

MANITOWOC CO INC  
Form 4  
October 03, 2006

**FORM 4**

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

OMB APPROVAL

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
MUSIAL THOMAS G

(Last) (First) (Middle)

2400 SOUTH 44TH STREET

(Street)

MANITOWOC, WI 54221-0066

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
MANITOWOC CO INC [MTW]

3. Date of Earliest Transaction (Month/Day/Year)  
09/29/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)

Sr. VP Human Resources

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	09/29/2006		A	V A	Amount 0.0045 Price \$ 44.3398	D	
Common Stock					71,924.1504 <u>(1) (2)</u> 10,350.84	I	RSVP 401k Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)



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Experts

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**You should rely only on the information contained in this prospectus or to which we have referred you. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus does not constitute an offer to sell, or a solicitation of an offer to purchase, the securities offered by this prospectus in any jurisdiction to or from any person to whom or from whom it is unlawful to make such offer or solicitation of an offer in such jurisdiction. You should not assume that the information contained in this prospectus is accurate as of any date other than the date of this prospectus. Also, you should not assume that there has been no change in the affairs of Emergency Medical Services Corporation and its subsidiaries since the date of this prospectus.**

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**SUMMARY**

*This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider in making your investment decision. You should read the following summary together with the entire prospectus, including the more detailed information regarding our company, the New Notes being issued in the exchange offer and our consolidated financial statements and the related notes included in this prospectus. In this prospectus, unless the context requires otherwise, (i) references to "EMSC" and the "Company" mean Emergency Medical Services Corporation; (ii) references to "we," "us" and "our" mean EMSC and its consolidated subsidiaries; (iii) references to "Parent" mean CDRT Acquisition Corporation; (iv) references to "Merger Sub" mean CDRT Merger Sub, Inc.; and (v) references to "Holding" mean CDRT Holding Corporation. Financial information identified in this prospectus as "pro forma" or "on a pro forma basis" gives effect to the Transactions (as defined below).*

**Our Company**

We are a leading provider of outsourced facility-based physician services and medical transportation services in the United States. We operate our business and market our services under the EmCare and AMR brands, which represent EmCare Holdings Inc. ("EmCare") and American Medical Response, Inc. ("AMR"). EmCare, with more than 35 years of operating history, is a leading provider of physician services in the United States, based on number of contracts with hospitals and affiliated physician groups. Through EmCare, we provide outsourced facility-based physician services for emergency departments, as well as anesthesiology, hospitalist/inpatient, radiology and teleradiology programs. AMR, with more than 50 years of operating history, is a leading provider of medical transportation services to communities, payors and hospitals in the United States based on net revenue and number of transports.

Approximately 86% of our net revenue for the year ended December 31, 2010 was generated under exclusive contracts. We had contract retention rates of 88% at EmCare and 99% at AMR as of December 31, 2010. During 2010, we provided services in approximately 14 million patient encounters in more than 2,000 communities nationwide. For the year ended December 31, 2010, we generated net revenue of approximately \$2.9 billion, of which EmCare and AMR represented 52% and 48%, respectively. Our Adjusted EBITDA for the year ended December 31, 2010 was \$322.1 million, an increase of \$35.1 million, or 12.2%, as compared with 2009. See "Summary Historical Financial Data" for a discussion of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income.

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We offer a broad range of essential emergency and non-emergency medical services through our two business segments:

	<b>EmCare</b>	<b>AMR</b>
Core Services:	Facility-based physician services	Pre- and post-hospital medical transportation
	Emergency department staffing and related management services	Emergency ("911") and non-emergency ambulance transports
	Anesthesiology, hospitalist/inpatient services, radiology and teleradiology	Managed transportation services
		Fixed-wing air ambulance services
		Disaster response
Customers:	Hospitals Other healthcare facilities Independent physician groups Attending medical staff	Communities Government agencies Healthcare facilities Insurers
National Market Position:	8% share of emergency department services market 12% share of outsourced emergency department services market 3% share of anesthesia services market 1% share of hospitalist services market 1% share of radiology services market	7% share of total ambulance market 16% share of outsourced ambulance market 5% share of managed transportation market 1% share of medical air transport market
Number of Contracts:	569 facility contracts	168 "911" contracts 3,375 non-emergency transport arrangements
Volume for the year ended December 31, 2010:	Approximately 11.0 million patient encounters	Approximately 3.2 million patient transports

### **EmCare**

EmCare is a leading provider of outsourced facility-based physician services to healthcare facilities in the United States, based on number of contracts with hospitals and affiliated physician groups. EmCare has 569 contracts with hospitals and independent physician groups to provide emergency department, anesthesiology, hospitalist/inpatient, radiology and teleradiology staffing, and other management services. We have added 318 net new contracts since 2001. During 2010, EmCare had approximately 11.0 million patient encounters across 40 states and the District of Columbia. As of December 31, 2010, EmCare had an 8% share of the total emergency department ("ED") services market and a 12% share of the outsourced ED services market, the largest share among outsourced providers based on number of ED contracts. EmCare's share of the combined markets for anesthesiology, hospitalist and radiology services was approximately 2% as of such date.

EmCare focuses on providing an environment where physicians can practice quality medicine, while improving operational efficiencies and patient satisfaction and mitigating risk at its customers'

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hospitals and facilities. We recruit and hire or subcontract with physicians and other healthcare professionals, who then provide services to patients in the facilities with whom we contract. EmCare bills and collects from each patient or the patient's insurance provider for the medical services performed. We also have practice support agreements with independent physician groups and hospitals pursuant to which we provide management services such as billing and collection, recruiting, risk management and certain other administrative services.

**American Medical Response**

AMR has developed the largest network of ambulance services in the United States. AMR and our predecessor companies have been providing services to some communities for more than 50 years. As of December 31, 2010, we had a 7% share of the total ambulance services market and a 16% share of the outsourced ambulance market, the largest share among outsourced providers based on number of transports and net revenue. During 2010, AMR treated and transported approximately 3.2 million patients in 38 states and the District of Columbia utilizing nearly 4,300 vehicles that operated out of more than 200 sites. AMR has more than 3,500 contracts with communities, government agencies, healthcare providers and insurers to provide ambulance transport services. AMR's broad geographic footprint enables us to contract on a national and regional basis with insurance companies and healthcare facilities.

During 2010, approximately 58% of AMR's net revenue was generated from emergency 911 ambulance services. These services include treating and stabilizing patients, transporting the patient to a hospital or other healthcare facility and providing attendant medical care en-route. Non-emergency ambulance services, including critical care transfer, wheelchair transports and other interfacility transports, accounted for 28% of AMR's net revenue for the same period. The remaining balance of net revenue for 2010 was generated from managed transportation services, fixed-wing air ambulance services, and the provision of training, dispatch and other services to communities and public safety agencies.

AMR also has a national contract with the Federal Emergency Management Agency ("FEMA") to provide ambulance, para-transit and rotary and fixed-wing air ambulance transportation services to supplement federal and military responses to disasters, acts of terrorism and other public health emergencies in the full 48 contiguous states.

**Overview of Our Industry**

We operate in the outsourced facility-based physician services and medical transportation markets, two large and growing segments of the healthcare market. Emergency medical services are a core component of the range of care a patient could potentially receive in the pre-hospital and hospital-based settings. By law, most communities are required to provide emergency ambulance services and most hospitals are required to provide emergency department services. We believe that the following key factors will continue to drive growth in all our medical services markets:

*Increase in outsourcing.* Communities, government agencies and healthcare facilities are under significant pressure both to improve the quality and to reduce the cost of care. The outsourcing of certain medical services has become a preferred means to alleviate these pressures.

*Favorable demographics.* The growth and aging of the population will be a significant demand driver for healthcare services, and we believe it will result in an increase in ambulance transports, emergency department visits and demand for our other services.

*Shortage of primary care physicians.* We believe that a portion of the historical and expected growth of emergency department visits is driven by the shortage of primary care physicians in

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the United States, which causes many patients to utilize the ED as their primary source for healthcare.

For further information on the facility-based physician services and medical transportation markets in which we compete, please see "Business Description of our Business Industry Overview."

**Our Competitive Strengths**

We believe the following competitive strengths position our company to capitalize on the favorable trends occurring within the healthcare industry and the emergency medical services markets.

*Leading Player in Two Large, Growing and Highly Fragmented Markets.* We are a leading provider of outsourced facility-based physician services and medical transportation services in the United States. We have significant scale with approximately 14 million patient encounters annually in over 2,000 communities across the United States. The markets in which we compete are highly fragmented with minimal presence from national providers, which we believe results in significant opportunities for continued market share gains as well as strategic "tuck-in" acquisitions. We believe our track record of consistently meeting or exceeding our customers' service expectations across both of our businesses affords us the opportunity to compete effectively in the bidding process for new contracts, as well as to continue to grow complementary service offerings.

*Strong, Stable Underlying Industry Volume Trends.* We operate within an attractive segment of healthcare services that is supported by strong and stable underlying market volume trends. Based on available data, hospital ED visits have grown at a compound annual growth rate ("CAGR") of 2.5% from 1999 to 2009, and ambulance transports have increased at a CAGR of 3.9% from 2003 to 2009, with no year-over-year declines in market volumes over these periods. These stable, historical market volumes are primarily supported by the critical non-discretionary nature of emergency medical services, as well as aging demographics and a shortage of primary care physicians in the United States.

*Broad Spread of Risk with Significant Customer, Geographic and Contract Diversification.* Because of our diverse revenue base, we are not reliant on any single facility, community or market. As of December 31, 2010, EmCare had 569 individual facility contracts, with the top 10 ED contracts representing only 9% of EmCare net revenue, and no customer (including all facility contracts under a single hospital system) comprised more than 10% of total net revenue. As of December 31, 2010, AMR had 168 exclusive "911" emergency services contracts and 3,375 non-emergency transport arrangements. AMR's top ten "911" contracts accounted for approximately 24% of AMR net revenue in 2010. We believe that our other services, including anesthesia, hospitalist, radiology, managed transportation and fixed-wing air transport services, also exhibit a broad spread of risk through a diversified customer base and geographic footprint.

*Attractive Business Model with Stable Cash Flows and Proven Ability to De-Lever our Balance Sheet.* We believe our operating model and the contractual nature of our businesses drive a meaningful amount of recurring revenue which, combined with our relatively low capital expenditure and working capital requirements, lead to strong and predictable cash flows. During 2010, approximately 86% of our net revenue was generated under exclusive contracts. We believe these exclusive contracts and the critical care nature of our services have historically resulted in long-term, stable customer relationships. EmCare and AMR have maintained relationships with their ten largest customers for 15 and 35 years, respectively. We believe our ability to consistently deliver high levels of customer service and continue to improve our customer's key metrics are illustrated by our high contract retention rates of 88% in EmCare and 99% in AMR as of December 31, 2010. Our strong earnings growth and free cash flow generated by our stable customer base have enabled us to reduce our total leverage ratio meaningfully over the last five years.

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*Favorable Pricing Environment with Unique Reimbursement Characteristics.* Pricing and reimbursement for EmCare and AMR services have historically been favorable. We believe this trend will remain stable into the future. At EmCare, commercial payor leverage is reduced due to the emergency nature of the services, and physician reimbursement under Medicare has historically been stable. In addition, in many of our hospital contracts, we have the ability to obtain or increase subsidies to offset any reimbursement or payor mix changes. At AMR, communities and municipalities set emergency allowable rates for commercial payors and, with limited exception, do not pay for services out of the tax base. Further, we expect future Medicare reimbursement of ambulance services to be stable given that the phase-in of the Medicare national ambulance fee schedule was completed in 2010, and reimbursement for ambulance services represents a relatively small proportion of total Medicare spending. In addition, at both EmCare and AMR we have visibility into payor mix prior to entering into new contracts, and our payor mix has been stable over time, which allows us to more effectively manage exposure to each payor category.

*Opportunities for Continued Cost Reduction and Productivity Improvement.* We have a strong track record of profitable growth exhibited by a 16.0% CAGR in our Adjusted EBITDA and our expansion of Adjusted EBITDA margins by approximately 200 basis points from 2006 to 2010. Our consistent earnings growth and margin expansion over the last several years have been driven by our management's continuous focus on cost reductions and productivity improvements as well as benefits realized from information technology investments. We believe there are additional opportunities to continue to drive margin improvements in the future through targeted initiatives and additional technology enhancements.

*Increased Outsourcing of Health Services.* We believe market conditions are conducive to continued outsourcing of health services. In the EmCare segment, hospitals are increasingly outsourcing physician services due to increased cost pressures, the need to enhance operating efficiency, difficulties in physician recruiting and retention, the future possibility of pay-for-performance models and the desire to improve quality of care while reducing patient care cost. In the AMR segment, communities are increasingly outsourcing emergency medical transportation services due to cost pressures and budget constraints, the need for quality enhancement and improved clinical outcomes, the lack of risk management expertise and the pressure to meet peak demands.

*Strong and Experienced Management Team with Demonstrated Track Record of Performance.* We have a strong and deep management team with a historical track record of success. Many of our officers have decades of industry experience and significant tenure at EMSC. We are led by William Sanger, CEO, who has 35 years of industry experience, Randy Owen, EVP and CFO, who has 29 years of industry experience, Todd Zimmerman, EmCare President and EVP, who has 20 years of industry experience, and Mark Bruning, AMR President, who has 28 years of industry experience. Our current management team has led us through a series of initiatives focused on driving organic revenue growth and productivity and efficiency gains as well as executing several strategic acquisitions. Together these initiatives have resulted in net revenue and Adjusted EBITDA CAGRs of 10.3% and 16.0%, respectively, over the last four years.

**Our Strategy**

Our objective is to continue to be a leader in outsourced facility-based physician services and medical transportation services in the United States as we pursue the following strategies and initiatives:

*Achieve Organic Growth through Market Share Gains and Continued Outsourcing.* We believe we have a unique competency in the treatment, management and billing of episodic and unscheduled patient care. We believe our long operating history, significant scope and scale, and leading market positions provide us with new and expanded opportunities to grow our customer base through market



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share gains from local and regional competitors as well as through continued outsourcing of physician and medical transportation services by hospitals and communities.

*Grow Complementary Service Lines by Cross-Selling to Existing Customers and Adding New Customers.* We believe our track record of maintaining successful long-term relationships with customers, combined with the expanded breadth of our service offerings, creates opportunities for us to increase revenue from our existing customer base and add new customers seeking services we previously did not provide. We have entered complementary service lines at both EmCare and AMR that are designed to leverage our core competencies.

*Supplement Organic Growth with Opportunistic Acquisitions.* The outsourced facility-based physician services and medical transportation services industries are highly fragmented, with only a few large national providers. We believe we have a successful track record of making strategic acquisitions at attractive valuations designed to enhance our market position and improve our value proposition for customers.

*Enhance Operational Efficiencies and Productivity to Drive Continued Margin Improvement.* We believe there are significant opportunities to build upon our success in improving our productivity and profitability at both EmCare and AMR. At EmCare, we continue to focus on initiatives to improve physician productivity, including more efficient scheduling around peak and off-peak hours, use of mid-level providers as well as improving and realigning physician compensation programs to help accelerate productivity gains. At AMR, we expect to benefit from additional investments in technology, such as the continued roll-out of ePCR (electronic patient care records) to enhance data collection accuracy and billing system automation to reduce our billing costs and days sales outstanding ("DSO").

We describe additional elements of our strategy in "Business Business Strategy."

Emergency Medical Services Corporation is incorporated under the laws of the state of Delaware. Our corporate headquarters are located at 6200 S. Syracuse Way, Suite 200, Greenwood Village, CO 80111. Our telephone number is (303) 495-1200.

**The Transactions**

On February 13, 2011, EMSC entered into an Agreement and Plan of Merger (the "Merger Agreement") with Parent and Merger Sub, formerly a wholly owned subsidiary of Parent. Pursuant to the Merger Agreement, Merger Sub merged with and into EMSC, with EMSC as the surviving corporation and a wholly owned subsidiary of Parent (the "Merger"). Immediately following the Merger, all of the outstanding common stock of Parent was owned by Holding, which is owned by Clayton, Dubilier & Rice Fund VIII, L.P. ("CD&R Fund VIII"), CD&R Friends & Family Fund VIII, L.P. ("CD&R F&F Fund"), CD&R Advisor Fund VIII Co-Investor, L.P. ("CD&R Advisor Co-Investor") and CD&R EMS Co-Investor, L.P. (together with CD&R Fund VIII, CD&R F&F Fund and CD&R Advisor Co-Investor, the "CD&R Affiliates").

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On May 25, 2011, the following transactions occurred in connection with the Merger (collectively, the "Transactions"):

LP units of the entity formerly known as Emergency Medical Services L.P., a wholly owned subsidiary of EMSC, were exchanged for EMSC common stock;

outstanding shares of EMSC common stock were converted into the right to receive \$64.00 per share in cash, without interest and less any applicable withholding taxes;

options to purchase shares of EMSC common stock (other than options that were rolled over by certain members of management as described below), vested or unvested, were cancelled and each option was converted into the right to receive a cash payment equal to the excess (if any) of \$64.00 per share over the exercise price per share of the option times the number of shares subject to the option, without interest and less any applicable withholding taxes;

restricted shares, vested or unvested, were fully vested at the effective time and canceled and extinguished and each restricted share was converted into the right to receive \$64.00 per share in cash, without interest and less any applicable withholding taxes;

restricted stock units, vested or unvested, were cancelled and extinguished, and each restricted stock unit was converted into the right to receive a cash payment equal to \$64.00 per share times the number of shares of EMSC common stock subject to such restricted stock units, without interest and less any applicable withholding taxes;

the CD&R Affiliates invested \$887.1 million in the common stock of Holding, the proceeds of which were contributed to Parent (the "CD&R Equity Investment");

certain members of our management rolled over existing options to purchase EMSC common stock with an aggregate value of \$28.3 million, based on the Merger consideration price, into options to purchase common stock of Holding (the "Management Rollover Investment" and, together with the CD&R Equity Investment, the "Equity Contributions");

Merger Sub entered into new senior secured credit facilities, comprising (i) a seven-year senior secured term loan facility of up to \$1,440 million (as further described in "Description of Other Indebtedness Term Loan Facility," the "Term Loan Facility") and (ii) a five-year senior secured asset-based loan facility of up to \$350 million (as further described in "Description of Other Indebtedness ABL Facility," the "ABL Facility" and, together with the Term Loan Facility, the "Senior Secured Credit Facilities");

Merger Sub issued the Old Notes;

the net proceeds of the Equity Contributions, the Old Notes and the borrowings under the Term Loan Facility were used to fund the cash consideration payable to our former stockholders and other equity holders, repay outstanding borrowings under our prior senior secured credit facility and pay related transaction fees and expenses;

Merger Sub merged with and into EMSC, with EMSC as the surviving corporation; and

upon consummation of the Merger, the rights and obligations of Merger Sub under the Old Notes and the Indenture, dated as of May 25, 2011, governing the Notes (the "Indenture") and under the Senior Secured Credit Facilities were assumed by the Company.

**Our Sponsor**

Founded in 1978, Clayton, Dubilier & Rice, LLC is a private equity firm with an integrated operational and financial approach to investing. CD&R has 40 investment professionals with offices in New York and London. Over the firm's 33-year history, CD&R has invested over \$12 billion in capital

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in 51 businesses and is currently investing out of its \$5 billion eighth fund. CD&R has a disciplined and clearly defined investment strategy with a special focus on multi-location services and distribution businesses.

**Ownership and Organizational Structure**

The following chart illustrates our ownership and organizational structure:

- 
- (1) Represents options to purchase Holding common stock held by EMSC management as well as shares of Holding common stock to be issued to EMSC management in connection with a management equity offering completed in September 2011. See "Security Ownership of Certain Beneficial Owners and Management."
- (2) In connection with the Transactions, we entered into the ABL Facility, which provides for a five-year senior secured revolving credit facility of up to \$350 million, subject to a borrowing base of approximately \$356 million and approximately \$47 million of letters of credit issued under the ABL Facility as of June 30, 2011. As of June 30, 2011, we were able to borrow approximately \$303 million under the ABL Facility. See "Description of Other Indebtedness ABL Facility." We have not drawn on the ABL Facility.



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- (3) In connection with the Transactions, we entered into the Term Loan Facility which provides for a seven-year senior secured term loan facility of up to \$1,440 million. See "Description of Other Indebtedness Term Loan Facility."
- (4) The Old Notes are not guaranteed by any of our foreign subsidiaries or any of our subsidiaries subject to regulation as an insurance company, including our captive insurance subsidiary. The Old Notes are structurally subordinated to the indebtedness and other liabilities of our non-guarantor subsidiaries, including their insurance liabilities. As of June 30, 2011, the non-guarantor subsidiaries had no indebtedness and approximately \$155.9 million of primarily insurance-related liabilities. Our non-guarantor subsidiaries generated approximately \$2.1 million of our net revenue for the year ended December 31, 2010 and held approximately \$162.0 million of our assets as of June 30, 2011.
- (5) Due to the corporate practice of medicine restrictions of certain states, we maintain long-term management contracts with affiliated physician groups, which employ or contract with physicians to provide physician services. These entities are not subsidiaries of our company but their operations are typically consolidated in accordance with generally accepted accounting principles. See "Business EmCare Contracts Affiliated Physician Group Contracts."

**Market and Industry Data**

The market data and other statistical information used throughout this prospectus are based on independent industry publications, government publications, reports by market research firms or other published independent sources. Some data are also based on our good faith estimates, which are derived from our review of internal surveys, as well as the independent sources listed above. Although we believe these sources are reliable, we have not independently verified the information. None of the independent industry publications used in this prospectus were prepared on our behalf and none of the sources cited in this prospectus consented to the inclusion of any data from its reports, nor have we sought their consent.

**Trademarks and Service Marks**

EMSC®, AMR® and EmCare® are three of our brand names, trademarks or service marks. Information contained in this prospectus may also refer to brand names, trademarks or service marks of other companies. All such brand names, trademarks or service marks are the property of their respective owners.

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**Summary of the Terms of the Exchange Offer**

The Notes

On May 25, 2011 (the "Issuance Date"), Merger Sub issued \$950 million aggregate principal amount of 8.125% Senior Notes due 2019 pursuant to exemptions from the registration requirements of the Securities Act. On such date, upon the consummation of the Merger of Merger Sub with and into the Company, the Company assumed all the rights and obligations under the Old Notes and the Indenture. The initial purchasers for the Old Notes were Barclays Capital Inc., Deutsche Bank Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated, RBC Capital Markets, LLC, UBS Securities LLC, Citigroup Global Markets Inc., Natixis Securities North America Inc. (the "Initial Purchasers"). When we use the term "Old Notes" in this prospectus, we mean the 8.125% Senior Notes due 2019 that were privately placed with the Initial Purchasers on May 25, 2011, and were not registered with the SEC.

When we use the term "New Notes" in this prospectus, we mean the 8.125% Senior Notes due 2019 registered with the SEC and offered hereby in exchange for the Old Notes. When we use the term "Notes" in this prospectus, the related discussion applies to both the Old Notes and the New Notes.

The terms of the New Notes are identical in all material respects to the terms of the Old Notes, except that the New Notes are registered under the Securities Act and will not be subject to restrictions on transfer, will bear a different CUSIP and ISIN number than the Old Notes, will not entitle their holders to registration rights and will be subject to terms relating to book-entry procedures and administrative terms relating to transfers that differ from those of the Old Notes.

The CUSIP numbers for the Old Notes are 12513P AA7 (Rule 144A) and U1251T AA5 (Regulation S). The ISIN numbers for the Old Notes are US12513PAA75 (Rule 144A), and USU1251TAA52 (Regulation S). The CUSIP number for the New Notes is            and the ISIN number for the New Notes is            .

The Exchange Offer

You may exchange Old Notes for a like principal amount of New Notes. The consummation of the exchange offer is not conditioned upon any minimum or maximum aggregate principal amount of Old Notes being tendered for exchange.

Resale of New Notes

We believe the New Notes that will be issued in the exchange offer may be resold by most investors without compliance with the registration and prospectus delivery provisions of the Securities Act, subject to certain conditions. You should read the discussion under the heading "The Exchange Offer" for further information regarding the exchange offer and resale of the New Notes.

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Registration Rights Agreement	We have undertaken the exchange offer pursuant to the terms of the Exchange and Registration Rights Agreement we entered into with the Initial Purchasers on May 25, 2011 (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, we agreed to use our commercially reasonable efforts to consummate an exchange offer for the Old Notes pursuant to an effective registration statement or to cause resales of the Old Notes to be registered. The Registration Rights Agreement provides that if a Registration Default occurs, the interest rate on the Registrable Securities will be increased by (i) 0.25% per annum for the first 90-day period beginning on the day immediately following such Registration Default and (ii) an additional 0.25% per annum with respect to each subsequent 90-day period, in each case until and including the date such Registration Default ends, up to a maximum increase of 0.50% per annum. See "Exchange Offer; Registration Rights."
Consequences of Failure to Exchange the Old Notes	You will continue to hold Old Notes that remain subject to their existing transfer restrictions if: you do not tender your Old Notes; or you tender your Old Notes and they are not accepted for exchange. We will have no obligation to register the Old Notes after we consummate the exchange offer. See "The Exchange Offer Terms of the Exchange Offer; Period for Tendering Old Notes."
Expiration Date	The exchange offer will expire at       p.m., New York City time, on       , 2011 (the "Expiration Date"), unless we extend it, in which case Expiration Date means the latest date and time to which the exchange offer is extended.
Interest on the New Notes	The New Notes will accrue interest from the most recent date to which interest has been paid or provided for on the Old Notes or, if no interest has been paid on the Old Notes, from the Issuance Date.



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Conditions to the Exchange Offer

The exchange offer is subject to several customary conditions. We will not be required to accept for exchange, or to issue New Notes in exchange for, any Old Notes, and we may terminate or amend the exchange offer if we determine in our reasonable judgment at any time before the Expiration Date that the exchange offer would violate applicable law or any applicable interpretation of the staff of the SEC. The foregoing conditions are for our sole benefit and may be waived by us at any time. In addition, we will not accept for exchange any Old Notes tendered, and no New Notes will be issued in exchange for any such Old Notes, if at any time any stop order is threatened or in effect with respect to:

the registration statement of which this prospectus constitutes a part; or  
the qualification of the Indenture under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act").

See "The Exchange Offer Conditions to the Exchange Offer." We reserve the right to terminate or amend the exchange offer at any time prior to the Expiration Date upon the occurrence of any of the foregoing events.

Procedures for Tendering Old Notes

If you wish to accept the exchange offer, you must tender your Old Notes and do the following on or prior to the Expiration Date, unless you follow the procedures described under "The Exchange Offer Guaranteed Delivery Procedures."

if Old Notes are tendered in accordance with the book-entry procedures described under "The Exchange Offer Book-Entry Transfer," transmit an Agent's Message to the Exchange Agent through the Automated Tender Offer Program ("ATOP") of The Depository Trust Company ("DTC"), or

transmit a properly completed and duly executed letter of transmittal, or a facsimile copy thereof, to the Exchange Agent, including all other documents required by the letter of transmittal.

See "The Exchange Offer Procedures for Tendering Old Notes."

Guaranteed Delivery Procedures

If you wish to tender your Old Notes, but cannot properly do so prior to the Expiration Date, you may tender your Old Notes according to the guaranteed delivery procedures set forth under "The Exchange Offer Guaranteed Delivery Procedures."

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Withdrawal Rights	Tenders of Old Notes may be withdrawn at any time prior to _____ p.m., New York City time, on the Expiration Date. To withdraw a tender of Old Notes, a notice of withdrawal must be actually received by the Exchange Agent at its address set forth in "The Exchange Offer Exchange Agent" prior to _____ p.m., New York City time, on the Expiration Date. See "The Exchange Offer Withdrawal Rights."
Acceptance of Old Notes and Delivery of New Notes	Except in some circumstances, any and all Old Notes that are validly tendered in the exchange offer prior to _____ p.m., New York City time, on the Expiration Date will be accepted for exchange. The New Notes issued pursuant to the exchange offer will be delivered promptly after the Expiration Date. See "The Exchange Offer Acceptance of Old Notes for Exchange; Delivery of New Notes."
Material United States Federal Income Tax Considerations	We believe that the exchange of an Old Note for a New Note pursuant to the exchange offer will not be treated as a sale or exchange for U.S. federal income tax purposes. See "Material United States Federal Income Tax Considerations."
Exchange Agent	Wilmington Trust, National Association is serving as the Exchange Agent (the "Exchange Agent").

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**Summary of the Terms of the Notes**

The terms of the New Notes offered in the exchange offer are identical in all material respects to the Old Notes, except that the New Notes:

are registered under the Securities Act and therefore will not be subject to restrictions on transfer;

will not be subject to provisions relating to additional interest;

will bear a different CUSIP and ISIN number;

will not entitle their holders to registration rights; and

will be subject to terms relating to book-entry procedures and administrative terms relating to transfers that differ from those of the Old Notes.

The following summary contains basic information about the New Notes and the guarantees thereof and is not intended to be complete. For a more complete understanding of the New Notes and the guarantees, please refer to the section entitled "Description of Notes" in this prospectus.

Issuer	Emergency Medical Services Corporation
Notes offered	\$950 million aggregate principal amount of 8.125% Senior Notes due 2019.
Maturity	The Notes will mature on June 1, 2019
Interest payment dates	June 1 and December 1, commencing on December 1, 2011.
Ranking	The Notes are our unsecured senior indebtedness and rank: equal in right of payment with all of our existing and future senior indebtedness; senior in right of payment to all of our existing and future subordinated obligations; effectively subordinated to all of our secured indebtedness, including indebtedness under our new \$1,440 million senior secured term loan facility and our new senior secured asset-based loan facility of up to \$350 million, to the extent of the value of the assets securing such indebtedness; and structurally subordinated to all existing and future indebtedness and other liabilities of our non-guarantor subsidiaries, including all of our foreign subsidiaries.
Guarantors	The Notes are guaranteed, on an unsecured senior basis, by each of our domestic subsidiaries that is a borrower under or that guarantees our obligations under our senior secured credit facilities. These guarantees are subject to release under specified circumstances. See "Description of Notes Subsidiary Guarantees." The guarantee of each Guarantor will be an unsecured senior obligation of that Guarantor and ranks: equal in right of payment with all existing and future senior indebtedness of that guarantor;

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senior in right of payment with all existing and future guarantor subordinated obligations;  
 effectively subordinated to all secured indebtedness of that guarantor to the extent of the value of the assets securing such indebtedness, including any such guarantor's guarantee of indebtedness under our new \$1,440 million senior secured term loan facility and our new senior secured asset-based loan facility of up to \$350 million; and structurally subordinated to all existing and future indebtedness and other liabilities of our non-guarantor subsidiaries, including all of our foreign subsidiaries. The Notes are not guaranteed by any of our foreign subsidiaries or any of our subsidiaries subject to regulation as an insurance company, including our captive insurance subsidiary. The Notes are structurally subordinated to the indebtedness and other liabilities of our non-guarantor subsidiaries, including their insurance liabilities. As of June 30, 2011, the non-guarantor subsidiaries had no indebtedness and approximately \$155.9 million of primarily insurance-related liabilities. Our non-guarantor subsidiaries generated approximately \$2.1 million of our net revenue for the year ended December 31, 2010 and held approximately \$162.0 million of our assets as of June 30, 2011.

Optional redemption We may redeem the Notes, in whole or in part, at any time (1) prior to June 1, 2014, at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, plus the make-whole premium described under "Description of Notes Optional Redemption," and (2) on and after June 1, 2014, at the redemption prices described under "Description of Notes Optional Redemption."

Optional redemption after certain equity offerings Prior to June 1, 2014, we may redeem on one or more occasions up to 35% of the original aggregate principal amount of the Notes in an amount not exceeding the net proceeds of one or more equity offerings at a redemption price equal to 108.125% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, as described under "Description of Notes Optional Redemption."

Offer to repurchase If we experience a change of control, we must offer to repurchase all of the Notes (unless otherwise redeemed) at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the repurchase date. See "Description of Notes Change of Control."

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Certain covenants	<p>If we sell assets under certain circumstances, we must use the proceeds to make an offer to purchase Notes at a price equal to 100% of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase. See "Description of Notes Certain Covenants Limitation on Sales of Assets and Subsidiary Stock." The Indenture contains covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to:</p> <ul style="list-style-type: none"><li>incur more indebtedness or issue certain preferred shares;</li><li>pay dividends, redeem stock or make other distributions;</li><li>make investments;</li><li>create restrictions on the ability of our restricted subsidiaries to pay dividends to us or make other intercompany transfers;</li><li>create liens;</li><li>transfer or sell assets;</li><li>merge or consolidate;</li><li>enter into certain transactions with our affiliates; and</li><li>designate subsidiaries as unrestricted subsidiaries.</li></ul> <p>Most of these covenants will cease to apply for so long as the Notes have investment grade ratings from both Moody's and S&amp;P. These covenants are subject to important exceptions and qualifications, which are described under "Description of Notes Certain Covenants" and "Description of Notes Merger and Consolidation."</p>
Risk factors	<p>Investing in the Notes involves risks. For a description of risks you should consider before making your investment decision, see "Risk Factors."</p>

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**Ratio of Earnings to Fixed Charges**

	Predecessor					Period from January 1 through May 24, 2011	Successor Period from May 25, through June 30, 2011
	Year ended December 31,						
	2006	2007	2008	2009	2010		
<b>Ratio of earnings to fixed charges(1)</b>	0.46	0.37	0.27	0.22	0.14	0.23	0.66

(1)

For the purposes of calculating the ratio of earnings to fixed charges, earnings consist of income before taxes plus fixed charges. Fixed charges consist of interest expense, amortization of debt issuance costs and the portion of rental expense that we believe is representative of the interest component of rental expense.

Table of Contents**Summary Historical Financial Data**

The following table presents summary consolidated historical financial data for EMSC and its consolidated subsidiaries.

The consolidated financial statements included in this prospectus are presented for two periods: the period prior to and including May 24, 2011 ("Predecessor") and the period including and after May 25, 2011 ("Successor"), the date of the Merger. As a result of the Transactions, our consolidated financial statements after the Merger are not comparable to our consolidated financial statements prior to the date of the Merger. The historical data presented below are not necessarily indicative of the results to be expected for any future period.

The summary historical financial data for EMSC and its consolidated subsidiaries as of December 31, 2009 and 2010 (Predecessor) and for the years ended December 31, 2008, 2009 and 2010 (Predecessor) are derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary historical financial data for EMSC and its consolidated subsidiaries as of and for the six months ended June 30, 2010 (Predecessor), the period from January 1 through May 24, 2011 (Predecessor), the period from May 25 through June 30, 2011 and as of June 30, 2011 (Successor) are derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The summary historical balance sheet data for EMSC and its consolidated subsidiaries as of December 31, 2008 were derived from our audited consolidated financial statements not included in this prospectus.

This information should be read in conjunction with "Risk Factors," "Unaudited Pro Forma Consolidated Financial Statements," "Selected Historical Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus.

	Predecessor			Six months ended June 30, 2010	Period from January 1 through May 24 2011	Successor Period from May 25 through June 30, 2011
	Year ended December 31,					
	2008	2009	2010			
	(in thousands of dollars)					
<b>Statement of Operations Data:</b>						
Net revenue	\$ 2,409,864	\$ 2,569,685	\$ 2,859,322	\$ 1,388,158	\$ 1,221,790	\$ 319,543
Compensation and benefits	1,637,425	1,796,779	2,023,503	976,760	874,633	221,804
Operating expenses	383,359	334,328	359,262	177,115	156,740	41,856
Insurance expense	82,221	97,610	97,330	48,012	47,229	10,089
Selling, general and administrative expenses	69,658	63,481	67,912	35,156	29,241	6,861
Depreciation and amortization expense	68,980	64,351	65,332	31,872	28,467	11,061
Income from operations	168,221	213,136	245,983	119,243	85,480	27,872
Interest income from restricted assets	6,407	4,516	3,105	1,714	1,124	162
Interest expense	(42,087)	(40,996)	(22,912)	(13,326)	(7,886)	(17,950)
Realized gain (loss) on	2,722	2,105	2,450	149	(9)	7

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investments						
Interest and other (expense) income	2,055	1,816	968	471	(28,873)	(140)
Loss on early debt extinguishment	(241)		(19,091)	(19,091)	(10,069)	
Income before income taxes and equity in earnings of unconsolidated subsidiary	137,077	180,577	210,503	89,160	39,767	9,951
Income tax expense	(52,530)	(65,685)	(79,126)	(34,365)	(19,242)	(4,158)
Income before equity in earnings of unconsolidated subsidiary	84,547	114,892	131,377	54,795	20,525	5,793
Equity in earnings of unconsolidated subsidiary	300	347	347	199	143	33
Net income	\$ 84,847	\$ 115,239	\$ 131,724	\$ 54,994	\$ 20,668	\$ 5,826



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	Predecessor				Successor	
					Period from	Period from
					January 1	May 25
					through	through
	Year ended December 31,			Six months ended	May 24	June 30,
	2008	2009	2010	June 30,	2011	2011
	(in thousands of dollars)					
<b>Balance Sheet Data</b>						
<b>(at end of period):</b>						
Cash and cash equivalents	\$ 146,173	\$ 332,888	\$ 287,361	\$ 313,033		\$ 186,811
Working capital(1)	495,033	516,078	531,477	524,777		385,188
Property, plant and equipment, net	124,869	125,855	133,731	121,324		135,479
Total assets	1,541,219	1,654,707	1,748,552	1,704,795		4,072,796
Total debt(2)	458,505	453,930	421,276	427,535		2,379,335
Stockholders' equity	539,039	686,087	847,205	764,775		891,301
<b>Cash Flow Data:</b>						
Cash flows provided by (used in):						
Operating activities	\$ 211,457	\$ 272,553	\$ 185,544	\$ 84,742	\$ 67,975	\$ 37,721
Investing activities	(74,945)	(116,629)	(158,865)	(60,358)	(89,459)	(2,847,446)
Financing activities	(19,253)	30,791	(72,206)	(44,239)	20,671	2,709,988
Purchases of property, plant and equipment	(32,088)	(44,728)	(49,121)	(15,168)	(18,496)	(2,892)
<b>Other Financial Data:</b>						
Adjusted EBITDA(3)	\$ 247,084	\$ 286,982	\$ 322,119	\$ 155,874	\$ 130,582	\$ 40,039
Cash interest expense	39,983	39,165	20,428	12,190	6,556	16,046

- (1) Working capital is defined as current assets less current liabilities.
- (2) Total debt is defined as long-term debt and capital lease obligations, including current maturities, and excludes adjustments resulting from loan fees, which are accounted for as a reduction to outstanding debt.
- (3) Adjusted EBITDA is defined as net income before equity in earnings of unconsolidated subsidiary, income tax expense, loss on early debt extinguishment, interest and other (expense) income, realized gain (loss) on investments, interest expense, depreciation and amortization expense, equity-based compensation expenses and related party management fees. Adjusted EBITDA, as reported historically, has been adjusted to reflect equity-based compensation expenses and related party management fees. See the reconciliation table below.

Adjusted EBITDA is commonly used by management and investors as a performance measure. Adjusted EBITDA is not considered a measure of financial performance under GAAP, and the items excluded from Adjusted EBITDA are significant components in understanding and assessing our financial performance. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as an alternative to GAAP measures such as net income, cash flows provided by or used in operating, investing or financing activities or other financial statement data presented in our consolidated financial statements as an indicator of financial performance or liquidity. Some of these limitations are:

Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;

Adjusted EBITDA does not reflect our interest expense, or the requirements necessary to service interest or principal payments on our debt;

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Adjusted EBITDA does not reflect our income tax expenses or the cash requirements to pay our taxes;

Adjusted EBITDA does not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments; and

although depreciation and amortization charges are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements.

Because Adjusted EBITDA is not a measure determined in accordance with GAAP and is susceptible to varying calculations, this measure, as presented, may not be comparable to other similarly titled measures of other companies.

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The following tables set forth a reconciliation to net income of Adjusted EBITDA for the periods presented:

	Predecessor				Period from	Successor
	Year ended December 31,			Six Months	January 1,	Period from
	2008	2009	2010	ended June 30, 2010	through May 24, 2011	May 25 through June 30, 2011
(in thousands of dollars)						
<b>Consolidated/Combined</b>						
Net income	\$ 84,847	\$ 115,239	\$ 131,724	\$ 54,994	\$ 20,668	\$ 5,826
Income tax expense	52,530	65,685	79,126	34,365	19,242	4,158
Equity in earnings of unconsolidated subsidiary(a)	(300)	(347)	(347)	(199)	(143)	(33)
Loss on early debt extinguishment(b)	241		19,091	19,091	10,069	
Interest and other (income) expense(c)	(2,055)	(1,816)	(968)	(471)	28,873	140
Realized (gain) loss on investments(d)	(2,722)	(2,105)	(2,450)	(149)	9	(7)
Interest expense	42,087	40,996	22,912	13,326	7,886	17,950
Interest income from restricted assets	(6,407)	(4,516)	(3,105)	(1,714)	(1,124)	(162)
Income from operations	168,221	213,136	245,983	119,243	85,480	27,872
Interest income from restricted assets	6,407	4,516	3,105	1,714	1,124	162
Depreciation and amortization expense	68,980	64,351	65,332	31,872	28,467	11,061
Equity-based compensation expense(e)	2,476	3,979	6,699	2,545	15,112	430
Related party management fees(f)	1,000	1,000	1,000	500	399	514
Adjusted EBITDA	\$ 247,084	\$ 286,982	\$ 322,119	\$ 155,874	\$ 130,582	\$ 40,039

- (a) Represents the equity in earnings recognized in the 2008, 2009, 2010 and 2011 periods relating to the minority interest held by AMR in a joint venture in Trinidad. AMR recognizes equity in earnings of the unconsolidated subsidiary in the income statement, but not in Adjusted EBITDA.
- (b) Represents a loss on early debt extinguishment of \$241,000 recorded during 2008, no effect on early debt extinguishment in 2009, a loss on early debt extinguishment of \$19.1 million recorded during 2010, and a loss on early debt extinguishment of \$10.1 million during the Predecessor period of January 1 through May 24, 2011.
- (c) Represents interest and other (income) expense. During the Predecessor period of January 1 through May 24, 2011 and the Successor period of May 25 through June 30, 2011, this included \$29.5 million and \$0.3 million, respectively, of expenses incurred with the Transactions.
- (d) Represents realized gains or losses on investments held at EMCA Insurance Company, Ltd. ("EMCA") associated with insurance related assets. These gains or losses are recorded only upon a sale or maturity of such investments.
- (e) Represents the non-cash equity based compensation expense related to equity based awards under our prior and existing equity-based incentive plans.
- (f) Represents the management fees paid to our prior sponsor and payable to CD&R as part of the consulting agreement entered into at the closing of the Transactions.

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**RISK FACTORS**

*Investing in the Notes involves a high degree of risk. Before you make your investment decision, you should carefully consider the risks described below and the other information contained in this prospectus, including the consolidated financial statements and the related notes. If any of the following risks actually occurs, our business, financial condition, results of operations or cash flows could be materially adversely affected.*

**Risk Factors Related to the Notes**

***Our substantial indebtedness may adversely affect our financial health and prevent us from making payments on the Notes.***

We have substantial indebtedness. As of June 30, 2011, we had total indebtedness, including capital leases, of approximately \$2,387 million, including \$950 million of Old Notes, \$1,436 million of borrowings under the Term Loan Facility and approximately \$2 million of other long-term indebtedness. In addition, as of June 30, 2011, after giving effect to approximately \$47 million of letters of credit issued under the ABL Facility, we were able to borrow approximately \$303 million under the ABL Facility. As of December 31, 2010, we also had approximately \$155 million in operating lease commitments.

The degree to which we are leveraged may have important consequences for us. For example, it may:

make it more difficult for us to make payments on our indebtedness;

increase our vulnerability to general economic and industry conditions, including recessions and periods of significant inflation and financial market volatility;

expose us to the risk of increased interest rates because any borrowings we make under the ABL Facility, and our borrowings under the Term Loan Facility under certain circumstances, will bear interest at variable rates;

require us to use a substantial portion of our cash flow from operations to service our indebtedness, thereby reducing our ability to fund working capital, capital expenditures and other expenses;

limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate;

place us at a competitive disadvantage compared to competitors that have less indebtedness; and

limit our ability to borrow additional funds that may be needed to operate and expand our business.

The Indenture, the credit agreement governing the ABL Facility (as further described in "Description of Other Indebtedness ABL Facility," the "ABL Credit Agreement") and the credit agreement governing the Term Loan Facility (as further described in "Description of Other Indebtedness Term Loan Facility," the "Term Loan Credit Agreement") contain restrictive covenants that limit our ability to engage in activities that may be in our long-term best interests. Those covenants include restrictions on our ability to, among other things, incur more indebtedness, pay dividends, redeem stock or make other distributions, make investments, create liens, transfer or sell assets, merge or consolidate and enter into certain transactions with our affiliates. Our failure to comply with those covenants could result in an event of default, which, if not cured or waived, could result in the acceleration of all of our indebtedness. See also " The Indenture, the ABL Credit Agreement and the Term Loan Credit Agreement restrict our ability and the ability of most of our subsidiaries to engage in some business and financial transactions."

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

We, our subsidiaries and our affiliated professional corporations may be able to incur substantial additional indebtedness in the future. The terms of the Indenture do not fully prohibit us, our subsidiaries and our affiliated professional corporations from doing so. If we or our subsidiaries are in compliance with certain incurrence ratios set forth in the ABL Credit Agreement, the Term Loan Credit Agreement and the Indenture, we and our subsidiaries may be able to incur substantial additional indebtedness, which may increase the risks created by our current substantial indebtedness. See "Description of Other Indebtedness ABL Facility," "Description of Other Indebtedness Term Loan Facility" and "Description of Notes Certain Covenants Limitation on Indebtedness." Our affiliated professional corporations will not be subject to the covenants governing our indebtedness.

After giving effect to approximately \$47 million of letters of credit issued under the ABL Facility, as of June 30, 2011, we were able to borrow approximately \$303 million under the ABL Facility. All of these borrowings would be secured and would rank senior to the Notes and the subsidiary guarantees.

***The Notes are effectively subordinated to borrowings under the ABL Facility and the Term Loan Facility to the extent of the value of the assets securing such debt and structurally subordinated to the indebtedness and other liabilities of our non-guarantor subsidiaries.***

The Indenture permits us to incur certain secured indebtedness, including indebtedness under the Senior Secured Credit Facilities. All of the obligations under the Senior Secured Credit Facilities are guaranteed by the same subsidiaries that guarantee the Notes. In addition, the Senior Secured Credit Facilities are secured by substantially all of our assets and by substantially all of the assets of each subsidiary guarantor of the Senior Secured Credit Facilities, including the capital stock of each subsidiary guarantor of the Senior Secured Credit Facilities held by us or any other subsidiary guarantor and a lien on substantially all of our tangible and intangible assets and all of the tangible and intangible assets of each other subsidiary guarantor of the Senior Secured Credit Facilities, subject to certain exceptions. The Notes are not secured by any of our assets or those of our subsidiaries and therefore do not have the benefit of such collateral. Accordingly, if an event of default occurs under the Senior Secured Credit Facilities, the lenders under those facilities will have a superior right to our assets and the assets of the subsidiary guarantors, to the exclusion of the holders of the Notes, even if we are in default under the Notes. In that event, our assets and the assets of the subsidiary guarantors would first be used to repay in full all indebtedness and other obligations secured by them (including all indebtedness outstanding under the Senior Secured Credit Facilities), resulting in all or a portion of our assets being unavailable to satisfy the claims of the holders of the Notes. Further, if the lenders under the Senior Secured Credit Facilities foreclose and sell the pledged equity interests in any subsidiary guarantor of the Notes, then that subsidiary guarantor will be released from its guarantee of the Notes automatically and immediately upon the sale. If any of the foregoing events occur, we cannot assure you that there will be sufficient assets to pay amounts due on the Notes. The covenant described under "Description of Notes Certain Covenants Limitation on Liens" will not limit or establish conditions on our ability to secure indebtedness under the Senior Secured Credit Facilities.

Payments on the Notes are required to be made only by us and the note guarantors. Accordingly, claims of holders of the Notes will be structurally subordinated to the claims of creditors of our non-guarantor subsidiaries, including trade creditors. All obligations of our non-guarantor subsidiaries will have to be satisfied before any of the assets of such subsidiaries would be available for distribution, upon liquidation or otherwise, to us or a subsidiary guarantor of the Notes. Furthermore, some of the non-guarantor subsidiaries are intended to be bankruptcy remote, and the assets held by them will not be available to our general creditors in a bankruptcy unless and until they are transferred to a non-bankruptcy remote entity.

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As of June 30, 2011, the Notes and subsidiary guarantees were effectively subordinated to approximately \$1,436 million of secured indebtedness under the Senior Secured Credit Facilities. As of June 30, 2011, we had approximately \$303 million available for future borrowings under the ABL Facility. As of June 30, 2011, our non-guarantor subsidiaries had no indebtedness and approximately \$156 million of primarily insurance-related liabilities.

***We will require a significant amount of cash to service our indebtedness. The ability to generate cash or refinance our indebtedness as it becomes due depends on many factors, some of which are beyond our control.***

EMSC is a holding company, and as such has no independent operations or material assets other than its ownership of equity interests in its subsidiaries, and its subsidiaries' contractual arrangements with physicians and professional corporations, and it depends on its subsidiaries to distribute funds to it so that it may pay its obligations and expenses, including satisfying its obligations under the Notes. The ability of the Company to make scheduled payments on, or to refinance its respective obligations under, its indebtedness, including the Notes, and to fund planned capital expenditures and other corporate expenses will depend on the ability of its subsidiaries to make distributions, dividends or advances to it, which in turn will depend on their future operating performance and on economic, financial, competitive, legislative, regulatory and other factors and any legal and regulatory restrictions on the payment of distributions and dividends to which they may be subject. Many of these factors are beyond our control. We cannot assure you that our business will generate sufficient cash flow from operations, that currently anticipated cost savings and operating improvements will be realized or that future borrowings will be available to the Company in an amount sufficient to enable it to satisfy its respective obligations under its indebtedness or to fund its other needs. In order for the Company to satisfy its obligations under its indebtedness and fund planned capital expenditures, we must continue to execute our business strategy. If we are unable to do so, we may need to reduce or delay our planned capital expenditures or refinance all or a portion of our indebtedness on or before maturity. Significant delays in our planned capital expenditures may materially and adversely affect our future revenue prospects. In addition, we cannot assure you that we will be able to refinance any of our indebtedness, including the Notes and the Senior Secured Credit Facilities, on commercially reasonable terms or at all.

***The Indenture, the ABL Credit Agreement and the Term Loan Credit Agreement restrict our ability and the ability of most of our subsidiaries to engage in some business and financial transactions.***

*Indenture.* The Indenture contains restrictive covenants that, among other things, limits our ability and the ability of our restricted subsidiaries to:

incur additional indebtedness or issue certain preferred shares;

pay dividends, redeem stock or make other distributions;

make investments;

create restrictions on the ability of our restricted subsidiaries to pay dividends to us or make other intercompany transfers;

create liens;

transfer or sell assets;

merge or consolidate;

enter into certain transactions with our affiliates; and

designate subsidiaries as unrestricted subsidiaries.



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*Senior Secured Credit Facilities.* The ABL Credit Agreement and the Term Loan Credit Agreement will contain a number of covenants that limit our ability and the ability of our restricted subsidiaries to:

incur additional indebtedness;

declare dividends;

repurchase, prepay or redeem junior indebtedness (including the Notes);

redeem and repurchase capital stock;

incur additional liens;

sell assets;

agree to payment restrictions affecting our restricted subsidiaries;

make negative pledges;

consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;

make investments;

enter into transactions with affiliates; and

designate any of our subsidiaries as unrestricted subsidiaries.

The ABL Credit Agreement also contains other covenants customary for asset-based facilities of this nature. Our ability to borrow additional amounts under the Senior Secured Credit Facilities depends upon satisfaction of these covenants. Events beyond our control can affect our ability to meet these covenants.

Our failure to comply with obligations under the Indenture, the ABL Credit Agreement and the Term Loan Credit Agreement may result in an event of default under that indenture or those credit agreements. A default, if not cured or waived, may permit acceleration of our indebtedness. We cannot be certain that we will have funds available to remedy these defaults. If our indebtedness is accelerated, we cannot be certain that we will have sufficient funds available to pay the accelerated indebtedness or that we will have the ability to refinance the accelerated indebtedness on terms favorable to us or at all.

***We may not have access to the cash flow and other assets of our subsidiaries that may be needed to make payment on the Notes.***

Our ability to make payments on the Notes is dependent on the earnings and the distribution of funds from our subsidiaries. All of our business is conducted through our subsidiaries. The ability of our subsidiaries to make distributions, dividends or advances to us will depend on their future operating performance and on economic, financial, competitive, legislative, regulatory and other factors and any legal and regulatory restrictions on the payment of distributions and dividends to which they may be subject. Under the terms of the Indenture, the ABL Credit Agreement and the Term Loan Credit Agreement, our subsidiaries will be permitted to incur additional indebtedness that may restrict or prohibit



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distributions, dividends or loans from those subsidiaries to us. We cannot assure you that the agreements governing the current and future indebtedness of our subsidiaries will permit our subsidiaries to provide us with sufficient dividends, distributions or loans to fund payments on the Notes when due.

Furthermore, none of our existing or future foreign subsidiaries, any subsidiary subject to regulation as an insurance company, and our domestic subsidiaries that do not guarantee our indebtedness under the ABL and Term Loan Credit Facilities will guarantee the Notes. See

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"Description of Notes - Subsidiary Guarantees." The Notes will be structurally subordinated to any future indebtedness and other liabilities of our non-guarantor subsidiaries. In the event of a bankruptcy, liquidation or reorganization of any of our non-guarantor subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of claims from the assets of that subsidiary before any assets are or could be made available for distribution to us.

As of June 30, 2011, our non-guarantor subsidiaries had no indebtedness. Our non-guarantor subsidiaries generated approximately 0% of our net revenues for the years ended December 31, 2008, 2009 and 2010, and held approximately 8% and 4% of our assets as of December 31, 2010 and June 30, 2011, respectively.

***Because each guarantor's liability under its guarantee of the Notes may be reduced to zero, avoided or released under certain circumstances, you may not receive any payments from some or all of the guarantors.***

Each of our domestic subsidiaries that is a guarantor under the Senior Secured Credit Facilities is a guarantor of the Notes. However, the guarantees are limited to the maximum amount that the guarantors are permitted to guarantee under applicable law. As a result, a guarantor's liability under a guarantee could be reduced to zero depending on the amount of other obligations of such entity. Further, under certain circumstances, a court under applicable fraudulent conveyance and transfer statutes or other applicable laws could void the obligations under a guarantee or subordinate the guarantee to other obligations of the guarantor. See "Our being subject to certain fraudulent transfer and conveyance statutes may have adverse implications for the holders of the Notes." In addition, you will lose the benefit of a particular guarantee if it is released under the circumstances described under "Description of Notes - Subsidiary Guarantee."

As a result, an entity's liability under its guarantee could be materially reduced or eliminated depending upon the amounts of its other obligations and upon applicable laws. In particular, in certain jurisdictions, a guarantee issued by a company that is not in the company's corporate interests or where the burden of that guarantee exceeds the benefit to the company may not be valid and enforceable. It is possible that a creditor of an entity or the insolvency administrator in the case of an insolvency of an entity may contest the validity and enforceability of the guarantee and the applicable court may determine that the guarantee should be limited or voided. If any guarantees are deemed invalid or unenforceable, in whole or in part, or to the extent that agreed limitations on the guarantee apply, the Notes would be effectively subordinated to all liabilities of the applicable guarantor, including trade payables of such guarantor.

***If we or our subsidiaries default on our and their obligations to pay our and their indebtedness, we may not be able to make payments on the Notes.***

Any default under the agreements governing our or our subsidiaries' indebtedness, including a default under the Senior Secured Credit Facilities that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness could make us unable to pay principal, premium, if any, and interest on the Notes when due and substantially decrease the market value of the Notes.

If we or our subsidiaries are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we or they otherwise fail to comply with the various covenants in the instruments governing our or their indebtedness (including covenants in the Senior Secured Credit Facilities and the Indenture), we or they could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under the Senior Secured Credit Facilities could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets, which

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could further result in a cross-default or cross-acceleration of our debt issued under other instruments, and we could be forced into bankruptcy or liquidation. If amounts outstanding under the Senior Secured Credit Facilities, the Notes or other debt of our subsidiaries are accelerated, all our non-guarantor subsidiaries' debt and liabilities would be payable from our subsidiaries' assets, prior to any distributions of our subsidiaries' assets to pay interest and principal on the Notes, and we might not be able to repay or make any payments on the Notes.

***We may not be able to repurchase the Notes upon a change of control.***

Upon the occurrence of a change of control event specified in the Indenture, the Company will be required to offer to repurchase all outstanding Notes (unless otherwise redeemed) at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional interest, if any, to the date of repurchase. It is possible, however, that we will not have sufficient funds available at the time of the change of control to make the required repurchase of Notes. Furthermore, restrictions in the ABL Credit Agreement and the Term Loan Credit Agreement do not allow those repurchases unless we have repaid the indebtedness under the Senior Secured Credit Facilities or received the requisite consent of the lenders under the Senior Secured Credit Facilities. We may be unable to repay all of that indebtedness or to obtain such consent. Any requirement to offer to repurchase outstanding Notes may therefore require us to refinance our other outstanding debt, which we may not be able to do on commercially reasonable terms, if at all. A change of control may constitute an event of default under the Senior Secured Credit Facilities. In addition, our failure to repurchase the Notes after a change of control in accordance with the terms of the Indenture would constitute an event of default under such indenture, which in turn would result in a default under the ABL Credit Agreement and the Term Loan Credit Agreement, resulting in the acceleration of the indebtedness represented by the Notes and under the Senior Secured Credit Facilities.

***Certain corporate events may not trigger a change of control event, in which case we will not be required to redeem the Notes.***

The Indenture permits us to engage in certain important corporate events, such as leveraged recapitalizations, that would increase indebtedness but would not constitute a "Change of Control" (as defined in "Description of Notes Change of Control"). If we effected a leveraged recapitalization or other such non-change of control transaction that resulted in an increase in indebtedness, our ability to make payments on the Notes would be adversely affected. However, we would not be required to redeem the Notes, and you might be required to continue to hold your Notes, despite our decreased ability to meet our obligations under the Notes.

The definition of Change of Control includes a disposition of "all or substantially all of our assets." Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "substantially all" of our assets. As a result, it may be unclear as to whether a Change of Control has occurred and whether we are required to make an offer to repurchase the Notes. As noted below, under certain circumstances the sale or disposition of a Minority Business shall not at any time be deemed to constitute a disposition of "all or substantially all" of our assets.

***The terms of the Indenture include exceptions to certain covenants relating to a sale of a Minority Business.***

The terms of the Indenture include exceptions to certain covenants that apply in the event that a future sale or disposition (whether directly or indirectly, whether by sale or transfer of any such assets, or of any capital stock or other interest in any entity holding such assets, or by merger or consolidation or of any combination thereof, and whether in one or more transactions, or otherwise, including any

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Minority Business Offering or any Minority Business Disposition (each as defined in the "Description of Notes")) of any business unit which represents less than 50% of our consolidated Adjusted EBITDA ("Minority Business"). Accordingly, we may sell or dispose of a Minority Business at any time subject to certain conditions. For important information regarding this exception and the applicable obligations and restrictions, see "Description of Notes Change of Control," "Description of Notes Certain Covenants Merger and Consolidation" and "Description of Notes Certain Definitions."

If we sell or dispose of any such Minority Business, we may not receive any cash proceeds depending on the structure of such sale or disposition and to the extent cash proceeds are received we may be unable to reinvest the net proceeds of such sale in businesses or assets that produce similar net sales or earnings or Adjusted EBITDA. Accordingly, a sale of a Minority Business could adversely impact our operating results and financial performance, as well as the price, liquidity and ratings of the Notes. Such risks could be significant.

***An increase in interest rates would increase the cost of servicing our debt and could reduce our profitability.***

Our indebtedness under the ABL Facility will bear interest at variable rates, and, to the extent LIBOR exceeds 1.5%, our indebtedness under the Term Loan Facility bears interest at variable rates. As a result, increases in interest rates could increase the cost of servicing such debt and materially reduce our profitability and cash flows. As of June 30, 2011, assuming all ABL Facility revolving loans were fully drawn and LIBOR exceeded 1.5%, each one percentage point change in interest rates would result in approximately a \$17.9 million change in annual interest expense on the Senior Secured Credit Facilities. The impact of such an increase would be more significant for us than it would be for some other companies because of our substantial debt.

***Federal and state fraudulent transfer laws may permit a court to void the Notes and/or the guarantees, and if that occurs, you may not receive any payments on the Notes.***

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the Notes and the incurrence of the guarantees of the Notes. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the Notes or the guarantees thereof could be voided as a fraudulent transfer or conveyance if the Company or any of the Guarantors, as applicable, (a) issued the Notes or incurred the guarantee with the intent of hindering, delaying or defrauding creditors or (b) received less than reasonably equivalent value or fair consideration in return for either issuing the Notes or incurring the guarantee and, in the case of (b) only, one of the following is also true at the time thereof:

the Company or any of the Guarantors, as applicable, were insolvent or rendered insolvent by reason of the issuance of the Notes or the incurrence of the guarantee;

the issuance of the Notes or the incurrence of the guarantee left the Company or any of the Guarantors, as applicable, with an unreasonably small amount of capital or assets to carry on its business; or

the Company or any of the Guarantors intended to, or believed that the Company or such Guarantor would, incur debts beyond the Company's or such Guarantor's ability to pay as they mature.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent debt is satisfied. A court would likely find that a Guarantor did not receive reasonably equivalent value or fair consideration for its guarantee to the extent such Guarantor did not obtain a reasonably equivalent benefit from the issuance of the Notes.

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We cannot be certain as to the standards a court would use to determine whether or not the Company or any of the Guarantors were insolvent at the relevant time or, regardless of the standard that a court uses, whether the Notes or the guarantees would be subordinated to the Company's or any of the Guarantors' other debt. In general, however, a court would deem an entity insolvent if:

the sum of its debts, including contingent and unliquidated 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 became due.

If a court were to find that the issuance of the Notes or the incurrence of a guarantee was a fraudulent transfer or conveyance, the court could void the payment obligations under the Notes or that guarantee, could subordinate the Notes or that guarantee to presently existing and future indebtedness of the Company or of the related Guarantor or could require the holders of the Notes to repay any amounts received with respect to that guarantee. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the Notes.

The indenture contains a "savings clause" intended to limit each subsidiary Guarantor's liability under its guarantee to the maximum amount that it could incur without causing the guarantee to be a fraudulent transfer under applicable law. There can be no assurance that this provision will be upheld as intended.

***A downgrade, suspension or withdrawal of the rating assigned by a rating agency to our company or the Notes, if any, could cause the liquidity or market value of the Notes to decline.***

The Notes have been rated by nationally recognized rating agencies and may in the future be rated by additional rating agencies. We cannot assure you that any rating assigned will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, circumstances relating to the basis of the rating, such as adverse changes in our business, so warrant. Any downgrade, suspension or withdrawal of a rating by a rating agency (or any anticipated downgrade, suspension or withdrawal) could reduce the liquidity or market value of the Notes.

Any future lowering of our ratings may make it more difficult or more expensive for us to obtain additional debt financing. If any credit rating initially assigned to the Notes is subsequently lowered or withdrawn for any reason, you may lose some or all of the value of your investment.

***If the lenders under the Senior Secured Credit Facilities release the guarantors or subsidiaries that are co-borrowers under the credit agreements for those facilities, those guarantors or subsidiaries that are co-borrowers will be released from their guarantees of the Notes.***

The lenders under the Senior Secured Credit Facilities have the discretion to release the guarantees or the obligations of the co-borrowers under the credit agreement for those facilities. If a subsidiary is no longer a guarantor of obligations or co-borrowers under the Senior Secured Credit Facilities or any other successor credit facilities that may be then outstanding, then the guarantee of the Notes by such subsidiary will be released automatically without action by, or consent of, any holder of the Notes or the trustee under the Indenture. See "Description of Notes Subsidiary Guarantees." You will not have a claim as a creditor against any subsidiary that is no longer a guarantor of the Notes, and the indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those subsidiaries will effectively be senior to claims of holders of the Notes.

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*Certain restrictive covenants in the Indenture will not apply during any time that the Notes achieve investment grade ratings.*

Most of the restrictive covenants in the Indenture will not apply during any time that the Notes achieve investment grade ratings from Moody's Investment Service, Inc. and Standard & Poor's, and no default or event of default has occurred. If these restrictive covenants cease to apply, we may take actions, such as incurring additional debt or making certain dividends or distributions, which would otherwise be prohibited under the Indenture. Ratings are given by these rating agencies based upon analyses that include many subjective factors. The investment grade ratings, if granted, may not reflect all of the factors that would be important to holders of the Notes.

**Risks Related to Not Participating in the Exchange Offer**

*You may have difficulty selling the Old Notes that you do not exchange.*

If you do not exchange your Old Notes for the New Notes offered in the exchange offer, your Old Notes will continue to be subject to significant restrictions on transfer. Those transfer restrictions are described in the Indenture and arose because the Old Notes were originally issued under exemptions from the registration requirements of the Securities Act.

The Old Notes may not be offered, sold or otherwise transferred, except in compliance with the registration requirements of the Securities Act, pursuant to an exemption from registration under the Securities Act or in a transaction not subject to the registration requirements of the Securities Act, and in compliance with applicable state securities laws. The Company did not register the Old Notes under the Securities Act, and it does not intend to do so. If you do not exchange your Old Notes, your ability to sell those Notes will be significantly limited.

If a large number of outstanding Old Notes are exchanged for New Notes issued in the exchange offer, it may be more difficult for you to sell your unexchanged Old Notes due to the limited amounts of Old Notes that would remain outstanding following the exchange offer.

**Risk Factors Related to Our Relationship with the CD&R Affiliates**

*We are indirectly owned and controlled by the CD&R Affiliates, and their interests as equity holders may conflict with your interests as a holder of the Notes.*

We are indirectly owned and controlled by the CD&R Affiliates, who have the ability to control our policy and operations. The CD&R Affiliates control our board of directors, and thus are able to appoint new management and approve any action requiring the vote of our outstanding common stock, including amendments of our certificate of incorporation, mergers and sales of substantially all of our assets. The directors controlled by the CD&R Affiliates are also able to make decisions affecting our capital structure, including decisions to issue additional capital stock and incur additional debt. The interests of the CD&R Affiliates as stockholders may not in all cases be aligned with your interests as a holder of the Notes. For example, if we encounter financial difficulties or are unable to pay our debts as they mature, the interests of the CD&R Affiliates might conflict with your interests as a holder of the Notes. In addition, one or more of the CD&R Affiliates may have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, even though such a transaction might involve risks to you as a holder of the Notes. Furthermore, one or more of the CD&R Affiliates may in the future own businesses that directly or indirectly compete with us. One or more of the CD&R Affiliates may also pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us. We are party to a consulting agreement with CD&R and an indemnification agreement with CD&R and the CD&R Affiliates. See "Certain Relationships and Related Party Transaction Post-Merger Relationships and Related Party Transactions."

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**Risk Related to Our Business**

*We could be subject to lawsuits for which we are not fully reserved.*

In recent years, physicians, hospitals and other participants in the healthcare industry have become subject to an increasing number of lawsuits alleging medical malpractice and related legal theories such as negligent hiring, supervision and credentialing. Similarly, ambulance transport services may result in lawsuits concerning vehicle collisions and personal injuries, patient care incidents or mistreatment and employee job-related injuries. Some of these lawsuits may involve large claim amounts and substantial defense costs.

EmCare procures professional liability insurance coverage for most of its affiliated medical professionals and professional and corporate entities. Beginning January 1, 2002, this insurance coverage has been provided by affiliates of CNA Insurance Company, which then reinsures the entire program, primarily through EmCare's wholly owned subsidiary, EMCA. Workers compensation coverage for EmCare's employees and applicable affiliated medical professionals is provided under a similar structure for the period through August 31, 2007. From September 1, 2004 to the closing date of our acquisition of EmCare and AMR, AMR obtained insurance coverage for losses with respect to workers compensation, auto and general liability claims through Laidlaw's captive insurance program. In 2007, AMR transferred the Laidlaw insurance coverage to an insurance subsidiary of American International Group, Inc. ("AIG") and currently has a self-insurance program fronted by an unrelated third party for all of its insurance programs subsequent to September 1, 2001. AMR retains the risk of loss under this coverage. Under these insurance programs, we establish reserves, using actuarial estimates, for all losses covered under the policies. Moreover, in the normal course of our business, we are involved in lawsuits, claims, audits and investigations, including those arising out of our billing and marketing practices, employment disputes, contractual claims and other business disputes for which we may have no insurance coverage, and which are not subject to actuarial estimates. For further information, see "Business Legal Proceedings" and note 7 to our unaudited consolidated financial statements included elsewhere in this prospectus. The outcome of these matters could have a material effect on our results of operations in the period when we identify the matter, and the ultimate outcome could have a material adverse effect on our financial position, results of operations, or cash flows.

Our liability to pay for EmCare's insurance program losses is collateralized by funds held through EMCA and, to the extent these losses exceed the collateral and assets of EMCA or the limits of our insurance policies, will have to be funded by us. Should our AMR losses with respect to such claims exceed the collateral held by AMR's insurance providers in connection with our self-insurance program or the limits of our insurance policies, we will have to fund such amounts. See "Business American Medical Response Insurance" and "Business EmCare Insurance."

*We are subject to a variety of federal, state and local laws and regulatory regimes, including a variety of labor laws and regulations. Failure to comply with laws and regulations could subject us to, among other things, penalties and legal expenses which could have a materially adverse effect on our business.*

We are subject to various federal, state, and local laws and regulations including, but not limited to the Employee Retirement Income Security Act of 1974 ("ERISA") and regulations promulgated by the Internal Revenue Service, the United States Department of Labor and the Occupational Safety and Health Administration. We are also subject to a variety of federal and state employment and labor laws and regulations, including the Americans with Disabilities Act, the Federal Fair Labor Standards Act, the Worker Adjustment and Restructuring Notification Act, and other regulations related to working conditions, wage-hour pay, overtime pay, family leave, employee benefits, antidiscrimination, termination of employment, safety standards and other workplace regulations.

Failure to properly adhere to these and other applicable laws and regulations could result in investigations, the imposition of penalties or adverse legal judgments by public or private plaintiffs, and

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our business, financial condition and results of operations could be materially adversely affected. Similarly, our business, financial condition and results of operations could be materially adversely affected by the cost of complying with newly-implemented laws and regulations.

In addition, from time to time we have received, and expect to continue to receive, correspondence from former employees terminated by us who threaten to bring claims against us alleging that we have violated one or more labor and employment regulations. In certain instances former employees have brought claims against us and we expect that we will encounter similar actions against us in the future. An adverse outcome in any such litigation could require us to pay contractual damages, compensatory damages, punitive damages, attorneys' fees and costs.

***The reserves we establish with respect to our losses covered under our insurance programs are subject to inherent uncertainties.***

In connection with our insurance programs, we establish reserves for losses and related expenses, which represent estimates involving actuarial and statistical projections, at a given point in time, of our expectations of the ultimate resolution and administration costs of losses we have incurred in respect of our liability risks. Insurance reserves inherently are subject to uncertainty. Our reserves are based on historical claims, demographic factors, industry trends, severity and exposure factors and other actuarial assumptions calculated by an independent actuary firm. The independent actuary firm performs studies of projected ultimate losses on an annual basis and provides quarterly updates to those projections. We use these actuarial estimates to determine appropriate reserves. Our reserves could be significantly affected if current and future occurrences differ from historical claim trends and expectations. While we monitor claims closely when we estimate reserves, the complexity of the claims and the wide range of potential outcomes may hamper timely adjustments to the assumptions we use in these estimates. Actual losses and related expenses may deviate, individually and in the aggregate, from the reserve estimates reflected in our financial statements. If we determine that our estimated reserves are inadequate, we will be required to increase reserves at the time of the determination, which would result in a reduction in our net income in the period in which the deficiency is determined. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies Claims Liability and Professional Liability Reserves" and note 15 to our audited financial statements included in this prospectus.

***Insurance coverage for some of our losses may be inadequate and may be subject to the credit risk of commercial insurance companies.***

Some of our insurance coverage is through various third party insurers. To the extent we hold policies to cover certain groups of claims or rely on insurance coverage obtained by third parties to cover such claims, but either we or such third parties did not obtain sufficient insurance limits, did not buy an extended reporting period policy, where applicable, or the issuing insurance company is unable or unwilling to pay such claims, we may be responsible for those losses. Furthermore, for our losses that are insured or reinsured through commercial insurance companies, we are subject to the "credit risk" of those insurance companies. While we believe our commercial insurance company providers currently are creditworthy, there can be no assurance that such insurance companies will remain so in the future.

***Volatility in market conditions could negatively impact insurance collateral balances and result in additional funding requirements.***

Our insurance collateral is comprised principally of government and investment grade securities and cash deposits with third parties. The volatility experienced in the market has not had a material impact to our financial position or performance. Future volatility could, however, negatively impact the insurance collateral balances and result in additional funding requirements.



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***We are subject to decreases in our revenue and profit margin under our fee-for-service contracts, where we bear the risk of changes in volume, payor mix and third party reimbursement rates.***

In our fee-for-service arrangements, which generated approximately 81% of our net revenue for the year ended December 31, 2010, we, or our affiliated physicians, collect the fees for transports and physician services provided. Under these arrangements, we assume financial risks related to changes in the mix of insured and uninsured patients and patients covered by government-sponsored healthcare programs, third party reimbursement rates and transports and patient volume. In some cases our revenue decreases if our volume or reimbursement decreases, but our expenses may not decrease proportionately. See "Risk Factors Related to Healthcare Regulation Changes in the rates or methods of third party reimbursements may adversely affect our revenue and operations." In addition, fee-for-service contracts have less favorable cash flow characteristics in the start-up phase than traditional flat-rate contracts due to longer collection periods.

We collect a smaller portion of our fees for services rendered to uninsured patients than for services rendered to insured patients. Our credit risk related to services provided to uninsured individuals is exacerbated because the law requires communities to provide 911 emergency response services and hospital emergency departments to treat all patients presenting to the emergency department seeking care for an emergency medical condition regardless of their ability to pay. We also believe uninsured patients are more likely to seek care at hospital emergency departments because they frequently do not have a primary care physician with whom to consult.

***We may not be able to successfully recruit and retain physicians and other healthcare professionals with the qualifications and attributes desired by us and our customers.***

Our ability to recruit and retain affiliated physicians and other healthcare professionals significantly affects our performance under our contracts. In the recent past, our customer hospitals have increasingly demanded a greater degree of specialized skills, training and experience in the healthcare professionals providing services under their contracts with us. This decreases the number of healthcare professionals who may be permitted to staff our contracts. Moreover, because of the scope of the geographic and demographic diversity of the hospitals and other facilities with which we contract, we must recruit healthcare professionals, and particularly physicians, to staff a broad spectrum of contracts. We have had difficulty in the past recruiting physicians to staff contracts in some regions of the country and at some less economically advantaged hospitals. Moreover, we compete with other entities to recruit and retain qualified physicians and other healthcare professionals to deliver clinical services. Our future success in retaining and winning new hospital contracts depends on our ability to recruit and retain healthcare professionals to maintain and expand our operations.

***Our non-compete agreements and other restrictive covenants involving physicians may not be enforceable.***

We have contracts with physicians and professional corporations in many states. Some of these contracts, as well as our contracts with hospitals, include provisions preventing these physicians and professional corporations from competing with us both during and after the term of our relationship with them. The law governing non-compete agreements and other forms of restrictive covenants varies from state to state. Some states are reluctant to strictly enforce non-compete agreements and restrictive covenants applicable to physicians. There can be no assurance that our non-compete agreements related to affiliated physicians and professional corporations will not be successfully challenged as unenforceable in certain states. In such event, we would be unable to prevent former affiliated physicians and professional corporations from competing with us, potentially resulting in the loss of some of our hospital contracts.

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***We are required to make capital expenditures for our ambulance services business in order to remain competitive.***

Our capital expenditure requirements primarily relate to maintaining and upgrading our vehicle fleet and medical equipment to serve our customers and remain competitive. The aging of our vehicle fleet requires us to make regular capital expenditures to maintain our current level of service. Our capital expenditures totaled \$32 million, \$45 million, and \$49 million in the years ended December 31, 2008, 2009, and 2010, respectively. In addition, changing competitive conditions or the emergence of any significant advances in medical technology could require us to invest significant capital in additional equipment or capacity in order to remain competitive. If we are unable to fund any such investment or otherwise fail to invest in new vehicles or medical equipment, our business, financial condition or results of operations could be materially and adversely affected.

***We depend on our senior management and may not be able to retain those employees or recruit additional qualified personnel.***

We depend on our senior management. 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 identify or employ such qualified personnel on acceptable terms.

***Our revenue would be adversely affected if we lose existing contracts.***

A significant portion of our growth historically has resulted from increases in the number of emergency and non-emergency transports, and the number of patient encounters and fees for services we provide under existing contracts, and the addition of new contracts. Substantially all of our net revenue in the year ended December 31, 2010 was generated under contracts, including exclusive contracts that accounted for approximately 86% of our 2010 net revenue. Our contracts with hospitals generally have terms of three years and the term of our contracts with communities to provide 911 services generally ranges from three to five years. Most of our contracts are terminable by either of the parties upon notice of as little as 30 days. Any of our contracts may not be renewed or, if renewed, may contain terms that are not as favorable to us as our current contracts. We cannot assure you that we will be successful in retaining our existing contracts or that any loss of contracts would not have a material adverse effect on our business, financial condition and results of operations. Furthermore, certain of our contracts will expire during each fiscal period, and we may be required to seek renewal of these contracts through a formal bidding process that often requires written responses to a Request for Proposal ("RFP"). We cannot assure you that we will be successful in retaining such contracts or that we will retain them on terms that are as favorable as present terms.

***We may not accurately assess the costs we will incur under new contracts.***

Our new contracts increasingly involve a competitive bidding process. When we obtain new contracts, we must accurately assess the costs we will incur in providing services in order to realize adequate profit margins and otherwise meet our financial and strategic objectives. Increasing pressures from healthcare payors to restrict or reduce reimbursement rates at a time when the costs of providing medical services continue to increase make assessing the costs associated with the pricing of new contracts, as well as maintenance of existing contracts, more difficult. In addition, integrating new contracts, particularly those in new geographic locations, could prove more costly, and could require more management time, than we anticipate. Our failure to accurately predict costs or to negotiate an adequate profit margin could have a material adverse effect on our business, financial condition and results of operations.

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***The high level of competition in our segments of the market for emergency medical services could adversely affect our contract and revenue base.***

*EmCare.* The market for providing outsourced physician staffing and related management services to hospitals and clinics is highly competitive. Such competition could adversely affect our ability to obtain new contracts, retain existing contracts and increase or maintain profit margins. We compete with both national and regional enterprises such as Team Health, Hospital Physician Partners, The Schumacher Group, Sheridan Healthcare, California Emergency Physicians and National Emergency Services Healthcare Group, some of which may have greater financial and other resources available to them, greater access to physicians or greater access to potential customers. We also compete against local physician groups and self-operated facility-based physician services departments for satisfying staffing and scheduling needs.

*AMR.* The market for providing ambulance transport services to municipalities, other healthcare providers and third party payors is highly competitive. In providing ambulance transport services, we compete with governmental entities, including cities and fire districts, hospitals, local and volunteer private providers, and with several large national and regional providers such as Rural/Metro Corporation, Southwest Ambulance, Paramedics Plus and Acadian Ambulance. In many communities, our most important competitors are the local fire departments, which in many cases have acted traditionally as the first response providers during emergencies, and have been able to expand their scope of services to include emergency ambulance transport and do not wish to give up their franchises to a private competitor.

***Our business depends on numerous complex information systems, and any failure to successfully maintain these systems or implement new systems could materially harm our operations.***

We depend on complex, integrated information systems and standardized procedures for operational and financial information and our billing operations. We may not have the necessary resources to enhance existing information systems or implement new systems where necessary to handle our volume and changing needs. Furthermore, we may experience unanticipated delays, complications and expenses in implementing, integrating and operating our systems. Any interruptions in operations during periods of implementation would adversely affect our ability to properly allocate resources and process billing information in a timely manner, which could result in customer dissatisfaction and delayed cash flow. We also use the development and implementation of sophisticated and specialized technology to differentiate our services from our competitors and improve our profitability. The failure to successfully implement and maintain operational, financial and billing information systems could have an adverse effect on our ability to obtain new business, retain existing business and maintain or increase our profit margins.

***Disruptions in our disaster recovery systems or management continuity planning could limit our ability to operate our business effectively.***

Our information technology systems facilitate our ability to conduct our business. While we have disaster recovery systems and business continuity plans in place, any disruptions in our disaster recovery systems or the failure of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect our operating results by limiting our capacity to effectively monitor and control our operations. Despite our implementation of a variety of security measures, our technology systems could be subject to physical or electronic break-ins, and similar disruptions from unauthorized tampering. In addition, in the event that a significant number of our management personnel were unavailable in the event of a disaster, our ability to effectively conduct business could be adversely affected.

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***We may not be able to adequately protect our intellectual property and other proprietary rights that are material to our business.***

Our ability to compete effectively depends in part upon our rights in trademarks, copyrights, other intellectual property and proprietary technology. Our use of contractual provisions, confidentiality procedures and agreements, and trademark, copyright, unfair competition, trade secret and other laws to protect our intellectual property and other proprietary rights may not be adequate. Litigation may be necessary to enforce our intellectual property rights and protect our proprietary technology, or to defend against claims by third parties that the conduct of our businesses or our use of intellectual property infringe their intellectual property rights. Any litigation or claims brought by or against us could result in substantial costs and diversion of our resources. A successful claim of trademark, copyright or other intellectual property infringement or misappropriation against us could prevent us from providing services, which could have a material adverse effect on our business, financial condition or results of operations.

***If we fail to implement our business strategy, our financial performance and our growth could be materially and adversely affected.***

Our future financial performance and success are dependent in large part upon our ability to implement our business strategy successfully. Our business strategy envisions several initiatives, including increasing revenue from existing customers, growing our customer base, expanding our existing service lines, pursuing select acquisitions, implementing cost rationalization and other productivity initiatives, focusing on risk mitigation and utilizing technology to differentiate our services and improve profitability. We may not be able to implement our business strategy successfully or achieve the anticipated benefits of our business plan. If we are unable to do so, our long-term growth and profitability may be adversely affected. Even if we are able to implement some or all of the initiatives of our business plan successfully, our operating results may not improve to the extent we anticipate, or at all.

Implementation of our business strategy could also be affected by a number of factors beyond our control, such as increased competition, legal developments, government regulation, general economic conditions or increased operating costs or expenses. In addition, to the extent we have misjudged the nature and extent of industry trends or our competition, we may have difficulty in achieving our strategic objectives. Any failure to implement our business strategy successfully may adversely affect our business, financial condition and results of operations and thus our ability to service our debt. In addition, we may decide to alter or discontinue certain aspects of our business strategy at any time.

***The pro forma financial information in this prospectus may not be reflective of our operating results and financial conditions following the Transactions.***

The pro forma financial information included in this prospectus is derived from our historical consolidated financial statements. The preparation of this pro forma information is based upon certain assumptions and estimates. This pro forma information may not reflect what our results of operations, financial position and cash flows would have been had the Transactions and specified adjustments occurred during the periods presented or what our results of operations, financial position and cash flows will be in the future. The pro forma information contained in this prospectus is based on adjustments that our management believes are reasonable. Our estimate of these adjustments may differ from actual amounts.

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***A successful challenge by tax authorities to our treatment of certain physicians as independent contractors and to our tax elections could require us to pay past taxes and penalties.***

As of December 31, 2010, we contracted with approximately 3,460 physicians as independent contractors to fulfill our contractual obligations to customers. Because we treat them as independent contractors rather than as employees, we do not (i) withhold federal or state income or other employment related taxes from the compensation that we pay to them, (ii) make federal or state unemployment tax or Federal Insurance Contributions Act payments (except as described below), (iii) provide workers compensation insurance with respect to such affiliated physicians (except in states that require us to do so even for independent contractors), or (iv) allow them to participate in benefits and retirement programs available to employed physicians. Our contracts with our independent contractor physicians obligate these physicians to pay these taxes and other costs. Whether these physicians are properly classified as independent contractors depends upon the facts and circumstances of our relationship with them. It is possible that the nature of our relationship with these physicians would support a challenge to our classification of them. If such a challenge by federal or state taxing authorities was successful, and the physicians at issue were instead treated as employees, we could be adversely affected and liable for past taxes and penalties to the extent that the physicians did not fulfill their contractual obligations to pay those taxes. Under current federal tax law, however, even if our treatment were successfully challenged, if our current treatment were found to be consistent with a long-standing practice of a significant segment of our industry and we meet certain other requirements, it is possible, but not certain, that our treatment of the physicians would qualify under a "safe harbor" and, consequently, we would be protected from the imposition of past taxes and penalties. In the recent past, however, there have been proposals to eliminate the safe harbor and similar proposals could be made in the future.

We have made certain elections for income tax purposes and recorded related tax deductions that while we feel are probable of being upheld, may be challenged by the taxing authorities.

***We may make acquisitions which could divert the attention of management and which may not be integrated successfully into our existing business.***

We may pursue acquisitions to increase our market penetration, enter new geographic markets and expand the scope of services we provide. We have evaluated and expect to continue to evaluate possible acquisitions on an ongoing basis. We cannot assure you that we will identify suitable acquisition candidates, acquisitions will be completed on acceptable terms, our due diligence process will uncover all potential liabilities or issues affecting our integration process, we will not incur break-up, termination or similar fees and expenses, or we will be able to integrate successfully the operations of any acquired business into our existing business. Furthermore, acquisitions into new geographic markets and services may require us to comply with new and unfamiliar legal and regulatory requirements, which could impose substantial obligations on us and our management, cause us to expend additional time and resources, and increase our exposure to penalties or fines for non-compliance with such requirements. The acquisitions could be of significant size and involve operations in multiple jurisdictions. The acquisition and integration of another business would divert management attention from other business activities. This diversion, together with other difficulties we may incur in integrating an acquired business, could have a material adverse effect on our business, financial condition and results of operations. In addition, we may borrow money to finance acquisitions. Such borrowings might not be available on terms as favorable to us as our current borrowing terms and may increase our leverage.

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***Many of our employees are represented by labor unions and any work stoppage could adversely affect our business.***

Approximately 48% of AMR's employees are represented by 39 active collective bargaining agreements. A total of 12 active and 3 new collective bargaining agreements, representing approximately 4,200 employees, are in the negotiation process in 2011. Although we believe our relations with our employees are good, we cannot assure you that we will be able to negotiate a satisfactory renewal of these collective bargaining agreements or that our employee relations will remain stable.

***Our consolidated revenue and earnings could vary significantly from period to period due to our national contract with the Federal Emergency Management Agency.***

Our revenue and earnings under our national contract with FEMA are likely to vary significantly from period to period. In the first four years of the FEMA contract, our annual revenues from services rendered under this contract have varied by approximately \$107 million. In its present form, the contract generates revenue for us only in the event of a national emergency and then only if FEMA exercises its broad discretion to order a deployment. Our FEMA revenue therefore depends largely on circumstances outside of our control. We therefore cannot predict the revenue and earnings, if any, we may generate in any given period from our FEMA contract. This may lead to increased volatility in our actual revenue and earnings period to period.

***We may be required to enter into large scale deployment of resources in response to a national emergency under our contract with FEMA, which may divert management attention and resources.***

We do not believe that a FEMA deployment adversely affects our ability to service our local 911 contracts. However, any significant FEMA deployment requires significant management attention and could reduce our ability to pursue other local transport opportunities, such as inter-facility transports, and to pursue new business opportunities, which could have an adverse effect on our business and results of operations.

**Risk Factors Related to Healthcare Regulation**

***We conduct business in a heavily regulated industry and if we fail to comply with these laws and government regulations, we could incur penalties or be required to make significant changes to our operations.***

The healthcare industry is heavily regulated and closely scrutinized by federal, state and local governments. Comprehensive statutes and regulations govern the manner in which we provide and bill for services, our contractual relationships with our physicians, vendors and customers, our marketing activities and other aspects of our operations. Failure to comply with these laws can result in civil and criminal penalties such as fines, damages and exclusion from the Medicare and Medicaid programs. The risk of our being found in violation of these laws and regulations is increased by the fact that many of them have not been fully interpreted by the regulatory authorities or the courts, and their provisions are sometimes open to a variety of interpretations. Any action against us for violation of these laws or regulations, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business.

Our practitioners and our customers are also subject to ethical guidelines and operating standards of professional and trade associations and private accreditation agencies. Compliance with these guidelines and standards is often required by our contracts with our customers or to maintain our reputation.

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The laws, regulations and standards governing the provision of healthcare services may change significantly in the future. We cannot assure you that any new or changed healthcare laws, regulations or standards will not materially adversely affect our business. We cannot assure you that a review of our business by judicial, law enforcement, regulatory or accreditation authorities will not result in a determination that could adversely affect our operations.

***We are subject to comprehensive and complex laws and rules that govern the manner in which we bill and are paid for our services by third party payors, and the failure to comply with these rules, or allegations that we have failed to do so, can result in civil or criminal sanctions, including exclusion from federal and state healthcare programs.***

Like most healthcare providers, the majority of our services are paid for by private and governmental third party payors, such as Medicare and Medicaid. These third party payors typically have differing and complex billing and documentation requirements that we must meet in order to receive payment for our services. Reimbursement to us is typically conditioned on our providing the correct procedure and diagnostic codes and properly documenting the services themselves, including the level of service provided, the medical necessity for the services, the site of service and the identity of the practitioner who provided the service.

We must also comply with numerous other laws applicable to our documentation and the claims we submit for payment, including but not limited to (1) "coordination of benefits" rules that dictate which payor we must bill first when a patient has potential coverage from multiple payors; (2) requirements that we obtain the signature of the patient or patient representative, or, in certain cases, documentation, prior to submitting a claim; (3) requirements that we make repayment to any payor which pays us more than the amount to which we are entitled; (4) requirements that we bill a hospital or nursing home, rather than Medicare, for certain ambulance transports provided to Medicare patients of such facilities; (5) "reassignment" rules governing our ability to bill and collect professional fees on behalf of our physicians; (6) requirements that our electronic claims for payment be submitted using certain standardized transaction codes and formats; and (7) laws requiring us to handle all health and financial information of our patients in a manner that complies with specified security and privacy standards. See "Business Regulatory Matters Medicare, Medicaid and Other Government Reimbursement Programs."

Governmental and private third party payors and other enforcement agencies carefully audit and monitor our compliance with these and other applicable rules, and in some cases in the past have found that we were not in compliance. We have received in the past, and expect to receive in the future, repayment demands from third party payors based on allegations that our services were not medically necessary, were billed at an improper level, or otherwise violated applicable billing requirements. Our failure to comply with the billing and other rules applicable to us could result in non-payment for services rendered or refunds of amounts previously paid for such services. In addition, non-compliance with these rules may cause us to incur civil and criminal penalties, including fines, imprisonment and exclusion from government healthcare programs such as Medicare and Medicaid, under a number of state and federal laws. These laws include the federal False Claims Act, the Civil Monetary Penalties Law, the Health Insurance Portability and Accountability Act of 1996, the federal Anti-Kickback Statute and other provisions of federal, state and local law. The federal False Claims Act and the Anti-Kickback Statute were both recently amended in a manner which makes it easier for the government to demonstrate that a violation has occurred.

In addition, from time to time we self-identify practices that may have resulted in Medicare or Medicaid overpayments or other regulatory issues. For example, we have previously identified situations in which we may have inadvertently utilized incorrect billing codes for some of the services we have billed to government programs such as Medicare or Medicaid. In such cases, if appropriate, it is our practice to disclose the issue to the affected government programs and to refund any resulting

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overpayments. Although the government usually accepts such disclosures and repayments without taking further enforcement action, it is possible that such disclosures or repayments will result in allegations by the government that we have violated the False Claims Act or other laws, leading to investigations and possibly civil or criminal enforcement actions. See "Business Regulatory Matters Corporate Compliance Program and Corporate Integrity Obligations."

If our operations are found to be in violation of these or any of the other laws which govern our activities, any resulting penalties, damages, fines or other sanctions could adversely affect our ability to operate our business and our financial results. See "Business Regulatory Matters Federal False Claims Act" and "Business Other Federal Healthcare Fraud and Abuse Laws."

*Under recently enacted amendments to federal privacy law, we are subject to more stringent penalties in the event we improperly use or disclose protected health information regarding our patients.*

The Administrative Simplification Provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") required the Department of Health and Human Services ("HHS") to adopt standards to protect the privacy and security of certain health-related information. The HIPAA privacy regulations contain detailed requirements concerning the use and disclosure of individually identifiable health information by "covered entities," which include EmCare and AMR.

In addition to the privacy requirements, HIPAA covered entities must implement certain administrative, physical, and technical security standards to protect the integrity, confidentiality and availability of certain electronic health information received, maintained, or transmitted. HIPAA also implemented the use of standard transaction code sets and standard identifiers that covered entities must use when submitting or receiving certain electronic healthcare transactions, including activities associated with the billing and collection of healthcare claims.

The Health Information Technology for Economic and Clinical Health Act (the "HITECH Act"), which was enacted as part of the ARRA, significantly expands the scope of the privacy and security requirements under HIPAA and increases penalties for violations. Prior to the HITECH Act, the focus of HIPAA enforcement was on resolution of alleged non-compliance through voluntary corrective action without fines or penalties in most cases. That focus changed under the HITECH Act, which now imposes mandatory penalties for violations of HIPAA that are due to "willful neglect." For violations due to willful neglect, penalties start at \$10,000 and are not to exceed \$250,000. For violations due to willful neglect that are not corrected, penalties start at \$50,000 and are not to exceed \$1.5 million. For violations based on reasonable cause, penalties start at \$1,000 per violation and are not to exceed \$100,000. For violations determined to be made without knowledge, penalties start at \$100 per violation and are not to exceed \$25,000. The HITECH Act specifically allows the HHS Office for Civil Rights ("HHS-OCR") to continue to use corrective action without a penalty, but only in situations where the violation was made without knowledge. In February 2011, HHS-OCR for the first time exercised its authority to impose civil monetary penalties, imposing significant fines on two different covered entities for HIPAA violations, signaling an increase in HIPAA enforcement action and a departure from the prior model of voluntary corrective action. The HITECH Act also authorized state attorneys general to file suit on behalf of their residents. Courts will be able to award damages, costs and attorneys' fees related to violations of HIPAA in such cases.

The HITECH Act and implementing regulations enacted by HHS further require that patients be notified of any unauthorized acquisition, access, use, or disclosure of their unsecured protected health information ("Unsecured PHI") that compromises the privacy or security of such information, with some exceptions related to unintentional or inadvertent use or disclosure by employees or authorized individuals within the "same facility." The HITECH Act and implementing regulations specify that such notifications must be made "without unreasonable delay and in no case later than 60 calendar days after discovery of the breach." If a breach affects 500 patients or more, it must be reported



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immediately to HHS, which will post the name of the breaching entity on its public web site. Breaches affecting 500 patients or more in the same state or jurisdiction must be reported to the local media. If a breach involves fewer than 500 people, the covered entity must record it in a log and notify HHS at least annually. The security breach notification requirements apply not only to unauthorized disclosures of Unsecured PHI to outside third parties, but also to unauthorized internal access to such PHI. This means that unauthorized employee "snooping" into medical records could trigger the notification requirements. These security breach notification requirements became effective on September 23, 2009, but HHS has indicated it will not exercise its enforcement discretion and will not impose sanctions for failure to provide notifications for breaches occurring prior to February 22, 2010.

Many states in which we operate also have laws that protect the privacy and security of confidential, personal information. These laws may be similar to or even more protective than the federal provisions. Not only may some of these state laws impose fines and penalties upon violators, but some may afford private rights of action to individuals who believe their personal information has been misused. California's patient privacy laws, for example, provide for penalties of up to \$250,000 and permit injured parties to sue for damages.

***The recent healthcare reform legislation and other changes in the healthcare industry and in healthcare spending may adversely affect our revenue.***

Almost all of our revenue is either from the healthcare industry or could be affected by changes in healthcare spending and policy. The healthcare industry is subject to changing political, regulatory and other influences. In March 2010, the President signed into law the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act (collectively, the "PPACA"), commonly referred to as "the healthcare reform legislation," which made major changes in how health care is delivered and reimbursed. The PPACA, among other things, increases the number of individuals with Medicaid coverage, implements reimbursement policies that tie payment to quality, facilitates the creation of "accountable care organizations" that may use capitation and other alternative payment methodologies, increases enforcement of fraud and abuse laws, and encourages the use of information technology. Many of these changes will not go into effect until future years and many require implementing regulations which have not yet been drafted. In addition, a number of states have challenged the constitutionality of certain provisions of PPACA, and many of these challenges are still pending final adjudication in several jurisdictions. Congress has also proposed a number of legislative initiatives, including possible repeal of PPACA. At this time, it remains unclear whether there will be any changes made to PPACA, whether to certain provisions or its entirety. Further, as to implementation of PPACA, while it is too soon to accurately predict the full impact of these and other health reform measures on our business, they could potentially have major impacts, both positive and negative.

***If we are unable to timely enroll our providers in the Medicare program, our collections and revenue will be harmed.***

The 2009 Medicare Physician Fee Schedule rule substantially reduced the time within which providers can retrospectively bill Medicare for services provided by such providers from 27 months prior to the effective date of the enrollment to 30 days prior to the effective date of the enrollment. In addition, the new enrollment rules also provide that the effective date of the enrollment will be the later of the date on which the enrollment was filed and approved by the Medicare contractor, or the date on which the provider began providing services. If we are unable to properly enroll physicians and midlevel providers within the 30 days after the provider begins providing services, we will be precluded from billing Medicare for any services which were provided to a Medicare beneficiary more than 30 days prior to the effective date of the enrollment. Such failure to timely enroll providers could have a material adverse effect on our business, financial condition or results of operations.

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***If current or future laws or regulations force us to restructure our arrangements with physicians, professional corporations and hospitals, we may incur additional costs, lose contracts and suffer a reduction in net revenue under existing contracts, and we may need to refinance our debt or obtain debt holder consent.***

A number of laws bear on our relationships with our physicians. There is a risk that state authorities in some jurisdictions may find that our contractual relationships with our physicians violate laws prohibiting the corporate practice of medicine and fee-splitting. These laws generally prohibit the practice of medicine by lay entities or persons and are intended to prevent unlicensed persons or entities from interfering with or inappropriately influencing the physician's professional judgment. They may also prevent the sharing of professional services income with non-professional or business interests. From time to time, including recently, we have been involved in litigation in which private litigants have raised these issues. See "Business Regulatory Matters Fee-Splitting; Corporate Practice of Medicine."

Our physician contracts include contracts with individual physicians and with physicians organized as separate legal professional entities (e.g., professional medical corporations). Antitrust laws may deem each such physician/entity to be separate, both from EmCare and from each other and, accordingly, each such physician/practice is subject to a wide range of laws that prohibit anti-competitive conduct between or among separate legal entities or individuals. A review or action by regulatory authorities or the courts could force us to terminate or modify our contractual relationships with physicians and affiliated medical groups or revise them in a manner that could be materially adverse to our business. See "Business Regulatory Matters Antitrust Laws."

Various licensing and certification laws, regulations and standards apply to us, our affiliated physicians and our relationships with our affiliated physicians. Failure to comply with these laws and regulations could result in our services being found to be non-reimbursable or prior payments being subject to recoupment, and can give rise to civil or criminal penalties. We are pursuing steps we believe we must take to retain or obtain all requisite licensure and operating authorities. While we have made reasonable efforts to substantially comply with federal, state and local licensing and certification laws and regulations and standards as we interpret them, we cannot assure you that agencies that administer these programs will not find that we have failed to comply in some material respects.

EmCare's professional liability insurance program, under which insurance is provided for most of our affiliated medical professionals and professional and corporate entities, is reinsured through our wholly owned subsidiary, EMCA. The activities associated with the business of insurance, and the companies involved in such activities, are closely regulated. Failure to comply with the laws and regulations can result in civil and criminal fines and penalties and loss of licensure. While we have made reasonable efforts to substantially comply with these laws and regulations, and utilize licensed insurance professionals where necessary or appropriate, we cannot assure you that we will not be found to have violated these laws and regulations in some material respects.

Adverse judicial or administrative interpretations could result in a finding that we are not in compliance with one or more of these laws and rules that affect our relationships with our physicians.

These laws and rules, and their interpretations, may also change in the future. Any adverse interpretations or changes could force us to restructure our relationships with physicians, professional corporations or our hospital customers, or to restructure our operations. This could cause our operating costs to increase significantly. A restructuring could also result in a loss of contracts or a reduction in revenue under existing contracts. Moreover, if we are required to modify our structure and organization to comply with these laws and rules, our financing agreements may prohibit such modifications and require us to obtain the consent of the holders of such debt or require the refinancing of such debt.

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***Our relationships with healthcare providers, facilities and marketing practices are subject to the federal Anti-Kickback Statute and similar state laws, and we entered into a settlement in 2006 for alleged violations of the Anti-Kickback Statute.***

We are subject to the federal Anti-Kickback Statute, which prohibits the knowing and willful offer, payment, solicitation or receipt of any form of "remuneration" in return for, or to induce, the referral of business or ordering of services paid for by Medicare or other federal programs. "Remuneration" has been broadly interpreted to mean anything of value, including, for example, gifts, discounts, credit arrangements, and in-kind goods or services, as well as cash. Certain federal courts have held that the Anti-Kickback Statute can be violated if "one purpose" of a payment is to induce referrals. The Anti-Kickback Statute is broad and prohibits many arrangements and practices that are lawful in businesses outside of the healthcare industry. Violations of the Anti-Kickback Statute can result in imprisonment, civil or criminal fines or exclusion from Medicare and other governmental programs. Recognizing that the federal Anti-Kickback Statute is broad, Congress authorized the Office of Inspector General of the Department of Health and Human Services (the "OIG") to issue a series of regulations, known as "safe harbors." These safe harbors set forth requirements that, if met in their entirety, will assure healthcare providers and other parties that they will not be prosecuted under the Anti-Kickback Statute. The failure of a transaction or arrangement to fit precisely within one or more safe harbors does not necessarily mean that it is illegal, or that prosecution will be pursued. However, conduct and business arrangements that do not fully satisfy each applicable safe harbor may result in increased scrutiny by government enforcement authorities, such as the OIG.

In 1999, the OIG issued an Advisory Opinion indicating that discounts provided to health facilities on the transports for which they are financially responsible potentially violate the Anti-Kickback Statute when the ambulance company also receives referrals of Medicare and other government-funded transports from the facility. The OIG has clarified that not all discounts violate the Anti-Kickback Statute, but that the statute may be violated if part of the purpose of the discount is to induce the referral of the transports paid for by Medicare or other federal programs, and the discount does not meet certain "safe harbor" conditions. In the Advisory Opinion and subsequent pronouncements, the OIG has provided guidance to ambulance companies to help them avoid unlawful discounts. See "Business Regulatory Matters Federal Anti-Kickback Statute."

Like other ambulance companies, we have provided discounts to our healthcare facility customers (nursing home and hospital) in certain circumstances. We have attempted to comply with applicable law when such discounts are provided. However, the government alleged that certain of our hospital and nursing home contracts in effect in Texas prior to 2002 contained discounts in violation of the federal Anti-Kickback Statute, and in 2006 we entered into a settlement with the government regarding these allegations. The settlement included a Corporate Integrity Agreement ("CIA").

There can be no assurance that other investigations or legal action related to our contracting practices will not be pursued against AMR in other jurisdictions or for different time frames. See "Business Legal Proceedings." Many states have adopted laws similar to the federal Anti-Kickback Statute. Some of these state prohibitions apply to referral of patients for healthcare items or services reimbursed by any payor, not only the Medicare and Medicaid programs, and do not contain identical safe harbors. Additionally, we could be subject to private actions brought pursuant to the False Claims Act's "whistleblower" or "qui tam" provisions which, among other things, allege that our practices or relationships violate the Anti-Kickback Statute. The False Claims Act imposes liability on any person or entity who, among other things, knowingly presents, or causes to be presented, a false or fraudulent claim for payment by a federal healthcare program. The qui tam provisions of the False Claims Act allow a private individual to bring actions on behalf of the federal government alleging that the defendant has submitted a false claim to the federal government, and to share in any monetary recovery. In recent years, the number of suits brought by private individuals has increased dramatically. In addition, various states have enacted false claim laws analogous to the False Claims Act. Many of

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these state laws apply where a claim is submitted to any third party payor and not merely a federal healthcare program. There are many potential bases for liability under these false claim statutes. Liability arises, primarily, when an entity knowingly submits, or causes another to submit, a false claim for reimbursement. Pursuant to changes in the PPACA, a claim resulting from a violation of the Anti-Kickback Statute can constitute a false or fraudulent claim for purposes of the federal False Claims Act.

If we are found to have violated the Anti-Kickback Statute or a similar state statute, we may be subject to civil and criminal penalties, including exclusion from the Medicare or Medicaid programs, or may be required to enter into settlement agreements with the government to avoid such sanctions. Typically, such settlement agreements require substantial payments to the government in exchange for the government to release its claims, and may also require us to enter into a CIA. See "Business Regulatory Matters Corporate Compliance Program and Corporate Integrity Obligations."

In addition to AMR's contracts with healthcare facilities, other marketing practices or transactions entered into by EmCare and AMR may implicate the Anti-Kickback Statute. Although we have attempted to structure our past and current marketing initiatives and business relationships to comply with the Anti-Kickback Statute, we cannot assure you that we will not have to defend against alleged violations from private or public entities or that the OIG or other authorities will not find that our marketing practices and relationships violate the statute.

***Changes in our ownership structure and operations require us to comply with numerous notification and reapplication requirements in order to maintain our licensure, certification or other authority to operate, and failure to do so, or an allegation that we have failed to do so, can result in payment delays, forfeiture of payment or civil and criminal penalties.***

We and our affiliated physicians are subject to various federal, state and local licensing and certification laws with which we must comply in order to maintain authorization to provide, or receive payment for, our services. For example, Medicare and Medicaid require that we complete and periodically update enrollment forms in order to obtain and maintain certification to participate in programs. Compliance with these requirements is complicated by the fact that they differ from jurisdiction to jurisdiction, and in some cases are not uniformly applied or interpreted even within the same jurisdiction. Failure to comply with these requirements can lead not only to delays in payment and refund requests, but in extreme cases can give rise to civil or criminal penalties.

In certain jurisdictions, changes in our ownership structure require pre- or post-notification to governmental licensing and certification agencies, or agencies with which we have contracts. Relevant laws in some jurisdictions may also require re-application or re-enrollment and approval to maintain or renew our licensure, certification, contracts or other operating authority. The change in corporate structure and ownership in connection with our initial public offering required us to give notice, re-enroll or make other applications for authority to continue operating in various jurisdictions or to continue receiving payment from their Medicaid or other payment programs. The extent of such notices and filings may vary in each jurisdiction in which we operate, although those regulatory entities requiring notification generally request factual information regarding the new corporate structure and new ownership composition of the operating entities that hold the applicable licensing and certification.

While we have made reasonable efforts to substantially comply with these requirements, we cannot assure you that the agencies that administer these programs or have awarded us contracts will not find that we have failed to comply in some material respects. A finding of non-compliance and any resulting payment delays, refund demands or other sanctions could have a material adverse effect on our business, financial condition or results of operations.

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***If we fail to comply with the terms of our settlement agreements with the government, we could be subject to additional litigation or other governmental actions which could be harmful to our business.***

In the last five years, we have entered into two settlement agreements with the United States government. In September 2006, AMR entered into a settlement agreement to resolve allegations that AMR subsidiaries provided discounts to healthcare facilities in Texas in periods prior to 2002 in violation of the Federal Anti-Kickback Statute. In May 2011, AMR entered into a settlement agreement with the DOJ and a corporate integrity agreement with the OIG to resolve allegations that AMR subsidiaries submitted claims for reimbursement in periods dating back to 2000. The government believed such claims lacked support for the level billed in violation of the False Claims Act.

In connection with the September 2006 settlement for AMR, we entered into a CIA which requires us to maintain a compliance program which includes the training of employees and safeguards involving our contracting process nationwide (including tracking of contractual arrangements in Texas). See "Business Regulatory Matters Corporate Compliance Program and Corporate Integrity Obligations."

In December 2006, AMR received a subpoena from the DOJ. The subpoena requested copies of documents for the period from January 2000 through the present. The subpoena required us to produce a broad range of documents relating to the operations of certain AMR affiliates in New York. We produced documents responsive to the subpoena. The government identified claims for reimbursement that the government believes lack support for the level billed, and invited us to respond to the identified areas of concern. We reviewed the information provided by the government and provided our response. On May 20, 2011, AMR entered into a settlement agreement with the DOJ and a corporate integrity agreement with the OIG in connection with this matter. Under the terms of the settlement, AMR paid \$2.7 million to the federal government. We entered into the settlement in order to avoid the uncertainties of litigation, and have not admitted any wrongdoing.

In connection with the May 2011 settlement for AMR, we entered into a CIA with the OIG which requires us to maintain a compliance program. This program includes, among other elements, the appointment of a compliance officer and committee, training of employees nationwide, safeguards for our billing operations as they relate to services provided in New York, including specific training for operations and billing personnel providing services in New York, review by an independent review organization and reporting of certain reportable events.

We cannot assure you that the CIAs or the compliance program we have initiated have prevented, or will prevent, any repetition of the conduct or allegations that were the subject of these settlement agreements, or that the government will not raise similar allegations in other jurisdictions or for other periods of time. If such allegations are raised, or if we fail to comply with the terms of the CIAs, we may be subject to fines and other contractual and regulatory remedies specified in the CIAs or by applicable laws, including exclusion from the Medicare program and other federal and state healthcare programs. Such actions could have a material adverse effect on the conduct of our business, our financial condition or our results of operations.

***If we are unable to effectively adapt to changes in the healthcare industry, our business may be harmed.***

Political, economic and regulatory influences are subjecting the healthcare industry in the United States to fundamental change. Sweeping healthcare reform legislation was signed into law last year and is currently in the early implementation stages. See "Risk Factors Related to Healthcare Regulation The recent healthcare reform legislation and other changes in the healthcare industry and in healthcare spending may adversely affect our revenue." We anticipate that Congress and state legislatures may continue to review and assess alternative healthcare delivery and payment systems and may in the future propose and adopt legislation effecting fundamental changes in the healthcare delivery system.

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We cannot assure you as to the ultimate content, timing or effect of changes, nor is it possible at this time to estimate the impact of potential legislation. Further, it is possible that future legislation enacted by Congress or state legislatures could adversely affect our business or could change the operating environment of our customers. It is possible that changes to the Medicare or other government reimbursement programs may serve as precedent to similar changes in other payors' reimbursement policies in a manner adverse to us. Similarly, changes in private payor reimbursement programs could lead to adverse changes in Medicare and other government payor programs which could have a material adverse effect on our business, financial condition or results of operations.

***Changes in the rates or methods of third party reimbursements may adversely affect our revenue and operations.***

We derive a majority of our revenue from direct billings to patients and third party payors such as Medicare, Medicaid and private health insurance companies. As a result, any changes in the rates or methods of reimbursement for the services we provide could have a significant adverse impact on our revenue and financial results. Healthcare reform legislation enacted last year by Congress resulted in substantial changes in Medicare and Medicaid coverage and reimbursement, as well as changes in coverage or amounts paid by private payors, which could have an adverse impact on our revenues from those sources.

In addition to changes from healthcare reform legislation, government funding for healthcare programs is subject to statutory and regulatory changes, administrative rulings, interpretations of policy and determinations by intermediaries and governmental funding restrictions, all of which could materially impact program coverage and reimbursements for both ambulance and physician services. In recent years, Congress has consistently attempted to curb spending on Medicare, Medicaid and other programs funded in whole or part by the federal government. State and local governments have also attempted to curb spending on those programs for which they are wholly or partly responsible. This has resulted in cost containment measures such as the imposition of new fee schedules that have lowered reimbursement for some of our services and restricted the rate of increase for others, and new utilization controls that limit coverage of our services. For example, we estimate that the impact of a national fee schedule promulgated in 2002, as modified by subsequent legislation, resulted in an increase in AMR's net revenue of approximately \$14 million in 2008, an increase in AMR's net revenue of approximately \$24 million in 2009, and a decrease in AMR's net revenue of approximately \$18 million in 2010. Based upon the current Medicare transport mix and barring further legislative action, we expect a potential increase in AMR's net revenue of less than \$1 million for 2011.

In addition, state and local government regulations or administrative policies regulate ambulance rate structures in some jurisdictions in which we conduct transport services. We may be unable to receive ambulance service rate increases on a timely basis where rates are regulated, or to establish or maintain satisfactory rate structures where rates are not regulated.

Legislative provisions at the national level impact payments received by EmCare physicians under the Medicare program. Under the statutory formula, physician payments under the Medicare Physician Fee Schedule, is updated on an annual basis according to a statutory formula. Because application of the statutory formula for the update factor, which is based on a flawed Sustainable Growth Rate ("SGR"), would result in a decrease in total physician payments for the past several years, Congress has intervened with interim legislation to prevent the reductions. For 2010, the Center for Medicare and Medicaid Services ("CMS"), the agency responsible for administering the Medicare program, projected a rate reduction of 21.2% from 2009 to 2010 levels (and projected to be a 24.9% reduction for 2011). Therefore, a number of interim measures were passed to avoid a decrease for 2010, and from June through December 2010, the update factor was increased by 2.2%. For 2011, the Medicare and Medicaid Extenders Act of 2010, which was signed into law on December 15, 2010, froze the 2010 updates through 2011. President Obama's budget for fiscal year 2012 includes measures that would

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freeze the update factor for an additional two years. If Congress fails to intervene to prevent the negative update factor in the future through either another temporary measure or a permanent revision to the statutory formula, the resulting decrease in payment may adversely impact physician revenues, as well as EmCare revenues.

The freezing of the update factor does not translate to 2011 payment rates at the 2010 level for all physician procedures. Rather, from year-to-year some physician specialties, including EmCare's physicians (who are emergency medicine physicians, anesthesiologists, hospitalists and radiologists), may see higher or lowered payments. Each physician service is given a weight that measures its costliness relative to other physician services. CMS is required to make periodic assessments regarding the weighting of procedures, impacting the payment amounts. For 2011, CMS published estimates of changes by specialty based on a number of factors, such as changes to practice expense relative value units, rescaling of relative values to match the revised and rebased Medicare Economic Index, equipment utilization rate changes, multiple procedure payment reductions for contiguous body parts and recalculations of misvalued codes. The full impact of these changes on any given practice is scheduled to go into effect 2012. CMS estimates that the impact for 2011 is a 3% reduction for emergency medicine, 1% reduction in anesthesiology, a 1% increase for internal medicine, and a 10% reduction in radiology. The changes are calculated prior to the application of what is known as the "conversion factor," which translates the relative value units to dollar amounts. For 2011, because CMS was required to make all its other changes to the Medicare Physician Fee Schedule (discussed above) budget neutral, CMS made a downward adjustment to the conversion factor to \$33.9764 for 2011 (from \$36.8729 at the end of 2010). At this time, we cannot predict the impact, if any, these regulatory changes will have on EmCare's future revenues.

We believe that regulatory trends in cost containment will continue. We cannot assure you that we will be able to offset reduced operating margins through cost reductions, increased volume, the introduction of additional procedures or otherwise. In addition, we cannot assure you that federal, state and local governments will not impose reductions in the fee schedules or rate regulations applicable to our services in the future. Any such reductions could have a material adverse effect on our business, financial condition or results of operations.

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**FORWARD-LOOKING STATEMENTS**

This prospectus contains statements about future events and expectations that constitute forward-looking statements. Forward-looking statements are based on our beliefs, assumptions and expectations of our future financial and operating performance and growth plans, taking into account the information currently available to us. These statements are not statements of historical fact. Forward-looking statements involve risks and uncertainties that may cause our actual results to differ materially from the expectations of future results we express or imply in any forward-looking statements and you should not place undue reliance on such statements. Factors that could contribute to these differences include, but are not limited to, the following:

the impact on our revenue of changes in transport volume, mix of insured and uninsured patients, and third party reimbursement rates and methods;

the adequacy of our insurance coverage and insurance reserves;

potential penalties or changes to our operations if we fail to comply with extensive and complex government regulation of our industry;

the impact of changes in the healthcare industry;

our ability to recruit and retain qualified physicians and other healthcare professionals, and enforce our non-compete agreements with our physicians;

our ability to generate cash flow to service our debt obligations;

the cost of capital expenditures to maintain and upgrade our vehicle fleet and medical equipment;

the loss of one or more members of our senior management team;

the outcome of government investigations of certain of our business practices;

our ability to successfully restructure our operations to comply with future changes in government regulation;

the loss of existing contracts and the accuracy of our assessment of costs under new contracts;

the high level of competition in our industry;

our ability to maintain or implement complex information systems;

our ability to implement our business strategy;



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our ability to successfully integrate strategic acquisitions;

our ability to comply with the terms of our settlement agreements with the government;

the risk that the benefits from the Transactions may not be fully realized or may take longer to realize than expected; and

risks related to other factors discussed in the prospectus.

Words such as "anticipates," "believes," "continues," "estimates," "expects," "goal," "objectives," "intends," "may," "opportunity," "plans," "potential," "near-term," "long-term," "projections," "assumptions," "projects," "guidance," "forecasts," "outlook," "target," "trends," "should," "could," "would," "will" and similar expressions are intended to identify such forward-looking statements. We qualify any forward-looking statements entirely by these cautionary factors.

Other risks, uncertainties and factors, including those discussed under "Risk Factors," could cause our actual results to differ materially from those projected in any forward-looking statements we make.

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You should read carefully the factors described in the "Risk Factors" section of this prospectus to better understand the risks and uncertainties inherent in our business and underlying any forward-looking statements.

We assume no obligation to update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

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**THE EXCHANGE OFFER**

Pursuant to the Registration Rights Agreement, we agreed to prepare and file with the SEC a registration statement on an appropriate form under the Securities Act with respect to a proposed offer to the holders of the Old Notes to issue and deliver to such holders of Old Notes, in exchange for their Old Notes, a like aggregate principal amount of New Notes that are identical in all material respects to the Old Notes, except for provisions relating to registration rights and the transfer restrictions relating to the Old Notes, and except for certain related differences described below. See "Exchange Offer; Registration Rights."

**Terms of the Exchange Offer; Period for Tendering Old Notes**

This prospectus and the accompanying letter of transmittal contain the terms and conditions of the exchange offer. Upon the terms and subject to the conditions included in this prospectus and in the accompanying letter of transmittal, which together constitute the exchange offer, we will accept for exchange Old Notes which are properly tendered on or prior to the Expiration Date, unless you have previously withdrawn them.

When you tender Old Notes as provided below, our acceptance of the Old Notes will constitute a binding agreement between you and us upon the terms and subject to the conditions in this prospectus and in the accompanying letter of transmittal. In tendering Old Notes, you should also note the following important information:

You may only tender Old Notes in minimum denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof.

We will keep the exchange offer open for not less than 20 business days after the date on which notice of the exchange offer is mailed to holders of the Old Notes. We are sending this prospectus, together with the letter of transmittal, on or about the date of this prospectus, to all of the registered holders of Old Notes at their addresses listed in the Trustee's security register with respect to the Old Notes.

The exchange offer expires at \_\_\_\_\_ p.m., New York City time, on \_\_\_\_\_, 2011; provided, however, that we, in our sole discretion, may extend the period of time for which the exchange offer is open.

As of the date of this prospectus, \$950.0 million aggregate principal amount of Old Notes was outstanding. The exchange offer is not conditioned upon any minimum principal amount of Old Notes being tendered.

Our obligation to accept Old Notes for exchange in the exchange offer is subject to the conditions described under " Conditions to the Exchange Offer."

We expressly reserve the right, at any time, to extend the period of time during which the exchange offer is open, and thereby delay acceptance of any Old Notes, by giving oral or written notice of an extension to the Exchange Agent and notice of that extension to the holders of Notes as described below. During any extension, all Old Notes previously tendered will remain subject to the exchange offer unless withdrawal rights are exercised as described under " Withdrawal Rights." Any Old Notes not accepted for exchange for any reason will be returned without expense to the tendering holder of Notes promptly after the expiration or termination of the exchange offer.

We expressly reserve the right to amend or terminate the exchange offer, and not to accept for exchange any Old Notes that we have not yet accepted for exchange, at any time prior to the Expiration Date. If we make a material change to the terms of the exchange offer, including the waiver of a material condition, we will, to the extent required by law, disseminate additional

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offer materials and extend the period of time for which the exchange offer is open so that at least five business days remain in the exchange offer following notice of a material change.

We will give oral or written notice of any extension, amendment, termination or non-acceptance described above to holders of the Old Notes as promptly as practicable. If we extend the Expiration Date, we will give notice by means of a press release or other public announcement no later than 9:00 a.m., New York City time, on the 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 law, 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. Such announcement may state that we are extending the exchange offer for a specified period of time.

Holders of Old Notes do not have any appraisal or dissenters' rights in connection with the exchange offer.

Old Notes which are not tendered for exchange, or are tendered but not accepted, in connection with the exchange offer will remain outstanding and be entitled to the benefits of the Indenture, but will not be entitled to any further registration rights under the Registration Rights Agreement.

We intend to conduct the exchange offer in accordance with the applicable requirements of the Exchange Act and the rules and regulations of the SEC thereunder.

By executing, or otherwise becoming bound by, the letter of transmittal, you will be making to us the representations described under " Resale of the New Notes."

***Important rules concerning the exchange offer***

You should note the following important rules concerning the exchange offer:

All questions as to the validity, form, eligibility, time of receipt and acceptance of Old Notes tendered for exchange will be determined by us in our sole discretion, which determination shall be final and binding.

We reserve the absolute right to reject any and all tenders of any particular Old Notes not properly tendered or to not accept any particular Old Notes if such acceptance might, in our judgment or the judgment of our counsel, be unlawful.

We also reserve the absolute right to waive any defects or irregularities or conditions of the exchange offer as to any particular Old Notes either before or after the Expiration Date, including the right to waive the ineligibility of any holder who seeks to tender Old Notes in the exchange offer. Unless we agree to waive any defect or irregularity in connection with the tender of Old Notes for exchange, you must cure any defect or irregularity within any reasonable period of time as we shall determine.

Our interpretation of the terms and conditions of the exchange offer as to any particular Old Notes either before or after the Expiration Date shall be final and binding on all parties. Neither we, the Exchange Agent nor any other person shall be under any duty to notify you of any defect or irregularity with respect to any tender of Old Notes for exchange, nor shall any of them incur any liability for failing to so notify you.

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**Procedures for Tendering Old Notes**

*What to submit and how*

If you, as a holder of any Old Notes, wish to tender your Old Notes for exchange in the exchange offer, you must, except as described under " Guaranteed Delivery Procedures," transmit the following on or prior to the Expiration Date to the Exchange Agent:

(1) if Old Notes are tendered in accordance with the book-entry procedures described under " Book-Entry Transfer," an Agent's Message, as defined below, transmitted through DTC's ATOP, or (2) a properly completed and duly executed letter of transmittal, or a facsimile copy thereof, to the Exchange Agent at the address set forth below under " Exchange Agent," including all other documents required by the letter of transmittal.

In addition,

(1) a timely confirmation of a book-entry transfer of Old Notes into the Exchange Agent's account at DTC using the procedure for book-entry transfer described under " Book-Entry Transfer" (a "Book- Entry Confirmation"), along with an Agent's Message, must be actually received by the Exchange Agent prior to the Expiration Date, or

(2) certificates for Old Notes must be actually received by the Exchange Agent along with the letter of transmittal on or prior to the Expiration Date, or

(3) you must comply with the guaranteed delivery procedures described below.

The term "Agent's Message" means a message, transmitted through ATOP by DTC to, and received by, the Exchange Agent and forming a part of a Book-Entry Confirmation, that states that DTC has received an express acknowledgement that the tendering holder has received and agrees to be bound by the letter of transmittal or, in the case of an Agent's Message relating to guaranteed delivery, that such holder has received and further agrees to be bound by the notice of guaranteed delivery, and that we may enforce the letter of transmittal, and the notice of guaranteed delivery, as the case may be, against such holder.

The method of delivery of Old Notes, letters of transmittal, notices of guaranteed delivery and all other required documentation, including delivery of Old Notes through DTC and transmission of Agent's Messages through DTC's ATOP, is at your election and risk. Delivery will be deemed made only when all required documentation is actually received by the Exchange Agent. Delivery of documents or instructions to DTC does not constitute delivery to the Exchange Agent. If delivery is by mail, we recommend that registered mail, properly insured, with return receipt requested, be used. In all cases, sufficient time should be allowed to assure timely delivery to the Exchange Agent. Holders tendering Old Notes or transmitting Agent's Messages through DTC's ATOP must allow sufficient time for completion of ATOP procedures during DTC's normal business hours. No Old Notes, Agent's Messages, letters of transmittal, notices of guaranteed delivery or any other required documentation should be sent to us.

*How to sign your letter of transmittal and other documents*

Signatures on a letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed unless the Old Notes being surrendered for exchange are tendered:

(1) by a registered holder of the Old Notes who has not completed the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on the letter of transmittal, or

(2) for the account of an "eligible guarantor" institution within the meaning of Rule 17Ad-15 under the Exchange Act, or a commercial bank or trust company having an office or correspondent in the United States that is a member in good standing of a medallion program

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recognized by the Securities Transfer Association Inc., including the Securities Transfer Agents Medallion Program ("STAMP"), the Stock Exchanges Medallion Program ("SEMP") and the New York Stock Exchange Medallion Signature Program ("MSP") (each, an "Eligible Institution").

If signatures on a letter of transmittal or a notice of withdrawal, as the case may be, are required to be guaranteed, the guarantees must be by an Eligible Institution.

If the letter of transmittal is signed by a person or persons other than the registered holder or holders of Old Notes, the Old Notes must be endorsed or accompanied by appropriate powers of attorney, in either case signed exactly as the name or names of the registered holder or holders appear on the Old Notes and with the signatures guaranteed.

If the letter of transmittal or any Old Notes or powers of attorney are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers or corporations or others acting in a fiduciary or representative capacity, the person should so indicate when signing and, unless waived by us, proper evidence satisfactory to us of such person's authority to so act must be submitted.

**Acceptance of Old Notes for Exchange; Delivery of New Notes**

Once all of the conditions to the exchange offer are satisfied or waived, we will accept all Old Notes properly tendered and not properly withdrawn, and will issue the New Notes promptly after The Expiration Date. See " Conditions to the Exchange Offer" below. For purposes of the exchange offer, our giving of oral or written notice of acceptance to the Exchange Agent will be considered our acceptance of the tendered Old Notes.

In all cases, we will issue New Notes in exchange for Old Notes that are accepted for exchange only after timely receipt by the Exchange Agent of:

a Book-Entry Confirmation or Old Notes in proper form for transfer,

a properly transmitted Agent's Message or a properly completed and duly executed letter of transmittal, and

all other required documentation.

If we do not accept any tendered Old Notes for any reason included in the terms and conditions of the exchange offer, if you submit certificates representing Old Notes in a greater principal amount than you wish to exchange or if you properly withdraw tendered Old Notes in accordance with the procedures described under " Withdrawal Rights," we will return any unaccepted, non-exchanged or properly withdrawn Old Notes, as the case may be, without expense to the tendering holder. In the case of Old Notes tendered by book-entry transfer into the Exchange Agent's account at DTC using the book-entry transfer procedures described below, unaccepted, non-exchanged or properly withdrawn Old Notes will be credited to an account maintained with DTC. We will return the Old Notes or have them credited to the DTC account, as applicable, promptly after the expiration or termination of the exchange offer.

**Book-Entry Transfer**

The Exchange Agent will make a request to establish an account with respect to the Old Notes at DTC for purposes of the exchange offer promptly after the date of this prospectus. Any financial institution that is a participant in DTC's systems, including Euroclear Bank, S.A./N.V., as operator of the Euroclear System ("Euroclear"), or Clearstream Banking, société anonyme ("Clearstream") may make book-entry delivery of Old Notes by causing DTC to transfer Old Notes into the Exchange Agent's account at DTC in accordance with DTC's ATOP procedures for transfer. However, the exchange for the Old Notes so tendered will only be made after timely confirmation of book-entry transfer of Old Notes into the Exchange Agent's account, and timely receipt by the Exchange Agent of

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an Agent's Message and all other documents required by the letter of transmittal. Only participants in DTC may deliver Old Notes by book-entry transfer.

Although delivery of Old Notes may be effected through book-entry transfer into the Exchange Agent's account at DTC, the letter of transmittal, or a facsimile copy thereof, properly completed and duly executed, with any required signature guarantees, or an Agent's Message, with all other required documentation, must in any case be transmitted to and received by the Exchange Agent at its address listed under " Exchange Agent" on or prior to the Expiration Date, or you must comply with the guaranteed delivery procedures described below under " Guaranteed Delivery Procedures."

If your Old Notes are held through DTC, you must complete the accompanying form called "Instructions to Registered Holder and/or Book-Entry Participant," which will instruct the DTC participant through whom you hold your Old Notes of your intention to tender your Old Notes or not tender your Old Notes. Please note that delivery of documents or instructions to DTC does not constitute delivery to the Exchange Agent and we will not be able to accept your tender of Old Notes until the Exchange Agent actually receives from DTC the information and documentation described under " Acceptance of Old Notes for Exchange; Delivery of New Notes."

**Guaranteed Delivery Procedures**

If you are a registered holder of Old Notes and you want to tender your Old Notes but the procedure for book-entry transfer cannot be completed prior to the Expiration Date, your Old Notes are not immediately available or time will not permit your Old Notes to reach the Exchange Agent before the Expiration Date, a tender may be effected if:

the tender is made through an Eligible Institution, as defined above,

prior to the Expiration Date, the Exchange Agent receives from such Eligible Institution, by facsimile transmission, mail or hand delivery, a properly completed and duly executed notice of guaranteed delivery, substantially in the form provided by us, or an Agent's Message with respect to guaranteed delivery in lieu thereof, in either case stating:

the name and address of the holder of Old Notes,

the amount of Old Notes tendered,

that the tender is being made by delivering such notice and guaranteeing that, within three New York Stock Exchange trading days after the Expiration Date, a Book-Entry Confirmation or the certificates for all physically tendered Old Notes, in proper form for transfer, together with either an appropriate Agent's Message or a properly completed and duly executed letter of transmittal in lieu thereof, and all other required documentation, will be deposited by that Eligible Institution with the Exchange Agent, and

a Book-Entry Confirmation or the certificates for all physically tendered Old Notes, in proper form for transfer, together with either an appropriate Agent's Message or a properly completed and duly executed letter of transmittal in lieu thereof, and all other required documentation, are received by the Exchange Agent within three New York Stock Exchange trading days after the Expiration Date.

**Withdrawal Rights**

You can withdraw your tender of Old Notes at any time on or prior to \_\_\_\_\_ p.m., New York City time, on the Expiration Date.

For a withdrawal to be effective, a written notice of withdrawal must be actually received by the Exchange Agent prior to such time, properly transmitted either through DTC's ATOP or to the





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Exchange Agent at the address listed below under " Exchange Agent." Any notice of withdrawal must:

specify the name of the person having tendered the Old Notes to be withdrawn;

identify the Old Notes to be withdrawn;

specify the principal amount of the Old Notes to be withdrawn;

contain a statement that the tendering holder is withdrawing its election to have such Notes exchanged for New Notes;

except in the case of a notice of withdrawal transmitted through DTC's ATOP system, be signed by the holder in the same manner as the original signature on the letter of transmittal by which the Old Notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer to have the Trustee with respect to the Old Notes register the transfer of the Old Notes in the name of the person withdrawing the tender;

if certificates for Old Notes have been delivered to the Exchange Agent, specify the name in which the Old Notes are registered, if different from that of the withdrawing holder;

if certificates for Old Notes have been delivered or otherwise identified to the Exchange Agent, then, prior to the release of those certificates, specify the serial numbers of the particular certificates to be withdrawn, and, except in the case of a notice of withdrawal transmitted through DTC's ATOP system, include a notice of withdrawal signed in the same manner as the letter of transmittal by which the Old Notes were tendered, including any required signature guarantees; and

if Old Notes have been tendered using the procedure for book-entry transfer described above, specify the name and number of the account at DTC from which the Old Notes were tendered and the name and number of the account at DTC to be credited with the withdrawn Old Notes, and otherwise comply with the procedures of DTC.

Please note that all questions as to the validity, form, eligibility and time of receipt of notices of withdrawal will be determined by us, and our determination shall be final and binding on all parties. Any Old Notes so withdrawn will be considered not to have been validly tendered for exchange for purposes of the exchange offer. New Notes will not be issued in exchange for such withdrawn Old Notes unless the Old Notes so withdrawn are validly re-tendered.

If you have properly withdrawn Old Notes and wish to re-tender them, you may do so by following one of the procedures described under " Procedures for Tendering Old Notes" above at any time on or prior to the Expiration Date.

**Conditions to the Exchange Offer**

Notwithstanding any other provisions of the exchange offer, we will not be required to accept for exchange, or to issue New Notes in exchange for, any Old Notes and may terminate or amend the exchange offer, if we determine in our reasonable judgment at any time before the Expiration Date that the exchange offer would violate applicable law or any applicable interpretation of the staff of the SEC.

The foregoing conditions are for our sole benefit and may be waived by us regardless of the circumstances giving rise to that condition. Our failure at any time to exercise the foregoing rights shall not be considered a waiver by us of that right. The rights described in the prior paragraph are ongoing rights which we may assert at any time and from time to time.



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In addition, we will not accept for exchange any Old Notes tendered, and no New Notes will be issued in exchange for any such Old Notes, if at any time any stop order is threatened or in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the Indenture under the Trust Indenture Act.

We reserve the right to terminate or amend the exchange offer at any time prior to the Expiration Date upon the occurrence of any of the foregoing events.

**Exchange Agent**

Wilmington Trust, National Association has been appointed as the Exchange Agent for the exchange offer. All executed letters of transmittal, notices of guaranteed delivery, notices of withdrawal and any other required documentation should be directed to the Exchange Agent at the address set forth below. Requests for additional copies of this prospectus or of the letter of transmittal and requests for notices of guaranteed delivery should be directed to the Exchange Agent, addressed as follows:

<b>Deliver To:</b>		
<i>By mail, hand or overnight courier:</i>	<i>By facsimile:</i>	<i>For information or confirmation by telephone:</i>
Wilmington Trust, National Association c/o Wilmington Trust Company Corporate Capital Markets Rodney Square North 1100 North Market Street Wilmington, Delaware 19890-1626	(302) 636-4139	Sam Hamed (302) 636-6181

Delivery to an address other than the address of the Exchange Agent as listed above or transmission of instructions via facsimile other than as listed above does not constitute a valid delivery.

**Fees and Expenses**

The principal solicitation is being made by mail; however, additional solicitation may be made by telephone or in person by our officers, regular employees and affiliates. We will not pay any additional compensation to any of our officers and employees who engage in soliciting tenders. We will not make any payment to brokers, dealers or others soliciting acceptances of the exchange offer. However, we will pay the Exchange Agent reasonable and customary fees (including attorney fees and expenses) for its services and will reimburse it for its reasonable out-of-pocket expenses in connection with the exchange offer.

The estimated cash expenses to be incurred in connection with the exchange offer, including legal, accounting, SEC filing, printing and Exchange Agent expenses, will be paid by us and are estimated in the aggregate to be approximately \$750,000.

**Transfer Taxes**

Holders who tender their Old Notes for exchange will not be obligated to pay any transfer taxes in connection therewith, except that holders who instruct us to register New Notes in the name of, or request that Old Notes not tendered or not accepted in the exchange offer be returned to, a person other than the registered tendering holder will be responsible for the payment of any applicable transfer tax.

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**Resale of the New Notes**

Under existing interpretations of the staff of the SEC contained in several no-action letters to third parties, the New Notes would in general be freely transferable by holders thereof (other than affiliates of us) after the exchange offer without further registration under the Securities Act (subject to certain representations required to be made by each holder of Old Notes participating in the exchange offer, as set forth below). The relevant no-action letters include the Exxon Capital Holdings Corporation letter, which was made available by the SEC on May 13, 1988, the Morgan Stanley & Co. Incorporated letter, which was made available by the SEC on June 5, 1991, the K-111 Communications Corporation letter, which was made available by the SEC on May 14, 1993, and the Shearman & Sterling letter, which was made available by the SEC on July 2, 1993.

However, any purchaser of Old Notes who is an "affiliate" of ours or who intends to participate in the exchange offer for the purpose of distributing the New Notes:

will not be able to rely on such SEC interpretation;

will not be able to tender its Old Notes in the exchange offer; and

must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of Old Notes unless such sale or transfer is made pursuant to an exemption from those requirements.

By executing, or otherwise becoming bound by, the letter of transmittal, you will represent to us that:

any New Notes to be received by you will be acquired in the ordinary course of business;

you have no arrangements or understandings with any person to participate in the distribution of the Old Notes or New Notes within the meaning of the Securities Act; and

you are not our "affiliate" within the meaning of Rule 405 under the Securities Act;

if you are a broker-dealer, you will receive the New Notes for your own account in exchange for the Old Notes acquired as a result of market-making activities or other trading activities and that you will deliver a prospectus in connection with any resale of New Notes (see "Plan of Distribution");

if you are not a broker-dealer, you are not engaged in and do not intend to engage in the distribution of the New Notes; and

you are not acting on behalf of any person that could not truthfully make any of the foregoing representations contained in this paragraph.

We have not sought, and do not intend to seek, a no-action letter from the SEC with respect to the effects of the exchange offer, and there can be no assurance that the SEC staff would make a similar determination with respect to the New Notes as it has made in previous no-action letters.

In addition, in connection with any resales of those Old Notes, each participating broker-dealer receiving New Notes for its own account in exchange for Old Notes, where such Old Notes were acquired by such exchanging dealer as a result of market-making activities or other trading activities, must represent that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such New Notes. We have agreed that for a period of up to 90 days after the exchange offer is consummated, we will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

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The SEC has taken the position in the Shearman & Sterling no-action letter, which it made available on July 2, 1993, that broker-dealers may fulfill their prospectus delivery requirements with respect to the New Notes, other than a resale of an unsold allotment from the original sale of the Old Notes, by delivery of the prospectus contained in the exchange offer registration statement.

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**USE OF PROCEEDS**

The exchange offer is intended to satisfy our obligations under the Registration Rights Agreements we entered into in connection with the private offering of the Old Notes. We will not receive any cash proceeds from the issuance of the New Notes under the exchange offer. In consideration for issuing the New Notes as contemplated by this prospectus, we will receive Old Notes in like principal amounts, the terms of which are identical in all material respects to the New Notes, subject to limited exceptions. Old Notes surrendered in exchange for New Notes will be retired and canceled and cannot be reissued. Accordingly, the issuance of the New Notes will not result in any increase in our indebtedness.

We used the net proceeds from the offering of the Old Notes, together with the Equity Contributions and the borrowings under the Term Loan Facility, to fund the Transactions.

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**UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS**

The following unaudited pro forma consolidated financial statements present our results of operations resulting from the Transactions as described under "Summary The Transactions." The unaudited pro forma consolidated financial statements are based on our consolidated financial statements included elsewhere in this prospectus, adjusted to give pro forma effect to the Transactions.

The unaudited pro forma consolidated financial statements include the pro forma consolidated statements of operations for the year ended December 31, 2010 and the six months ended June 30, 2010 and 2011 which give effect to the Transactions as if they occurred on January 1, 2010. The combined results for the six months ended June 30, 2011 represent the combination of our Predecessor results for the period from January 1 through May 24, 2011, plus our Successor results for the period from May 25 through June 30, 2011.

The unaudited pro forma consolidated financial statements are presented for informational purposes only and do not purport to represent our results of operations had the Transactions occurred on the date noted above or to project the results for any future date or period. In the opinion of management, all adjustments have been made that are necessary to present fairly the unaudited pro forma consolidated financial information.

The unaudited pro forma consolidated financial statements are based on the estimates and assumptions set forth in the notes to these statements that management believes are reasonable. These estimates include an allocation of fair value to identifiable intangible assets other than goodwill, and the resulting excess of the purchase price over the carrying value of the net assets acquired is recorded as goodwill. The value assigned at June 30, 2011 to intangible assets is based on preliminary valuation data and may change once an external valuation is completed during the third quarter of 2011. The result of the final purchase price allocation could be materially different from the preliminary allocation set forth in this prospectus.

The unaudited pro forma consolidated statements of operations eliminate non-recurring charges that were incurred in connection with the Transactions, including (i) equity-based compensation expense of \$12.4 million related to the accelerated vesting of restricted stock, restricted stock units, and stock options awarded to management and members of our board of directors that vested upon the change in control; (ii) the expense to write-off existing deferred financing fees of approximately \$10.1 million; and (iii) certain non-recurring expenses related to the Transactions of \$29.8 million.

The unaudited pro forma consolidated financial statements should be read in conjunction with "Risk Factors," "Selected Historical Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus.

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**Emergency Medical Services Corporation**  
**Consolidated Statement of Operations**

	Year Ended December 31, 2010		
	Actual	Adjustments	Pro forma
	(in thousands of dollars)		
Net revenue	\$ 2,859,322	\$	\$ 2,859,322
Compensation and benefits	2,023,503		2,023,503
Operating expenses	359,262		359,262
Insurance expense	97,330		97,330
Selling, general and administrative expenses	67,912	4,000(1)	71,912
Depreciation and amortization expense	65,332	55,261(2)	120,593
Income from operations	245,983	(59,261)	186,722
Interest income from restricted assets	3,105		3,105
Interest expense	(22,912)	22,689(3)	
		(170,660)(4)	(170,883)
Realized gain on investments	2,450		2,450
Interest and other income	968		968
Loss on early debt extinguishment	(19,091)	19,091(5)	
Income before income taxes and equity in earnings of unconsolidated subsidiary	210,503	(188,141)	22,362
Income tax expense	(79,126)	70,517(7)	(8,609)
Income before equity in earnings of unconsolidated subsidiary	131,377	(117,624)	13,753
Equity in earnings of unconsolidated subsidiary	347		347
Net income	\$ 131,724	\$ (117,624)	\$ 14,100

	Six months ended June 30, 2010		
	Actual	Adjustments	Pro forma
	(in thousands of dollars)		
Net revenue	\$ 1,388,158	\$	\$ 1,388,158
Compensation and benefits	976,760		976,760
Operating expenses	177,115		177,115
Insurance expense	48,012		48,012
Selling, general and administrative expenses	35,156	2,000(1)	37,156
Depreciation and amortization expense	31,872	28,496(2)	60,368
Income from operations	119,243	(30,496)	88,747
Interest income from restricted assets	1,714		1,714
Interest expense	(13,326)	13,215(3)	
		(85,472)(4)	(85,583)
Realized gain on investments	149		149
Interest and other income	471		471
Loss on early debt extinguishment	(19,091)	19,091(5)	
Income before income taxes and equity in earnings of unconsolidated subsidiary	89,160	(83,662)	5,498
Income tax expense	(34,365)	32,248(7)	(2,117)
Income before equity in earnings of unconsolidated subsidiary	54,795	(51,414)	3,381
Equity in earnings of unconsolidated subsidiary	199		199



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Net income	54,994	\$	(51,414)	\$	3,580
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	Predecessor January 1 through May 24, 2011  Actual	Successor May 25 through June 30, 2011  Actual	Combined Six months ended June 30, 2011  Actual	Adjustments	Six months ended June 30, 2011  Pro forma
	(in thousands of dollars)				
Net revenue	\$ 1,221,790	\$ 319,543	\$ 1,541,333	\$	1,541,333
Compensation and benefits	874,633	221,804	1,096,437	(12,431)(6)	1,084,006
Operating expenses	156,740	41,856	198,596		198,596
Insurance expense	47,229	10,089	57,318		57,318
Selling, general and administrative expenses	29,241	6,861	36,102	1,587(1)	37,689
Depreciation and amortization expense	28,467	11,061	39,528	20,242(2)	59,770
Income from operations	85,480	27,872	113,352	(9,398)	103,954
Interest income from restricted assets	1,124	162	1,286		1,286
Interest expense	(7,886)	(17,950)	(25,836)	7,781(3)	(84,330)
				(66,275)(4)	(84,330)
Realized gain (loss) on investments	(9)	7	(2)		(2)
Interest and other income (expense)	(28,873)	(140)	(29,013)	29,654(6)	641
Loss on early debt extinguishment	(10,069)		(10,069)	10,069(5)	
Income before income taxes and equity in earnings of unconsolidated subsidiary	39,767	9,951	49,718	(28,169)	21,549
Income tax expense	(19,242)	(4,158)	(23,400)	15,104(7)	(8,296)
Income before equity in earnings of unconsolidated subsidiary	20,525	5,793	26,318	(13,065)	13,253
Equity in earnings of unconsolidated subsidiary	143	33	176		176
Net income	20,668	\$ 5,826	\$ 26,494	\$ (13,065)	\$ 13,429

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**Notes to Unaudited Pro Forma Consolidated Statement of Operations**  
(dollars in thousands)

(1) Represents an adjustment to reflect the incremental management fee payable to CD&R as compared to the management fee paid to our prior owner based on the terms of the new consulting agreement entered into at the closing of the Transactions and an annual fee paid to one of our new directors as compensation for his services. For more information, see "Management Director Compensation" and "Certain Relationships and Related Party Transactions."

(2) Represents additional amortization due to an increase in the estimated fair market values of identifiable intangible assets associated with the Transactions. Intangible assets subject to amortization include the fair market value of our contracts amortized on a straight-line basis with an estimated weighted average useful life of 10 years. These estimates are preliminary in nature and could change as a result of adjustments to the estimates of the fair market value of these assets and their useful lives resulting from independent appraisal and our valuation review.

	Year ended December 31, 2010	Six months ended June 30, 2010	Predecessor January 1 through May 24, 2011	Successor May 25 through June 30, 2011	Combined Six months ended June 30, 2011
Estimated amortization on existing preliminary intangibles	\$ 76,440	\$ 38,220	\$ 31,850	\$	\$ 31,850
Less: Amortization on prior intangibles	(21,179)	(9,724)	(11,608)		(11,608)
Pro forma adjustment to amortization expense	\$ 55,261	\$ 28,496	\$ 20,242	\$	\$ 20,242

(3) Represents a pro forma adjustment to eliminate interest expense associated with our prior senior secured credit facility, including amortization of prior deferred financing fees.

(4) Represents interest expense on our borrowings under the Term Loan Facility and the Notes, and the amortization of deferred financing costs. Pro forma interest expense reflects a weighted average annual interest rate of 6.4% on indebtedness incurred to fund the Transactions and amortization expense on the \$118.8 million of deferred financing costs associated with our new borrowings, utilizing a weighted average maturity of 7 years.

	Year ended December 31, 2010	Six months ended June 30, 2010	Predecessor January 1 through May 24, 2011	Successor May 25 through June 30, 2011	Combined Six months ended June 30, 2011
Interest on Term Loan	\$ 76,736	\$ 38,510	\$ 29,149	\$	\$ 29,149
Interest on the Notes	77,188	38,594	30,661		30,661
Amortization on deferred financing fees	16,736	8,368	6,465		6,465
Pro forma adjustment to interest expense	\$ 170,660	\$ 85,472	\$ 66,275	\$	\$ 66,275

If LIBOR increases above 1.50%, a 0.125% increase in the floating rate applicable to the \$1,436 million indebtedness under our Senior Secured Credit Facilities outstanding at June 30, 2011 would result in an approximate \$1.8 million increase in cash interest expense annually.

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- (5) To eliminate the loss on early debt extinguishment recorded as part of our prior debt restructuring, which occurred in April 2010, and incurred in connection with the Transactions.
- (6) Reflects an adjustment to reduce expenses recorded in the first six months of 2011 related to legal and accounting fees and accelerated equity-based compensation expense incurred in connection with the Transactions.
- (7) To adjust income tax expense to reflect the items noted in (1) through (6), principally as a result of increased interest and amortization expenses, at an effective tax rate of 38.5%.

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**SELECTED HISTORICAL FINANCIAL DATA**

The following table sets forth our selected historical financial data derived from our consolidated financial statements for each of the periods indicated. The selected historical financial data presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus. The selected historical data as of December 31, 2009 and 2010 (Predecessor) and for the years ended December 31, 2008, 2009 and 2010 (Predecessor) are derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected historical financial data as of December 31, 2006, 2007 and 2008 (Predecessor) and for the years ended December 31, 2006 and 2007 (Predecessor) are derived from our audited consolidated financial statements not included in this prospectus. The selected historical financial data as of and for the six months ended June 30, 2010 (Predecessor), the period from January 1 through May 24, 2011 (Predecessor) and the period from May 25 through June 30, 2011 and as of June 30, 2011 (Successor) are derived from our unaudited consolidated financial statements included elsewhere in this prospectus. As a result of the Transactions, our financial statements after the Merger are not comparable to our

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financial statements prior to such date. Our historical financial data may not be a reliable indicator of future results of operations of our business.

	Predecessor					Six months ended June 30, 2010	Period from January 1 through May 24, 2011	Successor Period from May 25 through June 30, 2011
	As of and for the year ended December 31,							
	2006	2007	2008	2009	2010			
	(in thousands of dollars)							
<b>Statement of Operations Data:</b>								
Net revenue	\$ 1,934,205	\$ 2,106,993	\$ 2,409,864	\$ 2,569,685	\$ 2,859,322	\$ 1,388,158	\$ 1,221,790	\$ 319,543
Compensation and benefits	1,333,648	1,455,970	1,637,425	1,796,779	2,023,503	976,760	874,633	221,804
Operating expenses	294,806	317,518	383,359	334,328	359,262	177,115	156,740	41,856
Insurance expense	74,258	66,308	82,221	97,610	97,330	48,012	47,229	10,089
Selling, general and administrative expenses	57,403	61,893	69,658	63,481	67,912	35,156	29,241	6,861
Depreciation and amortization expense	66,005	70,483	68,980	64,351	65,332	31,872	28,467	11,061
Restructuring charges	6,369	2,242						
Income from operations	101,716	132,579	168,221	213,136	245,983	119,243	85,480	27,872
Interest income from restricted assets	5,987	7,143	6,407	4,516	3,105	1,714	1,124	162
Interest expense	(45,605)	(46,948)	(42,087)	(40,996)	(22,912)	(13,326)	(7,886)	(17,950)
Realized (loss) gain on investments	(467)	245	2,722	2,105	2,450	149	(9)	7
Interest and other (expense) income	2,346	2,055	2,055	1,816	968	471	(28,873)	(140)
Loss on early debt extinguishment	(377)		(241)		(19,091)	(19,091)	(10,069)	
Income before income taxes and equity in earnings of unconsolidated subsidiary	63,600	95,074	137,077	180,577	210,503	89,160	39,767	9,951
Income tax expense	(24,961)	(36,104)	(52,530)	(65,685)	(79,126)	(34,365)	(19,242)	(4,158)
Income before equity in earnings of unconsolidated subsidiary	38,639	58,970	84,547	114,892	131,377	54,795	20,525	5,793
	432	848	300	347	347	199	143	33

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Equity in earnings of unconsolidated subsidiary

Net income \$ 39,071 \$ 59,818 \$ 84,847 \$ 115,239 \$ 131,724 \$ 54,994 \$ 20,668 \$ 5,826

**Balance Sheet Data (at end of period):**

Cash and cash equivalents 39,336 28,914 146,173 332,888 287,361 313,033 186,811  
 Total assets 1,318,217 1,479,563 1,541,219 1,654,707 1,748,552 1,704,795 4,072,796

Long-term debt and capital lease obligations, including current maturities 479,775 482,883 458,505 453,930 421,276 427,535 2,379,335

Stockholders' Equity 386,040 449,496 539,039 686,087 847,205 764,775 891,301

**Cash Flow Data:**

Cash flows provided by (used in):  
 Operating activities \$ 165,742 \$ 97,818 \$ 211,457 \$ 272,553 \$ 185,544 \$ 84,742 \$ 67,975 \$ 37,721

Investing activities (113,127) (100,226) (74,945) (116,629) (158,865) (60,358) (89,459) (2,847,446)

Financing activities (31,327) (8,014) (19,253) 30,791 (72,206) (44,239) 20,671 2,709,988

Purchases of property, plant and equipment (60,415) (38,335) (32,088) (44,728) (49,121) (15,168) (18,496) (2,892)

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

The following information should be read in conjunction with "Selected Historical Financial Data" and our consolidated financial statements and related notes included elsewhere in this prospectus. The following discussion may contain forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include those factors discussed below and elsewhere in this prospectus, particularly in "Risk Factors" and "Forward-Looking Statements."

**Company Overview**

We are a leading provider of outsourced facility-based physician services and medical transportation services in the United States. We operate our business and market our services under the EmCare and AMR brands. EmCare is a leading provider of physician services in the United States, based on number of contracts with hospitals and affiliated physician groups. Through EmCare, we provide facility-based physician services for emergency departments, as well as anesthesiology, hospitalist/inpatient, radiology and teleradiology programs. AMR is a leading provider of medical transportation services to communities, payors and hospitals in the United States based on net revenue and number of transports. Approximately 86% of our net revenue for the year ended December 31, 2010 was generated under exclusive contracts. We had contract retention rates of 88% at EmCare and 99% at AMR as of December 31, 2010. During 2010, we provided services in approximately 14 million patient encounters in more than 2,000 communities nationwide.

*EmCare*

Over its more than 35 years of operating history, EmCare has become the largest provider of outsourced emergency department services to healthcare facilities in the United States based on number of contracts with hospitals and affiliated physician groups. During 2010, EmCare had approximately 11.0 million patient encounters across 40 states and the District of Columbia. As of December 31, 2010, EmCare had an 8% share of the total ED services market and a 12% share of the outsourced ED services market, the largest share among outsourced providers based on number of ED contracts. EmCare's share of the combined markets for anesthesiology, hospitalist and radiology services was approximately 2% as of such date.

EmCare provides facility-based physician services and related management services to healthcare facilities. EmCare recruits and hires or subcontracts with physicians and other healthcare professionals, who then provide professional services within the healthcare facilities with which we contract. We also provide billing and collection, risk management and other administrative services to our healthcare professionals and to independent physicians. EmCare has 569 contracts with hospitals and independent physician groups to provide emergency department, anesthesiology, hospitalist/inpatient, radiology and teleradiology staffing and other administrative services.

*American Medical Response*

Over its more than 50 years of operating history, AMR has developed the largest network of ambulance services in the United States. As of December 31, 2010, AMR had a 7% share of the total ambulance services market and a 16% share of the outsourced ambulance market, the largest share among outsourced providers based on number of transports and net revenue. During 2010, AMR treated and transported approximately 3.2 million patients in 38 states and the District of Columbia by utilizing its fleet of nearly 4,300 vehicles that operated out of more than 200 sites. As of December 31, 2010, AMR had more than 3,500 contracts with communities, government agencies, healthcare providers and insurers to provide ambulance transport services. During 2010, approximately 58% of



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AMR's net revenue was generated from emergency 911 ambulance transport services. Non-emergency ambulance transport services, including critical care transfer, wheelchair transports and other inter-facility transports accounted for 28% of AMR's net revenue for the same period. The remaining balance of net revenue for 2010 was generated from managed transportation services, fixed-wing air ambulance services, and the provision of training, dispatch and other services to communities and public safety agencies.

**Effects of the Transactions**

In accordance with GAAP, we accounted for the Merger using the acquisition method of accounting for business combinations. Under this method of accounting, we recorded the acquisition based on the fair value of the merger consideration, which includes cash consideration paid and the Notes.

We have allocated the purchase price to the identifiable tangible and intangible assets acquired and liabilities assumed based on their respective fair values at the date of completion of the Merger. Any excess of the value of consideration paid over the aggregate fair value of those net assets is recorded as goodwill. Our consolidated financial statements for periods after the Merger reflect such fair values and have not been restated retroactively to reflect our historical financial position or our results of operations.

The unaudited pro forma consolidated financial statements included in this prospectus are based on the estimates and assumptions set forth in the notes to such statements that management believes are reasonable. These estimates include an allocation of fair value to identifiable intangible assets other than goodwill, and the resulting excess of the purchase price over the carrying value of the net assets acquired is recorded as goodwill. The value assigned at June 30, 2011 to intangible assets is based on preliminary valuation data and may change once an external valuation is completed during the third quarter of 2011. The result of the final purchase price allocation could be materially different from the preliminary allocation set forth in this prospectus.

For further discussion of the accounting treatment related to the Transactions and of the pro forma effects of the Transactions, see "Unaudited Pro Forma Consolidated Financial Statements."

**Presentation**

The consolidated financial statements included in this prospectus are presented for two periods: Predecessor and Successor results, which relate to the periods preceding the Merger and the period succeeding the Merger, respectively. The discussion in this Management's Discussion and Analysis of Financial Condition and Results of Operations is presented on a combined basis of the Predecessor and Successor periods for the six months ended June 30, 2011. The 2011 Predecessor and Successor results are presented but are not discussed separately. Management believes that the discussion on a combined basis is more meaningful as it allows the results of operations to be analyzed to the comparable period in 2010. Exceptions to this include depreciation and amortization expense, interest expense, and interest and other (expense) income, which had significant impacts as a result of the Merger, but are addressed separately in the discussion below. See Note 1 to the unaudited consolidated financial statements included elsewhere in this prospectus.

**Key Factors and Measures We Use to Evaluate Our Business**

The key factors and measures we use to evaluate our business focus on the number of patients we treat and transport and the costs we incur to provide the necessary care and transportation for each of our patients.

We evaluate our revenue net of provisions for contractual payor discounts and provisions for uncompensated care. Medicaid, Medicare and certain other payors receive discounts from our standard

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charges, which we refer to as contractual discounts. In addition, individuals we treat and transport may be personally responsible for a deductible or co-pay under their third party payor coverage, and most of our contracts require us to treat and transport patients who have no insurance or other third party payor coverage. Due to the uncertainty regarding collectability of charges associated with services we provide to these patients, which we refer to as uncompensated care, our net revenue recognition is based on expected cash collections. Our net revenue represents gross billings after provisions for contractual discounts and estimated uncompensated care. Provisions for contractual discounts and uncompensated care have increased historically primarily as a result of increases in gross billing rates without corresponding increases in payor reimbursement.

The table below summarizes our approximate payor mix as a percentage of both net revenue and total transports and patient encounters for the years ended December 31, 2008, 2009 and 2010 and the six months ended June 30, 2010 and 2011. In determining the net revenue payor mix, we use cash collections in the period as an approximation of net revenue recorded.

	Percentage of Cash Collections (Net Revenue)					Percentage of Total Volume				
	Year ended		Six months			Year ended			Six months	
	December 31,		ended			December 31,			ended	
	2008	2009	2010	2010	2011	2008	2009	2010	2010	2011
Medicare	23.1%	23.3%	22.0%	21.9%	22.0%	25.7%	24.0%	25.2%	24.9%	26.3%
Medicaid	4.4	4.8	5.6	5.1	6.1	10.7	11.5	12.9	12.5	13.1
Commercial insurance and managed care	47.4	50.2	48.7	49.8	48.7	42.0	43.1	42.2	43.0	42.6
Self-pay	4.3	3.9	4.3	4.2	4.9	21.6	21.4	19.7	19.6	18.0
Other revenue and subsidies	20.8	17.8	19.4	19.0	18.3					
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Our 2011 volume mix has been positively impacted compared to our 2010 volume mix primarily by the continued expansion of our anesthesia business, which has a lower percentage of self-pay volume than our emergency department, radiology and inpatient services businesses.

Our 2010 volume mix has been positively impacted compared to our 2009 volume mix due primarily to the recent expansion of our anesthesia business, which has a lower percentage of self-pay mix than our emergency department, radiology and inpatient services businesses, and due to a decreased percentage of self-pay patients treated in 2010. Our payor mix was negatively impacted in 2009 due to an increased level of self-pay patients treated in response to the H1N1 virus, which did not recur in 2010.

In addition to continually monitoring our payor mix, we also analyze the following measures in each of our business segments:

***EmCare***

Of EmCare's net revenue for the six months ended June 30, 2011 and for the year ended December 31, 2010, approximately 74% and 78%, respectively, was derived from our hospital contracts for emergency department staffing and approximately 26% and 22%, respectively, was derived from anesthesiology, hospitalist, radiology, teleradiology and other hospital management services. Of this revenue for the six months ended June 30, 2011 and for the year ended December 31, 2010, approximately 78% and 77%, respectively, was generated from billings to third party payors and patients for patient encounters and approximately 22% and 23%, respectively, was generated from

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billings to hospitals and affiliated physician groups for professional services. EmCare's key net revenue measures are:

*Patient encounters.* We utilize patient encounters to evaluate net revenue and as the basis by which we measure certain costs of the business. We segregate patient encounters into four main categories—emergency department visits, anesthesiology and hospitalist encounters, and radiology reads—due to the significant differences in reimbursement and the associated costs of providing the various services. As a result of these differences, in certain analyses we weight our patient encounter numbers according to category in an effort to better measure net revenue and costs.

*Number of contracts.* This reflects the number of contractual relationships we have for outsourced emergency department staffing, anesthesiology, hospitalist, radiology, teleradiology, and other hospital management services. We analyze the change in our number of contracts from period to period based on "net new contracts," which is the difference between total new contracts and contracts that have terminated.

*Revenue per patient encounter.* This reflects the expected net revenue for each patient encounter based on gross billings less all estimated provisions for contractual discounts and uncompensated care. Net revenue per patient encounter also includes net revenue from billings to third party payors and hospitals.

The change from period to period in the number of patient encounters under our "same store" contracts is influenced by general community conditions as well as hospital-specific elements, many of which are beyond our direct control. The general community conditions include: (1) the timing, location and severity of influenza, allergens and other annually recurring viruses and (2) severe weather that affects a region's health status or infrastructure. Hospital-specific elements include the timing and extent of facility renovations, hospital staffing issues and regulations that affect patient flow through the hospital.

The costs incurred in our EmCare business segment consist primarily of compensation and benefits for physicians and other professional providers, professional liability costs, and contract and other support costs. EmCare's key cost measures include:

*Provider compensation per hour of coverage.* Provider compensation per hour of coverage includes all compensation and benefit costs for all professional providers, including physicians, physician assistants and nurse practitioners, during each patient encounter. Providers include all full-time, part-time and independently contracted providers. Analyzing provider compensation per hour of coverage enables us to monitor our most significant cost in performing services under our contracts.

*Professional liability costs.* These costs include provisions for estimated losses for actual claims, and claims likely to be incurred in the period, based on our past loss experience, as well as actual direct costs, including investigation and defense costs, claims payments, and other costs related to provider professional liability.

EmCare's business is not as capital intensive as AMR's, and EmCare's depreciation expense relates primarily to charges for usage of computer hardware and software, and other technologies. Amortization expense relates primarily to intangibles recorded for customer relationships.

**AMR**

Approximately 87% of AMR's net revenue for the six months ended June 30, 2011 and for the year ended December 31, 2010 was transport revenue derived from the treatment and transportation of patients, including fixed-wing air ambulance services, based on billings to third party payors, healthcare facilities and patients. The balance of AMR's net revenue was derived from direct billings to

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communities and government agencies for the provision of training, dispatch center and other services. AMR's measures for transport net revenue include:

*Transports.* We utilize transport data, including the number and types of transports, to evaluate net revenue and as the basis by which we measure certain costs of the business. We segregate transports into two main categories—ambulance transports (including emergency, as well as non-emergency, critical care and other interfacility transports) and wheelchair transports—due to the significant differences in reimbursement and the associated costs of providing ambulance and wheelchair transports. As a result of these differences, in certain analyses we weight our transport numbers according to category in an effort to better measure net revenue and costs.

*Net revenue per transport.* Net revenue per transport reflects the expected net revenue for each transport based on gross billings less provisions for contractual discounts and estimated uncompensated care. In order to better understand the trends across service lines and in our transport rates, we analyze our net revenue per transport based on weighted transports to reflect the differences in our transportation mix.

The change from period to period in the number of transports and net revenue per transport is influenced by the mix of emergency versus non-emergency transports, changes in transports in existing markets from both new and existing facilities we serve for non-emergency transports, and the effects of general community conditions for emergency transports. The general community conditions may include (1) the timing, location and severity of influenza, allergens and other annually recurring viruses, (2) severe weather that affects a region's health status or infrastructure and (3) community-specific demographic changes.

The costs we incur in our AMR business segment consist primarily of compensation and benefits for ambulance crews and support personnel, direct and indirect operating costs to provide transportation services, and costs related to accident and insurance claims. AMR's key cost measures include:

*Unit hours and cost per unit hour.* Our measurement of a unit hour is based on a fully staffed ambulance or wheelchair van for one operating hour. We use unit hours and cost per unit hour to measure compensation-related costs and the efficiency of our deployed resources. We monitor unit hours and cost per unit hour on a combined basis, as well as on a segregated basis between ambulance and wheelchair transports.

*Operating costs per transport.* Operating costs per transport is comprised of certain direct operating costs, including vehicle operating costs, medical supplies and other transport-related costs, but excluding compensation-related costs. Monitoring operating costs per transport allows us to better evaluate cost trends and operating practices of our regional and local management teams.

*Accident and insurance claims.* We monitor the number and magnitude of all accident and insurance claims in order to measure the effectiveness of our risk management programs. Depending on the type of claim (workers compensation, auto, general or professional liability), we monitor our performance by utilizing various bases of measurement, such as net revenue, miles driven, number of vehicles operated, compensation dollars, and number of transports.

We have focused our risk mitigation efforts on employee training for proper patient handling techniques, development of clinical and medical equipment protocols, driving safety, implementation of technology to reduce auto incidents and other risk mitigation processes which we believe has resulted in a reduction in the frequency, severity and development of claims.

AMR's business requires various investments in long-term assets and depreciation expense relates primarily to charges for usage of these assets, including vehicles, computer hardware and software,

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equipment and other technologies. Amortization expense relates primarily to intangibles recorded for customer relationships.

**Factors Affecting Operating Results***Federal Emergency Management Agency Contract*

In 2007, FEMA awarded AMR with a national contract to provide ambulance, para-transit, and rotary and fixed-wing air ambulance transportation services to supplement federal and military responses to disasters, acts of terrorism and other public health emergencies. The original contract covered the 21 states along the Gulf and Atlantic coasts and was expanded by FEMA to the full 48 contiguous states on October 1, 2009. This expanded coverage extends through October 31, 2011 and FEMA has the option to renew the contract for different zones in the contract at various points during the remainder of 2011 and 2012. In August 2008, AMR was deployed under this contract to provide patient evacuations and disaster relief efforts in three Gulf Coast states for hurricanes Gustav and Ike and recorded approximately \$107 million in net revenue during the year ended December 31, 2008. There were no material FEMA deployments during the years ended December 31, 2010 or 2009.

*Rate Changes by Government Sponsored Programs*

In February 2002, the CMS issued the Final Rule that revised Medicare policy on the coverage of ambulance transport services, effective April 1, 2002. The Final Rule was the result of a mandate under the Balanced Budget Act of 1997 ("BBA") to establish a national fee schedule for payment of ambulance transport services that would control increases in expenditures under Part B of the Medicare program, establish definitions for ambulance transport services that link payments to the type of services furnished, consider appropriate regional and operational differences and consider adjustments to account for inflation, among other provisions. The Final Rule provided for a five-year phase-in of a national fee schedule, beginning April 1, 2002. We estimate that the impact of a national fee schedule promulgated in 2002, as modified by subsequent legislation, resulted in an increase in AMR's net revenue of approximately \$14 million in 2008, an increase in AMR's net revenue of approximately \$24 million in 2009, and a decrease in AMR's net revenue of approximately \$18 million in 2010. Based upon the current Medicare transport mix and barring further legislative action, we expect a potential increase in AMR's net revenue of less than \$1 million for 2011. Although we have been able to substantially mitigate the phased-in reductions of the BBA through additional fee and subsidy increases, we may not be able to continue to do so.

Medicare pays for all EmCare physicians' services based upon a national fee schedule. The rate formula may result in significant yearly fluctuations which may be unrelated to changes in the actual cost of providing physician services.

*Changes in Net New Contracts*

Our operating results are affected directly by the number of net new contracts and related volume we have in a period, reflecting the effects of both new contracts and contract expirations. We regularly bid for new contracts, frequently in a formal competitive bidding process that often requires written responses to a RFP and, in any fiscal period, certain of our contracts will expire. We may elect not to seek extension or renewal of a contract if we determine that we cannot do so on favorable terms. With respect to expiring contracts we would like to renew, we may be required to seek renewal through an RFP, and we may not be successful in retaining any such contracts, or retaining them on terms that are as favorable as present terms. For the year ended December 31, 2010, AMR and EmCare's contract retention rates were 99% and 88%, respectively.

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***Inflation and Fuel Costs***

Certain of our expenses, such as wages and benefits, insurance, fuel and equipment repair and maintenance costs, are subject to normal inflationary pressures. Fuel expense represented 11.2% and 9.8% of AMR's operating expenses for the six months ended June 30, 2011 and 2010, respectively. Excluding the impact of the 2008 hurricane deployment, fuel expense represented 10.2%, 9.1% and 14.1% of AMR's operating expenses for the years ended December 31, 2010, 2009, and 2008, respectively. Although we have generally been able to offset inflationary cost increases through increased operating efficiencies and successful negotiation of fees and subsidies, we can provide no assurance that we will be able to offset any future inflationary cost increases through similar efficiencies and fee changes.

**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.

The following discussion is not intended to represent a comprehensive list of our accounting policies. For a detailed discussion of the application of these and other accounting policies, see note 2 to our audited consolidated financial statements included elsewhere in this prospectus.

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

We are self-insured up to certain limits for costs associated with workers compensation claims, automobile, professional liability claims and general business liabilities. Reserves are established for estimates of the loss that we will ultimately incur on claims that have been reported but not paid and claims that have been incurred but not reported. These reserves are based upon independent actuarial valuations, which are updated quarterly. Reserves other than general liability reserves are discounted at a rate commensurate with the interest rate on monetary assets that essentially are risk free and have a maturity comparable to the underlying liabilities. The actuarial valuations 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. Historical experience and recent trends in the historical experience are the most significant factors in the determination of these reserves. We believe the use of actuarial methods to account for these reserves provides a consistent and effective way to measure these subjective accruals. However, given the magnitude of the claims involved and the length of time until the ultimate cost is known, the use of any estimation technique in this area is inherently sensitive. Accordingly, our recorded reserves could differ from our ultimate costs 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. Due to the complexity and uncertainty associated with these factors, we do not believe it is practical or meaningful to quantify the sensitivity of any particular assumption in isolation. During the six months ended June 30, 2011 and 2010 we recorded increases in our provisions for insurance liabilities of \$8.2 million and \$0.1 million, respectively, related to reserves for losses in prior years. During 2010 we recorded an increase in our provisions for insurance liabilities of \$0.4 million, an increase of \$4.5 million during 2009, and a decrease of \$4.1 million during 2008 related to reserves for losses in prior years. Accrued unpaid claims and expenses that are expected to be paid within the next twelve months are classified as current liabilities. All other accrued unpaid claims and expenses are classified as non-current liabilities.

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***Trade and Other Accounts Receivable***

Our internal billing operations have primary responsibility for billing and collecting our accounts receivable. We utilize various processes and procedures in our collection efforts depending on the payor classification; these efforts include monthly statements, written collection notices and telephonic follow-up procedures for certain accounts. EmCare and AMR write off amounts not collected through our internal collection efforts to our uncompensated care allowance, and send these receivables to third party collection agencies for further follow-up collection efforts. We record any subsequent collections through third party collection efforts as a recovery.

As we discuss further in our "Revenue Recognition" policy below, we determine our allowances for contractual discounts and uncompensated care based on sophisticated information systems and financial models, including payor reimbursement schedules, historical write-off experience and other economic data. We record our patient-related accounts receivable net of estimated allowances for contractual discounts and uncompensated care in the period in which we perform services. We record gross fee-for-service revenue and related receivables based upon established fee schedule prices. We reduce our recorded revenue and receivables for estimated discounts to patients covered by contractual insurance arrangements, and reduce these further by our estimate of uncollectible accounts. Due to the complexity and uncertainty associated with these factors, we do not believe it is practical or meaningful to quantify the sensitivity of any particular assumption in isolation.

Our provision and allowance for uncompensated care is based primarily on the historical collection and write-off activity of our approximately 14 million annual patient encounters. We extract this data from our billing systems regularly and use it to compare our accounts receivable balances to estimated ultimate collections. Our allowance for uncompensated care is related principally to receivables we record for self-pay patients and is not recorded on specific accounts due to the volume of individual patient receivables and the thousands of commercial and managed care contracts.

We also have other receivables related to facility and community subsidies and contractual receivables for providing staffing to communities for special events. We review these other receivables periodically to determine our expected collections and whether any allowances may be necessary. We write the balance off after we have exhausted all collection efforts.

***Business Combinations***

Effective January 1, 2009, we adopted ASC 805, *Business Combinations*, which revised the accounting guidance that we were required to apply for our acquisitions in comparison to prior fiscal years. In accordance with this guidance, the assets and liabilities of an acquired business are recorded at their fair values at the date of acquisition. The excess of the purchase price over the estimated fair values is recorded as goodwill. All acquisition costs are expensed as incurred. While we use our best estimates and assumptions as a part of the purchase price allocation process to accurately value assets acquired and liabilities assumed at the acquisition date, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period any subsequent adjustments are recorded as expense.

***Revenue Recognition***

Revenue is recognized at the time of service and is recorded net of provisions for contractual discounts and estimated uncompensated care. We estimate our provision for contractual discounts and uncompensated care based on payor reimbursement schedules, historical collections and write-off experience and other economic data. As a result of the estimates used in recording the provisions and the nature of healthcare collections, which may involve lengthy delays, there is a reasonable possibility that recorded estimates will change materially in the short-term.

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The changes in the provisions for contractual discounts and estimated uncompensated care are primarily a result of changes in our gross fee-for-service rate schedules and gross accounts receivable balances. These gross fee schedules, including any changes to existing fee schedules, generally are negotiated with various contracting entities, including municipalities and facilities. Fee schedule increases are billed for all revenue sources and to all payors under that specific contract; however, reimbursement in the case of certain state and federal payors, including Medicare and Medicaid, will not change as a result of the change in gross fee schedules. In certain cases, this results in a higher level of contractual and uncompensated care provisions and allowances, requiring a higher percentage of contractual discount and uncompensated care provisions compared to gross charges.

In addition, management analyzes the ultimate collectability of revenue and accounts receivable after certain stages of the collection cycle using a look-back analysis to determine the amount of receivables subsequently collected. Adjustments related to this analysis are recorded as a reduction or increase to net revenue each month, and were less than 1% of net revenue for each of the six month periods ending June 30, 2011 and 2010 and for the years ended December 31, 2010, 2009 and 2008.

The evaluation of these factors, as well as the interpretation of governmental regulations and private insurance contract provisions, involves complex, subjective judgments. As a result of the inherent complexity of these calculations, our actual revenues and net income, and our accounts receivable, could vary significantly from the amounts reported.

***Income Taxes***

Deferred income taxes reflect the impact of temporary differences between the reported amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws and regulations. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. A valuation allowance is provided for deferred tax assets when management concludes it is more likely than not that some portion of the deferred tax assets will not be recognized. The respective tax authorities, in the normal course, audit previous tax filings. We have recorded reserves based upon management's best estimate of final outcomes, but such estimates may differ from the tax authorities ultimate outcomes.

***Goodwill and Other Intangible Assets***

Goodwill is not amortized and is required to be tested annually for impairment, or more frequently if changes in circumstances, such as an adverse change to our business environment, cause us to believe that goodwill may be impaired. Goodwill is allocated at the reporting unit level. If the fair value of the reporting unit falls below the book value of the reporting unit at an impairment assessment date, an impairment charge would be recorded.

Should our business environment or other factors change, our goodwill may become impaired and may result in material charges to our income statement.

Definite life intangible assets are subject to impairment reviews when evidence or triggering events suggest that an impairment may have occurred. Should such triggering events occur that cause us to review our definite life intangibles, management evaluates the carrying value in relation to the projection of future cash flows of the underlying assets. If deemed necessary, we would take a charge to earnings for the difference between the carrying value and the estimated fair value. Should factors affecting the value of our definite life intangibles change significantly, such as declining contract retention rates or reduced contractual cash flows, we may need to record an impairment charge that is significant to our financial statements.



Table of Contents**Results of Operations***Basis of Presentation*

The following tables present, for the periods indicated, a comparison of financial data from our audited consolidated statements of operations for the years ended December 31, 2008, 2009 and 2010 and from our unaudited consolidated statements of operations for the six months ended June 30, 2010, the period from January 1 through May 24, 2011 and the period from May 25 through June 30, 2011, as well as for the combined six months ended June 30, 2011 for EMSC and our two operating segments. The results of operations will be discussed on a combined basis for the six months ended June 30, 2011. Management believes that the discussion on a combined basis is more meaningful as it allows the results of operations to be analyzed to the comparable period in 2010. Exceptions to this include depreciation and amortization expense, interest expense, and interest and other (expense) income, which had significant impacts as a result of the Merger, but are addressed separately in the discussion below.

**Consolidated Results of Operations and as a Percentage of Net Revenue**  
(in thousands of dollars)

	Predecessor			Six Months ended June 30, 2010 (unaudited)	Period from January 1 through May 24, 2011 (unaudited)	Successor Period from May 25 through June 30, 2011 (unaudited)	Combined Six Months Ended June 30, 2011 (unaudited)
	Year ended December 31,						
	2008	2009	2010				
Net revenue	\$ 2,409,864	\$ 2,569,685	\$ 2,859,322	\$ 1,388,158	\$ 1,221,790	\$ 319,543	\$ 1,541,333
Compensation and benefits	1,637,425	1,796,779	2,023,503	976,760	874,633	221,804	1,096,437
Operating expenses	383,359	334,328	359,262	177,115	156,740	41,856	198,596
Insurance expense	82,221	97,610	97,330	48,012	47,229	10,089	57,318
Selling, general and administrative expenses	69,658	63,481	67,912	35,156	29,241	6,861	36,102
Depreciation and amortization expense	68,980	64,351	65,332	31,872	28,467	11,061	39,528
Income from operations	168,221	213,136	245,983	119,243	85,480	27,872	113,352
Interest income from restricted assets	6,407	4,516	3,105	1,714	1,124	162	1,286
Interest expense	(42,087)	(40,996)	(22,912)	(13,326)	(7,886)	(17,950)	(25,836)
Realized gain (loss) on investments	2,722	2,105	2,450	149	(9)	7	(2)
Interest and other income (expense)	2,055	1,816	968	471	(28,873)	(140)	(29,013)
Loss on early debt extinguishment	(241)		(19,091)	(19,091)	(10,069)		(10,069)
Equity in earnings of unconsolidated subsidiary	300	347	347	199	143	33	176
Income tax expense	(52,530)	(65,685)	(79,126)	(34,365)	(19,242)	(4,158)	(23,400)
Net income	\$ 84,847	\$ 115,239	\$ 131,724	\$ 54,994	\$ 20,668	\$ 5,826	26,494

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	Predecessor			Six Months ended June 30, 2010  (unaudited)	Period from January 1 through May 24, 2011  (unaudited)	Successor  Period from May 25 through June 30, 2011  (unaudited)	Combined  Six Months ended June 30, 2011  (unaudited)
	Year ended December 31,						
	2008	2009	2010				
	2008	2009	2010				
Net revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Compensation and benefits	67.9	69.9	70.8	70.4	71.6	69.4	71.1
Operating expenses	15.9	13.0	12.6	12.8	12.8	13.1	12.9
Insurance expenses	3.4	3.8	3.4	3.5	3.9	3.2	3.7
Selling, general and administrative expenses	2.9	2.5	2.4	2.5	2.4	2.1	2.3
Depreciation and amortization expense	2.9	2.5	2.3	2.3	2.3	3.5	2.6
Income from operations	7.0%	8.3%	8.6%	8.6%	7.0%	8.7%	7.4%

**Segment Results of Operations and as a Percentage of Net Revenue**  
(in thousands of dollars)

	EmCare						
	Predecessor			Six Months ended June 30, 2010  (unaudited)	Period from January 1 through May 24, 2011  (unaudited)	Successor  Period from May 25 through June 30, 2011  (unaudited)	Combined  Six Months ended June 30, 2011  (unaudited)
	Year ended December 31,						
	2008	2009	2010				
2008	2009	2010					
Net revenue	\$ 1,008,063	\$ 1,225,828	\$ 1,478,462	\$ 707,037	\$ 642,059	\$ 171,714	\$ 813,773
Compensation and benefits	795,777	956,306	1,164,389	557,107	513,639	133,192	646,831
Operating expenses	36,355	39,872	45,745	23,037	21,038	6,040	27,078
Insurance expense	42,326	49,619	52,540	24,052	24,361	5,631	29,992
Selling, general and administrative expenses	23,747	25,273	28,479	15,200	12,900	2,907	15,807
Depreciation and amortization expense	13,898	15,161	20,384	9,568	9,411	4,687	14,098
Income from operations	\$ 95,960	\$ 139,597	\$ 166,925	\$ 78,073	\$ 60,710	\$ 19,257	\$ 79,967

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	Predecessor			Successor		Combined	
	Year ended December 31,			Six Months ended June 30, 2010	Period from January 1 through May 24, 2011	Period from May 25 through June 30, 2011	Six Months ended June 30, 2011
	2008	2009	2010	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Compensation and benefits							