchange Offer, as described in the Registration Statement, in exchange for the Subsidiary Guaranties of the Outstanding Notes of the Guarantors, the Guarantee will be validly executed and delivered and constitute a valid and binding obligation of the Subsidiary Guarantor.

The opinions hereby rendered are in addition to, and not in substitution for, any opinions previously rendered to you by the undersigned.

The opinions expressed above are subject to the following exclusions, limitations, exceptions and qualifications:

i. All of the opinions expressed herein are limited to the laws of the State of Arkansas and we express no opinion with respect to the laws of any other state or jurisdiction.

ii. Our opinions do not cover the effect of any additional documents or instruments, or any amendment or supplement to the Documents, or the validity or enforceability of any additional documents or instruments, or amendments or supplements thereto following the date hereof, including without limitation any modifications, extension, waivers or releases.

iii. The opinions set forth herein are subject to the qualifications that the enforceability of the Documents, if governed by Arkansas law, may be limited by (i) bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer laws or other similar laws or judicial decisions relating to or affecting the rights of creditors generally, (ii) the application of general principles of equity (regardless

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of whether considered in a proceeding in equity or at law), including (a) the possible unavailability of specific performance, injunctive relief or any other equitable remedy and (b) concepts of materiality, reasonableness, good faith and fair dealing, (iii) forfeiture or similar laws (including court decisions) of the State of Arkansas or of the United States permitting seizure by or forfeiture of property to a governmental entity, (iv) the effect of Arkansas usury laws on which we express no opinion and to which all of the opinions are subject, and (v) the validity of the Documents under the laws of any and all jurisdictions governing the same (except the State of Arkansas).

iv. We express no opinion with respect to the legality, validity, binding nature, or enforceability of any of the following provisions of the Documents: (A) provisions relating to waivers or provisions precluding a party from asserting certain claims or defenses or from obtaining certain rights and remedies to the extent such provisions may be violative of public policy; (B) any indemnification provision to the extent such provision may be violative of public policy or purport to impose a duty upon any party to indemnify any other party when any claimed damages result from the negligence or willful misconduct of the party seeking such indemnity or purport to exculpate a party from the consequences of such party' s own negligence or fault; (C) provisions purporting to establish evidentiary standards in suits or proceedings; (D) provisions whereby a person or entity grants the power or authority to any other party to execute documents on behalf of such person or entity; (E) provisions relating to subrogation rights, delay or omission of enforcement of, or restriction of access to rights or remedies, severability, marshalling of assets, set-offs, exculpation clauses, rights of third parties, prohibitions against the transfer, alienation or hypothecation of property or transfer of rights by foreclosure; (F) provisions regarding the appointment of a receiver; and (G) any waiver of the right to a jury trial, waiver of service of process, or selection of venue for litigation; provided, however, the foregoing will not prevent the practical realization by you of the purposes of the Documents.

v. We express no opinion as to any matters contemplated by the Documents except as expressly set forth herein and our review of some of the Documents or any other documents or instruments should not be construed as expanding our opinions or role beyond what is expressly set forth herein.

vi. Except as expressly provided herein we have not been called upon to, and accordingly do not, express any opinion as to the various state and federal laws regulating you or the conduct of your business that may relate to the Documents or the transactions contemplated thereby. Without limitation to the foregoing we have not been called upon to, and accordingly do not, express any opinion as to various state and federal laws governing the issuance and sale of securities, including the law of Arkansas.

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vii. We understand that you have received the opinion of Jones Day in connection with the Documents and the transactions evidenced thereby and that you are relying on such opinion, except to the extent of the matters dealt with in this opinion relating to the laws of Arkansas.

viii. Our opinions may not be relied upon by any person other than the persons to whom this letter is addressed, and their respective assignees, successors and participants. We assume no obligation to revise or supplement our opinions should present laws be changed by legislative action, judicial decisions or otherwise, or should there be any change in the facts upon which our opinions are based. The opinions expressed herein represent our reasoned judgment as to certain matters of law based upon the facts presented or assumed and should not be considered or construed as a guaranty. Actions in reliance hereon are subject to the final business judgment of any parties acting in reliance. The liability of the Rose Law Firm, a Professional Association, is limited to the fullest extent possible under A.C.A. § 16-114-303 (1991 Supp.).

ix. We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us under the caption "Legal Matters" in the prospectus constituting a part of the Registration Statement. In giving such consent, we do not thereby admit that we are included in the category of persons whose consent is required under Section 7 of the Securities Act of 1933 or the rules and regulations of the Securities and Exchange Commission promulgated thereby.

Very truly yours,

/s/ Rose Law Firm, a Professional Association

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Exhibit 5.25

[Letterhead of Saul Ewing LLP]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Blvd.
Naperville, Illinois 60563

Jones Day
77 W. Wacker Drive
Chicago, Illinois 60601

Re: Laidlaw International, Inc.
Registration Statement on Form S-4

Ladies and Gentlemen:

We have acted as Maryland counsel to EmCare of Maryland, LLC, a Maryland limited liability company (the "Company"), in connection with certain matters of Maryland law arising out of the registration by Laidlaw International, Inc. ("Laidlaw") of its 10 ¾% Senior Notes due 2011 (the "Notes"), as defined in the Company' s Registration Statement on Form S-4 (the "Registration Statement"), to be filed in connection with the proposed offering by the Company of the Senior Notes.

As a basis for our opinions, we have examined originals or copies of the following:

(i) The Registration Statement, as filed by Laidlaw with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933 (the "Act");

(ii) The prospectus filed by Laidlaw on January 29, 2004 and constituting part of the Registration Statement (the "Prospectus");

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(iii) a Certificate of Status for the Company issued by the State Department of Assessments and Taxation of Maryland dated January 26, 2004;

(iv) a certified copy of the Articles of Organization of the Company (the "Articles of Organization");

(v) a certified copy of the Operating Agreement of the Company (the "Operating Agreement");

(vi) resolutions adopted by the Managers of the Company dated May 22, 2003;

(vii) a certificate of the Executive Vice President of the Company as to the authenticity of the Articles of Organization and Operating Agreement of the Company, the incumbency of the officers of the Company, the resolutions of the Company' s Members approving the consummation of the transactions contemplated by the Agreement, and other matters that we have deemed necessary and appropriate;

(viii) a copy of the executed Indenture among Laidlaw, the Company, the other subsidiary guarantors and Deutsche Bank Trust Company Americas, as amended by the First Supplemental Indenture dated as of June 18, 2003 (the "Indenture");

(ix) the form of Exchange Guarantee of the Notes to be executed by the Company (the "Guarantee"); and

(x) such other documents as we have deemed necessary and appropriate to express the opinions set forth in this letter, subject to the limitations, assumptions and qualifications noted below.

In reaching the opinions set forth below, we have assumed:

(a) the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted to us as certified or photographic copies, and the accuracy and completeness of all documents;

(b) the legal capacity of all natural persons executing any documents, whether on behalf of themselves or other persons;

(c) that all persons executing any documents on behalf of any party (other than the Company) are duly authorized; and

(d) that at the time of authorization of the transaction, William A. Sanger, Todd G. Zimmerman and Ivan R. Cairns were the duly appointed managers of the Company.

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As to various questions of fact material to our opinions, we have relied upon a certificate and representations of Todd G. Zimmerman, as Executive Vice President of the Company, and have assumed that the Executive Vice President' s certificate and representations continue to remain true and complete as of the date of this letter. We have not examined any court records, dockets, or other public records, nor have we investigated the Company' s history or other transactions, except as specifically set forth in this letter.

Based on our review of the foregoing and subject to the assumptions and qualifications set forth in this letter, it is our opinion, as of the date of this letter, that:

1. The Company is a limited liability company duly formed, validly existing, and in good standing under the laws of the State of Maryland.

2. The Company has the company power to execute and perform its obligations under the Indenture and the Guarantee.

3. All necessary company action has been taken to authorize the execution, delivery and performance of the Indenture and the Guarantee by the Company.

In addition to the qualifications set forth above, the opinions set forth in this letter are also subject to the following qualifications:

(i) We express no opinion as to the laws of any jurisdiction other than the laws of the State of Maryland.

(ii) We assume no obligation to supplement our opinions if any applicable law changes after the date of this letter or if we become aware of any facts that might alter the opinions expressed in this letter after the date of this letter.

(iii) Except to the extent otherwise set forth above, we have not made an independent review of any contract or agreement that may have been executed by or may be binding upon the Company, nor have we undertaken to review our internal files or any files of the Company relating to transactions to which the Company may be a party, or, other than as set forth above, to discuss the Company' s transactions or business with any lawyers in our firm or with any managers or members of the Company.

(iv) We express no opinion on the application of federal or state securities laws to the transactions contemplated in any documents.

The opinions expressed in this letter are furnished only with respect to the transactions contemplated by the Registration Statement. The opinions expressed in this letter are limited to the matters set forth in this letter, and no other opinions shall be implied or inferred beyond the matters expressly stated.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of the name of our firm therein. In giving this consent, we do not admit

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that we are within the category of persons whose consent is required by Section 7 of the Securities Act of 1933.

Very truly yours,

/s/ SAUL EWING LLP

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Exhibit 5.25

[Letterhead of Saul Ewing LLP]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Blvd.
Naperville, Illinois 60563

Jones Day
77 W. Wacker Drive
Chicago, Illinois 60601

Re: Laidlaw International, Inc.
Registration Statement on Form S-4

Ladies and Gentlemen:

We have acted as Pennsylvania counsel to EmCare of Pennsylvania, Inc., a Pennsylvania corporation ("**Em Care**"), Reimbursement Technologies, Inc., a Pennsylvania corporation, ("**RTI**"), Laidlaw Transit Management Company, Inc., a Pennsylvania corporation, ("**LTMC**"), American Medical Response Mid-Atlantic, Inc., a Pennsylvania corporation, ("**AMRM**"), and Coordinated Health Services, Inc., a Pennsylvania corporation ("**CHS**"), (Em Care, RTI, LTMC, AMRM and CHS are hereinafter sometimes individually referred to as a "**Company**" and collectively as the "**Companies**"), in connection with certain matters of Pennsylvania law arising out of the registration by Laidlaw International, Inc. ("**Laidlaw**") of its 10 ¾% Senior Notes due 2011 (the "**Notes**"), as defined in the Company' s Registration Statement on Form S-4 (the "**Registration Statement**"), to be filed in connection with the proposed offering by the Company of the Senior Notes.

As a basis for our opinions, we have examined originals or copies of the following:

(i) The Registration Statement, as filed by Laidlaw with the Securities and Exchange Commission (the "**Commission**") under the Securities Act of 1933 (the "**Act**");



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(ii) The prospectus filed by Laidlaw on January 29, 2004 constituting part of the Registration Statement (the "**Prospectus**");

(iii) a Certificate of Good Standing for each Company issued by the Commonwealth of Pennsylvania Department of State;

(iv) a certified copy of the Articles of Incorporation of each Company (the "**Articles of Incorporation**");

(v) a certified copy of the Bylaws of each Company (the "**Bylaws**");

(vi) resolutions adopted by the Directors of each of the Company dated May 22, 2003;

(vii) a certificate of an authorized officer of each of the Companies (the "**Officers' Certificates**") as to the authenticity of the Articles of Incorporation and Bylaws of such Company, the incumbency of the officers of such Company, the resolutions of such Company' s Directors, and in the case of RTI, its shareholders, approving the consummation of the transactions contemplated by the Agreement, and other matters that we have deemed necessary and appropriate;

(viii) a copy of the executed Indenture among Laidlaw, the Companies, the other subsidiary guarantors and Deutsche Bank Trust Company Americas, as amended by the First Supplemental Indenture dated as of June 18, 2003 (the "**Indenture**");

(ix) a draft of the Exchange Guarantee of the Notes by each Company (the "**Guarantee**"); and

(x) such other documents as we have deemed necessary and appropriate to express the opinions set forth in this letter, subject to the limitations, assumptions and qualifications noted below.

In reaching the opinions set forth below, we have assumed:

(a) the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted to us as certified or photographic copies, and the accuracy and completeness of all documents;

(b) the legal capacity of all natural persons executing any documents, whether on behalf of themselves or other persons; and

(c) that all persons executing any documents on behalf of any party (other than the Companies) are duly authorized.

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As to various questions of fact material to our opinions, we have relied upon the Officers' Certificates and the representations set forth therein, and have assumed that each Officer' s Certificate and representations set forth therein continue to remain true and complete as of the date of this letter. We have not examined any court records, dockets, or other public records, nor have we investigated any Company' s history or other transactions, except as specifically set forth in this letter.

Based on our review of the foregoing and subject to the assumptions and qualifications set forth in this letter, it is our opinion, as of the date of this letter, that:

1. Each Company is a corporation duly incorporated, validly existing, and in good standing under the laws of the Commonwealth of Pennsylvania.

2. Each Company has the corporate power to execute and perform its obligations under the Indenture and the Guarantee.

3. All necessary corporate action has been taken to authorize the execution, delivery and performance of the Indenture and the Guarantee by each Company.

In addition to the qualifications set forth above, the opinions set forth in this letter are also subject to the following qualifications:

(i) We express no opinion as to the laws of any jurisdiction other than the laws of the Commonwealth of Pennsylvania.

(ii) We assume no obligation to supplement our opinions if any applicable law changes after the date of this letter or if we become aware of any facts that might alter the opinions expressed in this letter after the date of this letter.

(iii) Except to the extent otherwise set forth above, we have not made an independent review of any contract or agreement that may have been executed by or may be binding upon any Company, nor have we undertaken to review our internal files or any files of any Company relating to transactions to which such Company may be a party, or, other than as set forth above, to discuss any Company' s transactions or business with any lawyers in our firm or with any directors or officers of any Company.

(iv) We express no opinion on the application of federal or state securities laws to the transactions contemplated in any documents.

The opinions expressed in this letter are furnished only with respect to the transactions contemplated by the Registration Statement. The opinions expressed in this letter are limited to the matters set forth in this letter, and no other opinions shall be implied or inferred beyond the matters expressly stated.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of the name of our firm therein. In giving this consent, we do not admit

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that we are within the category of persons whose consent is required by Section 7 of the Securities Act of 1933.

Very truly yours,

/s/ SAUL EWING LLP

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Exhibit 5.25

[Letterhead of Saul Ewing LLP]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Blvd.
Naperville, Illinois 60563

Jones Day
77 W. Wacker Drive
Chicago, Illinois 60601

Re: Laidlaw International, Inc.
Registration Statement on Form S-4

Ladies and Gentlemen:

We have acted as New Jersey counsel to EmCare of New Jersey, Inc., a New Jersey corporation (the "**Company**"**)**, in connection with certain matters of New Jersey law arising out of the registration by Laidlaw International, Inc. ("**Laidlaw**") of its 10 ¾% Senior Notes due 2011 (the "**Notes**"), as defined in the Company' s Registration Statement on Form S-4 (the "**Registration Statement**"), to be filed in connection with the proposed offering by the Company of the Senior Notes.

As a basis for our opinions, we have examined originals or copies of the following:

(i) The Registration Statement, as filed by Laidlaw with the Securities and Exchange Commission (the "**Commission**") under the Securities Act of 1933 (the "**Act**");

(ii) The prospectus filed by Laidlaw on January 29, 2004 constituting part of the Registration Statement (the "**Prospectus**");

(iii) a Certificate of Status for the Company issued by the New Jersey Department of State, Division of Commercial Recording;

(iv) a certified copy of the Articles of Incorporation of the Company (the "**Articles of Incorporation**");

(v) a certified copy of the Bylaws of the Company (the "**Bylaws**");

***



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(vi) resolutions adopted by the Directors of the Company dated May 22, 2003;

(vii) a certificate of the an authorized officer of the Company (the "**Officer' s Certificate**") as to the authenticity of the Articles of Incorporation and Bylaws of the Company, the incumbency of the officers of the Company, the resolutions of the Company' s Directors approving the consummation of the transactions contemplated by the Agreement, and other matters that we have deemed necessary and appropriate;

(viii) a copy of the executed Indenture among Laidlaw, the Company, the other subsidiary guarantors and Deutsche Bank Trust Company Americas, as amended by the First Supplemental Indenture dated as of June 18, 2003 (the "**Indenture**");

(ix) a draft of the Exchange Guarantee of the Notes by the Company (the "**Guarantee**"); and

(x) such other documents as we have deemed necessary and appropriate to express the opinions set forth in this letter, subject to the limitations, assumptions and qualifications noted below.

In reaching the opinions set forth below, we have assumed:

(a) the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted to us as certified or photographic copies, and the accuracy and completeness of all documents;

(b) the legal capacity of all natural persons executing any documents, whether on behalf of themselves or other persons; and

(c) that all persons executing any documents on behalf of any party (other than the Company) are duly authorized.

As to various questions of fact material to our opinions, we have relied upon the Officer' s Certificate and the representations set forth therein, and have assumed the Officer' s Certificate and representations set forth therein continue to remain true and complete as of the date of this letter. We have not examined any court records, dockets, or other public records, nor have we investigated the Company' s history or other transactions, except as specifically set forth in this letter.

Based on our review of the foregoing and subject to the assumptions and qualifications set forth in this letter, it is our opinion, as of the date of this letter, that:

1. The Company is a corporation duly incorporated, validly existing, and in good standing under the laws of the State of New Jersey.

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2. The Company has the corporate power to execute and perform its obligations under the Indenture and the Guarantee.

3. All necessary corporate action has been taken to authorize the execution, delivery and performance of the Indenture and the Guarantee by the Company.

In addition to the qualifications set forth above, the opinions set forth in this letter are also subject to the following qualifications:

(i) We express no opinion as to the laws of any jurisdiction other than the laws of the State of New Jersey.

(ii) We assume no obligation to supplement our opinions if any applicable law changes after the date of this letter or if we become aware of any facts that might alter the opinions expressed in this letter after the date of this letter.

(iii) Except to the extent otherwise set forth above, we have not made an independent review of any contract or agreement that may have been executed by or may be binding upon the Company, nor have we undertaken to review our internal files or any files of the Company relating to transactions to which the Company may be a party, or, other than as set forth above, to discuss the Company' s transactions or business with any lawyers in our firm or with any directors or officers of the Company.

(iv) We express no opinion on the application of federal or state securities laws to the transactions contemplated in any documents.

The opinions expressed in this letter are furnished only with respect to the transactions contemplated by the Registration Statement. The opinions expressed in this letter are limited to the matters set forth in this letter, and no other opinions shall be implied or inferred beyond the matters expressly stated.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of the name of our firm therein. In giving this consent, we do not admit that we are within the category of persons whose consent is required by Section 7 of the Securities Act of 1933.

Very truly yours,

/s/ SAUL EWING LLP

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Exhibit 5.26

[Letterhead of Stoel Rives LLP]

January 29, 2004

Laidlaw International, Inc.
55 Shuman Blvd.
Naperville, Illinois 60563

Jones Day
77 W. Wacker Drive
Chicago, Illinois 60601

We have acted as special counsel for EmCare of Oregon, Inc. ("EmCare") and American Medical Response Northwest, Inc. ("AMR," and together with EmCare the "Subsidiary Guarantors") in connection with the registration under the Securities Act of 1933 (the "Act") on a Registration Statement on Form S-4 (the "Registration Statement") of $406,000,000 aggregate principal amount of 10¾% Notes due 2011 (the "Exchange Notes") being offered for exchange by Laidlaw Investments, Ltd. ("Laidlaw") and the issuance by the Subsidiary Guarantors and other guarantors of the guarantees with respect to the Exchange Notes (the guarantees of the Subsidiary Guarantors, the "Exchange Guarantees"). We have examined the documents, corporate records, certificates of public officials, and agreements, instruments, and other documents we deemed necessary as the basis for the opinion expressed below, including the Indenture, dated as of June 3, 2003, among Laidlaw, Deutsche Bank Trust Company Americas (the "Trustee"), and the Subsidiary Guarantors and the other guarantors party thereto (the "Indenture").

Based on the foregoing, and subject to the qualifications and limitations stated herein, we are of the opinion that:

(A) Each Subsidiary Guarantor is a validly existing corporation under the laws of the state of Oregon;

(B) Each Subsidiary Guarantor, (i) had all necessary corporate power and corporate authority to enter into and (ii), as of the date hereof, has all necessary corporate power and corporate authority to perform its obligations under, the Indenture; and

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(C) The execution, delivery and performance of the Indenture and the Exchange Guarantees has been authorized by all necessary corporate action of the Subsidiary Guarantors.

We hereby consent to the filing of this opinion letter as Exhibit 5.26 to the Registration Statement.

Very truly yours,

/s/ Stoel Rives LLP

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Exhibit 10.16

**FIRST AMENDMENT**
**TO THE**
**EMPLOYMENT AGREEMENT**
**OF KEVIN E. BENSON**

This agreement when countersigned by you will constitute an amendment to the employment agreement between you and Laidlaw Inc. dated as of September 16, 2002 (hereinafter the "Benson Employment Agreement").

This amendment has been approved by the Board of Directors of Laidlaw International, Inc. at its meeting held on November 19, 2003.

The Benson Employment Agreement is hereby amended by replacing the existing paragraph (b) in "ARTICLE 4 – COMPENSATION" in its entirety with the following paragraph (b):

(b) The Executive will be eligible to participate in LINC' s Short Term Incentive Plan. For fiscal years commencing September 1, 2002 and thereafter, the Executive' s target bonus shall be 100% of Base Salary and the maximum bonus shall be 200% of Base Salary. The Executive' s right to receive any bonus under LINC' s Short Term Incentive plan shall be determined based only upon measurements established by the Committee after consultation with the Executive and as set forth in accordance with LINC' s Short Term Incentive Plan.

The parties to the Benson Employment Agreement have executed this Agreement to be effective as of November 19, 2003.

LAIDLAW INTERNATIONAL, INC.

By: /s/ Richard P. Randazzo

Richard P. Randazzo
Chairman of the Human Resources
and Compensation Committee

EXECUTIVE

/s/ Kevin E. Benson

Kevin E. Benson

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Exhibit 10.17

# INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT, dated as of _____ (this "Agreement"), is made by and between Laidlaw International, Inc., a Delaware corporation (the "Company"), and _____ ("Indemnitee").

## RECITALS

A. It is important to the Company to attract and retain as directors and officers the most capable persons reasonably available.

B. Indemnitee is a director and officer of the Company.

C. Both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of companies in today' s environment.

D. The Company' s Certificate of Incorporation (the "Certificate of Incorporation") and By-laws (the "By-Laws") provide that the Company will indemnify its directors and officers**,** and Indemnitee' s willingness to serve as a director and/or officer of the Company is based in part on Indemnitee' s reliance on such provisions.

E. In recognition of Indemnitee' s need for substantial protection against personal liability in order to enhance Indemnitee' s continued service to the Company in an effective manner, and Indemnitee' s reliance on the aforesaid provisions of the Certificate of Incorporation and By-Laws, and to provide Indemnitee with express contractual indemnification (regardless of, among other things, any amendment to or revocation of such provisions or any change in the composition of the Company' s Board of Directors (the "Board") or any acquisition or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of Expenses (as defined in Section 1(c)) to Indemnitee as set forth in this Agreement and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company' s directors' and officers' liability insurance policies.

NOW, THEREFORE, the parties hereby agree as follows:

**1. Certain Definitions.** In addition to terms defined elsewhere herein, the following terms have the following meanings when used in this Agreement with initial capital letters:

(a) "**Affiliate**" has the meaning given to that term in Rule 405 under the United States Securities Act of 1933; provided, however, that for purposes of this Agreement the Company and its subsidiaries will not be deemed to constitute Affiliates of Indemnitee or the Company.

(b) "**Claim**" means any threatened, pending or completed action, suit or proceeding, or any inquiry or investigation, whether instituted, made or conducted by the Company or on its behalf or by any other party, including, without limitation, any governmental entity, that



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Indemnitee determines might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, arbitrative, investigative or other.

(c) "**Expenses**" includes attorneys' and experts' fees, expenses and charges and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any Claim.

(d) "**Indemnifiable Losses**" means any and all Expenses, damages, losses, liabilities, judgments, fines, penalties and amounts paid in settlement (including, without limitation, all interest, assessments and other charges paid or payable in connection with or in respect of any of the foregoing) (collectively, "Losses") relating to, resulting from, or arising out of, any act or failure to act by Indemnitee or his or her status as any person referred to in clause (i) of this sentence, (i) in his or her capacity as a director, officer, employee or agent of the Company, any of its Affiliates or any other entity, including another corporation, limited liability company, partnership, joint venture, trust or employee benefit plan, as to which Indemnitee is or was serving at the request of the Company as a director, officer, employee, member, manager, trustee or agent, whether or not for profit, and (ii) in respect of any business, transaction or other activity of any entity referred to in clause (i) of this sentence.

**2. Basic Indemnification Arrangement.** The Company will indemnify and hold harmless Indemnitee, to the fullest extent permitted by the laws of Delaware in effect on the date hereof or as such laws may from time to time hereafter be amended to increase the scope of such permitted indemnification, against all Indemnifiable Losses relating to, resulting from, or arising out, of any Claim as soon as practicable but in any event no later than 30 days after Indemnitee has made a written demand therefor. Unless otherwise required by the General Corporation Law of Delaware, the Certificate of Incorporation or the By-Laws, the failure by Indemnitee to notify the Company of such Claim, or to request in writing Indemnification in respect thereof, will not relieve the Company from any liability hereunder unless, and only to the extent that, the Company did not otherwise learn of the Claim and such failure results in forfeiture by the Company of substantial defenses, rights or insurance coverage. Except as provided in Section 17, however, Indemnitee will not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnitee against the Company or any director or officer of the Company unless the Company has joined in or consented to the initiation of such Claim. If so requested by Indemnitee by submission of a written request and undertaking substantially in the form of Exhibit 1 hereto, the Company will advance within two business days of such written request any and all Expenses to Indemnitee that Indemnitee determines reasonably likely to be payable; provided, however, that Indemnitee will return, without interest, any such advance that remains unspent at the final conclusion of the Claim to which the advance related.

**3. Indemnification for Additional Expenses.** Without limiting the generality or effect of the foregoing, the Company will indemnify Indemnitee against and, if requested by Indemnitee in writing, will within two business days of such request advance to Indemnitee, any and all Expenses paid or incurred by Indemnitee in connection with any Claim asserted against or action brought by Indemnitee for (a) indemnification or advance payment of Expenses by the Company under this Agreement or any other agreement or under any provisions of the



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Certificate of Incorporation or By-Laws now or hereafter in effect relating to Claims for Indemnifiable Losses or (b) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

**4. Partial Indemnity, Etc.** If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any Indemnifiable Loss but not for all of the total amount thereof, the Company will nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. Moreover, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Loss or in defense of any issue or matter therein, including, without limitation, dismissal without prejudice, Indemnitee will be indemnified against all Expenses incurred in connection therewith. In connection with any determination as to whether Indemnitee is entitled to be indemnified hereunder, there will be a presumption that Indemnitee is so entitled, which presumption the Company may overcome only by its adducing clear and convincing evidence to the contrary.

**5. No Other Presumption.** For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval), conviction, or upon a plea of *nolo contendere* or its equivalent, will not, of itself, create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

**6. Non-Exclusivity, Etc.** The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Certificate of Incorporation or By-Laws, or the General Corporation Law of Delaware, any other contract or otherwise (collectively, "Other Indemnity Provisions"); provided, however, that (a) to the extent that Indemnitee otherwise would have any greater right to indemnification under any Other Indemnity Provision, Indemnitee will be deemed to have such greater right hereunder and (b) to the extent that any change is made to any Other Indemnity Provision that permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to the Certificate of Incorporation or By-Laws the effect of which would be to deny, diminish or encumber Indemnitee' s right to indemnification under this Agreement or any Other Indemnity Provision.

**7. Liability Insurance and Funding.** To the extent the Company maintains an insurance policy or policies providing directors' and officers' liability insurance, Indemnitee will be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any director or officer of the Company. The Company may, but will not be required to, create a trust fund, grant a security interest or use other means, including, without limitation, a letter of credit, to ensure the payment of such amounts as may be necessary to satisfy its obligations to indemnify and advance expenses pursuant to this Agreement.



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**8. Subrogation.** In the event of payment under this Agreement, the Company will be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other persons or entities (other than Indemnitee' s successors). Indemnitee will execute all papers reasonably required to evidence such rights (all of Indemnitee' s reasonable Expenses, including attorneys' fees and charges, related thereto to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

**9. No Duplication of Payments.** The Company will not be liable under this Agreement to make any payment in connection with any Indemnifiable Loss made against Indemnitee to the extent Indemnitee has otherwise actually received payment (net of Expenses incurred in connection therewith) under any insurance policy or Other Indemnity Provisions or otherwise of the amounts otherwise indemnifiable hereunder.

**10. Defense of Claims.** The Company will be entitled to participate in the defense of any Claim or to assume (in a prompt and timely manner) the defense thereof, with counsel reasonably satisfactory to Indemnitee, provided that in the event that (a) the use of counsel chosen by the Company to represent Indemnitee would present such counsel with an actual or potential conflict, (b) the named parties in any such Claim (including any impleaded parties) include both the Company and Indemnitee and Indemnitee shall conclude that there may be one or more legal defenses available to him or her that are different from or in addition to those available to the Company or (c) any such representation by the Company would be precluded under the applicable standards of professional conduct then prevailing, then Indemnitee will be entitled to retain separate counsel (but not more than one law firm plus, if applicable, local counsel in respect of any particular Claim) at the Company' s expense. The Company will not, without the prior written consent of Indemnitee, effect any settlement of any threatened or pending Claim that Indemnitee is or could have been a party unless such settlement solely involves the payment of money and includes an unconditional release of Indemnitee from all liability on any claims that are the subject matter of such Claim.

**11. Successors and Binding Agreement.** (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnitee and his counsel, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including, without limitation, any person acquiring directly or indirectly all or substantially all of the business or assets of the Company, whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for purposes of this Agreement), but will not otherwise be assignable or delegatable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by Indemnitee' s personal or legal representatives, executors, administrators, successors, heirs, distributees or other successors.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign or delegate this Agreement or any rights or obligations



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hereunder except as expressly provided in Sections 11(a) and 11(b). Without limiting the generality or effect of the foregoing, Indemnitee' s right to receive payments hereunder will not be assignable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Indemnitee' s will or by the laws of descent and distribution, and, in the event of any attempted assignment or transfer contrary to this Section 11(c), the Company will have no liability to pay any amount so attempted to be assigned or transferred.

**12. Notices.** For all purposes of this Agreement, all communications, including, without limitation, notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid or one business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) and to Indemnitee at the addresses shown on the signature page hereto, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

**13. Governing Law.** The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the substantive laws of Delaware without giving effect to the principles of conflict of laws. Each party consents to non-exclusive jurisdiction of any jurisdiction in which a Claim is commenced by a third person for purposes of any action, suit or proceeding hereunder, waives any objection to venue therein or any defense based on *forum non conveniens* or similar theories and agrees that service of process may be effected in any such action, suit or proceeding by notice given in accordance with Section 12.

**14. Validity.** If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent, and only to the extent, necessary to make it enforceable, valid or legal.

**15. Miscellaneous.** No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing signed by Indemnitee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement. References to Sections are to references to Sections of this Agreement.



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**16. Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same agreement.

**17. Legal Fees and Expenses.** It is the intent of the Company that Indemnitee not be required to incur legal fees and or other expenses associated with the interpretation, enforcement or defense of Indemnitee' s rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to Indemnitee hereunder. Accordingly, without limiting the generality or effect of any other provision hereof, if Indemnitee determines that the Company has failed to comply with any of its obligations under this Agreement or in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, the Company irrevocably authorizes Indemnitee from time to time to retain counsel of Indemnitee' s choice, at the expense of the Company as hereafter provided, to advise and represent Indemnitee in connection with any such interpretation, enforcement or defense, including, without limitation, the initiation or defense of any litigation or other legal action, whether by or against the Company or any director, officer, stockholder or other person affiliated with the Company, in any jurisdiction. Notwithstanding any existing or prior attorney-client relationship between the Company and such counsel, the Company irrevocably consents to Indemnitee' s entering into an attorney-client relationship with such counsel and, in connection therewith, the Company and Indemnitee agree that a confidential relationship shall exist between Indemnitee and such counsel. Without respect to whether Indemnitee prevails, in whole or in part, in connection with any of the foregoing, the Company will pay and be solely financially responsible for any and all attorneys' and related fees and expenses incurred by Indemnitee in connection with any of the foregoing.

**18. Certain Interpretive Matters.** No provision of this Agreement will be interpreted in favor of, or against, either of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

[signature page follows]



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IN WITNESS WHEREOF, Indemnitee has executed and the Company has caused its duly authorized representatives to execute this Agreement as of the date first above written.

LAIDLAW INTERNATIONAL, INC.

By: _____

Name:
Title:

_____



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**EXHIBIT 1**

**Undertaking**

State of )
_____
)ss.
County of _____ )

I, _____, being first duly sworn, do depose and say as follows:

1. This Undertaking is submitted pursuant to the Indemnification Agreement, dated _____, 20____, between Laidlaw International, Inc. (the "Company"), a Delaware corporation, and the undersigned.

2. I am requesting advancement of certain costs, charges and expenses which I have incurred or will incur in defending a civil or criminal action, suit, proceeding or claim.

3. I hereby undertake to repay this advancement of expenses if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that I am not entitled to be indemnified by the Company under the aforesaid Indemnification Agreement or otherwise.

4. The costs, charges and expenses for which advance is requested are, in general, all expenses related to:

_____

_____

_____
Signature

Subscribed and sworn to before me, a Notary Public in and for said County and State, this _____ day of _____, 20____.

[Seal]

_____
Notary Public
My commission expires

_____



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Exhibit 10.18

**LAIDLAW INTERNATIONAL, INC.**
$825,000,000 CREDIT AGREEMENT

**THIRD AMENDMENT**
**Dated as of January 28, 2004**

THIS THIRD AMENDMENT TO CREDIT AGREEMENT, dated as of January 28, 2004 (this "***Amendment***"), is among LAIDLAW INTERNATIONAL, INC. (f/k/a Laidlaw Investments Ltd., an Ontario corporation), a Delaware corporation ("***LII***" or the "***US Borrower***"), LAIDLAW TRANSIT LTD., an Ontario corporation ("***LTI***") and GREYHOUND CANADA TRANSPORTATION CORP., an Ontario corporation (together with LII and LTI, collectively, the "***Borrowers***"), the Lenders (as defined below) signatories hereto, CITICORP NORTH AMERICA, INC., as administrative agent for the Lenders (in such capacity, the "***Administrative Agent***"), CREDIT SUISSE FIRST BOSTON, acting through its Cayman Islands Branch, as syndication agent (in such capacity, the "***Syndication Agent***"), and GENERAL ELECTRIC CAPITAL CORPORATION, as co-documentation agent (in such capacity, the "***Co-Documentation Agent***").

**WITNESSETH:**

WHEREAS, the Borrowers, certain financial institutions and other persons from time to time parties thereto (collectively, the "***Lenders***"), Citicorp North America, Inc., as Collateral Agent, the Administrative Agent, the Syndication Agent and the Co-Documentation Agent, have entered into that certain Credit Agreement dated as of June 19, 2003, as amended by the Amendment to the Credit Agreement, dated as of June 26, 2003, and the Second Amendment to the Credit Agreement, dated as of December 17, 2003 (as so amended, the "***Credit Agreement***"; capitalized terms used herein but not defined shall be used herein as defined in the Credit Agreement);

WHEREAS, the Borrowers and the Required Lenders have agreed, subject to the terms and conditions hereinafter set forth, to amend the Credit Agreement as hereinafter set forth;

NOW, THEREFORE, for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto hereby agree as follows:

SECTION 1. Amendment of Credit Agreement. The Credit Agreement is hereby amended as follows:

(a) Section 1.01 of the Credit Agreement is hereby amended by adding the following definitions in alphabetical order:

""***Excluded ERISA Event***" means (i) the occurrence of a "reportable event" within the meaning of Section 4043.23 or 4043.34 of the PBGC regulations under Section 4043 of ERISA, (ii) the occurrence of a "reportable event" within the meaning of

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Section 4043.25, 4043.30 or 4043.35 of the PBGC regulations under Section 4043 of ERISA or (iii) the occurrence of any of the events or circumstances described in clause (d), (f), or (h) of the definition of "ERISA Event," in each case with respect to any Pension Plan of Greyhound or any of its Subsidiaries and, in the case of an occurrence described in clause (ii) or (iii) above, in connection with the commencement of a proceeding of the type described in Section 6.01(f) by or against Greyhound or any of its Subsidiaries."

""""***Greyhound***" means Greyhound Lines, Inc., a Delaware corporation."

""""***Settlement Period***" means the period beginning with the occurrence of an Excluded ERISA Event and ending on the earliest of (i) the date an acceptable settlement agreement is entered into with the PBGC (as determined in accordance with the immediately succeeding sentence), (ii) the date the Required Lenders otherwise determine that the Settlement Period should end and (iii) the date of the entry by the applicable bankruptcy court of a final non-appealable order confirming a chapter 11 plan in Greyhound' s Chapter 11 bankruptcy proceeding. A settlement agreement with the PBGC shall be deemed acceptable for purposes of terminating a Settlement Period to the extent that the aggregate amount of payments required to be made with respect to the Pension Plans for any plan year except 2006 are less than or equal to $20 million or for the 2006 plan year are less than or equal to $50.5 million or to the extent the Required Lenders otherwise agree that such settlement agreement is acceptable."

(b) Section 3.03 of the Credit Agreement is hereby amended by deleting the word "and" immediately preceding clause (b) thereof and substituting a "," therefor and adding a new clause (c) at the end thereof to read as follows:

"and (c), during any Settlement Period, any Notice of Borrowing, Notice of Issuance, Notice of Drawing and Notice of Renewal shall be accompanied by a certificate from the chief financial officer of the US Borrower in form and substance satisfactory to the Administrative Agent that certifies as to the intended use of the proceeds of such Borrowing, drawing, issuance or renewal."

(c) Section 5.02(a) of the Credit Agreement is amended by adding a new Section 5.02(a)(ix) to read in full as follows:

"(ix) Liens of the PBGC arising in connection with an Excluded ERISA Event; *provided,* that, (i) the PBGC enters into an intercreditor agreement with respect to such Liens that is substantially similar in all material respects to the Intercreditor Agreement dated as of June 19, 2003 among the Agent, on behalf of the Lenders, the PBGC and certain Loan Parties and (ii) the Obligations secured by such Liens shall not exceed the lesser of $110 million and an amount equal to 30% of the collective net worth of each Loan Party and ERISA Affiliate having a net worth greater than zero (as calculated pursuant to Section 4062(d) of ERISA)."

(d) Section 5.02(g) of the Credit Agreement is amended by adding the following parenthetical after the third reference to the term "Equity Interests" set forth therein:



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"(other than in the case of the US Borrower, Equity Interests consisting of common stock)"

(e) Section 5.03(j) of the Credit Agreement is hereby amended by inserting a new subsection (vi) to read as follows:

"(vi) Settlement Period Reports. During any Settlement Period, promptly and in any event within five Business Days after the end of each calendar month, deliver monthly written reports that update the Administrative Agent and the Lenders as to the status of any negotiations with the PBGC, together with copies of all material written correspondence between any member of the Laidlaw Group and the PBGC."

(f) Section 6.01 of the Credit Agreement is hereby amended by amending and restating subsection (l) in its entirety to read in full as follows:

"(l) (i) any ERISA Event, other than an Excluded ERISA Event, shall have occurred with respect to a Plan and the sum (determined as of the date of occurrence of such ERISA Event) of the Insufficiency of such Plan and the Insufficiency of any and all other Plans with respect to which an ERISA Event, other than an Excluded ERISA Event, shall have occurred and then exist (or the liability of the Loan Parties and the ERISA Affiliates related to such ERISA Event) exceeds $15,000,000; or

(ii) any Excluded ERISA Event shall have occurred and any of the following events shall occur: (A) any Loan Party shall incur liability in connection with or as a result of such Excluded ERISA Event under which the aggregate amount of payments made or required to be made with respect to the Pension Plans for any plan year except 2006 shall exceed $20 million or for the 2006 plan year shall exceed $50.5 million, (B) any Loan Party shall incur liability under Section 4062, 4063 or 4064 of ERISA in connection with or as a result of such Excluded ERISA Event in an aggregate amount exceeding $110 million, (C) a Lien (not including any Lien under the Junior Security Agreement dated June 18, 2003 by the grantors named therein in favor of the PBGC) shall arise on the assets of any Loan Party in an amount exceeding the lesser of $110 million and an amount equal to 30% of the collective net worth of each Loan Party and ERISA Affiliate having a net worth greater than zero (as calculated pursuant to Section 4062(d) of ERISA) or (D) the PBGC shall commence any action or proceeding or otherwise take any steps to exercise or enforce its rights with respect to assets of any Loan Party (including, without limitation, the seizure of or control over any asset of any Loan Party but not including any steps taken to perfect or protect Liens on any asset as permitted by Section 5.02(a)(ix)); or"



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SECTION 2. Conditions to Effectiveness. This Amendment and the amendments contained herein shall become effective on the date (the "***Effective Date***") when each of the conditions set forth in this Section 2 to this Amendment shall have been fulfilled to the satisfaction of the Administrative Agent.

(i) Execution of Counterparts. The Administrative Agent shall have received counterparts of this Amendment, duly executed and delivered by the Borrowers and the Required Lenders.

(ii) Amendment Fee. The Administrative Agent shall have received, for the account of each Lender that shall have executed this Amendment before 12:00 pm (New York time) on January 28, 2004, an amendment fee in an amount equal to 0.10% of the aggregate amount of each such Lender' s Advances and Commitments.

(iii) Payment of Other Fees and Expenses. The Administrative Agent shall have determined that all agency, trustee, custodial, filing service, legal and other fees and disbursements incurred and invoiced through the day immediately prior to the Effective Date, including all fees of the Administrative Agent and its counsel, shall have been paid in full by the Borrowers.

(iv) Execution of Consent. The Administrative Agent shall have received counterparts of the consent appended hereto, duly executed by each of the entities listed therein.

(v) Resolutions. The Administrative Agent shall have received certified copies of (A) any necessary resolutions of the Board of Directors of each of the Borrowers evidencing approval for this Amendment and all matters contemplated hereby and (B) all documents evidencing other necessary corporate action and governmental and other third party approvals and consents if any, with respect to this Amendment and the matters contemplated hereby.

(vi) Certificates. The Administrative Agent shall have received a certificate of the Acting Secretary of each of the Borrowers certifying (A) the names and true signatures of the officers of each Borrower authorized to sign this Amendment and the other documents to be delivered hereunder, (B) that no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body, or any third party to any agreements and instruments is required for the due execution, delivery or performance by each Borrower of this Amendment, (C) the representations and warranties contained in Section 3 of this Amendment are true and correct and (D) no event has occurred and is continuing that constitutes a Default.

(vii) Legal Details, Etc. All documents executed or submitted pursuant hereto shall be satisfactory in form and substance to the Administrative Agent and Shearman & Sterling LLP as counsel. The Administrative Agent and its counsel shall have received all information and such counterpart originals or such certified or other copies or such materials as the Administrative Agent or its counsel may reasonably request, and all legal



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matters incident to the transactions contemplated by this Amendment shall be satisfactory to the Administrative Agent and its counsel.

(viii) No Default. No Default shall have occurred and be continuing, or would occur as a result of the transactions contemplated by this Amendment.

SECTION 3. Confirmation of Representations and Warranties. Each of the Borrowers hereby represents and warrants, on and as of the date hereof, that the representations and warranties contained in the Credit Agreement are correct and true in all material respects on and as of the date hereof, before and after giving effect to this Amendment, as though made on and as of the date hereof, other than any such representations or warranties that, by their terms, refer to a specific date.

SECTION 4. Reference to and Effect on the Transaction Documents. (a) On and after the effectiveness of this Amendment, each reference in the Credit Agreement to "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the other transaction documents to the "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as modified by this Amendment.

(b) The Credit Agreement, the Notes and each of the other Loan Documents, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. Without limiting the generality of the foregoing, the Collateral Documents and all of the Collateral described therein do and shall continue to secure the payment of all Obligations of the Loan Parties under the Loan Documents, in each case as amended by this Amendment.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or any Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

SECTION 5. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 6. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York, and shall be subject to the jurisdictional and service provisions of the Credit Agreement, as if this were a part of the Credit Agreement.

SECTION 7. Entire Agreement; Modification. This Amendment constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, there being no other agreements or understandings, oral, written or otherwise, respecting such subject matter,



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any such agreement or understanding being superseded hereby, shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, and may not be amended, extended or otherwise modified, except in a writing executed in whole or in counterparts by each party hereto.

[Signatures follow.]



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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered by their respective authorized officers as of the day and year first above written.

**Borrowers:**

LAIDLAW INTERNATIONAL, INC.

By: /s/ Douglas A. Carty
Name: Douglas A. Carty
Title: Senior Vice President & Chief Financial Officer

LAIDLAW TRANSIT LTD.

By: /s/ Douglas A. Carty
Name: Douglas A. Carty
Title: Senior Vice President & Chief Financial Officer

GREYHOUND CANADA TRANSPORTATION CORP.

By: /s/ Douglas A. Carty
Name: Douglas A. Carty
Title: Senior Vice President & Chief Financial Officer

**Administrative Agent:**

CITICORP NORTH AMERICA, INC.

By: /s/ Citicorp North America, Inc.
Name:
Title:

Agreed as of the date above written:

(*Please type or print legal name of Lender*)

By: _____

Name:
Title:



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**CONSENT**

Reference is made to the Credit Agreement, dated as of June 19, 2003, as amended by the Amendment to the Credit Agreement, dated as of June 26, 2003, the Second Amendment to the Credit Agreement, dated as of December 17, 2003 and the Third Amendment to the Credit Agreement dated as of January 28, 2004 among the Borrowers, the Lenders party thereto, Citicorp North America, Inc., as Administrative Agent, Credit Suisse First Boston, acting through its Cayman Islands Branch, as Syndication Agent, and General Electric Capital Corporation, as Co-Documentation Agent (such Credit Agreement, as so amended, the "Credit Agreement").

Each of the undersigned confirms and agrees that (a) notwithstanding the effectiveness of the foregoing Third Amendment to the Credit Agreement, each Loan Document to which such Person is a party is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects, in each case as amended by the Third Amendment to the Credit Agreement, and (b) the Collateral Documents to which such Person is a party and all of the Collateral described therein do, and shall continue to, secure the payment of all of the Secured Obligations and the Guaranteed Obligations, respectively (in each case, as defined therein).

[Signatures follow.]



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**S.C. FOOD SERVICES (U.S.A.), INC.,**
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**SAFE RIDE SERVICES, INC.**,
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a Georgia corporation

**TUCKER EMERGENCY SERVICES, INC.**,
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**VAN TRAN OF TUCSON, INC.,**
an Arizona corporation

By: /s/ Douglas A. Carty

Name: Douglas A. Carty
Title: Senior Vice President & Chief Financial Officer



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**3765101 CANADA INC.**

**501781 ONTARIO LIMITED**

**518841 ALBERTA INC.**

**ATHLETIC INJURY MANAGEMENT SERVICES INC.**

**AUTOBUS TRANSCO (1988) INC.**

**BARREL TAXI LTD.**
**BEAVERTON & DISTRICT AMBULANCE SERVICES LTD.**

**BOOK AMBULANCE SERVICE LTD.**

**BRANT COUNTY AMBULANCE SERVICE LIMITED**

**CANADIAN MEDICAL RESPONSE (NOVA SCOTIA) LIMITED**

**3524302 CANADA INC.**

**CAPITAL BUS SALES (1988) LIMITED**

**CHECKER CABS (EDMONTON) INC.**

**GRAY COACH TRAVEL INC.**

**GRAY LINE OF VANCOUVER HOLDINGS LTD.**

**MANHATTAN EQUIPMENT SUPPLY COMPANY LIMITED**

**MEDTRANS MEDICAL TRANSPORTATION LTD.**



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**THE GRAY LINE OF VICTORIA LTD.**

**VOYAGEUR CORP.**

**N.N. LEE K. INVESTMENTS LTD.**

**C. SEELEY' S BUS LINES LTD.**

**GCTC LEASING LTD.**

**2026922 ONTARIO LIMITED**

**2026921 ONTARIO LIMITED**

By: /s/ Douglas A. Carty

Name: Douglas A. Carty
Title: Senior Vice President & Chief Financial Officer



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**Exhibit 12.1**

**Laidlaw International, Inc.**
**Earnings to Fixed Charges**
**(dollars in millions except ratio amounts)**

| | Predecessor Company | | | | | | Predecessor Company | |
|---|---|---|---|---|---|---|---|---|
| | Year Ended August 31, | | | | For the period September 1, 2002 through May 31, 2003 | For the period June 1, 2003 through August 31, 2003 | Three Months Ended November 30, | |
| | 1999 | 2000 | 2001 | 2002 | | | 2002 | 2003 |
| **Consolidated:** | | | | | | | | |
| **Earnings:** | | | | | | | | |
| Income (loss) from continuing operations before income taxes and cumulative effect of change in accounting principles | $ (173.3) | $ (348.5) | $ (292.3) | $ 5.1 | $ 997.1 | $ (19.9) | $ 42.5 | $ 37.7 |
| Fixed charges | 218.0 | 321.2 | 313.4 | 77.1 | 54.2 | 43.0 | 18.3 | 44.2 |
| Total earnings (loss) excluding fixed charges | $ 44.7 | $ (27.3 ) | $ 21.1 | $ 82.2 | $ 1,051.3 | $ 23.1 | $ 60.8 | $ 81.9 |
| **Fixed Charges:** | | | | | | | | |
| Interest expense on debt | 185.8 | 275.1 | 270.9 | 27.7 | 19.6 | 31.5 | 6.5 | 32.7 |
| One-third of rental expense for all operating leases (the amount deemed representative of the interest factor) | 32.2 | 46.1 | 42.5 | 49.4 | 34.6 | 11.5 | 11.8 | 11.5 |
| Total fixed charges | $ 218.0 | $ 321.2 | $ 313.4 | $ 77.1 | $ 54.2 | $ 43.0 | $ 18.3 | $ 44.2 |
| **Ratio of earnings to fixed charges** | **0.2** | **(0.1 )** | **0.1** | **1.1** | **19.4** | **0.5** | **3.3** | **1.9** |
| **Restricted Group:** | | | | | | | | |
| **Earnings:** | | | | | | | | |

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| | | | | | | |
|---|---|---|---|---|---|---|
| Income (loss) from continuing operations before income taxes and cumulative effect of change in accounting principles | $ (312.7) | $ 17.9 | $ 1,141.4 | $ (49.8) | $ 59.0 | $ 46.4 |
| Fixed charges | 271.8 | 29.5 | 19.8 | 28.6 | 6.8 | 31.3 |
| Total earnings (loss) excluding fixed charges | $ (40.9 ) | $ 47.4 | $ 1,161.2 | $ (21.2) | $ 65.8 | $ 77.7 |
| **Fixed Charges:** | | | | | | |
| Interest expense on debt | 249.8 | 6.1 | 3.8 | 23.1 | 1.4 | 25.9 |
| One-third of rental expense for all operating leases (the amount deemed representative of the interest factor) | 22.0 | 23.4 | 16.0 | 5.5 | 5.4 | 5.4 |
| Total fixed charges | $ 271.8 | $ 29.5 | $ 19.8 | $ 28.6 | $ 6.8 | $ 31.3 |
| **Ratio of earnings to fixed charges** | **(0.2 )** | **1.6** | **58.7** | **(0.7 )** | **9.7** | **2.5** |

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Exhibit 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-4 of Laidlaw International, Inc. of our reports dated November 18, 2003 relating to the financial statements and financial statement schedules, which appear in Laidlaw International, Inc.' s Annual Report on Form 10-K for the period ended August 31, 2003. We also consent to the references to us under the headings "Experts" and "Selected Consolidated Financial Data" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP
Mississauga, Ontario
January 29, 2004

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Exhibit 24.1

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of Laidlaw International, Inc., a Delaware corporation (the "Company"), hereby constitutes and appoints Kevin E. Benson, Douglas A. Carty and Jeffrey W. Sanders, and each of them, as his or her true and lawful attorney or attorneys-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of the Company' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 28th day of January, 2004.

| Signature | Title |
|---|---|
| /s/ Kevin E. Benson<br>Kevin E. Benson | President and Chief Executive Officer (Principal Executive Officer) and Director |
| /s/ Douglas A. Carty<br>Douglas A. Carty | Senior Vice President and Chief Financial Officer (Principal Financial Officer) |
| /s/ Wayne R. Bishop<br>Wayne R. Bishop | Vice President and Controller (Principal Accounting Officer) |
| /s/ John F. Chlebowski<br>John F. Chlebowski | Director |
| /s/ James H. Dickerson, Jr.<br>James H. Dickerson, Jr. | Director |
| /s/ Lawrence M. Nagin<br>Lawrence M. Nagin | Director |
| /s/ Vicki A. O' Meara<br>Vicki A. O' Meara | Director |

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/s/ Richard P. Randazzo — Director

Richard P. Randazzo

/s/ Maria A. Sastre — Director

Maria A. Sastre

/s/ Peter E. Stangl — Director

Peter E. Stangl

/s/ Carroll R. Wetzel, Jr. — Director

Carroll R. Wetzel, Jr.

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**CONCORDE ADJUSTERS, INC.**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of Concorde Adjusters, Inc., a Delaware corporation, hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney or attorneys-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International Inc.' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 26th day of January, 2004.

| **Signature** | **Title** |
|---|---|
| /s/ Jeffrey Cassell<br>Jeffrey Cassell | President (Principal Executive Officer) and Director |

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**LAIDLAW INTERNATIONAL FINANCE CORPORATION, INC.**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of Laidlaw International Finance Corporation, Inc., a Delaware corporation, hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney or attorneys-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International Inc.' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 26th day of January, 2004.

| **Signature** | **Title** |
|---|---|
| /s/ Kevin E. Benson<br>Kevin E. Benson | President (Principal Executive Officer) |

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**LAIDLAW MEDICAL HOLDINGS, INC.**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of Laidlaw Medical Holdings, Inc., a Delaware corporation, hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney or attorneys-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International, Inc.' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 26th day of January, 2004.

| Signature | Title |
|---|---|
| /s/ Kevin E. Benson<br>Kevin E. Benson | President (Principal Executive Officer) and Director |
| /s/ William A. Sanger<br>William A. Sanger | Director |

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**S.C. FOOD SERVICES (U.S.A.), INC.**
**LAIDLAW ONE, INC.**
**LAIDLAW TWO, INC.**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of each of the entities listed above hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney or attorneys-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International, Inc.' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 26th day of January, 2004.

| **Signature** | **Title** |
|---|---|
| /s/ Kevin E. Benson<br>Kevin E. Benson | President (Principal Executive Officer) and Director |

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**LAIDLAW TRANSPORTATION, INC.**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of Laidlaw Transportation, Inc., a Delaware corporation, hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney or attorneys-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International, Inc.' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 26th day of January, 2004.

| **Signature** | **Title** |
|---|---|
| /s/ Kevin E. Benson<br>Kevin E. Benson | President and Chief Executive Officer (Principal Executive Officer) and Director |

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**LAIDLAW TRANSPORTATION HOLDINGS, INC.**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of Laidlaw Transportation Holdings, Inc., a Delaware corporation, hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney or attorneys-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International, Inc.' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 26th day of January, 2004.

| **Signature** | **Title** |
|---|---|
| /s/ Kevin E. Benson<br>Kevin E. Benson | President (Principal Executive Officer) and Director |

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**LINC TRANSPORTATION, LLC**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers of LINC Transportation, LLC, a Delaware limited liability company, hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney or attorneys-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International, Inc.' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 26th day of January, 2004.

| **Signature** | **Title** |
|---|---|
| /s/ Kevin E. Benson<br>Kevin E. Benson | President (Principal Executive Officer) |

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**LAIDLAW USA, INC.**
**LAIDLAW TRANSPORTATION MANAGEMENT, INC.**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of the above named companies, hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney or attorneys-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International, Inc.' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 26th day of January, 2004.

| **Signature** | **Title** |
|---|---|
| /s/ Kevin E. Benson<br>Kevin E. Benson | President (Principal Executive Officer) |

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**CHATHAM COACH LINES, INC., LAIDLAW TRANSIT, INC., ALLIED BUS SALES, INC., LAIDLAW TRANSIT MANAGEMENT COMPANY, INC.**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of each of the entities listed above hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International, Inc.' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 28th day of January, 2004.

| Signature | Title |
|---|---|
| /s/ J. Hugh MacDiarmid<br>J. Hugh MacDiarmid | President and Chief Executive Officer (Principal Executive Officer) and Director |
| /s/ John Miller<br>John Miller | Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) |

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**SAFE RIDE SERVICES, INC., VAN TRAN OF TUCSON, INC., LAIDLAW TRANSIT SERVICES, INC., SUTRAN, INC.**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of each of the entities listed above hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International, Inc.' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 28th day of January, 2004.

| Signature | Title |
|---|---|
| /s/ J. Hugh MacDiarmid<br>J. Hugh MacDiarmid | President and Chief Executive Officer (Principal Executive Officer) and Director |
| /s/ Larry Sisel<br>Larry Sisel | Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) |

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**LAIDLAW TRANSIT HOLDINGS, INC.**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of Laidlaw Transit Holdings, Inc., a Delaware corporation , hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International, Inc.' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 26th day of January, 2004.

| **Signature** | **Title** |
|---|---|
| /s/ Kevin E. Benson<br>Kevin E. Benson | President<br>(Principal Executive Officer) |

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**EMCARE OF ALABAMA, INC., EMCARE OF ARIZONA, INC., EMCARE CONTRACT OF ARKANSAS, INC., AMERICAN EMERGENCY PHYSICIANS MANAGEMENT, INC., EMCARE OF CALIFORNIA, INC., FIRST MEDICAL/EMCARE INC., HELIX PHYSICIANS MANAGEMENT, INC., NORMAN BRUCE JETTON, INC., PACIFIC EMERGENCY SPECIALISTS MANAGEMENT, INC., EMCARE OF COLORADO, INC., EMCARE OF CONNECTICUT, INC., EMCARE ANESTHESIA SERVICES, INC., EMCARE PHYSICIAN SERVICES, INC., EM-CODE REIMBURSEMENT SOLUTIONS, INC., HEALTHCARE ADMINISTRATIVE SERVICES, INC., OLD STAT, INC., PROVIDER ACCOUNT MANAGEMENT, INC., EMCARE OF FLORIDA, INC., STAT PHYSICIANS, INC., PHYSICIAN ACCOUNT MANAGEMENT INC., EMCARE OF GEORGIA, INC., TIFTON MANAGEMENT SERVICES, INC., TUCKER EMERGENCY SERVICES, INC., CHARLES T. MITCHELL, INC., EMCARE OF HAWAII, INC., EMCARE SERVICES OF ILLINOIS, INC., EMCARE OF INDIANA, INC., EMCARE OF IOWA, INC., EMCARE OF KENTUCKY, INC., EMCARE OF LOUISIANA, INC., EMCARE SERVICES OF MASSACHUSETTS, INC., EMCARE OF MICHIGAN, INC., EMCARE OF MINNESOTA, INC., EMCARE OF MISSISSIPPI, INC., ECEP, INC., EMCARE OF MISSOURI, INC., EMCARE PHYSICIAN PROVIDERS, INC., EMCARE OF NEVADA, INC., EMCARE OF NEW HAMPSHIRE, INC., EMCARE OF NEW JERSEY, INC., EMCARE OF NEW MEXICO, INC., EMCARE OF NEW YORK, INC., EMCARE OF NORTH CAROLINA, INC., EMCARE OF NORTH DAKOTA, INC., EMCARE OF OHIO, INC., EMCARE OF OKLAHOMA, INC., EMCARE OF OREGON, INC., COORDINATED HEALTH SERVICES, INC., EMCARE OF PENNSYLVANIA, INC., REIMBURSEMENT TECHNOLOGIES, INC., EMCARE OF RHODE ISLAND, INC., EMCARE OF SOUTH CAROLINA, INC., EMCARE OF TENNESSEE, INC., EMCARE OF TEXAS, INC., EMERGENCY MEDICINE EDUCATION SYSTEMS, INC., EMERGENCY SPECIALISTS OF ARKANSAS, INC. II, THE GOUPLD GROUP, INC., EMCARE OF VERMONT, INC., EMCARE OF VIRGINIA, INC., EMCARE OF WASHINGTON, INC., EMCARE OF WEST VIRGINIA, INC., EMCARE OF WISCONSIN, INC.**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of each of the entities listed above hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the “Securities Act”) one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International, Inc.’ s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and

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all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 28th day of January, 2004.

| Signature | Title |
| --- | --- |
| /s/ William A. Sanger<br>William A. Sanger | Chief Executive Officer (Principal Executive Officer) and Director |
| /s/ Steve Ratton, Jr.<br>Steve Ratton, Jr. | Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) |

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**EMCARE HOLDINGS INC.**
**EMCARE, INC.**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of each of the entities listed above hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International, Inc.' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 28th day of January, 2004.

| Signature | Title |
|---|---|
| /s/ William A. Sanger<br>William A. Sanger | Chief Executive Officer (Principal Executive Officer) and Director |
| /s/ Steve Ratton, Jr.<br>Steve Ratton, Jr. | Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) |
| /s/ Kevin E. Benson<br>Kevin E. Benson | Director |

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**EMCARE OF MARYLAND, LLC**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers of EmCare of Maryland, LLC, a Delaware limited liability company, hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International, Inc.' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 28th day of January, 2004.

| Signature | Title |
|---|---|
| /s/ William A. Sanger<br>William A. Sanger | Chief Executive Officer (Principal Executive Officer) |
| /s/ Steve Ratton, Jr.<br>Steve Ratton, Jr. | Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) |

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**A1 LEASING, INC., AMERICAN MEDICAL RESPONSE OF COLORADO, INC., AMERICAN MEDICAL RESPONSE OF GEORGIA, INC., AMERICAN MEDICAL RESPONSE OF ILLINOIS, INC., AMERICAN MEDICAL RESPONSE OF NORTH CAROLINA, INC., AMERICAN MEDICAL RESPONSE OF OKLAHOMA, INC., AMERICAN MEDICAL RESPONSE OF SOUTH CAROLINA, INC., AMERICAN MEDICAL RESPONSE OF TENNESSEE, INC., AMERICAN MEDICAL RESPONSE OF TEXAS, INC., ATLANTIC AMBULANCE SERVICES ACQUISITION, INC., ATLANTIC/KEY WEST AMBULANCE, INC., ATLANTIC/PALM BEACH AMBULANCE, INC., BROWARD AMBULANCE, INC., FLORIDA EMERGENCY PARTNERS, INC., FOUNTAIN AMBULANCE SERVICE, INC., HANK' S ACQUISITION CORP., KUTZ AMBULANCE SERVICE, INC., LIFECARE AMBULANCE SERVICE, INC., LIFEFLEET SOUTHEAST, INC., MEDEVAC MEDICAL RESPONSE, INC., MEDEVAC MIDAMERICA, INC., MEDIC ONE AMBULANCE SERVICES, INC., MEDIC ONE OF COBB, INC., MEDLIFE EMERGENCY MEDICAL SERVICE, INC., METRO AMBULANCE SERVICE (RURAL), INC., METRO AMBULANCE SERVICE, INC., METRO AMBULANCE SERVICES, INC., MOBILE MEDIC AMBULANCE SERVICE, INC., PUCKETT AMBULANCE SERVICE, INC., REGIONAL EMERGENCY SERVICES, LP, SEMINOLE COUNTY AMBULANCE, INC., TEK, INC., TIDEWATER AMBULANCE SERVICE, INC., TROUP COUNTY EMERGENCY MEDICAL SERVICES, INC.**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of each of the entities listed above hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International, Inc.' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

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This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 28th day of January, 2004.

| Signature | Title |
| --- | --- |
| /s/ William Pahl<br>William Pahl | President and Chief Executive Officer (Principal Executive Officer) |
| /s/ Edmund Zdobinski<br>Edmund Zdobinski | Vice President, Treasurer and Assistant Secretary (Principal Financial Officer and Principal Accounting Officer) |
| /s/ William A. Sanger<br>William A. Sanger | Director |

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**AMERICAN MEDICAL RESPONSE OF SOUTHERN CALIFORNIA, AMERICAN MEDICAL RESPONSE OF INLAND EMPIRE, HEMET VALLEY AMBULANCE SERVICE, INC., SPRINGS AMBULANCE SERVICE, INC., DESERT VALLEY MEDICAL TRANSPORT, INC., AMERICAN INVESTMENT ENTERPRISES, INC., MERCY, INC.**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of each of the entities listed above hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International, Inc.' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 28th day of January, 2004.

| Signature | Title |
|---|---|
| /s/ David Mintz<br>David Mintz | President and Chief Executive Officer (Principal Executive Officer) |
| /s/ Mark Gregg<br>Mark Gregg | Vice President, Treasurer and Assistant Secretary (Principal Financial Officer and Principal Accounting Officer) |
| /s/ William A. Sanger<br>William A. Sanger | Director |

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**AMERICAN MEDICAL RESPONSE NORTHWEST, INC., AMERICAN MEDICAL RESPONSE WEST, MERCY LIFE CARE, METROPOLITAN AMBULANCE SERVICE, INTERNATIONAL LIFE SUPPORT, INC.**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of each of the entities listed above hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International, Inc.' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 28th day of January, 2004.

| Signature | Title |
|---|---|
| /s/ Louis Meyer<br>Louis Meyer | President and Chief Executive Officer (Principal Executive Officer) |
| /s/ Tim Dorn<br>Tim Dorn | Vice President, Treasurer and Assistant Secretary (Principal Financial Officer and Principal Accounting Officer) |
| /s/ William A. Sanger<br>William A. Sanger | Director |

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**AMERICAN MEDICAL RESPONSE, INC.**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of American Medical Response, Inc., a Delaware corporation, hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International, Inc.' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 28th day of January, 2004.

| Signature | Title |
|---|---|
| /s/ William A. Sanger<br>William A. Sanger | President and Chief Executive Officer (Principal Executive Officer) and Director |
| /s/ Randel G. Owen<br>Randel G. Owen | Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer) |

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**LAIDLAW MEDICAL TRANSPORTATION, INC.**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of Laidlaw Medical Transportation, Inc., a Delaware corporation, hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International, Inc.' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 28th day of January, 2004.

| Signature | Title |
|---|---|
| /s/ William A. Sanger<br>William A. Sanger | President and Chief Executive Officer (Principal Executive Officer) and Director |
| /s/ Randel G. Owen<br>Randel G. Owen | Executive Vice President, Chief Financial Officer and Treasurer(Principal Financial Officer and Principal Accounting Officer) |

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**PARAMED, INC., MERCY AMBULANCE OF EVANSVILLE, INC., PHYSICIANS & SURGEONS AMBULANCE SERVICE, INC., MIDWEST AMBULANCE MANAGEMENT COMPANY, AMERICAN MEDICAL RESPONSE OF MASSACHUSETTS, INC., AMERICAN MEDICAL RESPONSE OF CONNECTICUT, INCORPORATED, ADAM TRANSPORTATION SERVICE, INC., ASSOCIATED AMBULANCE SERVICE, INC., FIVE COUNTIES AMBULANCE SERVICES, INC., PARK AMBULANCE SERVICE INC., SUNRISE HANDICAP TRANSPORT CORP;, AMERICAN MEDICAL RESPONSE MID-ATLANTIC, INC., AMERICAN MEDICAL RESPONSE DELAWARE VALLEY, LLC, AMR BROCKTON, L.L.C.**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of each of the entities listed above hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International, Inc.' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 28th day of January, 2004.

| Signature | Title |
|---|---|
| /s/ Robert LaTorraca<br>Robert LaTorraca | President and Chief Executive Officer (Principal Executive Officer) |
| /s/ Richard Bartus<br>Richard Bartus | Vice President, Treasurer and Assistant Secretary (Principal Financial Officer and Principal Accounting Officer) |
| /s/ William A. Sanger<br>William A. Sanger | Director |

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**AMERICAN MEDICAL RESPONSE HOLDINGS, INC., AMERICAN MEDICAL RESPONSE MANAGEMENT, INC., AMBULANCE ACQUISITION, INC., AMERICAN MEDICAL PATHWAYS, INC.**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of each of the entities listed above hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International, Inc.' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 28th day of January, 2004.

| **Signature** | **Title** |
|---|---|
| /s/ William A. Sanger<br>William A. Sanger | President and Chief Executive Officer (Principal Executive Officer) and Director |
| /s/ Randel G. Owen<br>Randel G. Owen | Vice President, Treasurer and Assistant Secretary (Principal Financial Officer and Principal Accounting Officer) |

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**MEDI-CAR AMBULANCE SERVICE, INC., MEDI-CAR SYSTEMS, INC.,**
**RANDLE EASTERN AMBULANCE SERVICE, INC.**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of each of the entities listed above hereby constitutes and appoints Douglas A. Carty as his or her true and lawful attorney-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more registration statement(s) on Form S-4 relating to the registration of Laidlaw International, Inc.' s 10 3/4% senior notes due 2011 in connection with the exchange offer of such senior notes, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, any additional registration statement filed pursuant to Rule 462 promulgated under the Securities Act, and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to such registration statements or amendments, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 28th day of January, 2004.

| Signature | Title |
|---|---|
| /s/ Robert Garner<br>Robert Garner | Chief Executive Officer (Principal Executive Officer) |
| /s/ Edmund Zdobinski<br>Edmund Zdobinski | Vice President, Treasurer and Assistant Secretary (Principal Financial Officer and Principal Accounting Officer) |
| /s/ William A. Sanger<br>William A. Sanger | Director |

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Exhibit 25.1

**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**WASHINGTON, D.C. 20549**

# FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE TRUST INDENTURE ACT OF 1939 OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE PURSUANT TO SECTION 305(b)(2)

# DEUTSCHE BANK TRUST COMPANY AMERICAS

**(formerly BANKERS TRUST COMPANY)**
(Exact name of trustee as specified in its charter)

| | |
|---|---|
| **NEW YORK**<br>(Jurisdiction of Incorporation or organization if not a U.S. national bank) | **13-4941247**<br>(I.R.S. Employer Identification no.) |
| **60 WALL STREET**<br>**NEW YORK, NEW YORK**<br>(Address of principal executive offices) | **10005**<br>(Zip Code) |

**Deutsche Bank Trust Company Americas**
**Attention: Will Christoph**
**Legal Department**
**60 Wall Street, 36th**
**New York, New York 10005**
**(212) 250-0378**
(Name, address and telephone number of agent for service)

**Laidlaw International, Inc.**
(Exact name of Registrant as specified in its charter)

| | |
|---|---|
| **Delaware**<br>(State or other jurisdiction of incorporation or organization) | **98-0390488**<br>(IRS Employer Identification No.) |

**Douglas A. Carty**
**Senior Vice President and**

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**Chief Financial Officer**
**Laidlaw International, Inc.**
**55 Shuman Boulevard, Suite 400**
**Naperville, Illinois 60563**
**(630) 848-300**
(Address, including zip code and telephone number, including
area code, of registrant' s principal executive offices)

---

**Copies to:**
**Peter Clarke, Esq.**
**Jones Day**
**77 West Wacker**
**Chicago, Illinois 60601-1692**
**(312) 782-3939**

**10 ¾% Senior Notes Due 2011, Series B**
**(Title of the Indenture Securities)**

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**Item 1. General Information.**

Furnish the following information as to the trustee.

(a) Name and address of each examining or supervising authority to which it is subject.

| Name | Address |
|---|---|
| Federal Reserve Bank (2nd District) | New York, NY |
| Federal Deposit Insurance Corporation | Washington, D.C. |
| New York State Banking Department | Albany, NY |

(b) Whether it is authorized to exercise corporate trust powers.
Yes.

**Item 2. Affiliations with Obligor.**

If the obligor is an affiliate of the Trustee, describe each such affiliation.

None.

**Item 3. -15. Not Applicable**

**Item 16. List of Exhibits.**

**Exhibit 1 -** Restated Organization Certificate of Bankers Trust Company dated August 6, 1998, Certificate of Amendment of the Organization Certificate of Bankers Trust Company dated September 25, 1998, Certificate of Amendment of the Organization Certificate of Bankers Trust Company dated December 16, 1998, and Certificate of Amendment of the Organization Certificate of Bankers Trust Company dated February 22, 2002, copies attached.

**Exhibit 2 -** Certificate of Authority to commence business - Incorporated herein by reference to Exhibit 2 filed with Form T-1 Statement, Registration No. 33-21047.

**Exhibit 3 -** Authorization of the Trustee to exercise corporate trust powers - Incorporated herein by reference to Exhibit 2 filed with Form T-1 Statement, Registration No. 33-21047.

**Exhibit 4 -** Existing By-Laws of Bankers Trust Company, as amended on April 15, 2002. Copy attached.



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**Exhibit 5 -** Not applicable.

**Exhibit 6 -** Consent of Bankers Trust Company required by Section 321(b) of the Act. - Incorporated herein by reference to Exhibit 4 filed with Form T-1 Statement, Registration No. 22-18864.

**Exhibit 7 -** The latest report of condition of Deutsche Bank Trust Company Americas dated as of September 30, 2003. Copy attached.

**Exhibit 8 -** Not Applicable.

**Exhibit 9 -** Not Applicable.

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- Item 16. List of Exhibits

SIGNATURE
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Opinion of Bradley Arant Rose & White LLP
Opinion of Bryan Cave LLP
Op. of Catlin Saxon Evans Fink Kolski & Romanez,PA
Opinion of Cavin & Ingram, P.A.
Opinion of Conner & Winters, P.C.
Opinion of Davenport Evans Hurwitz & Smith, L.L.P.
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Opinion of Dorsey & Whitney LLP
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Opinion of McLane, Graf, Raulerson & Middleton
Opinion of Ober Kaler
Opinion of Oshima Chun Fong & Chung LLP
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Opinion of Robinson, Bradshaw & Hinson, P.A.
Opinion of Rose Law Firm
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Opinion of Stoel Rives LLP
Amendment to Employment Agreement-Kevin E. Benson
Form of Indemnification Agreement
Third Amendment to Credit Agreement
Statement Regarding Computation of Ratios
Consent of PricewaterhouseCoopers LLP
Powers of Attorney
Statement of Eligibility and Qualification
Form of Letter of Transmittal
Form of Letter to Brokers, Dealers, etc.
Form of Notice of Guaranteed Delivery
Form of Letter to Clients



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**SIGNATURE**

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, Deutsche Bank Trust Company Americas, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on this 7th day of January 2004.

DEUTSCHE BANK TRUST COMPANY AMERICAS

/s/ Susan Johnson

By: Susan Johnson
Vice President



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State of New York,

**Banking Department**

**I, MANUEL KURSKY**, Deputy Superintendent of Banks of the State of New York, **DO HEREBY APPROVE** the annexed Certificate entitled "**CERTIFICATE OF AMENDMENT OF THE ORGANIZATION CERTIFICATE OF BANKERS TRUST COMPANY Under Section 8005 of the Banking Law,**" dated September 16, 1998, providing for an increase in authorized capital stock from $3,001,666,670 consisting of 200,166,667 shares with a par value of $10 each designated as Common Stock and 1,000 shares with a par value of $1,000,000 each designated as Series Preferred Stock to $3,501,666,670 consisting of 200,166,667 shares with a par value of $10 each designated as Common Stock and 1,500 shares with a par value of $1,000,000 each designated as Series Preferred Stock.

**Witness,** *my hand and official seal of the Banking Department at the City of New York,*

*this **25th** day of **September** in the Year of our Lord one thousand nine hundred and **ninety-eight.***

Manuel Kursky

*Deputy Superintendent of Banks*

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# RESTATED ORGANIZATION CERTIFICATE OF BANKERS TRUST COMPANY

Under Section 8007
Of the Banking Law

Bankers Trust Company
1301 6th Avenue, 8th Floor
New York, N.Y. 10019

Counterpart Filed in the Office of the Superintendent of Banks, State of New York, August 31, 1998

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RESTATED ORGANIZATION CERTIFICATE
OF
BANKERS TRUST
Under Section 8007 of the Banking Law

We, James T. Byrne, Jr. and Lea Lahtinen, being respectively a Managing Director and an Assistant Secretary and a Vice President and an Assistant Secretary of BANKERS TRUST COMPANY, do hereby certify:

1. The name of the corporation is Bankers Trust Company.

2. The organization certificate of the corporation was filed by the Superintendent of Banks of the State of New York on March 5, 1903.

3. The text of the organization certificate, as amended heretofore, is hereby restated without further amendment or change to read as herein-set forth in full, to wit:

"Certificate of Organization
of
Bankers Trust Company

Know All Men By These Presents That we, the undersigned, James A. Blair, James G. Cannon, E. C. Converse, Henry P. Davison, Granville W. Garth, A. Barton Hepburn, Will Logan, Gates W. McGarrah, George W. Perkins, William H. Porter, John F. Thompson, Albert H. Wiggin, Samuel Woolverton and Edward F. C. Young, all being persons of full age and citizens of the United States, and a majority of us being residents of the State of New York, desiring to form a corporation to be known as a Trust Company, do hereby associate ourselves together for that purpose under and pursuant to the laws of the State of New York, and for such purpose we do hereby, under our respective hands and seals, execute and duly acknowledge this Organization Certificate in duplicate, and hereby specifically state as follows, to wit:

I. The name by which the said corporation shall be known is Bankers Trust Company.

II. The place where its business is to be transacted is the City of New York, in the State of New York.

III. Capital Stock: The amount of capital stock which the corporation is hereafter to have is Three Billion One Million, Six Hundred Sixty-Six Thousand, Six Hundred Seventy Dollars ($3,001,666,670), divided into Two Hundred Million, One Hundred Sixty-Six Thousand, Six Hundred Sixty-Seven (200,166,667) shares with a par value of $10 each designated as Common Stock and 1,000 shares with a par value of One Million Dollars ($1,000,000) each designated as Series Preferred Stock.

(a) *Common Stock*

1. Dividends: Subject to all of the rights of the Series Preferred Stock, dividends may be declared and paid or set apart for payment upon the Common Stock out of any assets or funds of the corporation legally available for the payment of dividends.

2. Voting Rights: Except as otherwise expressly provided with respect to the Series Preferred Stock or with respect to any series of the Series Preferred Stock, the Common Stock shall have

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the exclusive right to vote for the election of directors and for all other purposes, each holder of the Common Stock being entitled to one vote for each share thereof held.

3. Liquidation: Upon any liquidation, dissolution or winding up of the corporation, whether voluntary or involuntary, and after the holders of the Series Preferred Stock of each series shall have been paid in full the amounts to which they respectively shall be entitled, or a sum sufficient for the payment in full set aside, the remaining net assets of the corporation shall be distributed pro rata to the holders of the Common Stock in accordance with their respective rights and interests, to the exclusion of the holders of the Series Preferred Stock.

4. Preemptive Rights: No holder of Common Stock of the corporation shall be entitled, as such, as a matter of right, to subscribe for or purchase any part of any new or additional issue of stock of any class or series whatsoever, any rights or options to purchase stock of any class or series whatsoever, or any securities convertible into, exchangeable for or carrying rights or options to purchase stock of any class or series whatsoever, whether now or hereafter authorized, and whether issued for cash or other consideration, or by way of dividend or other distribution.

(b) *Series Preferred Stock*

1. Board Authority: The Series Preferred Stock may be issued from time to time by the Board of Directors as herein provided in one or more series. The designations, relative rights, preferences and limitations of the Series Preferred Stock, and particularly of the shares of each series thereof, may, to the extent permitted by law, be similar to or may differ from those of any other series. The Board of Directors of the corporation is hereby expressly granted authority, subject to the provisions of this Article III, to issue from time to time Series Preferred Stock in one or more series and to fix from time to time before issuance thereof, by filing a certificate pursuant to the Banking Law, the number of shares in each such series of such class and all designations, relative rights (including the right, to the extent permitted by law, to convert into shares of any class or into shares of any series of any class), preferences and limitations of the shares in each such series, including, buy without limiting the generality of the foregoing, the following:

(i) The number of shares to constitute such series (which number may at any time, or from time to time, be increased or decreased by the Board of Directors, notwithstanding that shares of the series may be outstanding at the time of such increase or decrease, unless the Board of Directors shall have otherwise provided in creating such series) and the distinctive designation thereof;

(ii) The dividend rate on the shares of such series, whether or not dividends on the shares of such series shall be cumulative, and the date or dates, if any, from which dividends thereon shall be cumulative;

(iii) Whether or not the share of such series shall be redeemable, and, if redeemable, the date or dates upon or after which they shall be redeemable, the amount or amounts per share (which shall be, in the case of each share, not less than its preference upon involuntary liquidation, plus an amount equal to all dividends thereon accrued and unpaid, whether or not earned or declared) payable thereon in the case of the redemption thereof, which amount may vary at different redemption dates or otherwise as permitted by law;

(iv) The right, if any, of holders of shares of such series to convert the same into, or exchange the same for, Common Stock or other stock as permitted by law, and the terms and conditions of such conversion or exchange, as well as provisions for adjustment of the conversion rate in such events as the Board of Directors shall determine;

(v) The amount per share payable on the shares of such series upon the voluntary and involuntary liquidation, dissolution or winding up of the corporation;

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(vi) Whether the holders of shares of such series shall have voting power, full or limited, in addition to the voting powers provided by law and, in case additional voting powers are accorded, to fix the extent thereof; and

(vii) Generally to fix the other rights and privileges and any qualifications, limitations or restrictions of such rights and privileges of such series, provided, however, that no such rights, privileges, qualifications, limitations or restrictions shall be in conflict with the organization certificate of the corporation or with the resolution or resolutions adopted by the Board of Directors providing for the issue of any series of which there are shares outstanding.

All shares of Series Preferred Stock of the same series shall be identical in all respects, except that shares of any one series issued at different times may differ as to dates, if any, from which dividends thereon may accumulate. All shares of Series Preferred Stock of all series shall be of equal rank and shall be identical in all respects except that to the extent not otherwise limited in this Article III any series may differ from any other series with respect to any one or more of the designations, relative rights, preferences and limitations described or referred to in subparagraphs (I) to (vii) inclusive above.

2. Dividends: Dividends on the outstanding Series Preferred Stock of each series shall be declared and paid or set apart for payment before any dividends shall be declared and paid or set apart for payment on the Common Stock with respect to the same quarterly dividend period. Dividends on any shares of Series Preferred Stock shall be cumulative only if and to the extent set forth in a certificate filed pursuant to law. After dividends on all shares of Series Preferred Stock (including cumulative dividends if and to the extent any such shares shall be entitled thereto) shall have been declared and paid or set apart for payment with respect to any quarterly dividend period, then and not otherwise so long as any shares of Series Preferred Stock shall remain outstanding, dividends may be declared and paid or set apart for payment with respect to the same quarterly dividend period on the Common Stock out the assets or funds of the corporation legally available therefor.

All Shares of Series Preferred Stock of all series shall be of equal rank, preference and priority as to dividends irrespective of whether or not the rates of dividends to which the same shall be entitled shall be the same and when the stated dividends are not paid in full, the shares of all series of the Series Preferred Stock shall share ratably in the payment thereof in accordance with the sums which would be payable on such shares if all dividends were paid in full, provided, however, that any two or more series of the Series Preferred Stock may differ from each other as to the existence and extent of the right to cumulative dividends, as aforesaid.

3. Voting Rights: Except as otherwise specifically provided in the certificate filed pursuant to law with respect to any series of the Series Preferred Stock, or as otherwise provided by law, the Series Preferred Stock shall not have any right to vote for the election of directors or for any other purpose and the Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes.

4. Liquidation: In the event of any liquidation, dissolution or winding up of the corporation, whether voluntary or involuntary, each series of Series Preferred Stock shall have preference and priority over the Common Stock for payment of the amount to which each outstanding series of Series Preferred Stock shall be entitled in accordance with the provisions thereof and each holder of Series Preferred Stock shall be entitled to be paid in full such amount, or have a sum sufficient for the payment in full set aside, before any payments shall be made to the holders of the Common Stock. If, upon liquidation, dissolution or winding up of the corporation, the assets of the corporation or proceeds thereof, distributable among the holders of the shares of all series of the Series Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid, then such assets, or the proceeds thereof, shall be distributed among such holders ratably in accordance with the respective amounts which would be payable if all amounts payable thereon were paid in full. After the payment to the holders of Series Preferred Stock of all such amounts to which they are entitled, as above provided, the remaining assets and funds of the corporation shall be divided and paid to the holders of the Common Stock.

5. Redemption: In the event that the Series Preferred Stock of any series shall be made redeemable as provided in clause (iii) of paragraph 1 of section (b) of this Article III, the corporation, at the option of the Board of Directors, may redeem at any time or times, and from time to time, all or any part of any one or more series of Series Preferred Stock outstanding by paying for each share the then applicable

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redemption price fixed by the Board of Directors as provided herein, plus an amount equal to accrued and unpaid dividends to the date fixed for redemption, upon such notice and terms as may be specifically provided in the certificate filed pursuant to law with respect to the series.

6. Preemptive Rights: No holder of Series Preferred Stock of the corporation shall be entitled, as such, as a matter or right, to subscribe for or purchase any part of any new or additional issue of stock of any class or series whatsoever, any rights or options to purchase stock of any class or series whatsoever, or any securities convertible into, exchangeable for or carrying rights or options to purchase stock of any class or series whatsoever, whether now or hereafter authorized, and whether issued for cash or other consideration, or by way of dividend.

(c) *Provisions relating to Floating Rate Non-Cumulative Preferred Stock, Series A. (Liquidation value $1,000,000 per share.)*

1. Designation: The distinctive designation of the series established hereby shall be "Floating Rate Non-Cumulative Preferred Stock, Series A" (hereinafter called "Series A Preferred Stock").

2. Number: The number of shares of Series A Preferred Stock shall initially be 250 shares. Shares of Series A Preferred Stock redeemed, purchased or otherwise acquired by the corporation shall be cancelled and shall revert to authorized but unissued Series Preferred Stock undesignated as to series.

3. Dividends:

(a) Dividend Payments Dates. Holders of the Series A Preferred Stock shall be entitled to receive non-cumulative cash dividends when, as and if declared by the Board of Directors of the corporation, out of funds legally available therefor, from the date of original issuance of such shares (the "Issue Date") and such dividends will be payable on March 28, June 28, September 28 and December 28 of each year ("Dividend Payment Date") commencing September 28, 1990, at a rate per annum as determined in paragraph 3(b) below. The period beginning on the Issue Date and ending on the day preceding the first Dividend Payment Date and each successive period beginning on a Dividend Payment Date and ending on the date preceding the next succeeding Dividend Payment Date is herein called a "Dividend Period". If any Dividend Payment Date shall be, in The City of New York, a Sunday or a legal holiday or a day on which banking institutions are authorized by law to close, then payment will be postponed to the next succeeding business day with the same force and effect as if made on the Dividend Payment Date, and no interest shall accrue for such Dividend Period after such Dividend Payment Date.

(b) Dividend Rate. The dividend rate from time to time payable in respect of Series A Preferred Stock (the "Dividend Rate") shall be determined on the basis of the following provisions:

(i) On the Dividend Determination Date, LIBOR will be determined on the basis of the offered rates for deposits in U.S. dollars having a maturity of three months commencing on the second London Business Day immediately following such Dividend Determination Date, as such rates appear on the Reuters Screen LIBO Page as of 11:00 A.M. London time, on such Dividend Determination Date. If at least two such offered rates appear on the Reuters Screen LIBO Page, LIBOR in respect of such Dividend Determination Dates will be the arithmetic mean (rounded to the nearest one-hundredth of a percent, with five one-thousandths of a percent rounded upwards) of such offered rates. If fewer than those offered rates appear, LIBOR in respect of such Dividend Determination Date will be determined as described in paragraph (ii) below.

(ii) On any Dividend Determination Date on which fewer than those offered rates for the applicable maturity appear on the Reuters Screen LIBO Page as specified in paragraph (I) above, LIBOR will be determined on the basis of the rates at which deposits in U.S. dollars having a maturity of three months commencing on the second London Business Day immediately following such Dividend Determination Date and in a principal amount of not less than $1,000,000 that is representative of a single transaction in such market at such time are offered by three major banks in the London interbank market selected by the corporation at approximately 11:00 A.M., London time, on such Dividend Determination Date to prime banks in the London market. The corporation will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, LIBOR in respect of such Dividend Determination Date will be the arithmetic mean (rounded to the nearest one-hundredth of a

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percent, with five one-thousandths of a percent rounded upwards) of such quotations. If fewer than two quotations are provided, LIBOR in respect of such Dividend Determination Date will be the arithmetic mean (rounded to the nearest one-hundredth of a percent, with five one-thousandths of a percent rounded upwards) of the rates quoted by three major banks in New York City selected by the corporation at approximately 11:00 A.M., New York City time, on such Dividend Determination Date for loans in U.S. dollars to leading European banks having a maturity of three months commencing on the second London Business Day immediately following such Dividend Determination Date and in a principal amount of not less than $1,000,000 that is representative of a single transaction in such market at such time; provided, however, that if the banks selected as aforesaid by the corporation are not quoting as aforementioned in this sentence, then, with respect to such Dividend Period, LIBOR for the preceding Dividend Period will be continued as LIBOR for such Dividend Period.

(ii) The Dividend Rate for any Dividend Period shall be equal to the lower of 18% or 50 basis points above LIBOR for such Dividend Period as LIBOR is determined by sections (I) or (ii) above.

As used above, the term "Dividend Determination Date" shall mean, with respect to any Dividend Period, the second London Business Day prior to the commencement of such Dividend Period; and the term "London Business Day" shall mean any day that is not a Saturday or Sunday and that, in New York City, is not a day on which banking institutions generally are authorized or required by law or executive order to close and that is a day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

4. Voting Rights: The holders of the Series A Preferred Stock shall have the voting power and rights set forth in this paragraph 4 and shall have no other voting power or rights except as otherwise may from time to time be required by law.

So long as any shares of Series A Preferred Stock remain outstanding, the corporation shall not, without the affirmative vote or consent of the holders of at least a majority of the votes of the Series Preferred Stock entitled to vote outstanding at the time, given in person or by proxy, either in writing or by resolution adopted at a meeting at which the holders of Series A Preferred Stock (alone or together with the holders of one or more other series of Series Preferred Stock at the time outstanding and entitled to vote) vote separately as a class, alter the provisions of the Series Preferred Stock so as to materially adversely affect its rights; provided, however, that in the event any such materially adverse alteration affects the rights of only the Series A Preferred Stock, then the alteration may be effected with the vote or consent of at least a majority of the votes of the Series A Preferred Stock; provided, further, that an increase in the amount of the authorized Series Preferred Stock and/or the creation and/or issuance of other series of Series Preferred Stock in accordance with the organization certificate shall not be, nor be deemed to be, materially adverse alterations. In connection with the exercise of the voting rights contained in the preceding sentence, holders of all series of Series Preferred Stock which are granted such voting rights (of which the Series A Preferred Stock is the initial series) shall vote as a class (except as specifically provided otherwise) and each holder of Series A Preferred Stock shall have one vote for each share of stock held and each other series shall have such number of votes, if any, for each share of stock held as may be granted to them.

The foregoing voting provisions will not apply if, in connection with the matters specified, provision is made for the redemption or retirement of all outstanding Series A Preferred Stock.

5. Liquidation: Subject to the provisions of section (b) of this Article III, upon any liquidation, dissolution or winding up of the corporation, whether voluntary or involuntary, the holders of the Series A Preferred Stock shall have preference and priority over the Common Stock for payment out of the assets of the corporation or proceeds thereof, whether from capital or surplus, of $1,000,000 per share (the "liquidation value") together with the amount of all dividends accrued and unpaid thereon, and after such payment the holders of Series A Preferred Stock shall be entitled to no other payments.

6. Redemption: Subject to the provisions of section (b) of this Article III, Series A Preferred Stock may be redeemed, at the option of the corporation in whole or part, at any time or from time to time at a redemption price of $1,000,000 per share, in each case plus accrued and unpaid dividends to the date of redemption.

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At the option of the corporation, shares of Series A Preferred Stock redeemed or otherwise acquired may be restored to the status of authorized but unissued shares of Series Preferred Stock.

In the case of any redemption, the corporation shall give notice of such redemption to the holders of the Series A Preferred Stock to be redeemed in the following manner: a notice specifying the shares to be redeemed and the time and place of redemption (and, if less than the total outstanding shares are to be redeemed, specifying the certificate numbers and number of shares to be redeemed) shall be mailed by first class mail, addressed to the holders of record of the Series A Preferred Stock to be redeemed at their respective addresses as the same shall appear upon the books of the corporation, not more than sixty (60) days and not less than thirty (30) days previous to the date fixed for redemption. In the event such notice is not given to any shareholder such failure to give notice shall not affect the notice given to other shareholders. If less than the whole amount of outstanding Series A Preferred Stock is to be redeemed, the shares to be redeemed shall be selected by lot or pro rata in any manner determined by resolution of the Board of Directors to be fair and proper. From and after the date fixed in any such notice as the date of redemption (unless default shall be made by the corporation in providing moneys at the time and place of redemption for the payment of the redemption price) all dividends upon the Series A Preferred Stock so called for redemption shall cease to accrue, and all rights of the holders of said Series A Preferred Stock as stockholders in the corporation, except the right to receive the redemption price (without interest) upon surrender of the certificate representing the Series A Preferred Stock so called for redemption, duly endorsed for transfer, if required, shall cease and terminate. The corporation' s obligation to provide moneys in accordance with the preceding sentence shall be deemed fulfilled if, on or before the redemption date, the corporation shall deposit with a bank or trust company (which may be an affiliate of the corporation) having an office in the Borough of Manhattan, City of New York, having a capital and surplus of at least $5,000,000 funds necessary for such redemption, in trust with irrevocable instructions that such funds be applied to the redemption of the shares of Series A Preferred Stock so called for redemption. Any interest accrued on such funds shall be paid to the corporation from time to time. Any funds so deposited and unclaimed at the end of two (2) years from such redemption date shall be released or repaid to the corporation, after which the holders of such shares of Series A Preferred Stock so called for redemption shall look only to the corporation for payment of the redemption price.

IV. The name, residence and post office address of each member of the corporation are as follows:

| Name | Residence | Post Office Address |
|---|---|---|
| James A. Blair | 9 West 50th Street,<br>Manhattan, New York City | 33 Wall Street,<br>Manhattan, New York City |
| James G. Cannon | 72 East 54th Street,<br>Manhattan New York City | 14 Nassau Street,<br>Manhattan, New York City |
| E. C. Converse | 3 East 78th Street,<br>Manhattan, New York City | 139 Broadway,<br>Manhattan, New York City |
| Henry P. Davison | Englewood,<br>New Jersey | 2 Wall Street,<br>Manhattan, New York City |
| Granville W. Garth | 160 West 57th Street,<br>Manhattan, New York City | 33 Wall Street<br>Manhattan, New York City |
| A. Barton Hepburn | 205 West 57th Street<br>Manhattan, New York City | 83 Cedar Street<br>Manhattan, New York City |

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| | | |
|---|---|---|
| William Logan | Montclair,<br>New Jersey | 13 Nassau Street<br>Manhattan, New York City |
| George W. Perkins | Riverdale,<br>New York | 23 Wall Street,<br>Manhattan, New York City |

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| Name | Residence | Post Office Address |
|---|---|---|
| William H. Porter | 56 East 67th Street<br>Manhattan, New York City | 270 Broadway,<br>Manhattan, New York City |
| John F. Thompson | Newark,<br>New Jersey | 143 Liberty Street,<br>Manhattan, New York City |
| Albert H. Wiggin | 42 West 49th Street,<br>Manhattan, New York City | 214 Broadway,<br>Manhattan, New York City |
| Samuel Woolverton | Mount Vernon,<br>New York | 34 Wall Street,<br>Manhattan, New York City |
| Edward F.C. Young | 85 Glenwood Avenue,<br>Jersey City, New Jersey | 1 Exchange Place,<br>Jersey City, New Jersey |

V. The existence of the corporation shall be perpetual.

VI. The subscribers, the members of the said corporation, do, and each for himself does, hereby declare that he will accept the responsibilities and faithfully discharge the duties of a director therein, if elected to act as such, when authorized accordance with the provisions of the Banking Law of the State of New York.

VII. The number of directors of the corporation shall not be less than 10 nor more than 25."

4. The foregoing restatement of the organization certificate was authorized by the Board of Directors of the corporation at a meeting held on July 21, 1998.

IN WITNESS WHEREOF, we have made and subscribed this certificate this 6th day of August, 1998.

IN WITNESS WHEREOF, we have made and subscribed this certificate this 6th day of August, 1998.

James T. Byrne, Jr.

James T. Byrne, Jr.
*Managing Director and Secretary*

Lea Lahtinen

Lea Lahtinen
*Vice President and Assistant Secretary*

Lea Lahtinen

Lea Lahtinen

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State of New York )
) ss:
County of New York )

Lea Lahtinen, being duly sworn, deposes and says that she is a Vice President and an Assistant Secretary of Bankers Trust Company, the corporation described in the foregoing certificate; that she has read the foregoing certificate and knows the contents thereof, and that the statements herein contained are true.

Lea Lahtinen

Lea Lahtinen

Sworn to before me this
6th day of August, 1998.

Sandra L. West

Notary Public

SANDRA L. WEST
Notary Public State of New York
No. 31-4942101
Qualified in New York County
Commission Expires September 19, 1998

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Table of Contents

State of New York,

**Banking Department**

**I, MANUEL KURSKY**, Deputy Superintendent of Banks of the State of New York, **DO HEREBY APPROVE** the annexed Certificate entitled "**RESTATED ORGANIZATION CERTIFICATE OF BANKERS TRUST COMPANY Under Section 8007 of the Banking Law,**" dated August 6, 1998, providing for the restatement of the Organization Certificate and all amendments into a single certificate.

**Witness,** *my hand and official seal of the Banking Department at the City of New York,*

*this **31st** day of **August** in the Year of our Lord one thousand nine hundred and **ninety-eight.***

Manuel Kursky

**Deputy** *Superintendent of Banks*

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CERTIFICATE OF AMENDMENT

OF THE

ORGANIZATION CERTIFICATE

OF BANKERS TRUST

Under Section 8005 of the Banking Law

We, James T. Byrne, Jr. and Lea Lahtinen, being respectively a Managing Director and Secretary and a Vice President and an Assistant Secretary of Bankers Trust Company, do hereby certify:

1. The name of the corporation is Bankers Trust Company.

2. The organization certificate of said corporation was filed by the Superintendent of Banks on the 5th of March, 1903.

3. The organization certificate as heretofore amended is hereby amended to increase the aggregate number of shares which the corporation shall have authority to issue and to increase the amount of its authorized capital stock in conformity therewith.

4. Article III of the organization certificate with reference to the authorized capital stock, the number of shares into which the capital stock shall be divided, the par value of the shares and the capital stock outstanding, which reads as follows:

> "III. The amount of capital stock which the corporation is hereafter to have is Three Billion, One Million, Six Hundred Sixty-Six Thousand, Six Hundred Seventy Dollars ($3,001,666,670), divided into Two Hundred Million, One Hundred Sixty-Six Thousand, Six Hundred Sixty-Seven (200,166,667) shares with a par value of $10 each designated as Common Stock and 1000 shares with a par value of One Million Dollars ($1,000,000) each designated as Series Preferred Stock."

is hereby amended to read as follows:

> "III. The amount of capital stock which the corporation is hereafter to have is Three Billion, Five Hundred One Million, Six Hundred Sixty-Six Thousand, Six Hundred Seventy Dollars ($3,501,666,670), divided into Two Hundred Million, One Hundred Sixty-Six Thousand, Six Hundred Sixty-Seven (200,166,667) shares with a par value of $10 each designated as Common Stock and 1500 shares with a par value of One Million Dollars ($1,000,000) each designated as Series Preferred Stock."

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5. The foregoing amendment of the organization certificate was authorized by unanimous written consent signed by the holder of all outstanding shares entitled to vote thereon.

IN WITNESS WHEREOF, we have made and subscribed this certificate this 25th day of September, 1998

James T. Byrne, Jr.

James T. Byrne, Jr.
Managing Director and Secretary

Lea Lahtinen

Lea Lahtinen
Vice President and Assistant Secretary

State of New York )
) ss:
County of New York )

Lea Lahtinen, being fully sworn, deposes and says that she is a Vice President and an Assistant Secretary of Bankers Trust Company, the corporation described in the foregoing certificate; that she has read the foregoing certificate and knows the contents thereof, and that the statements herein contained are true.

Lea Lahtinen

Lea Lahtinen

Sworn to before me this 25th day
of September, 1998

Sandra L. West

Notary Public

SANDRA L. WEST
Notary Public State of New York
No. 31-4942101
Qualified in New York County
Commission Expires September 19, 2000

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State of New York,

**Banking Department**

**I, P. VINCENT CONLON,** Deputy Superintendent of Banks of the State of New York, **DO HEREBY APPROVE** the annexed Certificate entitled "**CERTIFICATE OF AMENDMENT OF THE ORGANIZATION CERTIFICATE OF BANKERS TRUST COMPANY Under Section 8005 of the Banking Law,**" dated December 16, 1998, providing for an increase in authorized capital stock from $3,501,666,670 consisting of 200,166,667 shares with a par value of $10 each designated as Common Stock and 1,500 shares with a par value of $1,000,000 each designated as Series Preferred Stock to $3,627,308,670 consisting of 212,730,867 shares with a par value of $10 each designated as Common Stock and 1,500 shares with a par value of $1,000,000 each designated as Series Preferred Stock.

**Witness,** *my hand and official seal of the Banking Department at the City of New York,*

*this **18th** day of **December** in the Year of our Lord one thousand nine hundred and **ninety-eight.***

P. Vincent Conlon

*Deputy Superintendent of Banks*

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CERTIFICATE OF AMENDMENT

OF THE

ORGANIZATION CERTIFICATE

OF BANKERS TRUST

Under Section 8005 of the Banking Law

We, James T. Byrne, Jr. and Lea Lahtinen, being respectively a Managing Director and Secretary and a Vice President and an Assistant Secretary of Bankers Trust Company, do hereby certify:

1. The name of the corporation is Bankers Trust Company.

2. The organization certificate of said corporation was filed by the Superintendent of Banks on the 5th of March, 1903.

3. The organization certificate as heretofore amended is hereby amended to increase the aggregate number of shares which the corporation shall have authority to issue and to increase the amount of its authorized capital stock in conformity therewith.

4. Article III of the organization certificate with reference to the authorized capital stock, the number of shares into which the capital stock shall be divided, the par value of the shares and the capital stock outstanding, which reads as follows:

> "III. The amount of capital stock which the corporation is hereafter to have is Three Billion, Five Hundred One Million, Six Hundred Sixty-Six Thousand, Six Hundred Seventy Dollars ($3,501,666,670), divided into Two Hundred Million, One Hundred Sixty-Six Thousand, Six Hundred Sixty-Seven (200,166,667) shares with a par value of $10 each designated as Common Stock and 1500 shares with a par value of One Million Dollars ($1,000,000) each designated as Series Preferred Stock."

is hereby amended to read as follows:

> "III. The amount of capital stock which the corporation is hereafter to have is Three Billion, Six Hundred Twenty-Seven Million, Three Hundred Eight Thousand, Six Hundred Seventy Dollars ($3,627,308,670), divided into Two Hundred Twelve Million, Seven Hundred Thirty Thousand, Eight Hundred Sixty- Seven (212,730,867) shares with a par value of $10 each designated as Common Stock and 1500 shares with a par value of One Million Dollars ($1,000,000) each designated as Series Preferred Stock."

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5. The foregoing amendment of the organization certificate was authorized by unanimous written consent signed by the holder of all outstanding shares entitled to vote thereon.

IN WITNESS WHEREOF, we have made and subscribed this certificate this 16th day of December, 1998

James T. Byrne, Jr.

James T. Byrne, Jr.
Managing Director and Secretary

Lea Lahtinen

Lea Lahtinen
Vice President and Assistant Secretary

State of New York )
) ss:
County of New York )

Lea Lahtinen, being fully sworn, deposes and says that she is a Vice President and an Assistant Secretary of Bankers Trust Company, the corporation described in the foregoing certificate; that she has read the foregoing certificate and knows the contents thereof, and that the statements herein contained are true.

Lea Lahtinen

Lea Lahtinen

Sworn to before me this 16th day
of December, 1998

Sandra L. West

Notary Public

SANDRA L. WEST
Notary Public State of New York
No. 31-4942101
Qualified in New York County
Commission Expires September 19, 2000

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BANKERS TRUST COMPANY

ASSISTANT SECRETARY' S CERTIFICATE

I, Lea Lahtinen, Vice President and Assistant Secretary of Bankers Trust Company, a corporation duly organized and existing under the laws of the State of New York, the United States of America, do hereby certify that attached copy of the Certificate of Amendment of the Organization Certificate of Bankers Trust Company, dated February 27, 2002, providing for a change of name of Bankers Trust Company to Deutsche Bank Trust Company Americas and approved by the New York State Banking Department on March 14, 2002 to effective on April 15, 2002, is a true and correct copy of the original Certificate of Amendment of the Organization Certificate of Bankers Trust Company on file in the Banking Department, State of New York.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of Bankers Trust Company this 4th day of April, 2002.

[SEAL]

/s/ Lea Lahtinen

Lea Lahtinen, Vice President and Assistant Secretary
Bankers Trust Company

State of New York )
) ss.:
County of New York )

On the 4th day of April in the year 2002 before me, the undersigned, a Notary Public in and for said state, personally appeared Lea Lahtinen, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

/s/ Sonja K. Olsen
Notary Public

SONJA K. OLSEN
Notary Public, State of New York
No. 01OL4974457
Qualified in New York County
Commission Expires November 13, 2002

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State of New York,

Banking Department

I, P. VINCENT CONLON, Deputy Superintendent of Banks of the State of New York, DO HEREBY APPROVE the annexed Certificate entitled "CERTIFICATE OF AMENDMENT OF THE ORGANIZATION CERTIFICATE OF BANKERS TRUST COMPANY under Section 8005 of the Banking Law" dated February 27, 2002, providing for a change of name of BANKERS TRUST COMPANY to DEUTSCHE BANK TRUST COMPANY AMERICAS.

Witness, my hand and official seal of the Banking Department at the City of New York,

this 14th day of March two thousand and two.

/s/ P. Vincent Conlon

Deputy Superintendent of Banks

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CERTIFICATE OF AMENDMENT

OF THE

ORGANIZATION CERTIFICATE

OF

BANKERS TRUST COMPANY

Under Section 8005 of the Banking Law

We, James T. Byrne Jr., and Lea Lahtinen, being respectively the Secretary, and Vice President and an Assistant Secretary of Bankers Trust Company, do hereby certify:

1. The name of corporation is Bankers Trust Company.

2. The organization certificate of said corporation was filed by the Superintendent of Banks on the 5th day of March, 1903.

3. Pursuant to Section 8005 of the Banking Law, attached hereto as Exhibit A is a certificate issued by the State of New York, Banking Department listing all of the amendments to the Organization Certificate of Bankers Trust Company since its organization that have been filed in the Office of the Superintendent of Banks.

4. The organization certificate as heretofore amended is hereby amended to change the name of Bankers Trust Company to Deutsche Bank Trust Company Americas to be effective on April 15, 2002.

5. The first paragraph number 1 of the organization of Bankers Trust Company with the reference to the name of the Bankers Trust Company, which reads as follows:

"1. The name of the corporation is Bankers Trust Company."

is hereby amended to read as follows effective on April 15, 2002:

"1. The name of the corporation is Deutsche Bank Trust Company Americas."

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6. The foregoing amendment of the organization certificate was authorized by unanimous written consent signed by the holder of all outstanding shares entitled to vote thereon.

IN WITNESS WHEREOF, we have made and subscribed this certificate this 27th day of February, 2002.

/s/ James T. Byrne Jr.

James T. Byrne Jr.
Secretary

/s/ Lea Lahtinen

Lea Lahtinen
Vice President and Assistant Secretary

State of New York )
) ss.:
County of New York )

Lea Lahtinen, being duly sworn, deposes and says that she is a Vice President and an Assistant Secretary of Bankers Trust Company, the corporation described in the foregoing certificate; that she has read the foregoing certificate and knows the contents thereof, and that the statements therein contained are true.

/s/ Lea Lahtinen

Lea Lahtinen

Sworn to before me this 27th day
of February, 2002

/s/ Sandra L. West
Notary Public

SANDRA L. WEST
Notary Public, State of New York
No. 01WE4942401
Qualified in New York County
Commission Expires September 19, 2002

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EXHIBIT A

State of New York

Banking Department

I, P. VINCENT CONLON, Deputy Superintendent of Banks of the State of New York, DO HEREBY CERTIFY:

THAT, the records in the Office of the Superintendent of Banks indicate that BANKERS TRUST COMPANY is a corporation duly organized and existing under the laws of the State of New York as a trust company, pursuant to Article III of the Banking Law; and

THAT, the Organization Certificate of BANKERS TRUST COMPANY was filed in the Office of the Superintendent of Banks on March 5, 1903, and such corporation was authorized to commence business on March 24, 1903; and

THAT, the following amendments to its Organization Certificate have been filed in the Office of the Superintendent of Banks as of the dates specified:

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on January 14, 1905

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on August 4, 1909

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on February 1, 1911

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on June 17, 1911

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on August 8, 1911

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on August 8, 1911

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on March 21, 1912

Certificate of Amendment of Certificate of Incorporation providing for a decrease in number of directors - filed on January 15, 1915

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Certificate of Amendment of Certificate of Incorporation providing for a decrease in number of directors - filed on December 18, 1916

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on April 20, 1917

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on April 20, 1917

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on December 28, 1918

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on December 4, 1919

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on January 15, 1926

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on June 12, 1928

Certificate of Amendment of Certificate of Incorporation providing for a change in shares - filed on April 4, 1929

Certificate of Amendment of Certificate of Incorporation providing for a minimum and maximum number of directors - filed on January 11, 1934

Certificate of Extension to perpetual - filed on January 13, 1941

Certificate of Amendment of Certificate of Incorporation providing for a minimum and maximum number of directors - filed on January 13, 1941

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on December 11, 1944

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 30, 1953

Restated Certificate of Incorporation - filed November 6, 1953

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on April 8, 1955

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Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on February 1, 1960

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on July 14, 1960

Certificate of Amendment of Certificate of Incorporation providing for a change in shares - filed on September 30, 1960

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on January 26, 1962

Certificate of Amendment of Certificate of Incorporation providing for a change in shares - filed on September 9, 1963

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on February 7, 1964

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on February 24, 1965

Certificate of Amendment of the Organization Certificate providing for a decrease in capital stock - filed January 24, 1967

Restated Organization Certificate - filed June 1, 1971

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed October 29, 1976

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 22, 1977

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed August 5, 1980

Restated Organization Certificate - filed July 1, 1982

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 27, 1984

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed September 18, 1986

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Certificate of Amendment of the Organization Certificate providing for a minimum and maximum number of directors - filed January 22, 1990

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed June 28, 1990

Restated Organization Certificate - filed August 20, 1990

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed June 26, 1992

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed March 28, 1994

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed June 23, 1995

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 27, 1995

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed March 21, 1996

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 27, 1996

Certificate of Amendment to the Organization Certificate providing for an increase in capital stock - filed June 27, 1997

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed September 26, 1997

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 29, 1997

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed March 26, 1998

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed June 23, 1998

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Restated Organization Certificate - filed August 31, 1998

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed September 25, 1998

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 18, 1998; and

Certificate of Amendment of the Organization Certificate providing for a change in the number of directors - filed September 3, 1999; and

THAT, no amendments to its Restated Organization Certificate have been filed in the Office of the Superintendent of Banks except those set forth above; and attached hereto; and

I DO FURTHER CERTIFY THAT, BANKERS TRUST COMPANY is validly existing as a banking organization with its principal office and place of business located at 130 Liberty Street, New York, New York.

WITNESS, my hand and official seal of the Banking Department at the City of New York this 16th day of October in the Year Two Thousand and One.

/s/ P. Vincent Conlon

Deputy Superintendent of Banks

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DEUTSCHE BANK TRUST COMPANY AMERICAS

BY-LAWS

**APRIL 15, 2002**

**Deutsche Bank Trust Company Americas**

**New York**

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**BY-LAWS**
**of**

**Deutsche Bank Trust Company Americas**

## ARTICLE I

*MEETINGS OF STOCKHOLDERS*

SECTION 1. The annual meeting of the stockholders of this Company shall be held at the office of the Company in the Borough of Manhattan, City of New York, in January of each year, for the election of directors and such other business as may properly come before said meeting.

SECTION 2. Special meetings of stockholders other than those regulated by statute may be called at any time by a majority of the directors. It shall be the duty of the Chairman of the Board, the Chief Executive Officer, the President or any Co-President to call such meetings whenever requested in writing to do so by stockholders owning a majority of the capital stock.

SECTION 3. At all meetings of stockholders, there shall be present, either in person or by proxy, stockholders owning a majority of the capital stock of the Company, in order to constitute a quorum, except at special elections of directors, as provided by law, but less than a quorum shall have power to adjourn any meeting.

SECTION 4. The Chairman of the Board or, in his absence, the Chief Executive Officer or, in his absence, the President or any Co-President or, in their absence, the senior officer present, shall preside at meetings of the stockholders and shall direct the proceedings and the order of business. The Secretary shall act as secretary of such meetings and record the proceedings.

## ARTICLE II

*DIRECTORS*

SECTION 1. The affairs of the Company shall be managed and its corporate powers exercised by a Board of Directors consisting of such number of directors, but not less than seven nor more than fifteen, as may from time to time be fixed by resolution adopted by a majority of the directors then in office, or by the stockholders. In the event of any increase in the number of directors, additional directors may be elected within the limitations so fixed, either by the stockholders or within the limitations imposed by law, by a majority of directors then in office. One-third of the number of directors, as fixed from time to time, shall constitute a quorum. Any one or more members of the Board of Directors or any Committee thereof may participate in a meeting of the Board of Directors or Committee thereof by means of a conference telephone, video conference or similar communications equipment which allows all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at such a meeting.

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All directors hereafter elected shall hold office until the next annual meeting of the stockholders and until their successors are elected and have qualified.

No Officer-Director who shall have attained age 65, or earlier relinquishes his responsibilities and title, shall be eligible to serve as a director.

SECTION 2. Vacancies not exceeding one-third of the whole number of the Board of Directors may be filled by the affirmative vote of a majority of the directors then in office, and the directors so elected shall hold office for the balance of the unexpired term.

SECTION 3. The Chairman of the Board shall preside at meetings of the Board of Directors. In his absence, the Chief Executive Officer or, in his absence the President or any Co-President or, in their absence such other director as the Board of Directors from time to time may designate shall preside at such meetings.

SECTION 4. The Board of Directors may adopt such Rules and Regulations for the conduct of its meetings and the management of the affairs of the Company as it may deem proper, not inconsistent with the laws of the State of New York, or these By-Laws, and all officers and employees shall strictly adhere to, and be bound by, such Rules and Regulations.

SECTION 5. Regular meetings of the Board of Directors shall be held from time to time provided, however, that the Board of Directors shall hold a regular meeting not less than six times a year, provided that during any three consecutive calendar months the Board of Directors shall meet at least once, and its Executive Committee shall not be required to meet at least once in each thirty day period during which the Board of Directors does not meet. Special meetings of the Board of Directors may be called upon at least two day' s notice whenever it may be deemed proper by the Chairman of the Board or, the Chief Executive Officer or, the President or any Co-President or, in their absence, by such other director as the Board of Directors may have designated pursuant to Section 3 of this Article, and shall be called upon like notice whenever any three of the directors so request in writing.

SECTION 6. The compensation of directors as such or as members of committees shall be fixed from time to time by resolution of the Board of Directors.

## ARTICLE III

*COMMITTEES*

SECTION 1. There shall be an Executive Committee of the Board consisting of not less than five directors who shall be appointed annually by the Board of Directors. The Chairman of the Board shall preside at meetings of the Executive Committee. In his absence, the Chief Executive Officer or, in his absence, the President or any Co-President or, in their absence, such other member of the Committee as the Committee from time to time may designate shall preside at such meetings.

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The Executive Committee shall possess and exercise to the extent permitted by law all of the powers of the Board of Directors, except when the latter is in session, and shall keep minutes of its proceedings, which shall be presented to the Board of Directors at its next subsequent meeting. All acts done and powers and authority conferred by the Executive Committee from time to time shall be and be deemed to be, and may be certified as being, the act and under the authority of the Board of Directors.

A majority of the Committee shall constitute a quorum, but the Committee may act only by the concurrent vote of not less than one-third of its members, at least one of who must be a director other than an officer. Any one or more directors, even though not members of the Executive Committee, may attend any meeting of the Committee, and the member or members of the Committee present, even though less than a quorum, may designate any one or more of such directors as a substitute or substitutes for any absent member or members of the Committee, and each such substitute or substitutes shall be counted for quorum, voting, and all other purposes as a member or members of the Committee.

SECTION 2. There shall be an Audit Committee appointed annually by resolution adopted by a majority of the entire Board of Directors which shall consist of such number of directors, who are not also officers of the Company, as may from time to time be fixed by resolution adopted by the Board of Directors. The Chairman shall be designated by the Board of Directors, who shall also from time to time fix a quorum for meetings of the Committee. Such Committee shall conduct the annual directors' examinations of the Company as required by the New York State Banking Law; shall review the reports of all examinations made of the Company by public authorities and report thereon to the Board of Directors; and shall report to the Board of Directors such other matters as it deems advisable with respect to the Company, its various departments and the conduct of its operations.

In the performance of its duties, the Audit Committee may employ or retain, from time to time, expert assistants, independent of the officers or personnel of the Company, to make studies of the Company' s assets and liabilities as the Committee may request and to make an examination of the accounting and auditing methods of the Company and its system of internal protective controls to the extent considered necessary or advisable in order to determine that the operations of the Company, including its fiduciary departments, are being audited by the General Auditor in such a manner as to provide prudent and adequate protection. The Committee also may direct the General Auditor to make such investigation as it deems necessary or advisable with respect to the Company, its various departments and the conduct of its operations. The Committee shall hold regular quarterly meetings and during the intervals thereof shall meet at other times on call of the Chairman.

SECTION 3. The Board of Directors shall have the power to appoint any other Committees as may seem necessary, and from time to time to suspend or continue the powers and duties of such Committees. Each Committee appointed pursuant to this Article shall serve at the pleasure of the Board of Directors.

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## ARTICLE IV

*OFFICERS*

SECTION 1. The Board of Directors shall elect from among their number a Chairman of the Board and a Chief Executive Officer; and shall also elect a President, or two or more Co-Presidents, and may also elect, one or more Vice Chairmen, one or more Executive Vice Presidents, one or more Managing Directors, one or more Senior Vice Presidents, one or more Directors, one or more Vice Presidents, one or more General Managers, a Secretary, a Controller, a Treasurer, a General Counsel, a General Auditor, a General Credit Auditor, who need not be directors. The officers of the corporation may also include such other officers or assistant officers as shall from time to time be elected or appointed by the Board. The Chairman of the Board or the Chief Executive Officer or, in their absence, the President or any Co-President, or any Vice Chairman, may from time to time appoint assistant officers. All officers elected or appointed by the Board of Directors shall hold their respective offices during the pleasure of the Board of Directors, and all assistant officers shall hold office at the pleasure of the Board or the Chairman of the Board or the Chief Executive Officer or, in their absence, the President, or any Co-President or any Vice Chairman. The Board of Directors may require any and all officers and employees to give security for the faithful performance of their duties.

SECTION 2. The Board of Directors shall designate the Chief Executive Officer of the Company who may also hold the additional title of Chairman of the Board, or President, or any Co-President, and such person shall have, subject to the supervision and direction of the Board of Directors or the Executive Committee, all of the powers vested in such Chief Executive Officer by law or by these By-Laws, or which usually attach or pertain to such office. The other officers shall have, subject to the supervision and direction of the Board of Directors or the Executive Committee or the Chairman of the Board or, the Chief Executive Officer, the powers vested by law or by these By-Laws in them as holders of their respective offices and, in addition, shall perform such other duties as shall be assigned to them by the Board of Directors or the Executive Committee or the Chairman of the Board or the Chief Executive Officer.

The General Auditor shall be responsible, through the Audit Committee, to the Board of Directors for the determination of the program of the internal audit function and the evaluation of the adequacy of the system of internal controls. Subject to the Board of Directors, the General Auditor shall have and may exercise all the powers and shall perform all the duties usual to such office and shall have such other powers as may be prescribed or assigned to him from time to time by the Board of Directors or vested in him by law or by these By-Laws. He shall perform such other duties and shall make such investigations, examinations and reports as may be prescribed or required by the Audit Committee. The General Auditor shall have unrestricted access to all records and premises of the Company and shall delegate such authority to his subordinates. He shall have the duty to report to the Audit Committee on all matters concerning the internal audit program and the adequacy of the system of internal controls of the Company which he deems advisable or which the Audit Committee may request. Additionally, the General Auditor shall have the duty of reporting independently of all officers of the Company to the Audit Committee at least quarterly on any matters concerning the internal audit program and the adequacy of the system of internal controls of the Company that should be brought to the

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attention of the directors except those matters responsibility for which has been vested in the General Credit Auditor. Should the General Auditor deem any matter to be of special immediate importance, he shall report thereon forthwith to the Audit Committee. The General Auditor shall report to the Chief Financial Officer only for administrative purposes.

The General Credit Auditor shall be responsible to the Chief Executive Officer and, through the Audit Committee, to the Board of Directors for the systems of internal credit audit, shall perform such other duties as the Chief Executive Officer may prescribe, and shall make such examinations and reports as may be required by the Audit Committee. The General Credit Auditor shall have unrestricted access to all records and may delegate such authority to subordinates.

SECTION 3. The compensation of all officers shall be fixed under such plan or plans of position evaluation and salary administration as shall be approved from time to time by resolution of the Board of Directors.

SECTION 4. The Board of Directors, the Executive Committee, the Chairman of the Board, the Chief Executive Officer or any person authorized for this purpose by the Chief Executive Officer, shall appoint or engage all other employees and agents and fix their compensation. The employment of all such employees and agents shall continue during the pleasure of the Board of Directors or the Executive Committee or the Chairman of the Board or the Chief Executive Officer or any such authorized person; and the Board of Directors, the Executive Committee, the Chairman of the Board, the Chief Executive Officer or any such authorized person may discharge any such employees and agents at will.

## ARTICLE V

*INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS*

SECTION 1. The Company shall, to the fullest extent permitted by Section 7018 of the New York Banking Law, indemnify any person who is or was made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, whether involving any actual or alleged breach of duty, neglect or error, any accountability, or any actual or alleged misstatement, misleading statement or other act or omission and whether brought or threatened in any court or administrative or legislative body or agency, including an action by or in the right of the Company to procure a judgment in its favor and an action by or in the right of any other corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any director or officer of the Company is servicing or served in any capacity at the request of the Company by reason of the fact that he, his testator or intestate, is or was a director or officer of the Company, or is serving or served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, against judgments, fines, amounts paid in settlement, and costs, charges and expenses, including attorneys' fees, or any appeal therein; provided, however, that no indemnification shall be provided to any such person if a judgment or other final adjudication adverse to the director or officer establishes that (i) his acts were committed in bad faith or were the result of active and deliberate dishonesty and, in either case, were material to the cause of action so adjudicated, or (ii) he personally gained in fact a financial profit or other advantage to which he was not legally entitled.

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SECTION 2. The Company may indemnify any other person to whom the Company is permitted to provide indemnification or the advancement of expenses by applicable law, whether pursuant to rights granted pursuant to, or provided by, the New York Banking Law or other rights created by (i) a resolution of stockholders, (ii) a resolution of directors, or (iii) an agreement providing for such indemnification, it being expressly intended that these By-Laws authorize the creation of other rights in any such manner.

SECTION 3. The Company shall, from time to time, reimburse or advance to any person referred to in Section 1 the funds necessary for payment of expenses, including attorneys' fees, incurred in connection with any action or proceeding referred to in Section 1, upon receipt of a written undertaking by or on behalf of such person to repay such amount(s) if a judgment or other final adjudication adverse to the director or officer establishes that (i) his acts were committed in bad faith or were the result of active and deliberate dishonesty and, in either case, were material to the cause of action so adjudicated, or (ii) he personally gained in fact a financial profit or other advantage to which he was not legally entitled.

SECTION 4. Any director or officer of the Company serving (i) another corporation, of which a majority of the shares entitled to vote in the election of its directors is held by the Company, or (ii) any employee benefit plan of the Company or any corporation referred to in clause (i) in any capacity shall be deemed to be doing so at the request of the Company. In all other cases, the provisions of this Article V will apply (i) only if the person serving another corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise so served at the specific request of the Company, evidenced by a written communication signed by the Chairman of the Board, the Chief Executive Officer, the President or any Co-President, and (ii) only if and to the extent that, after making such efforts as the Chairman of the Board, the Chief Executive Officer, the President or any Co-President shall deem adequate in the circumstances, such person shall be unable to obtain indemnification from such other enterprise or its insurer.

SECTION 5. Any person entitled to be indemnified or to the reimbursement or advancement of expenses as a matter of right pursuant to this Article V may elect to have the right to indemnification (or advancement of expenses) interpreted on the basis of the applicable law in effect at the time of occurrence of the event or events giving rise to the action or proceeding, to the extent permitted by law, or on the basis of the applicable law in effect at the time indemnification is sought.

SECTION 6. The right to be indemnified or to the reimbursement or advancement of expense pursuant to this Article V (i) is a contract right pursuant to which the person entitled thereto may bring suit as if the provisions hereof were set forth in a separate written contract between the Company and the director or officer, (ii) is intended to be retroactive and shall be available with respect to events occurring prior to the adoption hereof, and (iii) shall continue to exist after the rescission or restrictive modification hereof with respect to events occurring prior thereto.

SECTION 7. If a request to be indemnified or for the reimbursement or advancement of expenses pursuant hereto is not paid in full by the Company within thirty days after a written claim has been received by the Company, the claimant may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim and, if successful

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in whole or in part, the claimant shall be entitled also to be paid the expenses of prosecuting such claim. Neither the failure of the Company (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper in the circumstance, nor an actual determination by the Company (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses, shall be a defense to the action or create a presumption that the claimant is not so entitled.

SECTION 8. A person who has been successful, on the merits or otherwise, in the defense of a civil or criminal action or proceeding of the character described in Section 1 shall be entitled to indemnification only as provided in Sections 1 and 3, notwithstanding any provision of the New York Banking Law to the contrary.

## ARTICLE VI

*SEAL*

SECTION 1. The Board of Directors shall provide a seal for the Company, the counterpart dies of which shall be in the charge of the Secretary of the Company and such officers as the Chairman of the Board, the Chief Executive Officer or the Secretary may from time to time direct in writing, to be affixed to certificates of stock and other documents in accordance with the directions of the Board of Directors or the Executive Committee.

SECTION 2. The Board of Directors may provide, in proper cases on a specified occasion and for a specified transaction or transactions, for the use of a printed or engraved facsimile seal of the Company.

## ARTICLE VII

*CAPITAL STOCK*

SECTION 1. Registration of transfer of shares shall only be made upon the books of the Company by the registered holder in person, or by power of attorney, duly executed, witnessed and filed with the Secretary or other proper officer of the Company, on the surrender of the certificate or certificates of such shares properly assigned for transfer.

## ARTICLE VIII

*CONSTRUCTION*

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SECTION 1. The masculine gender, when appearing in these By-Laws, shall be deemed to include the feminine gender.

## ARTICLE IX

*AMENDMENTS*

SECTION 1. These By-Laws may be altered, amended or added to by the Board of Directors at any meeting, or by the stockholders at any annual or special meeting, provided notice thereof has been given.

I, Susan Johnson, Vice President, of Deutsche Bank Trust Company Americas, New York, New York, hereby certify that the foregoing is a complete, true and correct copy of the By-Laws of Deutsche Bank Trust Company Americas, and that the same are in full force and effect at this date.

/s/ Susan Johnson

Vice President

DATED AS OF: January 7, 2004

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| | |
|---|---|
| DEUTSCHE BANK TRUST COMPANY AMERICAS | FFIEC 031<br>RC–1 |
| Legal Title of Bank<br>NEW YORK | |
| City | 11 |
| NY 10005-2858 | |
| State Zip Code | |

FDIC Certificate Number - 00623

**Consolidated Report of Condition for Insured Commercial and State-Chartered Savings Banks for September 30, 2003**

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, reported the amount outstanding as of the last business day of the quarter.

**Schedule RC- Balance Sheet**

| Dollar Amounts in Thousands | | | RCFD | | |
|---|---|---|---|---|---|
| ASSETS | | | ////////////// | | |
| 1. Cash and balances due from depository institutions (from Schedule RC-A): | | | ////////////// | | |
| a. Noninterest-bearing balances and currency and coin (1) | | | 0081 | 2,807,000 | 1.a. |
| b. Interest-bearing balances (2) | | | 0071 | 113,000 | 1.b. |
| 2. Securities: | | | ////////////// | | |
| a. Held-to-maturity securities (from Schedule RC-B, column A) | | | 1754 | 0 | 2.a. |
| b. Available-for-sale securities (from Schedule RC-B, column D) | | | 1773 | 58,000 | 2.b. |
| 3. Federal funds sold and securities purchased under agreements to resell | | | RCON | | 3. |
| a. Federal funds sold in domestic offices | | | B987 | 1,958,000 | 3.a |
| | | | RCFD | | |
| b. Securities purchased under agreements to resell (3) | | | B989 | 5,503,0000 | 3.b |
| 4. Loans and lease financing receivables (from Schedule RC-C): | | | ////////////// | | |
| a. Loans and leases held for sale | | | 5369 | 0 | 4.a. |
| b. Loans and leases, net unearned income | B528 | 10,097,000 | ////////////// | | 4.b. |
| c. LESS: Allowance for loan and lease losses | 3123 | 406,000 | ////////////// | | 4.c. |

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| | | | |
|---|---|---|---|
| d. Loans and leases, net of unearned income and allowance (item 4.b minus 4.c) | B529 | 7,149,000 | 4.d. |
| 5. Trading Assets (from schedule RC-D) | 3545 | 12,644,000 | 5. |
| 6. Premises and fixed assets (including capitalized leases) | 2145 | 278,000 | 6. |
| 7. Other real estate owned (from Schedule RC-M) | 2150 | 60,000 | 7. |
| 8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M) | 2130 | 3,046,000 | 8. |
| 9. Customers' liability to this bank on acceptances outstanding | 2155 | 0 | 9. |
| 10. Intangible assets | | | |
| a. Goodwill | 3163 | 0 | 10.a |
| b. Other intangible assets (from Schedule RC-M) | 0426 | 29,000 | 10.b |
| 11. Other assets (from Schedule RC-F) | 2160 | 2,193,000 | 11. |
| 12. Total assets (sum of items 1 through 11) | 2170 | 35,838,000 | 12. |

(1) Includes cash items in process of collection and unposted debits.

(2) Includes time certificates of deposit not held for trading.

(3) Includes all securities resale agreements in domestic and foreign offices, regardless of maturity.

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DEUTSCHE BANK TRUST COMPANY AMERICAS | FFIEC 031 RC–2

Legal Title of Bank
FDIC Certificate Number - 00623 | 12

**Schedule RC- Continued**

| | Dollar Amounts in Thousands | | | | |
|---|---|---|---|---|---|
| LIABILITIES | | | | | |
| 13. Deposits: | | | | | |
| a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part I) | | | RCON 2200 | 8,679,000 | 13.a. |
| (1) Noninterest-bearing(1) | RCON 6631 | 3,050,000 | | | 13.a.(1) |
| (2) Interest-bearing | RCON 6636 | 6,784,000 | | | 13.a.(2) |
| b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E part II) | | | RCFN 2200 | 8,941,000 | 13.b. |
| (1) Noninterest-bearing | RCFN 6631 | 1,814,000 | | | 13.b.(1) |
| (2) Interest-bearing | RCFN 6636 | 7,609,000 | | | 13.b.(2) |
| 14. Federal funds purchased and securities sold under agreements to repurchase: | | | RCON | | |
| a. Federal Funds purchased in domestic offices (2) | | | B993 | 7,341,000 | 14.a |
| | | | RCFD | | |
| b. Securities sold under agreements to repurchase (3) | | | 8995 | 0 | 14.b |
| 15. Trading liabilities (from Schedule RC-D) | | | RCFD 3548 | 1,331,000 | 15. |
| 16. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases): (from Schedule RC-M): A548 | | | RCFD 3190 | 103,000 | 16. |
| 17. Not Applicable | | | | | 17. |
| 18. Bank' s liability on acceptances executed and outstanding | | | RCFD 2920 | 0 | 18. |
| 19. Subordinated notes and debentures (2) | | | RCFD 3200 | 9,000 | 19. |
| 20. Other liabilities (from Schedule RC-G) | | | RCFD 2930 | 1,711,000 | 20. |
| 21. Total liabilities (sum of items 13 through 20) | | | RCFD 2948 | 28,115,000 | 21. |
| 22. Minority interest in consolidated subsidiaries | | | RCFD 3000 | 624,000 | 22. |
| EQUITY CAPITAL | | | | | |

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| | | | |
|---|---|---|---|
| 23. Perpetual preferred stock and related surplus | RCFD 3838 | 1,500,000 | 23. |
| 24. Common stock | RCFD 3230 | 2,127,000 | 24. |
| 25. Surplus (exclude all surplus related to preferred stock) | RCFD 3839 | 584,000 | 25. |
| 26. a. Retained earnings | RCFD 3632 | 2,879,000 | 26.a. |
| b. Accumulated other comprehensive Income (3) | RCFD B530 | 9,000 | 26.b. |
| 27. Other equity capital components (4) | RCFD A130 | 0 | 27. |
| 28. Total equity capital (sum of items 23 through 27) | RCFD 3210 | 7,099,000 | 28. |
| 29. Total liabilities, minority interest, and equity capital (sum of items 21, 22, and 28) | RCFD 3300 | 35,838,000 | 29. |

Memorandum

To be reported only with the March Report of Condition.

| | | Number | | | |
|---|---|---|---|---|---|
| 1. | Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2001 | RCFD | 6724 | N/A | M.1 |

1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank

2 = Independent audit of the bank' s parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)

3 = Attestation on bank management' s assertion on the effectiveness of the bank' s internal control over financial reporting by a certified public accounting firm

4 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)

5 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)

6 = Review of the bank' s financial statements by external auditors

7 = Compilation of the bank' s financial statements by external auditors

8 = Other audit procedures (excluding tax preparation work)

9 = No external audit work

(1) Includes total demand deposits and noninterest-bearing time and savings deposits.

(2) Report overnight Federal Home Loan Bank advances in Schedule RC, Item 16, "other borrowed money."

(3) Includes all securities repurchase agreements in domestic and foreign offices, regardless of maturity.

(4) Includes limited-life preferred stock and related surplus.

(5) Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, cumulative foreign currency translation adjustments, and minimum pension liability adjustments.

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(6) Includes treasury stock and unearned Employee Stock Plan shares.

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**EXHIBIT 99.1**

# LETTER OF TRANSMITTAL

**Offer to Exchange its**

**10 3/4% Senior Notes Due 2011**
**Which Have Been Registered under the Securities Act of 1933**
**for Any and All Outstanding**
**$406,000,000 10 3/4% Senior Notes Due 2011**
**Pursuant to the Prospectus dated , 2004**

# LAIDLAW INTERNATIONAL, INC.

**THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON , 2004, UNLESS EXTENDED (THE "EXPIRATION DATE"). TENDERS MAY BE WITHDRAWN AT ANY TIME PRIOR TO THE EXPIRATION DATE.**

*The Exchange Agent for the Exchange Offer is:*

## DEUTSCHE BANK TRUST COMPANY AMERICAS

*By Hand:*

Deutsche Bank Trust Company Americas
C/O The Depository Trust Clearing Corporation
55 Water Street, 1st floor
Jeanette Park Entrance
New York, NY 10041

*By Mail:*

DB Services Tennessee, Inc.
Reorganization Unit
P.O. Box 292737
Nashville, TN 37229-2737

Fax: (615) 835-3701

*By Overnight Mail or Courier:*

DB Services Tennessee, Inc.
Corporate Trust & Agency Services
Reorganization Unit
648 Grassmere Park Road
Nashville, TN 37211

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Confirm by Telephone

(615) 835-3572

Information: (800) 735-7777

**DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF THIS LETTER OF TRANSMITTAL VIA FACSIMILE TO A NUMBER OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY. THE INSTRUCTIONS CONTAINED HEREIN (THE "INSTRUCTIONS") SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED**.



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Capitalized terms used but not defined herein shall have the same meaning given them in the Prospectus (as defined below).

This Letter of Transmittal is to be completed by holders of Outstanding Notes (as defined below) either if Outstanding Notes are to be forwarded herewith or if tenders of Outstanding Notes are to be made by book-entry transfer to an account maintained by Deutsche Bank Trust Company Americas (the "Exchange Agent") at The Depository Trust Company ("DTC") pursuant to the procedures set forth in "The Exchange Offer − Procedures for Tendering Outstanding Notes" in the Prospectus.

Holders of Outstanding Notes whose certificates (the "Certificates") for such Outstanding Notes are not immediately available or who cannot deliver their Certificates, this Letter of Transmittal and all other required documents to the Exchange Agent on or prior to the Expiration Date or who cannot complete the procedures for book-entry transfer on a timely basis, may tender their Outstanding Notes according to the guaranteed delivery procedures set forth in "The Exchange Offer − Procedures for Tendering Outstanding Notes − Guaranteed Delivery" in the Prospectus.

**DELIVERY OF DOCUMENTS TO DTC DOES NOT CONSTITUTE DELIVERY TO THE EXCHANGE AGENT.**

**NOTE: SIGNATURES MUST BE PROVIDED BELOW**

**PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY**

List below the Outstanding Notes of which you are a holder. If the space provided below is inadequate, list the certificate numbers and principal amount on a separate signed schedule and attach that schedule to this Letter of Transmittal. See Instruction 3.

**All Tendering Holders Complete this Box:**

| DESCRIPTION OF OUTSTANDING NOTES TENDERED | | | |
|---|---|---|---|
| **Name(s) and Address(es) of Registered Holder (Fill in, if Blank)** | **Certificate Number(s)* (Attach Additional List if Necessary)** | **Aggregate Principal Amount (Attach Additional List if Necessary)** | **Principal Amount Tendered** (Attach Additional List if Necessary)** |
| | | $ | $ |
| | | | |
| | | | |
| | Total Amount Tendered | $ | $ |

* Need not be completed by book-entry holders. Such holders should check the appropriate box below and provide the requested information.
** Need not be completed if tendering for exchange all Outstanding Notes held. Outstanding Notes may be tendered in whole or in part in integral multiples of $1,000. All Outstanding Notes held shall be deemed tendered unless a lesser number is specified in this column. See Instruction 4.



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**(BOXES BELOW TO BE CHECKED BY ELIGIBLE INSTITUTIONS ONLY.**

**SEE INSTRUCTION 1)**

☐ **CHECK HERE IF TENDERED OUTSTANDING NOTES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO THE ACCOUNT MAINTAINED BY THE EXCHANGE AGENT AT DTC AND COMPLETE THE FOLLOWING:**

Name of Tendering Institution:

---

DTC Account Number:

---

Transaction Code Number:

---

☐ **CHECK HERE AND ENCLOSE A PHOTOCOPY OF THE NOTICE OF GUARANTEED DELIVERY IF TENDERED OUTSTANDING NOTES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE EXCHANGE AGENT AND COMPLETE THE FOLLOWING:**

Name(s) of Registered Holder(s):

---

Window Ticket Number (if any):

---

Date of Notice of Guaranteed Delivery:

---

Institution Which Guaranteed Delivery:

---

If Guaranteed Delivery is to be made by book-entry transfer:

---

Name of Tendering Institution:

---

DTC Account Number:

---

Transaction Code Number:

---

☐ **CHECK HERE IF YOU ARE A BROKER-DEALER WHO ACQUIRED OUTSTANDING NOTES FOR YOUR OWN ACCOUNT AS A RESULT OF MARKET-MAKING OR OTHER TRADING ACTIVITIES AND WISH TO RECEIVE TEN ADDITIONAL COPIES OF THE PROSPECTUS AND TEN COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.**

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Name:

Address:

Telephone Number and Contact Person:



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**PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY**

Ladies and Gentlemen:

The undersigned hereby tenders to Laidlaw International, Inc., a Delaware corporation (the "Company"), the above described principal amount of the Company' s outstanding $406,000,000 10 3/4% Senior Notes due 2011 (the "Outstanding Notes"), in exchange for a like principal amount of the Company' s 10 3/4% Senior Notes due 2011 (the "Exchange Notes"), which have been registered under the Securities Act of 1933 (the "Securities Act"), upon the terms and subject to the conditions set forth in the prospectus dated , 2004 (as the same may be amended or supplemented from time to time, the "Prospectus"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which, together with the Prospectus, constitute the "Exchange Offer").

Subject to and effective upon the acceptance for exchange of all or any portion of the Outstanding Notes tendered herewith in accordance with the terms and conditions of the Exchange Offer (including, if the Exchange Offer is extended or amended, the terms and conditions of any such extension or amendment), the undersigned hereby sells, assigns and transfers to or upon the order of the Company all right, title and interest in and to such Outstanding Notes as are being tendered herewith. The undersigned hereby irrevocably constitutes and appoints the Exchange Agent as its agent and attorney-in-fact (with full knowledge that the Exchange Agent is also acting as agent of the Company in connection with the Exchange Offer and as Trustee under the Indenture for the Outstanding Notes and the Exchange Notes) with respect to the tendered Outstanding Notes, with full power of substitution (such power of attorney being an irrevocable power coupled with an interest), subject only to the right of withdrawal described in the Prospectus, to: (i) deliver Certificates for Outstanding Notes to the Company together with all accompanying evidences of transfer and authenticity to, or upon the order of, the Company upon receipt by the Exchange Agent, as the undersigned' s agent, of the Exchange Notes to be issued in exchange for such Outstanding Notes; (ii) present Certificates for such Outstanding Notes for transfer, and to transfer such Outstanding Notes on the account books maintained by DTC; and (iii) receive for the account of the Company all benefits and otherwise exercise all rights of beneficial ownership of such Outstanding Notes, all in accordance with the terms and conditions of the Exchange Offer.

**The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, exchange, sell, assign and transfer the Outstanding Notes tendered hereby and that, when the same are accepted for exchange, the Company will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances, and that the Outstanding Notes tendered hereby are not subject to any adverse claims or proxies. The undersigned will, upon request, execute and deliver any additional documents deemed by the Company or the Exchange Agent to be necessary or desirable to complete the exchange, sale, assignment and transfer of the Outstanding Notes tendered hereby. The undersigned has read and agrees to all of the terms of the Exchange Offer.**

The name(s) and address(es) of the registered holder(s) of the Outstanding Notes tendered hereby should be printed above, if they are not already set forth above, as they appear on the Certificates representing such Outstanding Notes. The Certificate number(s) and amount of Outstanding Notes that the undersigned wishes to tender should be indicated in the appropriate boxes above.

If any tendered Outstanding Notes are not exchanged pursuant to the Exchange Offer for any reason, or if Certificates are submitted for more Outstanding Notes than are tendered or accepted for exchange, Certificates for such unexchanged or untendered Outstanding Notes will be returned (or, in the case of Outstanding Notes tendered by book-entry transfer, such Outstanding Notes will be credited to an account maintained at DTC), without expense to the tendering holder, promptly following the expiration or termination of the Exchange Offer.

The undersigned understands that tenders of Outstanding Notes pursuant to any one of the procedures described in "The Exchange Offer − Procedures for Tendering Outstanding Notes" in the Prospectus and in the Instructions herein will, upon the Company' s acceptance for exchange of such tendered Outstanding Notes, constitute a binding agreement between the undersigned and the Company upon the terms and subject to the conditions of the Exchange Offer. The undersigned recognizes that, under certain circumstances set forth in the Prospectus, the Company may not be required to accept for exchange any of the Outstanding Notes tendered hereby.



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Unless otherwise indicated herein in the box entitled "Special Issuance Instructions" below, the undersigned hereby directs that the Exchange Notes be issued in the name(s) of the undersigned or, in the case of a book-entry transfer of Outstanding Notes, be credited to the account at DTC indicated above in the box entitled "Description of Outstanding Notes." If applicable, substitute Certificates representing Outstanding Notes not exchanged or not accepted for exchange will be issued to the undersigned or, in the case of a book-entry transfer of Outstanding Notes, will be credited to the account at DTC indicated above. Similarly, unless otherwise indicated under "Special Delivery Instructions," please deliver Exchange Notes to the undersigned at the address shown below the undersigned' s signature.

**By tendering Outstanding Notes and executing this Letter of Transmittal, the undersigned hereby represents and agrees that: (i) the undersigned is not an "affiliate" of the Company (within the meaning of Rule 405 under the Securities Act); (ii) any Exchange Notes to be received by the undersigned are being acquired in the ordinary course of its business; and (iii) the undersigned has no arrangement or understanding with any person to participate in a distribution (within the meaning of the Securities Act) of Exchange Notes to be received in the Exchange Offer. If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of Exchange Notes.**

**If the undersigned is a broker-dealer, by tendering Outstanding Notes and executing this Letter of Transmittal, the undersigned represents and agrees that such Outstanding Notes were acquired by such broker-dealer for its own account as a result of market-making activities or other trading activities and it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of Exchange Notes; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. The Company has agreed that it will make the Prospectus available to any participating broker-dealer in connection with any such resale for at least 180 days after the Expiration Date.**

All authority herein conferred or agreed to be conferred in this Letter of Transmittal shall survive the death or incapacity of the undersigned and any obligation of the undersigned hereunder shall be binding upon the heirs, executors, administrators, personal representatives, trustees in bankruptcy, legal representatives, successors and assigns of the undersigned. Except as stated in the Prospectus and in the Instructions contained in this Letter of Transmittal, this tender is irrevocable.



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PLEASE SIGN HERE

(TO BE COMPLETED BY ALL TENDERING HOLDERS)
(Complete accompanying Substitute Form W-9)

X _____ Date: _____

X _____ Date: _____

Signature(s) of Owner(s)

This Letter of Transmittal must be signed by the registered holder(s) exactly as their name(s) appear(s) on the Certificate(s) for the Outstanding Notes, or by person(s) authorized to become registered holder(s) by a properly completed bond power from the registered holder(s), a copy of which must be transmitted with this Letter of Transmittal. If Outstanding Notes to which this Letter of Transmittal relate are held of record by two or more joint holders, then all such holders must sign this. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, then please set forth full title. See Instructions 2 and 5.

Name(s):

_____

_____

(Please Type or Print)

Capacity:

_____

Address:

_____

(Including Zip Code)

Area Code and Telephone Number:

_____

Tax Identification or

Social Security Number(s): _____

SIGNATURE GUARANTEE

(If required by Instructions 2 and 5)

Signatures Guaranteed

by an Eligible Institution:

_____ (Authorized Signature)

_____

(Title)

_____

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(Name of Firm)

(Address and Telephone Number)

Dated: Medallion Guarantee:



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**SPECIAL ISSUANCE INSTRUCTIONS**
**(See Instructions 2, 5 and 6)**

To be completed ONLY if Certificates for Outstanding Notes not exchanged and/or Exchange Notes are to be issued in the name of and sent to someone other than the person or persons whose signature(s) appear(s) on this Letter of Transmittal above.

Issue Exchange Notes and/or Outstanding Notes to:

Name(s):

---

**(Please Type or Print)**

Address:

---

---

**(Zip Code)**

Telephone Number:

---

Tax Identification or Social Security Number(s):

---

(Complete Substitute Form W-9)

**SPECIAL DELIVERY INSTRUCTIONS**

**(See Instructions 2, 5 and 6)**

To be completed ONLY if Certificates for Outstanding Notes not exchanged and/or Exchange Notes are to be sent to someone other than the person or persons whose signature(s) appear(s) on this Letter of Transmittal above or to such person or persons at an address other than shown in the box above entitled "Description of Outstanding Notes Tendered."

Deliver Exchange Notes and/or Outstanding Notes to:

Name(s):

---

**(Please Type or Print)**

---

**(Please Type or Print)**

Address:

---

---

**(Zip Code)**

Telephone Number:

---

Tax Identification or Social Security Number(s):

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**IMPORTANT: UNLESS GUARANTEED DELIVERY PROCEDURES ARE COMPLIED WITH, THIS LETTER OF TRANSMITTAL OR A FACSIMILE HEREOF (TOGETHER WITH THE CERTIFICATE(S) FOR OUTSTANDING NOTES AND ANY OTHER DOCUMENTS REQUIRED) MUST BE RECEIVED BY THE EXCHANGE AGENT PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.**



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## INSTRUCTIONS TO LETTER OF TRANSMITTAL

## (FORMING PART OF THE TERMS AND CONDITIONS OF THE EXCHANGE OFFER)

1. **Delivery of Letter of Transmittal and Certificates; Guaranteed Delivery Procedures.**

This Letter of Transmittal is to be completed either if: (i) Certificates are to be forwarded herewith or (ii) tenders are to be made pursuant to the procedures for tender by book-entry transfer set forth in "The Exchange Offer − Procedures for Tendering Outstanding Notes − Book-Entry Transfer" in the Prospectus and an Agent' s Message is not delivered. Certificates, or timely confirmation of a book-entry transfer of such Outstanding Notes into the Exchange Agent' s account at DTC, as well as this Letter of Transmittal (or facsimile thereof), properly completed and duly executed, with any required signature guarantees, and any other documents required by this Letter of Transmittal, must be received by the Exchange Agent at its address set forth herein on or prior to the Expiration Date. Tenders by book-entry transfer may also be made by delivering an Agent' s Message in lieu of this Letter of Transmittal. The term "Agent' s Message" means a message, transmitted by DTC to and received by the Exchange Agent and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgement from the tendering participant, which acknowledgment states that such participant has received and agrees to be bound by the Letter of Transmittal and that the Company may enforce the Letter of Transmittal against such participant. The term "book-entry confirmation" means a timely confirmation of book-entry transfer of Outstanding Notes into the Exchange Agent' s account at DTC. Outstanding Notes may be tendered in whole or in part in integral multiples of $1,000 principal amount.

Holders who wish to tender their Outstanding Notes and: (i) whose Certificates for such Outstanding Notes are not immediately available; (ii) who cannot deliver their Certificates, this Letter of Transmittal and all other required documents to the Exchange Agent prior to the Expiration Date; or (iii) who cannot complete the procedures for delivery by book-entry transfer on a timely basis, may tender their Outstanding Notes by properly completing and duly executing a Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedures set forth in "The Exchange Offer − Procedures for Tendering Outstanding Notes − Guaranteed Delivery" in the Prospectus. Pursuant to such procedures: (i) such tender must be made by or through an Eligible Institution (as defined below); (ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form accompanying this Letter of Transmittal, must be received by the Exchange Agent prior to the Expiration Date; and (iii) the Certificates (or a book-entry confirmation) representing all tendered Outstanding Notes, in proper form for transfer, together with a Letter of Transmittal (or facsimile thereof), properly completed and duly executed, with any required signature guarantees, or an Agent' s Message, in the case of a book-entry transfer, and any other documents required by this Letter of Transmittal, must be received by the Exchange Agent within three New York Stock Exchange trading days after the date of execution of such Notice of Guaranteed Delivery, all as provided in "The Exchange Offer − Procedures for Tendering Outstanding Notes − Guaranteed Delivery" in the Prospectus.

The Notice of Guaranteed Delivery may be delivered by hand or transmitted by facsimile or mail to the Exchange Agent, and must include a guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery. For Outstanding Notes to be properly tendered pursuant to the guaranteed delivery procedure, the Exchange Agent must receive a Notice of Guaranteed Delivery on or prior to the Expiration Date. As used herein and in the Prospectus, "Eligible Institution" means a firm or other entity identified in Rule 17Ad-15 under the Exchange Act as "an eligible guarantor institution," including (as such terms are defined therein): (i) a bank; (ii) a broker, dealer, municipal securities broker or dealer or government securities broker or dealer; (iii) a credit union; (iv) a national securities exchange, registered securities association or clearing agency; or (v) a savings association.

**The method of delivery of Certificates for Outstanding Notes, this Letter of Transmittal and all other required documents is at the option and sole risk of the tendering holder, and delivery will be deemed made only when actually received by the Exchange Agent. Instead of delivery by mail, it is recommended that holders use an overnight or hand delivery service. In all cases, sufficient time should be allowed to assure timely delivery to the Exchange Agent and proper insurance should be obtained. No Letter of Transmittal or Certificates for Outstanding Notes should be sent to the Company. Holders**



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**may request their respective brokers, dealers, commercial banks, trust companies or nominees to effect these transactions for such holders.**

The Company will not accept any alternative, conditional or contingent tenders. Each tendering holder, by execution of a Letter of Transmittal (or facsimile thereof), waives any right to receive any notice of the acceptance of such tender.

2. **Guarantee of Signatures.**

No signature guarantee on this Letter of Transmittal is required if: (i) this Letter of Transmittal is signed by the registered holder (which shall include any participant in DTC whose name appears on a security position listing as the owner of the Outstanding Notes) of Outstanding Notes tendered herewith, unless such holder has completed either the box entitled "Special Issuance Instructions" or the box entitled "Special Delivery Instructions" above; or (ii) such Outstanding Notes are tendered for the account of a firm that is an Eligible Institution. In all other cases, an Eligible Institution must guarantee the signature(s) on this Letter of Transmittal. See Instruction 5.

3. **Inadequate Space.**

If the space provided in the box captioned "Description of Outstanding Notes Tendered" is inadequate, the Certificate number(s) and/or the principal amount of Outstanding Notes and any other required information should be listed on a separate signed schedule and attached to this Letter of Transmittal.

4. **Partial Tenders and Withdrawal Rights.**

Tenders of Outstanding Notes will be accepted only in integral multiples of $1,000 stated principal amount. If less than all the Outstanding Notes evidenced by any Certificate submitted are to be tendered, fill in the principal amount of Outstanding Notes which are to be tendered in the "Principal Amount Tendered" column in the box entitled "Description of Outstanding Notes Tendered." In such case, new Certificate(s) for the remainder of the Outstanding Notes that were evidenced by the old Certificate(s) will be sent to the tendering holder, unless the appropriate boxes on this Letter of Transmittal are completed, promptly after the Expiration Date. All Outstanding Notes represented by Certificates delivered to the Exchange Agent will be deemed to have been tendered unless otherwise indicated.

Except as otherwise provided herein, tenders of Outstanding Notes pursuant to the Exchange Offer may be withdrawn at any time prior to the Expiration Date. In order for a withdrawal to be effective, a written, telegraphic or facsimile transmission of such notice of withdrawal must be timely received by the Exchange Agent at its address set forth above prior to the Expiration Date. Any such notice of withdrawal must specify the name of the person who tendered the Outstanding Notes to be withdrawn, the aggregate principal amount of Outstanding Notes to be withdrawn, and if Certificates for such Outstanding Notes have been tendered, the name of the registered holder of the Outstanding Notes as set forth on the Certificate(s), if different from that of the person who tendered such Outstanding Notes. If Certificates for Outstanding Notes have been delivered or otherwise identified to the Exchange Agent, the notice of withdrawal must specify the serial numbers on the particular Certificates for the Outstanding Notes to be withdrawn and the signature on the notice of withdrawal must be guaranteed by an Eligible Institution, except in the case of Outstanding Notes tendered for the account of an Eligible Institution. If Outstanding Notes have been tendered pursuant to the procedures for book-entry transfer set forth in "The Exchange Offer − Procedures for Tendering Outstanding Notes − Book-Entry Transfer" in the Prospectus, the notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawal of Outstanding Notes and must otherwise comply with the procedures of DTC. Withdrawals of tenders of Outstanding Notes may not be rescinded. Outstanding Notes properly withdrawn will not be deemed validly tendered for purposes of the Exchange Offer, but may be retendered at any subsequent time prior to the Expiration Date by following any of the procedures set forth in "The Exchange Offer − Procedures for Tendering Outstanding Notes" in the Prospectus.

All questions as to the validity, form and eligibility (including time of receipt) of such withdrawal notices will be determined by the Company, in its reasonable judgment, which determination shall be final and binding on all parties. Neither the Company, any affiliates of the Company, the Exchange Agent or any

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other person shall be under any duty to give any notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give any such notification. Any Outstanding Notes which have been tendered but which are withdrawn will be returned to the holder thereof promptly after withdrawal.

5. **Signatures on Letter of Transmittal, Assignments and Endorsements.**

If this Letter of Transmittal is signed by the registered holder(s) of the Outstanding Notes tendered hereby, the signature(s) must correspond exactly with the name(s) as written on the face of the Certificate(s) or on a security position listing, without alteration, enlargement or any change whatsoever.

If any of the Outstanding Notes tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If any tendered Outstanding Notes are registered in different names on several Certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal (or facsimiles thereof or Agent' s Messages in lieu thereof) as there are names in which Certificates are registered.

If this Letter of Transmittal or any Certificates or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing and must submit proper evidence satisfactory to the Company, in its reasonable judgment, of such persons' authority to so act.

When this Letter of Transmittal is signed by the registered holder(s) of the Outstanding Notes listed and transmitted hereby, no endorsement(s) of Certificate(s) or separate bond power(s) are required unless Exchange Notes are to be issued in the name of a person other than the registered holder(s). Signature(s) on such Certificate(s) or bond power(s) must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Outstanding Notes listed and transmitted hereby, the Certificate(s) must be endorsed or accompanied by appropriate bond power(s), signed exactly as the name(s) of the registered owner(s) appear(s) on the Certificate(s), and also must be accompanied by such opinions of counsel, certifications and other information as the Company or the Trustee for the Outstanding Notes may require in accordance with the restrictions on transfer applicable to the Outstanding Notes. Signature(s) on such Certificate(s) or bond power(s) must be guaranteed by an Eligible Institution.

6. **Special Issuance of Delivery Instructions.**

If Exchange Notes or Certificates for Outstanding Notes not exchanged are to be issued in the name of a person other than the signer of this Letter of Transmittal, or are to be sent to someone other than the signer of this Letter of Transmittal or to an address other than that shown above, the appropriate boxes on this Letter of Transmittal should be completed. In the case of issuance in a different name, the taxpayer identification number of the person named must also be indicated. Holders tendering Outstanding Notes by book-entry transfer may request that Outstanding Notes not exchanged be credited to such account maintained at DTC as such holder may designate. If no such instructions are given, Outstanding Notes not exchanged will be returned by mail or, if tendered by book-entry transfer, by crediting the account indicated above maintained at DTC.

7. **Irregularities.**

The Company will determine, in its reasonable judgment, all questions as to the form of documents, validity, eligibility (including time of receipt) and acceptance for exchange of any tender of Outstanding Notes, which determination shall be final and binding on all parties. The Company reserves the right, in its reasonable judgment, to reject any and all tenders determined by it not to be in proper form or the acceptance of which, or exchange for, may, in the view of counsel to the Company, be unlawful. The Company also reserves the right, subject to applicable law, to waive any of the conditions of the Exchange Offer set forth in "The Exchange Offer − Conditions to the Exchange Offer"

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in the Prospectus or any defect or irregularity in any tender of Outstanding Notes of any particular holder whether or not similar defects or irregularities are waived in the case of other holders. The Company' s interpretation of the terms and conditions of the



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Exchange Offer (including this Letter of Transmittal and the Instructions) will be final and binding. No tender of Outstanding Notes will be deemed to have been validly made until all defects or irregularities with respect to such tender have been cured or waived. Neither the Company, any affiliates or assigns of the Company, the Exchange Agent, or any other person shall be under any duty to give any notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.

8. **Questions, Requests for Assistance and Additional Copies.**

Questions and requests for assistance may be directed to the Exchange Agent at its address and telephone number set forth above. Additional copies of the Prospectus, this Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained from the Exchange Agent or from your broker, dealer, commercial bank, trust company or other nominee.

9. **Backup Withholding; Substitute Form W-9.**

Under the federal income tax laws, payments that may be made by the Company on account of Exchange Notes may be subject to backup withholding at the rate of 30% in 2004 and 29% thereafter. In order to avoid backup withholding, each tendering holder should complete and sign the Substitute Form W-9 included in this Letter of Transmittal and either (a) provide the correct taxpayer identification number ("TIN") and certify, under penalties of perjury, that the TIN provided is correct and that (i) the holder has not been notified by the Internal Revenue Service (the "IRS") that the holder is subject to backup withholding as a result of failure to report all interest or dividends or (ii) the IRS has notified the holder that the holder is no longer subject to backup withholding; or (b) provide an adequate basis for exemption. If the tendering holder has not been issued a TIN and has applied for one, or intends to apply for one in the near future, such holder should write "Applied For" in the space provided for the TIN in Part I of the Substitute Form W-9, sign and date the Substitute Form W-9 and sign the Certificate of Payee Awaiting Taxpayer Identification Number. If "Applied For" is written in Part I, the Company (or the paying agent under the Indenture governing the Exchange Notes) will retain a percentage (equal to the applicable backup withholding rate − either 30% or 29%) of payments made to the tendering holder during the 60-day period following the date of the Substitute Form W-9. If the holder furnishes the Exchange Agent or the Company with its TIN within 60-days after the date of the Substitute Form W-9, the Company (or the paying agent) will remit such amounts retained during the 60-day period to the holder and no further amounts will be retained or withheld from payments made to the holder thereafter. If, however, the holder does not provide the Exchange Agent or the Company with its TIN within such 60-day period, the Company (or the paying agent) will remit such previously retained amounts to the IRS as backup withholding and, until a correct TIN is provided, will backup withhold (at the applicable rate) on all payments made thereafter. In general, if a holder is an individual, the taxpayer identification number is that individual' s Social Security Number. If the Exchange Agent or the Company is not provided with the correct taxpayer identification number, the holder may be subject to a $50 penalty imposed by the IRS. Certain holders (including, among others, corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order for a foreign individual to qualify as an exempt recipient, such holder must submit to the Exchange Agent or the Company the appropriate IRS Form W-8, signed under penalties of perjury, attesting to that individual' s exempt status. Such forms can be obtained from the Exchange Agent upon request. For further information concerning backup withholding and instructions for completing the Substitute Form W-9 (including how to obtain a taxpayer identification number if you do not have one and how to complete the Substitute Form W-9 if Outstanding Notes are registered in more than one name), consult the guidelines included in the Request for Taxpayer Identification Number and Certification on Form W-9. You may obtain a copy of this document at the IRS' website at www.irs.gov.

**Failure to complete the Substitute Form W-9 will not, by itself, cause Outstanding Notes to be deemed invalidly tendered, but may require the Company (or the paying agent) to withhold (at the applicable rate) from any payments made on account of the Exchange Notes. Backup withholding is not an additional federal income tax. Rather, the federal income tax liability of a person subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained.**



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10. **Mutilated, Lost, Destroyed or Stolen Certificates.**

If any Certificate(s) representing Outstanding Notes has been mutilated, lost, destroyed or stolen, the holder should promptly notify the Exchange Agent. The holder will then be instructed as to the steps that must be taken in order to replace the Certificate(s). This Letter of Transmittal and related documents cannot be processed until the procedures for replacing mutilated, lost, destroyed or stolen Certificate(s) have been followed.

11. **Security Transfer Taxes.**

Holders who tender their Outstanding Notes for exchange will not be obligated to pay any transfer taxes in connection therewith, except that if Exchange Notes are to be delivered to, or are to be issued in the name of, any person other than the registered holder of the Outstanding Notes tendered, or if a transfer tax is imposed for any reason other than the exchange of Outstanding Notes in connection with the Exchange Offer, then the amount of any such transfer tax (whether imposed on the registered holder or any other persons) will be payable by the tendering holder. If satisfactory evidence of payment of such transfer tax or exemption therefrom is not submitted with the Letter of Transmittal, the amount of such transfer tax will be billed directly to such tendering holder.

**IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A FACSIMILE THEREOF), TOGETHER WITH CERTIFICATES REPRESENTING TENDERED OUTSTANDING NOTES OR A BOOK ENTRY CONFIRMATION AND ALL OTHER REQUIRED DOCUMENTS, MUST BE RECEIVED BY THE EXCHANGE AGENT PRIOR TO THE EXPIRATION DATE.**



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**TO BE COMPLETED BY ALL TENDERING HOLDERS**

**(See Instruction 9)**

| | | |
|---|---|---|
| | **PAYOR' S NAME:** | |
| **SUBSTITUTE**<br><br>**FORM W-9**<br>**Department of the Treasury**<br>**Internal Revenue Service** | **Part 1** − Taxpayer Identification Number<br><br>Enter your taxpayer identification number in the appropriate box. For most individuals, this is your Social Security Number. If you do not have a number, see how to obtain a "TIN" in the guidelines included in the Request for Taxpayer Identification Number and Certification on Form W-9.*<br><br>NOTE: If the account is in more than one name, see the chart on page 2 of the guidelines referred to above to determine what number to give. | ----------<br>Social Security Number<br>OR<br><br>----------<br>Employer Identification Number |
| | **Part II** − For Payees Exempt from Backup Withholding (see guidelines referred to above) | |
| **Payer' s Request for Taxpayer Identification Number ("TIN") and Certification** | CERTIFICATION − UNDER THE PENALTIES OF PERJURY, I CERTIFY THAT:<br>(1) the number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me), and<br>(2) I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends or the IRS has notified me that I am no longer subject to backup withholding.<br>SIGNATURE | DATE |

**Certification Guidelines** − You must cross out Item (2) of the above certification if you have been notified by the IRS that you are subject to backup withholding because of underreporting of interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding, you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out Item (2).

* You may obtain a copy of this document at the IRS' website at www.irs.gov.

**CERTIFICATION OF PAYEE AWAITING TAXPAYER IDENTIFICATION NUMBER**

I certify, under penalties of perjury, that a Taxpayer Identification Number has not been issued to me and that I mailed or delivered an application to receive a Taxpayer Identification Number to the appropriate Internal Revenue Service Center or Social Security Administration Office (or I intend to mail or deliver an application in the near future). I understand that if I do not provide a Taxpayer Identification Number to the payer, a percentage (equal to the applicable backup withholding rate − either 30% or 29%) of all payments made to me on account of the Exchange Notes shall be retained until I provide a Taxpayer Identification Number to the payer and that, if I do not provide my Taxpayer Identification Number within 60 days, such retained amounts shall be remitted to the Internal Revenue Service as a backup withholding and a percentage (equal to the applicable backup withholding rate − either 30% or 29%) of all reportable payments made to me thereafter will be withheld and remitted to the Internal Revenue Service until I provide a Taxpayer Identification Number.

SIGNATURE _____

DATE _____

**NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING ON ANY PAYMENTS MADE TO YOU ON ACCOUNT OF THE EXCHANGE NOTES. PLEASE REVIEW THE GUIDELINES INCLUDED**

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**IN THE REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION ON FORM W-9 FOR ADDITIONAL DETAILS.**



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**Exhibit 99.2**

# LAIDLAW INTERNATIONAL, INC.

## Offer to Exchange its

## 10 3/4% Senior Notes Due 2011
## Which Have Been Registered Under the Securities Act of 1933, as Amended
## For Any and All Outstanding
## 10 3/4% Senior Notes Due 2011

To: Brokers, Dealers, Commercial Banks,
Trust Companies and Other Nominees

We are enclosing herewith the materials listed below relating to the offer by Laidlaw International, Inc., a Delaware corporation (the "Company"), to exchange its 10 3/4% Senior Notes Due 2011 (the "Exchange Notes"), which have been registered under the Securities Act of 1933 (the "Securities Act"), for its outstanding 10 3/4% Senior Notes Due 2011 (the "Old Notes"), upon the terms and subject to the conditions set forth in the prospectus dated , 2004 (as amended or supplemented from time to time, the "Prospectus") of the Company and the related letter of transmittal (as amended or supplemented from time to time, the "Letter of Transmittal"), which together constitute the Company' s offer (the "Exchange Offer").

Enclosed herewith are copies of the following documents:

1. Prospectus;

2. Letter of Transmittal for your use and for the information of your clients;

3. Notice of Guaranteed Delivery to be used to accept the Exchange Offer if certificates for Old Notes are not immediately available or time will not permit all required documents to reach the exchange agent prior to the Expiration Date (as defined below) or if the procedure for book-entry transfer cannot be completed on a timely basis;

4. Letter that may be sent to your clients for whose account you hold Old Notes in your name or in the name of your nominee, to accompany the instructions referred to below, for obtaining the client' s instructions with regard to the Exchange Offer; and

5. Instructions to Registered Holder from Beneficial Owner.

**We urge you to contact your clients promptly. Please note that the Exchange Offer will expire at 5:00 p.m., New York City time, on , 2004 (the "Expiration Date"), unless extended by the Company.**

The Exchange Offer is not conditioned upon any minimum number of Old Notes being tendered.

Pursuant to the Letter of Transmittal, each holder of Old Notes will represent to the Company that (i) neither the holder of Old Notes nor any other person is an "affiliate" of the Company (within the meaning of Rule 405 under the Securities Act), (ii) any Exchange Notes to be acquired pursuant to the Exchange Offer will be obtained in the ordinary course of business of the person receiving the Exchange Notes, whether or not that person is the registered holder, (iii) neither the holder nor any other person has an arrangement or understanding with any person to participate in a distribution of Exchange Notes, (iv) if the holder is not a broker-dealer, neither the holder nor any other person is engaged in or intends to engage in the distribution of the Exchange Notes and (v) if the holder is a broker-dealer, it must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the Exchange Notes. By so

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acknowledging that it will deliver and by delivering a prospectus meeting the requirements of the Securities Act in connection with any resale of Exchange Notes, the holder is not deemed to admit that it is an "underwriter" within the meaning of the Securities Act.



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The enclosed Instructions to Registered Holder from Beneficial Owner contain an authorization by the beneficial owners of the Old Notes for you to make the foregoing representations.

The Company will not pay any fee or commission to any broker or dealer or to any other person (other than the exchange agent) in connection with the solicitation of tenders of Old Notes pursuant to the Exchange Offer. The Company will not pay or cause to be paid any transfer taxes payable on the transfer of Old Notes to it.

Any questions regarding the Exchange Offer should be addressed to, and additional copies of the enclosed materials may be obtained from, the exchange agent for the Exchange Offer, at its address and telephone number set forth on the front of the Letter of Transmittal.

Very truly yours,

LAIDLAW INTERNATIONAL, INC.

**NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON AN AGENT FOR THE COMPANY OR THE EXCHANGE AGENT, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON THEIR BEHALF IN CONNECTION WITH THE EXCHANGE OFFER OTHER THAN THE DOCUMENTS ENCLOSED HEREWITH AND THE STATEMENTS CONTAINED THEREIN.**



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**Exhibit 99.3**

# NOTICE OF GUARANTEED DELIVERY

**For Tender of Any and All Outstanding**

**10 3/4% Senior Notes Due 2011**
**in Exchange for**
**10 3/4% Senior Notes Due 2011**
**Which Have Been Registered Under the Securities Act of 1933, as Amended**
**of**

## LAIDLAW INTERNATIONAL, INC.

This Notice of Guaranteed Delivery, or one substantially equivalent to this form, must be used by registered holders of outstanding $406,000,000 principal amount of 10 3/4% Senior Notes due 2011 (the "Outstanding Notes") of Laidlaw International, Inc., a Delaware corporation (the "Company"), who wish to tender their Outstanding Notes pursuant to the exchange offer described in the prospectus dated , 2004 (as the same may be amended or supplemented from time to time, the "Prospectus") and (a) whose certificates for the Outstanding Notes are not immediately available, (b) who cannot deliver their Outstanding Notes, the Letter of Transmittal and all other required documents to Deutsche Bank Trust Company Americas (the "Exchange Agent"), or (c) who cannot complete the procedures for book-entry transfer prior to 5:00 p.m., New York City time, on , 2004 or such later date and time to which the exchange offer may be extended (the "Expiration Date").

This Notice of Guaranteed Delivery, or one substantially equivalent to this form, must be delivered by hand or sent by facsimile transmission or mail to the Exchange Agent, and must be received by the Exchange Agent prior to the Expiration Date. See "The Exchange Offer − Procedures for Tendering Outstanding Notes" in the Prospectus. Capitalized terms used but not defined herein shall have the same meaning given them in the Prospectus.

*The Exchange Agent For The Exchange Offer Is:*

**DEUTSCHE BANK TRUST COMPANY AMERICAS**

*By Hand:*

Deutsche Bank Trust Company Americas
C/O The Depository Trust Clearing Corporation
55 Water Street, 1st floor
Jeanette Park Entrance
New York, NY 10041

*By Mail:*

DB Services Tennessee, Inc.
Reorganization Unit
P.O. Box 292737
Nashville, TN 37229-2737

Fax: (615) 835-3701

*By Overnight Mail or Courier:*

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DB Services Tennessee, Inc.
Corporate Trust & Agency Services
Reorganization Unit
648 Grassmere Park Road
Nashville, TN 37211

Confirm by Telephone

(615) 835-3572

Information: (800) 735-7777

**DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF THIS NOTICE OF GUARANTEED DELIVERY VIA FACSIMILE OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.**

This Notice of Guaranteed Delivery is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an "Eligible Institution" under the instructions thereto, such signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.



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Ladies and Gentlemen:

The undersigned hereby tenders to the Company, upon the terms and subject to the conditions set forth in the Prospectus and the related Letter of Transmittal, the Outstanding Notes indicated below pursuant to the guaranteed delivery procedures set forth in "The Exchange Offer − Procedures for Tendering Outstanding Notes − Guaranteed Delivery" in the Prospectus and in the instructions to the Letter of Transmittal.

Name(s) of Registered
Holder(s): _____

**(Please Type or Print)**

Signature(s):

_____

Address(es):

_____

_____

Area Code(s) and Telephone Number(s):

_____ QR

Account Number:

_____

Date:

_____

| Certificate No(s). (if available) | Principal Amount of Outstanding Notes Tendered* |
|---|---|
| | |

* Must be in integral multiples of $1,000.



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**GUARANTEE OF DELIVERY**

**(not to be used for signature guarantee)**

The undersigned, a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or a correspondent in the United States or an "eligible guarantor institution" within the meaning of Rule 17Ad-15 under the Securities Exchange Act of 1934 hereby guarantees that the undersigned will deliver to the Exchange Agent the certificates representing the Outstanding Notes being tendered hereby in proper form for transfer (or a confirmation of book-entry transfer of such Outstanding Notes, into the Exchange Agent' s account at the book-entry transfer facility of The Depository Trust Company ("DTC")) with delivery of a properly completed and duly executed Letter of Transmittal (or manually-signed facsimile thereof), with any required signature guarantees, or an Agent' s Message, in the case of a book-entry transfer, and any other required documents, all within three New York Stock Exchange trading days after the date of execution of the Notice of Guaranteed Delivery.

The institution that completes this form must communicate the guarantee to the Exchange Agent and must deliver the certificates representing any Outstanding Notes (or a confirmation of book-entry transfer of such Outstanding Notes into the Exchange Agent' s account at DTC) and the Letter of Transmittal to the Exchange Agent within the time period shown herein. Failure to do so could result in a financial loss to such institution.

| | |
|---|---|
| Name of Firm | Authorized Signature |
| Address | Name<br>Please Print or Type |
| (Zip Code) | Title |
| Area Code and<br>Telephone No. | Dated |



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**Exhibit 99.4**

# LAIDLAW INTERNATIONAL, INC.

**Offer to Exchange its**

**10 3/4% Senior Notes Due 2011**
**Which Have Been Registered Under the Securities Act of 1933, as Amended**
**for Any and All Outstanding**
**10 3/4% Senior Notes Due 2011**

To Our Clients:

We are enclosing herewith a prospectus dated , 2004 (as amended and supplemented from time to time, the "Prospectus") of Laidlaw International, Inc., a Delaware corporation (the "Company"), and the related letter of transmittal (as amended and supplemented from time to time, the "Letter of Transmittal"), which together constitute the offer of the Company (the "Exchange Offer") to exchange its 10 3/4% Senior Notes Due 2011 (the "Exchange Notes"), which have been registered under the Securities Act of 1933 (the "Securities Act"), pursuant to a registration statement of which the Prospectus is a part, for its outstanding 10 3/4% Senior Notes Due 2011 (the "Old Notes").

This material is being forwarded to you as the beneficial owner of the Old Notes held by us for your account but not registered in your name. A tender of such Old Notes may only be made by us as the holder of record and pursuant to your instructions.

Accordingly, we request instructions as to whether you wish us to tender on your behalf the Old Notes held by us for your account, pursuant to the terms and conditions set forth in the enclosed Prospectus and Letter of Transmittal. We urge you to read the Prospectus and Letter of Transmittal carefully before instructing us to tender your Old Notes.

Your instructions should be forwarded to us as promptly as possible in order to permit us to tender the Old Notes on your behalf in accordance with the provisions of the Exchange Offer. The Exchange Offer will expire at 5:00 p.m., New York City time, on , 2004 (the "Expiration Date"), unless extended by the Company. Any Old Notes tendered pursuant to the Exchange Offer may be withdrawn at any time before the relevant Expiration Date.

If you wish to have us tender your Old Notes, please so instruct us by completing, executing and returning to us the enclosed instruction form. **The Letter of Transmittal is furnished to you for information only and may not be used directly by you to tender Old Notes.**

Very truly yours,



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**INSTRUCTIONS TO**

**REGISTERED HOLDER FROM BENEFICIAL OWNER**

To Registered Holder:

The undersigned hereby acknowledges receipt of the prospectus dated , 2004 (as amended and supplemented from time to time, the "Prospectus") of Laidlaw International, Inc., a Delaware corporation (the "Company"), and the related Letter of Transmittal, which together constitute the Company' s offer (the "Exchange Offer") to exchange its 10 3/4% Senior Notes Due 2011 (the "Exchange Notes"), which have been registered under the Securities Act of 1933 (the "Securities Act"), pursuant to a registration statement of which the Prospectus is a part, for its outstanding 10 3/4% Senior Notes Due 2011 (the "Old Notes").

This will instruct you, the registered holder, as to the action to be taken by you relating to the Exchange Offer with respect to the Old Notes held by you for the account of the undersigned.

The aggregate principal amount of the Old Notes held by you for the account of the undersigned is (fill in amount):

$ of the 10 3/4% Senior Notes Due 2011.

With respect to the Exchange Offer, the undersigned hereby instructs you (check the appropriate statement):

A. To TENDER the following Old Notes held by you for the account of the undersigned (insert principal amount of Old Notes to be tendered – if no amount is entered and box is checked ALL NOTES WILL BE TENDERED):

☐ $ (1) of the 10 3/4% Senior Notes Due 2011.

and not to tender other Old Notes, if any, held by you for the account of the undersigned;

OR

B. NOT to tender any Old Notes held by you for the account of the undersigned.

☐

If the undersigned instructs you to tender the Old Notes held by you for the account of the undersigned, it is understood that you are authorized to make, on behalf of the undersigned (and the undersigned, by its signature below, hereby makes to you), the representations and warranties contained in the Letter of Transmittal that are to be made with respect to the undersigned as a beneficial owner, including, but not limited to, the representations that, (i) neither the holder of Old Notes nor any other person is an "affiliate" of the Company (within the meaning of Rule 405 under the Securities Act), (ii) any Exchange Notes to be acquired pursuant to the Exchange Offer will be obtained in the ordinary course of business of the person receiving the Exchange Notes, whether or not that person is the registered holder, (iii) neither the holder nor any other person has an arrangement or understanding with any person to participate in a distribution of Exchange Notes, (iv) if the holder is not a broker-dealer, neither the holder nor any other person is engaged in or intends to engage in the distribution of the Exchange Notes and (v) if the holder is a broker-dealer, it must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the Exchange Notes. By so acknowledging that it will deliver and by delivering a prospectus meeting the requirements of the Securities Act in connection with any resale of Exchange Notes, the undersigned is not deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

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1 Must be in integral multiples of $1,000.

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**SIGN HERE**

Name of beneficial owner(s):

---

Signature(s):

---

Name(s) (please print):

---

Address:

---

**(zip code)**

Telephone
Number:

---

**(area code)**

Taxpayer Identification or Social Security/Employer Identification Number:

---

Date:

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