

The Depository Trust Company  
**IMPORTANT**

**B#:** 1458  
**DATE:** February 09, 2001  
**TO:** All Participants  
**CATEGORY:** Dividends  
**FROM:** Anthony Capizzi, Domestic Tax Services, Dividend Dept.  
**ATTENTION:** Managing Partner/Officer, Cashier, Dividend Mgr. Tax Mgr.  
**SUBJECT:** Corrections Corporation of America  
CUSIP# 22052Y100,22025Y209,22025Y308  
2000 Tax Information

The attached correspondence containing tax information was received by the Depository Trust Company. If applicable please consult your tax advisor to assure proper treatment of this event.

Attachment

February 7, 2001

**VIA FACSIMILE**

Depository Trust Company  
55 Water Street, 50<sup>th</sup> Floor  
New York, New York 10041-0099

Re: Corrections Corporation of America (formerly, Prison Realty Trust, Inc.) (the  
"Company") - 2000 Year End Tax Reporting

Ladies and Gentlemen:

During 2000, the Company effected a series of distributions with respect to shares of its capital stock. This letter summarizes the amount and type of distributions effected by the Company during 2000 and certain tax reporting information with respect to each distribution. Please make this information available to holders of shares of the Company's capital stock held in "street name."

**A. Cash Dividends With Respect to Series A Preferred Stock (CUSIP 22025Y 20 9)**

On each of January 15, 2000 and April 17, 2000, the Company paid, to shareholders of record of the Company's Series A Preferred Stock as of December 31, 1999 and March 31, 2000, respectively, a cash dividend of \$0.50 per share. **The entire amount of such dividend should be treated as ordinary income and should be reported as a dividend on Form 1099-DIV.** A summary of the tax reporting information with respect to dividends on shares of the Company's Series A Preferred Stock is as follows:

<b>RECORD DATE</b>	<b>PAYMENT DATE</b>	<b>CASH DIVIDEND PER SHARE</b>	<b>% ORDINARY INCOME</b>	<b>% CAPITAL GAIN</b>
December 31, 1999	January 15, 2000	\$0.50	100.00%	0.00%
March 31, 2000	April 17, 2000	\$0.50	100.00%	0.00%

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**B. Distribution of Shares of Series B Preferred Stock (CUSIP 22025Y 30 8) As a Dividend Upon Shares of the Company's Common Stock (CUSIP 22025Y 10 0)**

During 2000, the Company effected two distributions of shares of its Series B Cumulative Convertible Preferred Stock (the "Series B Preferred Stock") as a dividend with respect to shares of its outstanding common stock (the "Common Stock"). In connection with the first distribution of Series B Preferred Stock, effected on September 22, 2000, the Company issued five (5) shares of Series B Preferred Stock with respect to every 100 shares of Common Stock held on the record date, September 14, 2000. In connection with the second distribution of Series B Preferred Stock, effected on November 13, 2000, the Company issued one (1) share of Series B Preferred Stock with respect to every 100 shares of Common Stock held on the record date, November 6, 2000.

The distribution of the shares of Series B Preferred Stock should be treated as a taxable dividend (and as ordinary income) to stockholders of the Company. **As a result, the entire value of the distributions of Series B Preferred Stock effected by the Company in 2000 should be treated as ordinary income and should be reported on Form 1099-DIV.**

The Company has determined the fair market value of the shares of Series B Preferred Stock initially distributed by the Company on September 22, 2000 to be \$18.00 per share. Accordingly, the Company's common stockholders who received Series B Preferred Stock in the initial distribution will be required to include, as ordinary income on their tax returns, \$18.00 for each share of Series B Preferred Stock received. The fair market value of the shares of Series B Preferred Stock distributed on November 13, 2000 has been determined to be \$12.81 per share. Common stockholders of the Company receiving shares of Series B Preferred Stock in the second distribution will be required to include, as ordinary income on their tax returns, \$12.81 for each share of Series B Preferred Stock received in the second distribution. In addition, any cash in lieu of fractional shares received by a stockholder should be included as ordinary income and reported on either Form 1099-DIV or 1099-B.

A summary of the tax reporting information with respect to the distribution of shares of the Series B Preferred Stock as a dividend upon shares of the Company's Common Stock is as follows:

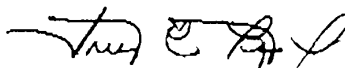
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RECORD DATE	PAYMENT DATE	VALUE PER SHARE OF PREFERRED STOCK DISTRIBUTED	% ORDINARY INCOME	% CAPITAL GAIN
September 14, 2000	September 22, 2000	\$18.00	100.00%	0.00%
November 6, 2000	November 13, 2000	\$12.81	100.00%	0.00%

Please let me know if you need any further information at this time.

Sincerely,

CORRECTIONS CORPORATION OF AMERICA



Irving E. Lingo, Jr.

cc: Wade McGregor, Arthur Andersen LLP  
William H. Neely, Esq., Stokes Bartholomew Evans & Petree, P.A.

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