GEO GROUP INC
Form S-4/A
June 10, 2010

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As filed with the Securities and Exchange Commission on June 10, 2010
Registration No. 333-166525

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Amendment No. 1
To
Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933
The GEO Group, Inc.
(Exact name of registrant as specified in its charter)

Florida	**1520**	**65-0043078**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

One Park Place, Suite 700
621 Northwest 53rd Street
Boca Raton, Florida 33487-8242
(561) 893-0101
(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

John J. Bulfin, Esq.
Senior Vice President, General Counsel
and Secretary
The GEO Group, Inc.
One Park Place, Suite 700
621 Northwest 53rd Street
Boca Raton, Florida 33487-8242
(561) 893-0101
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Jose Gordo, Esq. **Stephen K. Roddenberry, Esq.** **Esther L. Moreno, Esq.** **Akerman Senterfitt** **One Southeast Third Avenue, 25th Floor** **Miami, Florida 33131** **(305) 374-5600**	**Cathryn L. Porter, Esq.** **General Counsel** **Cornell Companies, Inc.** **1700 West Loop South, Suite 1500** **Houston, Texas 77027** **(713) 623-0790**	**Daniel Keating, Esq.** **Hogan Lovells US LLP** **555 Thirteenth Street, NW** **Washington, D.C. 20004** **(202) 637-5490**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective time of this registration statement and the effective time of the merger of GEO Acquisition III, Inc., a Delaware

corporation and a wholly owned subsidiary of The GEO Group, Inc. with and into Cornell Companies, Inc., a Delaware corporation, as described in the Agreement and Plan of Merger, dated as of April 18, 2010, as amended, attached as Annex A to the joint proxy statement/prospectus forming part of this registration statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered(1)(2)**	**Proposed Maximum Offering Price per Unit**	**Proposed Maximum Aggregate Offering Price(3)**	**Amount of Registration Fee(3)**
Common Stock, par value $0.01 per share	20,800,000 shares and related preferred share purchase rights	N/A	$444,000,000	$31,657(4)

(1) Represents the estimated maximum number of shares of common stock, par value $.01 per share, of The GEO Group, Inc., referred to herein as GEO, issuable in connection with the merger in exchange for shares of Cornell Companies, Inc., referred to herein as Cornell, common stock calculated as 16,000,000 shares of Cornell common stock (giving effect to all shares actually issued and outstanding, all shares issuable upon the exercise of any option, warrant, employee stock purchase right or other right to acquire Cornell common stock and all shares issuable upon the conversion or exchange of any security convertible into or exchangeable for shares of Cornell common stock) multiplied by the exchange ratio of 1.3 shares.

(2) Each share of GEO common stock issued by the registrant includes one preferred share purchase right (the Right), which initially attaches to and trades with the shares of the registrant s common stock being registered hereby. The terms of the Rights are described in the Rights Agreement, dated as of October 9, 2003, included as Exhibit 4.3 to the Current Report on Form 8-K, filed with the Securities and Exchange Commission on

October 30, 2003. Prior to the occurrence of certain events, none of which has occurred as of the date of this registration statement, the Rights will not be exercisable or separable from the common stock.

(3) Pursuant to Rules 457(c) and 457(f)(1) under the Securities Act of 1933, as amended, and solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price is equal to: (i) the market value of the shares of Cornell common stock to be received by GEO in the merger, calculated as (x) the estimated maximum number of such shares that will be outstanding as of the closing date of the merger (16,000,000) multiplied by (y) $27.75, the average of the high and low sales prices per share of Cornell common stock as reported on the NYSE on April 28, 2010.

(4) A registration fee of $41,155 was previously paid in connection with the Registration Statement filed on May 5, 2010.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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

PRELIMINARY SUBJECT TO COMPLETION, DATED JUNE 10, 2010

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

The boards of directors of The GEO Group, Inc., or GEO, and Cornell Companies, Inc., or Cornell, have each approved a merger agreement which provides for GEO to acquire Cornell. The boards of directors of GEO and Cornell believe that the combination of the two companies will create greater long-term stockholder value than either company could individually achieve on a stand-alone basis.

If the merger is completed, Cornell stockholders will be entitled to receive, at their election, either (i) 1.3 shares of common stock of GEO, par value $.01 per share, for each share of Cornell common stock, which we refer to as the stock consideration; or (ii) the right to receive cash consideration equal to the greater of (x) the fair market value of one share of GEO common stock plus $6.00 or (y) the fair market value of 1.3 shares of GEO common stock, which we refer to as the cash consideration. The stock consideration and cash consideration are collectively referred to as the merger consideration. Cornell stockholders desiring to receive a combination of GEO common stock and cash may do so by making a stock election with respect to a portion of their shares and a cash election with respect to their remaining shares. If a Cornell stockholder fails to make an election, the holder will receive the stock consideration. In order to preserve the tax-deferred treatment of the transaction, no more than 20% of the outstanding shares of Cornell common stock may be exchanged for the cash consideration. If cash elections are made with respect to more than 20% of Cornell s shares, the excess over 20% shall be treated as a stock election and will be exchanged for shares of GEO common stock. Additionally, if cash elections are made such that the aggregate cash consideration would exceed $100.0 million, then GEO may elect, in its sole discretion, to pay such excess amount in shares of GEO common stock or in cash. GEO intends to pay such excess amount in cash.

The combined company will be named The GEO Group, Inc. and the shares of the combined company will continue to be traded on the New York Stock Exchange, or the NYSE, under the symbol GEO. GEO shareholders will continue to own their existing shares after the merger. On [ ], 2010, the closing price per share of GEO common stock as reported by the NYSE was $[ ]. On [ ], 2010, the closing price per share of Cornell common stock as reported by the NYSE was $[ ]. You are urged to obtain current market quotations for the shares of GEO and Cornell.

YOUR VOTE IS IMPORTANT. The merger cannot be completed unless holders of GEO common stock vote to approve the issuance of GEO common stock, which we refer to as the GEO share issuance, in connection with the merger, and Cornell stockholders vote to adopt the merger agreement.

The GEO board of directors recommends that GEO shareholders vote FOR the GEO share issuance in connection with the merger, FOR the amendments to The GEO Group, Inc. 2006 Stock Incentive Plan and FOR the adjournment of the GEO special meeting, if necessary, to solicit additional proxies in favor of the foregoing proposals. The Cornell board of directors recommends that Cornell stockholders vote FOR the adoption of the merger agreement and FOR the adjournment of the Cornell special meeting, if necessary, to solicit additional proxies in favor of the adoption of the merger agreement.

GEO and Cornell will each hold a special meeting of their respective shareholders and stockholders to vote on these proposals. Whether or not you plan to attend your company s special meeting, please take the time to cause your shares to be voted by completing and mailing the enclosed proxy card or submitting your proxy by telephone or through the Internet, using the procedures in the proxy voting instructions included with your proxy card. Even if you return the proxy, you may attend the special meeting and vote your shares in person at the meeting.

This joint proxy statement/prospectus describes the proposed merger and related transactions in more detail. **GEO and Cornell encourage you to read this entire joint proxy statement/prospectus carefully, including the merger agreement, which is included as Annex A, and the section discussing Risk Factors relating to the merger and the combined company beginning on page 22.**

GEO and Cornell look forward to the successful combination of the two companies.

George C. Zoley
Chairman of the Board of Directors and
Chief Executive Officer,
The GEO Group, Inc.

James E. Hyman
Chairman of the Board of Directors,
Chief Executive Officer and President
Cornell Companies, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger described in this joint proxy statement/prospectus or the GEO common stock to be issued pursuant to the merger, or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated [ ], 2010 and, together with the accompanying proxy card, is first being mailed or otherwise delivered to GEO shareholders and Cornell stockholders on or about [ ], 2010.

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THIS JOINT PROXY STATEMENT/PROSPECTUS INCORPORATES ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates by reference important business and financial information about GEO and Cornell from other documents filed with the Securities and Exchange Commission, or the SEC, that are not included in or delivered with this joint proxy statement/prospectus. These SEC filings are available to the public at the website maintained by the SEC at http://www.sec.gov and at the SEC s public reference room located at 100 F Street, N.E., Room 1024, Washington, DC 20549. This information is available to you without charge upon your written or oral request. For a list of the documents incorporated by reference into this joint proxy statement/prospectus and more information on how you can obtain these filings, see Where You Can Find More Information beginning on page 126. You can obtain electronic or hardcopy versions of the documents that are incorporated by reference into this joint proxy statement/prospectus, without charge, from the Investor Relations section of the appropriate company s website or by requesting them in writing or by telephone, in each case as set forth below:

if you are a GEO shareholder:		if you are a Cornell stockholder:	
Electronic:	www.geogroup.com Pablo E. Paez Director, Corporate Relations The GEO Group, Inc. Phone: (866) 301-4436 E-mail: ppaez@geogroup.com	Electronic:	www.cornellcompanies.com Charles Seigel Vice President Cornell Companies, Inc. Phone: (888) 624-0816 Email: InvestorRelations@cornellcompanies.com
By Mail:	The GEO Group, Inc. One Park Place, Suite 700 621 Northwest 53rd Street Boca Raton, Florida 33487 Attention: Director, Corporate Relations	By Mail:	Cornell Companies, Inc. 1700 West Loop South, Suite 1500 Houston, Texas 77027 Attention: Investor Relations
E-mail Address:	ppaez@geogroup.com	E-mail Address:	InvestorRelations@cornellcompanies.com
By Telephone:	(866) 301-4436	By Telephone:	(888) 624-0816

IF YOU ARE A CORNELL STOCKHOLDER AND YOU WOULD LIKE TO REQUEST DOCUMENTS, PLEASE DO SO BY [ ], 2010 IN ORDER TO RECEIVE THEM NO LATER THAN FIVE DAYS BEFORE THE ELECTION DEADLINE. YOU WILL NOT BE CHARGED FOR ANY OF THE DOCUMENTS YOU REQUEST.

IF YOU ARE A GEO SHAREHOLDER AND YOU WOULD LIKE TO REQUEST DOCUMENTS, PLEASE DO SO BY [ ], 2010 IN ORDER TO RECEIVE THEM NO LATER THAN FIVE DAYS BEFORE GEO S SPECIAL MEETING. YOU WILL NOT BE CHARGED FOR ANY OF THE DOCUMENTS YOU REQUEST.

SUBMITTING A PROXY ELECTRONICALLY, BY TELEPHONE OR BY MAIL

GEO shareholders of record on [ ], 2010 may submit their proxies as follows:

Through the Internet, by visiting the website established for that purpose at www. [ ].com and following the instructions;

By telephone, by calling the toll-free number [ ] in the United States, Canada or Puerto Rico on a touch-tone phone and following the recorded instructions; or

By mail, by marking, signing, and dating the enclosed proxy card and returning it in the postage-paid envelope provided or returning it pursuant to the instructions set out in the proxy card.

Cornell stockholders of record on [ ], 2010 may submit their proxies as follows:

Through the Internet, by visiting the website established for that purpose at www.[ ].com and following the instructions;

By telephone, by calling the toll-free number [ ] in the United States, Canada or Puerto Rico on a touch-tone phone and following the recorded instructions; or

By mail, by marking, signing, and dating the enclosed proxy card and returning it in the postage-paid envelope provided or returning it pursuant to the instructions provided in the proxy card.

If you are a beneficial owner, please refer to your proxy card or the information forwarded by your bank, broker or other holder of record to see which options are available to you.

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NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
To Be Held On [ ], 2010

Dear GEO Shareholder:

The GEO Group, Inc. is pleased to invite you to attend a special meeting of the shareholders of GEO, which will be held on [ ], 2010 at [ ] a.m., Eastern time, at [ ].

The purpose of the GEO special meeting is to consider and to vote upon the following proposals:

a proposal to approve the issuance of shares of GEO common stock and other securities convertible into or exercisable for shares of GEO common stock, which we refer to as the GEO share issuance, in connection with the transactions contemplated by the Agreement and Plan of Merger, dated as of April 18, 2010, among GEO, GEO Acquisition III, Inc., a wholly owned subsidiary of GEO formed for the purpose of the merger, and Cornell Companies, Inc.;

a proposal to approve amendments to The GEO Group, Inc. 2006 Stock Incentive Plan, which we refer to as the 2006 Plan, to increase the number of shares of common stock subject to awards under the 2006 Plan; and

a proposal to approve an adjournment of the GEO special meeting, if necessary, to solicit additional proxies in favor of the foregoing proposals.

The GEO board of directors has determined that the GEO share issuance in connection with the merger and the amendments to the 2006 Plan are advisable and in the best interests of GEO and its shareholders and recommends that GEO shareholders vote **FOR** the GEO share issuance in connection with the merger, **FOR** the amendments to the 2006 Plan and **FOR** the adjournment of the GEO special meeting, if necessary, to solicit additional proxies in favor of the foregoing proposals.

GEO and Cornell cannot complete the merger unless the GEO share issuance is approved by the affirmative vote of holders of shares of GEO common stock representing a majority of votes cast on the proposal, provided that the total number of votes cast on the proposal must represent a majority of the total number of shares of GEO common stock issued and outstanding on the record date for the GEO special meeting.

Your vote is very important. Your failure to vote will make it more difficult to approve the GEO share issuance.

The close of business on [ ], 2010 has been fixed as the record date, which is referred to as the GEO record date. Only holders of record of GEO common stock on the GEO record date are entitled to notice of, and to vote at, the GEO special meeting or any adjournments or postponements of the GEO special meeting. A list of the holders of GEO common stock entitled to vote at the GEO special meeting will be available for examination by any GEO shareholder, for any purpose germane to the GEO special meeting, at GEO s principal executive offices at One Park Place, Suite 700, 621 Northwest 53rd Street, Boca Raton, Florida 33487, for ten days before the GEO special meeting, during normal business hours, and at the time and place of the GEO special meeting as required by law.

GEO directs your attention to the joint proxy statement/prospectus accompanying this notice for a more complete statement regarding the matters proposed to be acted upon at the GEO special meeting. You are encouraged to read the entire joint proxy statement/prospectus carefully, including the merger agreement, which is included as Annex A to the joint proxy statement/prospectus, and the section discussing Risk Factors beginning on page 22.

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SO THAT YOUR SHARES WILL BE REPRESENTED WHETHER OR NOT YOU ATTEND THE GEO SPECIAL MEETING, PLEASE SUBMIT A PROXY AS SOON AS POSSIBLE BY MAIL, BY TELEPHONE OR THROUGH THE INTERNET. INSTRUCTIONS ON THESE DIFFERENT WAYS TO SUBMIT YOUR PROXY ARE FOUND ON THE ENCLOSED PROXY FORM. YOU MAY REVOKE YOUR PROXY AT ANY TIME BEFORE IT IS VOTED AT THE GEO SPECIAL MEETING. YOUR VOTE IS IMPORTANT, SO PLEASE VOTE YOUR SHARES AS SOON AS POSSIBLE.

By Order of the Board of Directors,

George C. Zoley
Chairman of the Board of Directors and
Chief Executive Officer

[ ], 2010

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NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
To Be Held On [ ], 2010

Dear Cornell Stockholder:

Cornell Companies, Inc. is pleased to invite you to attend a special meeting of the stockholders of Cornell which will be held on [ ], 2010 at [ ] a.m., Central time, at [ ].

The purpose of the Cornell special meeting is to consider and to vote upon the following proposals:

a proposal to adopt the Agreement and Plan of Merger, dated as of April 18, 2010, among The GEO Group, Inc., GEO Acquisition III, Inc., a wholly owned subsidiary of GEO formed for the purpose of the merger, and Cornell Companies, Inc., a copy of which is attached as Annex A to the joint proxy statement/prospectus, pursuant to which Cornell will become a wholly owned subsidiary of GEO; and

a proposal to approve an adjournment of the Cornell special meeting, if necessary, to solicit additional proxies in favor of the foregoing proposal.

The Cornell board of directors has determined that the merger agreement and the transactions contemplated by it, including the merger, are advisable and in the best interests of Cornell and its stockholders and recommends that Cornell stockholders vote **FOR** the adoption of the merger agreement and **FOR** the adjournment of the Cornell special meeting, if necessary, to solicit additional proxies in favor of the foregoing proposal.

GEO and Cornell cannot complete the merger unless the proposal to adopt the merger agreement is approved by holders of a majority of the total number of shares of Cornell common stock issued and outstanding on the record date for the Cornell special meeting.

Your vote is very important. Abstentions and broker non-votes will have the same effect as a vote against approval of the merger agreement.

The close of business on [ ], 2010 has been fixed as the record date, which is referred to as the Cornell record date. Only holders of record of Cornell common stock on the Cornell record date are entitled to notice of, and to vote at, the Cornell special meeting or any adjournments or postponements of the Cornell special meeting. A list of Cornell stockholders entitled to vote at the Cornell special meeting will be available for examination by any Cornell stockholder for any purpose germane to the Cornell special meeting, at Cornell s principal executive offices at 1700 West Loop South, Suite 1500, Houston, Texas 77027, for ten days before the Cornell special meeting, during normal business hours, and at the time and place of the Cornell special meeting as required by law.

Cornell directs your attention to the joint proxy statement/prospectus accompanying this notice for more detailed information regarding the matters proposed to be acted upon at the Cornell special meeting. You are encouraged to read the entire joint proxy statement/prospectus carefully, including the merger agreement, which is included as Annex A to the joint proxy statement/prospectus, and the section discussing Risk Factors beginning on page 22.

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SO THAT YOUR SHARES WILL BE REPRESENTED WHETHER OR NOT YOU ATTEND THE CORNELL SPECIAL MEETING, PLEASE SUBMIT A PROXY AS SOON AS POSSIBLE BY MAIL, BY TELEPHONE OR THROUGH THE INTERNET. INSTRUCTIONS ON THESE DIFFERENT WAYS TO SUBMIT YOUR PROXY ARE FOUND ON THE ENCLOSED PROXY FORM. YOU MAY REVOKE YOUR PROXY AT ANY TIME BEFORE IT IS VOTED AT THE CORNELL SPECIAL MEETING. YOUR VOTE IS IMPORTANT, SO PLEASE VOTE YOUR SHARES AS SOON AS POSSIBLE.

By Order of the Board of Directors,

James E. Hyman
Chairman of the Board, Chief Executive
Officer and President

[ ], 2010

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q. Why am I receiving these materials?

A. GEO s board of directors and the Cornell board of directors have approved a merger agreement pursuant to which a wholly owned subsidiary of GEO will merge with and into Cornell, with Cornell surviving the merger and becoming a wholly owned subsidiary of GEO. In order to complete the merger, GEO shareholders must vote to approve the issuance of shares of GEO common stock to Cornell stockholders in the merger, and Cornell stockholders must vote to adopt the merger agreement.

Additionally, GEO is seeking approval to amend the 2006 Plan to increase the number of shares of common stock subject to awards under the 2006 Plan by 2,000,000, from 2,400,000 to 4,400,000, and make other related changes to numerical thresholds in the 2006 Plan. The 2006 Plan, as amended and restated to reflect (i) the proposed amendments to the 2006 Plan and (ii) prior amendments that have been adopted and approved since the 2006 Plan s initial adoption, is attached as Annex F to this joint proxy statement/prospectus.

GEO and Cornell will hold separate special meetings of their respective shareholders and stockholders to obtain these approvals. This document is the joint proxy statement for GEO and Cornell to solicit proxies for their respective special meetings. It is also the prospectus of GEO regarding the shares of GEO common stock to be issued as contemplated by the merger agreement. This document contains important information about the proposed merger and the special meetings of GEO and Cornell, and you should read it carefully.

Q: What will happen in the merger?

A: In the merger, GEO Acquisition III, Inc., a Delaware corporation and a wholly owned subsidiary of GEO, will be merged with and into Cornell, referred to as the merger, with Cornell surviving the merger and becoming a wholly owned subsidiary of GEO. Immediately following the merger, GEO will continue to be named The GEO Group, Inc. and will be the parent company of Cornell. As a result of the merger Cornell common stock will no longer be publicly traded.

Q: What will I receive in the merger?

A: *GEO Shareholders.* Each share of GEO common stock held by GEO shareholders immediately before the merger will continue to represent one share of common stock of the combined company after the effective time of the merger. GEO shareholders will receive no consideration in the merger.

Cornell Stockholders. At the effective time of the merger, each share of common stock of Cornell, par value $.001 per share, issued and outstanding immediately prior to the effective time of the merger will be cancelled and converted into, at the option of the holder, the right to receive either: (i) 1.3 shares of common stock of GEO, par value $.01 per share, or (ii) the right to receive cash consideration equal to the greater of (x) the fair market value of one share of GEO common stock plus $6.00 or (y) the fair market value of 1.3 shares of GEO common stock. Cornell stockholders desiring to receive a combination of GEO common stock and cash may do so by making a stock election with respect to a portion of their shares and a cash election with respect to their remaining shares. If a Cornell stockholder fails to make an election, the holder will receive the stock consideration. Fair market value of GEO common stock for the purpose of determining the cash consideration means the average of the daily closing prices per share of GEO common stock for the ten consecutive trading days on which shares of GEO common stock are actually traded (as reported on the NYSE) ending on the last

trading day immediately preceding the tenth business day preceding the closing date.

In order to preserve the tax-deferred treatment of the transaction, no more than 20% of the outstanding shares of Cornell common stock may be exchanged for the cash consideration. If cash elections are made with respect to more than 20% of Cornell s shares, the excess over 20% shall be treated as a stock election and will be exchanged for shares of GEO common stock. In such event, a pro rata portion (rounded up to the nearest whole share) of each holder s shares of Cornell common stock with respect to which an election was made to elect cash consideration shall instead be converted to GEO common stock. If cash elections are made such that the aggregate cash consideration to be received by Cornell stockholders would exceed $100 million, such excess amount may be paid at the election of GEO in shares of GEO common stock or in cash.

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Q: Can Cornell stockholders elect whether to receive cash or stock consideration for their Cornell shares?

A: Yes, we have enclosed with this joint proxy statement/prospectus election materials which will allow Cornell stockholders to elect, with respect to each share of Cornell common stock owned, stock consideration or cash consideration. Cornell stockholders desiring to receive a combination of GEO common stock and cash may do so by making a stock election with respect to a portion of their shares and a cash election with respect to their remaining shares.

Q: If a Cornell stockholder elects to receive all of the merger consideration in cash, will that stockholder be assured of receiving only cash?

A: No. GEO will not pay cash consideration for more than 20% of the shares of Cornell common stock and any such excess of elections for cash consideration shall be paid in GEO common stock. Additionally, if the cash elections would result in an aggregate of more than $100 million of cash consideration, GEO may in its sole discretion pay such excess consideration in cash or shares of GEO common stock.

Q: If a Cornell stockholder elects to receive all of the merger consideration in GEO common stock, will that stockholder be assured of receiving only GEO common stock?

A: Yes. The Cornell stockholders electing to receive stock consideration and the Cornell stockholders failing to make an election will receive stock consideration and no portion of such election shall be pro-rated into cash consideration.

Q: How do Cornell stockholders elect which form of consideration they would prefer to receive in the merger?

A: To make an election, Cornell stockholders as of the record date must properly complete and sign the election form and letter of transmittal sent to them together with this joint proxy statement/prospectus, and send those documents and the certificates (or properly completed notice of guaranteed delivery) for their shares to [ ], the exchange agent, at the address listed in the election form and letter of transmittal by the election deadline, which is 5:00 p.m., New York time, on [ ], 2010.

If you own shares of Cornell common stock in street name through a broker or other financial institution, you will receive or should seek instructions from the institution holding your shares concerning how to make your election. Any instructions must be given to your broker or other financial institution sufficiently in advance of the election deadline for record holders in order to allow your broker or financial institution sufficient time to cause the record holder of your shares to make an election as described above. Therefore, you should carefully read any materials you receive from your broker. If you instruct a broker to submit an election for your shares, you must follow your broker s directions for changing those instructions. Please see The Merger Agreement Merger Consideration Election Procedures beginning on page 73 for additional information.

All elections are subject to the proration procedures as further described herein. If you do not make a valid election your shares will be considered non-election shares, and when the merger is completed you will be entitled to receive the stock consideration.

Q: May Cornell stockholders change or revoke their election after they have mailed their completed election form and letter of transmittal?

A:

If a Cornell stockholder is a holder of Cornell common stock as of the record date, the holder may change the holder s election or change the number of shares for which the holder has made an election at any time prior to the election deadline by sending a signed written notice to the exchange agent identifying the shares of Cornell common stock for which the holder is changing the election along with a properly completed revised election form. For a change of an election to be effective, it must be received by the exchange agent prior to the election deadline. Shares of Cornell common stock as to which an election has been revoked after the election deadline will be deemed non-election shares, and no new election as to such shares may be made after the election deadline. If a Cornell stockholder holds its shares in street name, the holder must follow the broker s instructions for changing or revoking an election.

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Q: When do GEO and Cornell expect to complete the merger?

A: GEO and Cornell are working to complete the merger as quickly as practicable. GEO and Cornell expect to complete the merger after all conditions to the merger in the merger agreement are satisfied or waived, including the receipt of GEO shareholder approval at the special meeting of shareholders of GEO and receipt of Cornell stockholder approval at the special meeting of Cornell stockholders and the receipt of all required regulatory approvals. See The Merger Agreement Conditions to Completion of the Merger beginning on page 83. GEO and Cornell currently expect to complete the merger during the third quarter of 2010. However, because fulfillment of some of the conditions to completing the merger are outside of either company s control, we cannot predict the actual timing or if the merger will be completed at all.

Q: When and where are the GEO and Cornell special meetings?

A: *GEO Special Meeting.* A special meeting of GEO shareholders, which is referred to as the GEO special meeting, will be held on [ ], 2010 at [ ] a.m., Eastern time, at [ ], to consider and vote on the proposals related to the merger and amendments to the 2006 Plan.

Cornell Special Meeting. A special meeting of Cornell stockholders, which is referred to as the Cornell special meeting, will be held on [ ], 2010 at [ ]a.m., Central time, at [ ], to consider and vote on the proposals related to the merger.

Q: What are the quorum requirements for the GEO special meeting?

A: Under Florida law and GEO s bylaws, a quorum of GEO s shareholders at the GEO special meeting is necessary to transact business. A majority of shares of stock issued and outstanding and entitled to vote, represented in person or by proxy, will constitute a quorum for the transaction of business at the GEO special meeting.

Q: What are the quorum requirements for the Cornell special meeting?

A: Under Delaware law and Cornell s Bylaws, a quorum of Cornell s stockholders at the Cornell special meeting is necessary to transact business. The presence of holders representing a majority of the votes of all outstanding Cornell common stock on the record date entitled to vote at the Cornell special meeting will constitute a quorum for the transaction of business at the Cornell special meeting.

Q: Why is my vote important?

A: In order to complete the merger, GEO shareholders must approve of the GEO share issuance and Cornell stockholders must vote to adopt the merger agreement.

Q: What votes of GEO shareholders are required to complete the merger?

A: In order to complete the merger, GEO shareholders must approve the issuance of GEO common stock and other securities convertible into or exercisable for shares of GEO common stock in connection with the merger, which is referred to as the GEO share issuance.

The GEO share issuance requires the affirmative vote of holders of shares of GEO common stock representing a majority of votes cast on the proposal, provided that the total number of votes cast on the proposal must represent a majority of the total number of shares of GEO common stock issued and outstanding on the record date for the

GEO special meeting.

If you are a GEO shareholder, any of your shares as to which you abstain will have the same effect as a vote **AGAINST** the GEO share issuance.

The approval is referred to as the GEO shareholder approval.

The approval of the merger agreement and the closing of the merger are not conditioned upon approval of the amendments to the 2006 Plan.

The GEO board of directors recommends that GEO shareholders vote FOR the GEO share issuance in connection with the merger.

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Q: What votes of Cornell stockholders are required to complete the merger?

A: Cornell stockholders are being asked to adopt the merger agreement, which requires the approval of holders of a majority of the total number of shares of Cornell common stock issued and outstanding on the record date for the Cornell special meeting, which is referred to as the Cornell stockholder approval.

If you are a Cornell stockholder, any of your shares as to which you abstain or which are not voted will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement.

The Cornell board of directors recommends that Cornell stockholders vote FOR the adoption of the merger agreement.

Q. What votes of GEO shareholders are required to amend the 2006 Plan?

A. The approval of the amendments to the 2006 Plan requires the affirmative vote of holders of shares of GEO common stock representing a majority of votes cast in the proposal, provided that the total number of votes cast on the proposal must represent a majority of the total number of shares of GEO common stock issued and outstanding on the record date for the GEO special meeting.

If you are a GEO shareholder, any of your shares as to which you abstain or which are not voted will have the same effect as a vote **AGAINST** the amendments to the 2006 Plan.

Q. Why are GEO shareholders being asked to approve the amendments to the 2006 Plan?

A. GEO is seeking approval to amend the 2006 Plan to increase the number of shares of common stock subject to the awards under the 2006 Plan by 2,000,000 from 2,400,000 to 4,400,000, and make other related changes to numerical thresholds in the 2006 Plan. GEO is seeking to increase in the number of shares of common stock subject to the plan in order to provide adequate availability to issue new awards to Cornell employees who will become GEO employees upon the closing of the merger as well as GEO employees who will be involved in the completion of the merger and the integration of Cornell s operations. GEO s board of directors believes that the equity awards are a key component of overall employee compensation and will help maintain GEO s performance-oriented culture and further align the interests of GEO s employees and shareholders.

Q. Is the closing of the merger between GEO and Cornell contingent upon GEO shareholders approving the amendments to the 2006 Plan?

A. No. Although GEO s board of directors believe that the amendments to the 2006 Plan are important to align the interests of employees of the combined company with the interests of GEO s shareholders, the approval of the merger agreement and the consummation of the merger between GEO and Cornell are not contingent upon GEO shareholders approving amendments to the 2006 Plan.

Q. Are any Cornell stockholders already committed to vote in favor of any of the special meeting proposals?

A. Under a voting agreement with GEO, which is attached as Annex B to this joint proxy statement/prospectus, certain significant stockholders of Cornell have agreed to vote all of their shares of Cornell common stock in favor of the Cornell merger agreement proposal and have granted to GEO a proxy to vote their shares in favor of the proposal. As of April 15, 2010, the Cornell stockholders who are parties to the voting agreement collectively beneficially owned (with sole or shared voting power) 2,747,185 shares, or 18.4%, of the Cornell common stock

outstanding and entitled to vote at the special meeting. For more information, see The Merger Agreement Voting Agreement.

Q. How may the Cornell stockholders vote their shares for the special meeting proposals presented in this joint proxy statement/prospectus?

A. Cornell s stockholders have four voting options:

over the internet, which we encourage if you have internet access, by accessing the web page at [ ] and following the on-screen instructions;

by telephone, by calling toll-free [( ) -] and following the instructions;

by mail, after completing, signing, and dating the enclosed proxy card and mailing it in the enclosed, prepaid and addressed envelope; or

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by attending the special meeting and voting your shares in person.

Proxies submitted through the Internet or by telephone must be received by 11:59 p.m., Central Standard Time, on [, 2010].

Q. Will Cornell s stockholders be able to vote their shares at the Cornell special meeting?

A. Yes. Submitting a proxy will not affect the right of any Cornell stockholder to vote in person at the special meeting. Cornell will distribute written ballots to any Cornell stockholder who requests, and is entitled, to vote at the special meeting. If a Cornell stockholder holds shares in street name, the stockholder must request a proxy from the stockholder s broker or bank in order to vote those shares in person at the special meeting.

Q. What do Cornell s stockholders need to do now?

A. After carefully reading and considering the information contained in this joint proxy statement/prospectus, Cornell s stockholders are requested to complete and return their proxies as soon as possible. The proxy card will instruct the persons named on the proxy card to vote the stockholder s Cornell shares at the special meeting as the stockholder directs. If a stockholder signs and sends in a proxy card and does not indicate how the stockholder wishes to vote, the proxy will be voted **FOR** both of the special meeting proposals.

Q. May a Cornell stockholder change the stockholder s vote after submitting a proxy?

A. Yes. A Cornell stockholder may change a vote at any time before the stockholder s proxy is voted at the Cornell special meeting. A proxy submitted through the Internet or by telephone may be revoked by executing a later-dated proxy card, by subsequently submitting a proxy through the Internet or by telephone, or by attending the special meeting and voting in person. A stockholder executing a proxy card also may revoke the proxy at any time before it is voted by giving written notice revoking the proxy to Cornell s Corporate Secretary, by subsequently filing another proxy card bearing a later date or by attending the special meeting and voting in person. Attending the special meeting will not automatically revoke a stockholder holder s prior submission of a proxy (by Internet, telephone or in writing). A revocation of a proxy shall also be deemed a revocation of an election with respect to the merger consideration. All written notices of revocation or other communications with respect to revocation of proxies should be addressed to:

Cornell Companies, Inc.
1700 West Loop South, Suite 1500
Houston, Texas 77027
Attention: Corporate Secretary

If your shares are held in the name of a broker or nominee, you may change your vote by submitting new voting instructions to your broker or nominee. If you need assistance in changing or revoking your proxy, please contact [ ], toll-free at [ ].

Q. If I am a Cornell stockholder, who can help answer my questions?

A. If you have any questions about the merger or the special meeting, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy card, you should contact Cornell s proxy solicitor, at the following address or phone number:

[Proxy Solicitor]
[Address]

Q. Are any of GEO s shareholders already committed to vote in favor of any of the special meeting proposals?

A. None of GEO s shareholders are committed to vote in favor of any of the special meeting proposals.

Q. How may GEO s shareholders vote their shares for the special meeting proposals presented in this joint proxy statement/prospectus?

A. GEO s shareholders have four voting options:

over the internet, which we encourage if you have internet access, by accessing the web page at [ ] and following the on-screen instructions;

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by telephone, by calling toll-free [( ) -] and following the instructions;

by mail, after completing, signing, and dating the enclosed proxy card and mailing it in the enclosed, prepaid and addressed envelope; or

by attending the special meeting and voting your shares in person.

Proxies submitted through the Internet or by telephone must be received by 11:59 p.m., Eastern Standard Time, on [, 2010].

Q. Will GEO s shareholders be able to vote their shares at the GEO special meeting?

A. Yes. Submitting a proxy will not affect the right of any GEO shareholder to vote in person at the special meeting. GEO will distribute written ballots to any GEO shareholder who requests, and is entitled, to vote at the special meeting. If a GEO shareholder holds shares in street name, the shareholder must request a proxy from the shareholder s broker or bank in order to vote those shares in person at the special meeting.

Q. What do GEO s shareholders need to do now?

A. After carefully reading and considering the information contained in this joint proxy statement/prospectus, GEO s shareholders are requested to complete and return their proxies as soon as possible. The proxy card will instruct the persons named on the proxy card to vote the GEO shareholder s shares at the special meeting as the shareholder directs. If a shareholder signs and sends in a signed proxy card and does not indicate how the shareholder wishes to vote, the proxy will be voted **FOR** the proposal to approve the GEO share issuance, the proposal to amend the 2006 Plan, and the proposal to approve an adjournment to the special meeting, if necessary.

Q. May a GEO shareholder change his/her vote after submitting a proxy?

A. Yes. A GEO shareholder may change a vote at any time before the shareholder s proxy is voted at the GEO special meeting. A proxy submitted through the Internet or by telephone may be revoked by executing a later-dated proxy card, by subsequently submitting a proxy through the Internet or by telephone, or by attending the special meeting and voting in person. A shareholder executing a proxy card also may revoke the proxy at any time before it is voted by giving written notice revoking the proxy to GEO s secretary, by subsequently filing another proxy card bearing a later date or by attending the special meeting and voting in person. Attending the special meeting will not automatically revoke a shareholder s prior submission of a proxy (by Internet, telephone or in writing). All written notices of revocation or other communications with respect to revocation of proxies should be addressed to:

The GEO Group, Inc.
One Park Place, Suite 700
621 NW 53rd Street
Boca Raton, Florida 33487
Attention: Corporate Secretary

If your shares are held in the name of a broker or nominee, you may change your vote by submitting new voting instructions to your broker or nominee. If you need assistance in changing or revoking your proxy, please contact [ ], toll-free at [ ].

Q. If I am a GEO shareholder, who can help answer my questions?

A. If you have any questions about the merger or the special meeting, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy card, you should contact GEO s proxy solicitor, at the following address or phone number:

[Proxy Solicitor]
[Name]

Q: If my shares are held in street name by my broker, will my broker vote my shares for me?

A: No. Your broker is not permitted to decide how your shares should be voted. Your broker will only vote your shares on a proposal if you provide your broker with voting instructions on that proposal. You should instruct your broker to vote your shares by following the directions that your broker provides you. Please review the

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voting information form used by your broker to see if you can submit your voting instructions by telephone or Internet.

A broker non-vote occurs when a beneficial owner fails to provide voting instructions to his or her broker as to how to vote the shares held by the broker in street name and the broker does not have discretionary authority to vote without instructions. See The GEO Special Meeting beginning on page 88 and The Cornell Special Meeting beginning on page 92.

Q: What if I fail to instruct my broker with respect to those items that are necessary to consummate the merger?

A: If you are a GEO shareholder, under the NYSE rules, a broker non-vote will not be considered a vote cast on the GEO share issuance. Additionally, a broker non-vote will not be considered a vote cast on the amendments to the 2006 Plan. Because the proposals at the GEO special meeting are not considered routine under NYSE rules, brokers are not entitled to vote on such proposals without receiving voting instructions from a beneficial owner. Broker non-votes will not be counted towards a quorum at the GEO special meeting.

If you are a Cornell stockholder, a broker non-vote will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement. Because the proposals at the Cornell special meeting are not considered routine under NYSE rules, brokers are not entitled to vote on such proposals without receiving voting instructions from a beneficial owner. As a result, broker non-votes will not be counted towards a quorum at the Cornell special meeting.

Q: Should Cornell stockholders send in their stock certificates now?

A: If a Cornell stockholder is a record holder and the holder wishes to make an election, the holder must send the stock certificates representing the shares of Cornell common stock with respect to which the holder is making an election with the holder s completed election form and letter of transmittal. Please do not send your election form and stock certificates with your proxy card for the special meeting. Your election form and stock certificates are to be submitted separately from your proxy card. If a Cornell stockholder does not make an election with respect to all of the holder s shares, the holder will receive a letter of transmittal from the exchange agent promptly after the completion of the merger with instructions for sending in the holder s stock certificates. If a Cornell stockholder owns shares of Cornell common stock in street name through a broker or other financial institution and the holder wishes to make an election, the holder will receive or should seek instructions from the institution holding its shares concerning how to make an election.

Q: What if I hold Cornell employee stock options or restricted stock awards?

A: In the merger, all outstanding Cornell employee stock options will vest. All Cornell stock options which are outstanding and unexercised immediately following the effective time of the merger and do not, by their terms, terminate on the effective date will be assumed by GEO, and these options will entitle the holder to receive GEO common stock as adjusted to account for the stock consideration exchange ratio of 1.3 shares of GEO common stock, referred to herein as the exchange ratio. Cornell will make reasonable best efforts to ensure that, immediately prior to the effective time, the following occurs: (i) each outstanding option or right to acquire Cornell common stock under Cornell s employee stock purchase plan will automatically be exercised or deemed exercised, and (ii) in lieu of the shares of Cornell common stock otherwise issuable upon the exercise of each such option or right, the holder of such option or right will have the right to elect to receive from GEO, following the effective time, either the stock consideration or the cash consideration, subject to the same prorations and adjustments set forth in The Merger Merger Consideration beginning on page 72, except to the extent that the

holder of such option or right elects not to exercise the holder s options and to withdraw the entire balance of holder s Cornell employee stock purchase plan account prior to the effective time. All restricted stock awards will vest and be automatically converted into shares of GEO common stock, as adjusted to account for the exchange ratio. See The Merger Agreement Cornell Options and Other Equity-based Awards beginning on page 74.

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Q. Will I be able to sell the shares of GEO common stock that I receive in the merger?

A. You may freely trade the shares of GEO common stock issued in the merger, unless you are deemed an affiliate of GEO. GEO shares are quoted on the NYSE under the symbol GEO. Persons who are considered affiliates (generally directors, officers and 10% or greater shareholders) of GEO may resell shares of GEO common stock received in the merger only if the shares are registered for resale under the Securities Act or an exemption is available. We will notify you if we believe you are deemed an affiliate of GEO as a result of the merger.

Q: Do I have appraisal rights?

A: No. Neither Cornell stockholders nor GEO shareholders have appraisal rights in connection with the merger.

Q: What are the material U.S. federal income tax consequences of the merger?

A: GEO and Cornell intend for the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, referred to herein as the Code, for U.S. federal income tax purposes. Accordingly, holders of Cornell common stock will generally not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of their shares of Cornell common stock for GEO common stock in the merger, except that gain or loss will be recognized on the receipt of cash in lieu of fractional shares and gain (but not loss) will be recognized to the extent of other cash received. Cornell stockholders are urged to review the section of this joint proxy statement/prospectus entitled Material Federal Income Tax Consequences of the Merger beginning on page 64 for more information and to consult their tax advisors as to the U.S. federal income tax consequences of the merger, as well as the effect of state, local, foreign and other tax laws and of any proposed changes to applicable tax laws.

Q: Are there risks involved in undertaking the merger?

A: Yes. In evaluating the merger, GEO shareholders and Cornell stockholders should carefully consider the factors discussed in Risk Factors beginning on page 22 and other information about GEO and Cornell included in the documents incorporated by reference into this joint proxy statement/prospectus.

Q. Where can I find more information about the companies?

A. You can find more information about GEO and Cornell from the various sources described under the section of this document titled Where You Can Find More Information beginning on page 126.

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SUMMARY

This summary highlights information contained elsewhere in this joint proxy statement/prospectus. It does not contain all of the information that may be important to you. You are urged to read carefully this entire joint proxy statement/prospectus, including the attached annexes, and the other documents to which this joint proxy statement/prospectus refers you in order for you to understand fully the proposed merger. See Where You Can Find More Information beginning on page 126. Each item in this summary refers to the page of this joint proxy statement/prospectus on which that subject is discussed in more detail.

The Companies

The GEO Group Inc. (see page 70)
One Park Place, Suite 700
621 NW 53rd Street
Boca Raton, Florida 33487
(561) 893-0101

www.geogroup.com (The information contained on GEO s website shall not be deemed part of this joint proxy statement/prospectus.)

GEO is a leading provider of government-outsourced services specializing in the management of correctional, detention and mental health and residential treatment facilities in the United States, Canada, Australia, South Africa and the United Kingdom.

As of April 4, 2010, GEO managed 56 facilities totaling approximately 52,700 beds worldwide. GEO has an additional 4,325 beds under development at three facilities, including an expansion and renovation of one vacant facility which GEO currently owns, the expansion of one facility GEO currently owns and operates and a new 2,000-bed facility which GEO will manage upon completion. GEO owns three idle facilities totaling 954 beds and two facilities totaling 1,560 beds that are leased to Cornell and other private operators. GEO maintained an average companywide facility occupancy rate of 94.4% for the thirteen weeks ended April 4, 2010, excluding facilities that are either idle or under development.

Cornell Companies, Inc. (see page 70)
1700 West Loop South, Suite 1500
Houston, Texas 77027
(713) 623-0790

www.cornellcompanies.com (The information contained on Cornell s website shall not be deemed part of this joint proxy statement/prospectus.)

Cornell is a leading provider of correctional, detention, educational, rehabilitation and treatment services outsourced by federal, state, county and local government agencies for adults and juveniles.

As of March 31, 2010, Cornell operated 63 facilities among Cornell s three operating divisions, representing a total operating service capacity of 20,531 beds. Cornell also had five facilities that were vacant, representing additional service capacity of 861 beds. Service capacity is comprised of the number of beds currently available for service in residential facilities and on either the contractual terms or an estimate of the number of clients to be served for

non-residential community-based programs. Cornell s facilities are located in 15 states and the District of Columbia.

The Merger

The Agreement and Plan of Merger, dated as of April 18, 2010, among The GEO Group, Inc., GEO Acquisition III, Inc. and Cornell Companies, Inc., which is referred to as the merger agreement, is included as Annex A to this joint proxy statement/prospectus. GEO and Cornell encourage you to carefully read the merger agreement in its entirety because it is the principal legal agreement that governs the merger.

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Structure of the Merger (see page 72)

Subject to the terms and conditions of the merger agreement and in accordance with Delaware law, GEO Acquisition III, Inc., a wholly owned subsidiary of GEO that was formed for the sole purpose of the merger, will be merged with and into Cornell, with Cornell surviving the merger and becoming a wholly owned subsidiary of GEO. Immediately following the merger, GEO will continue to be named The GEO Group, Inc. and will be the parent company of Cornell. Accordingly, after the effective time of the merger, shares of Cornell common stock will no longer be publicly traded.

Merger Consideration (see page 72)

Cornell Stockholders. For each share of Cornell common stock, Cornell stockholders may elect to receive either (i) 1.3 shares of GEO common stock or (ii) an amount of cash equal to the greater of (x) the fair market value (as defined below) of one share of GEO common stock plus $6.00 or (y) the fair market value of 1.3 shares of GEO common stock. Cornell stockholders desiring to receive a combination of GEO common stock and cash may do so by making a stock election with respect to a portion of their shares and a cash election with respect to their remaining shares. If a Cornell stockholder fails to make an election, the holder will receive the stock consideration.

Fair market value of GEO common stock for the purpose of determining the cash consideration means the average of the daily closing prices per share of GEO common stock for the ten consecutive trading days on which shares of GEO common stock are actually traded (as reported on the New York Stock Exchange, or NYSE) ending on the last trading day immediately preceding the tenth business day preceding the closing date.

No more than 20% of the shares of Cornell common stock are permitted to be exchanged for the cash consideration. If cash elections are made with respect to more than 20% of the shares of Cornell common stock outstanding immediately before the effective time, the excess over 20% shall be exchanged for shares of GEO common stock, such that only 20% of the shares of Cornell common stock outstanding immediately before the effective time are exchanged for the cash consideration. In such event, a pro rata portion (rounded up to the nearest whole share) of each holder s shares of Cornell common stock with respect to which an election was made to elect cash consideration shall instead be converted to GEO common stock.

If the Cornell stockholders election would otherwise result in more than $100.0 million of cash in the aggregate being paid to holders electing cash consideration, GEO may elect, in its sole discretion, to reduce the amount of cash paid to each holder electing cash consideration pro rata based on the number of shares held so that the total cash paid with respect to all Cornell stockholders electing cash consideration is $100.0 million. If the cash consideration otherwise payable to any holder is reduced under this mechanism, such holder shall be entitled to receive GEO common stock equal to the amount of the reduction. GEO intends to pay such excess amount in cash.

An election form and letter of transmittal have been enclosed with this joint proxy statement/prospectus pursuant to which Cornell stockholders may elect whether they would prefer to receive GEO common stock or cash in exchange for their Cornell shares. If you were a record holder of Cornell common stock on [ ], 2010, the record date, you should carefully review and follow the instructions included in the election form and the letter of transmittal. To make an election, record holders must properly complete and sign the election form and letter of transmittal and send those documents and the certificates for their shares (or a properly completed notice of guaranteed delivery) to the exchange agent at the address listed in the election form and letter of transmittal by the election deadline, which is 5:00 p.m. New York time, on [ ], 2010. If the merger agreement is terminated, all election forms delivered to the exchange agent on or prior to the date of such termination will be automatically revoked and all share certificates will be returned. If you own shares of Cornell common stock in street name through a bank, broker or other financial

institution and you wish to make an election, you will receive or should seek instructions from the financial institution holding your shares concerning how to make your election.

Please do not send your election form and stock certificates with your proxy card for the special meeting. Your election form and stock certificates are to be submitted separately from your proxy card.

All elections are subject to the proration procedures described above. If you do not make a valid election, your shares will be considered non-election shares, and when the merger is completed you will be entitled to receive the stock consideration for non-election shares as described above.

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GEO Shareholders. GEO shareholders will continue to own their existing shares of GEO common stock after the merger. Each share of GEO common stock will represent one share of common stock in the combined company.

Comparative Per Share Market Price and Share Information (see page 18)

GEO common stock is listed on the NYSE under the symbol GEO. Cornell common stock is listed on the NYSE under the symbol CRN. The following table sets forth the closing sale prices of GEO common stock as reported on the NYSE and the closing sale prices of Cornell common stock as reported on the NYSE, each on April 16, 2010, the last trading day before the day on which GEO and Cornell announced the execution of the merger agreement, and on [ ], 2010, the last practicable trading day prior to the printing of this joint proxy statement/prospectus. This table also shows the implied value of a Cornell common share, which was calculated by multiplying the closing price of GEO common stock on those dates by 1.3, which is the total GEO stock consideration in the merger per share of Cornell common stock (assuming that the merger consideration received consists exclusively of GEO common stock).

	GEO Common Stock	Cornell Common Stock	Implied Value Cornell Common Stock
April 16, 2010	$ 19.16	$ 18.47	$ 24.91
[ ], 2010	$ [ ]	$ [ ]	$ [ ]

The market prices of both GEO common stock and Cornell common stock will fluctuate before the special meetings and before the merger is completed. Therefore, you should obtain current market quotations for GEO common stock and Cornell common stock.

Comparison of Stockholder Rights

GEO is a Florida corporation and Cornell is a Delaware corporation. The GEO Amended and Restated Articles of Incorporation, as amended, and the Amended and Restated Bylaws contain provisions that are different from the Cornell Restated Certificate of Incorporation, as amended, and the Third Amended and Restated Bylaws. Upon completion of the merger, Cornell stockholders that receive GEO common stock in the merger will become shareholders of GEO, and their rights will be governed by the Florida Business Corporation Act, GEO s Amended and Restated Articles of Incorporation, as amended, and GEO s Amended and Restated Bylaws. No change to GEO s articles of incorporation or bylaws will be made as a result of the completion of the merger. For a discussion of certain differences among the rights of GEO shareholders and Cornell stockholders, see Comparison of Stockholder Rights beginning on page 99.

Recommendations to GEO Shareholders and Cornell Stockholders

Recommendations to GEO Shareholders. The GEO board of directors has determined that the GEO share issuance in connection with the merger and the amendments to the 2006 Plan are advisable and in the best interests of GEO and its shareholders. The GEO board of directors recommends that GEO shareholders vote:

FOR the GEO share issuance in connection with the merger;

FOR the amendments to the 2006 Plan; and

FOR the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the foregoing proposals.

For additional information see The GEO Special Meeting Board Recommendations beginning on page 89.

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Recommendations to Cornell Stockholders. The Cornell board of directors has determined that the merger agreement and the merger contemplated thereby are advisable and in the best interests of Cornell and its stockholders. The Cornell board of directors recommends that Cornell stockholders vote:

FOR the adoption of the merger agreement; and

FOR the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the foregoing proposal.

For additional information see The Cornell Special Meeting Board Recommendations beginning on page 92.

In making its respective recommendation, each board considered those matters set forth under the headings The Merger GEO Reasons for the Merger and the Recommendation of GEO s Board of Directors Relating to the Merger and The Merger Cornell Reasons for the Merger and the Recommendation of the Cornell Board of Directors beginning on pages 36 and 50, respectively.

Opinions of Financial Advisors (see pages 38 and 53)

GEO. In connection with the proposed merger, GEO s board of directors received separate written opinions, dated April 18, 2010, of GEO s financial advisors, Barclays Capital Inc., referred to as Barclays Capital, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, referred to as BofA Merrill Lynch, as to the fairness, from a financial point of view and as of the date of such opinions, to GEO of the consideration to be paid by GEO in the merger. The full texts of the written opinions are attached as Annexes C and D, respectively, to this joint proxy statement/prospectus and are incorporated herein by reference. The written opinions set forth, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken by GEO s financial advisors in rendering their respective opinions. **The opinions are addressed to GEO s board of directors for its use in connection with its evaluation of the merger consideration and relate only to the fairness, from a financial point of view, to GEO of the consideration to be paid by GEO in the merger. The opinions do not in any manner address GEO s underlying business decision to proceed with or effect the merger or any other matter and are not intended to and do not constitute a recommendation to any shareholder as to how such shareholder should vote or act with respect to the merger or any related matter.**

Cornell. In connection with the merger, the Cornell board of directors received an oral opinion, subsequently confirmed by delivery of a written opinion dated April 18, 2010, from Cornell s financial advisor, Moelis & Company LLC, which is referred to as Moelis & Company, as to the fairness, from a financial point of view and as of the date of such opinion, to the Cornell stockholders of the per share consideration to be received by the Cornell stockholders pursuant to the merger agreement. The full text of Moelis & Company s written opinion is attached to this joint proxy statement/prospectus as Annex E. Cornell stockholders are encouraged to read Moelis & Company s opinion carefully in its entirety for a description of the assumptions made, procedures followed, matters considered, qualifications and limitations on the review undertaken by Moelis & Company. Moelis & Company s opinion was provided for the benefit of the Cornell board of directors in connection with, and for the purpose of, its evaluation of the per share consideration to be received by Cornell from a financial point of view and does not address any other aspect of the merger. The opinion does not address the relative merits of the merger as compared to other business strategies or transactions that might be available with respect to Cornell or Cornell s underlying business decision to effect the merger. The opinion does not constitute a recommendation to any stockholder as to how to vote or act with respect to the merger.

Cornell Options and Other Equity-Based Awards (see page 74)

At the effective time of the merger, each outstanding option issued by Cornell to purchase shares of Cornell common stock granted under any stock option or other equity incentive plan, which is outstanding and unexercised immediately following the effective time and which does not, by its terms, terminate on the effective time, whether vested or unvested, which is referred to as a Cornell option, will be assumed by GEO, and these options will entitle the holder to receive GEO common stock as adjusted to account for the exchange ratio, rounded down to the nearest whole number of shares of GEO common stock, on the same terms and conditions as were applicable before the merger (but taking into account any acceleration of Cornell options in connection with the merger). In addition, at the effective time of the merger, each Cornell option that has been assumed by GEO will have an exercise price per

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share equal to the quotient determined by dividing the exercise price per share of Cornell common stock at which such Cornell Option was exercisable immediately prior to the effective time by the exchange ratio rounded up to the nearest whole cent.

At the effective time of the merger, each outstanding share of Cornell restricted stock will vest and be automatically converted into GEO common stock as adjusted to account for the exchange ratio. For more information regarding Cornell equity-based awards, please see The Merger Agreement Cornell Options and Other Equity-Based Awards beginning on page 74.

Cornell will use reasonable best efforts to ensure that, immediately prior to the effective time, the following occurs: (i) each outstanding option or right to acquire Cornell common stock under Cornell s employee stock purchase plan will automatically be exercised or deemed exercised, and (ii) in lieu of the shares of Cornell common stock otherwise issuable upon the exercise of each such option or right, the holder of such option or right will have the right to elect to receive from GEO, following the effective time, either the stock consideration or the cash consideration, subject to the same prorations and adjustments set forth in The Merger Merger Consideration above, except to the extent that the holder of such option or right elects not to exercise the holder s options and to withdraw the entire balance of holder s Cornell employee stock purchase plan account prior to the effective time.

Interests of GEO and Cornell Executive Officers and Directors in the Merger (see pages 50 and 59)

When you consider the GEO and Cornell board of directors respective recommendations that GEO shareholders and Cornell stockholders vote in favor of the proposals described in this joint proxy statement/prospectus, you should be aware that (1) some GEO executive officers and directors may have interests that may be different from, or in addition to, GEO shareholders interests, and (2) some Cornell executive officers and directors may have interests that may be different from, or in addition to, Cornell stockholders interests, including their receipt of change in control benefits under existing Cornell employment arrangements, accelerated vesting of Cornell equity-based awards and participation in various benefits plans. The following is a brief summary of the additional interests of executive officers and directors of GEO and Cornell.

GEO. There are no change in control, compensatory, severance payments or benefits that the executive officers, directors, key employees or affiliates of GEO have received or will receive as a result of this transaction, other than potential future awards under GEO s 2006 Stock Incentive Plan, as amended by the proposed amendments, to GEO directors, employees and consultants who will be involved in the completion of the merger, the integration of Cornell s operations, as well as the operations of the larger combined company going forward. The awards, benefits or amounts that will be received or allocated to eligible participants under the 2006 Plan, as amended by the proposed amendment, have not been determined.

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Cornell.

Stock Options. The stock options and restricted stock held by directors and executive officers of Cornell will be treated the same as all other stock options and restricted stock under the terms of the merger agreement. The following table sets forth, as of August 1, 2010, the number of unvested options and unvested shares of restricted stock held by directors and executive officers of Cornell that will become fully vested in advance of, or upon, the consummation of the merger:

Name	Number of Currently Unvested Options to Fully Vest Upon Completion of Merger	Number of Currently Unvested Shares of Restricted Stock to Fully Vest Upon Completion of Merger
Max Batzer	[1,250]	[ ]
Anthony R. Chase	[1,250]	[ ]
Richard Crane	[1,250]	[ ]
Zachary R. George	[1,250]	[ ]
Todd Goodwin	[1,250]	[ ]
James E. Hyman	[ ]	[124,167]
Andrew R. Jones	[1,250]	[ ]
Alfred J. Moran, Jr.	[1,250]	[ ]
John R. Nieser	[ ]	[60,167]
Patrick N. Perrin	[ ]	[31,584]
Cathryn L. Porter	[ ]	[37,375]
D. Stephen Slack	[1,250]	[ ]
Executive Officers and Directors as a Group (12 Persons)	[10,000]	[253,293]

Employee Stock Purchase Plan. Each outstanding option or right to acquire Cornell common stock under the terms of Cornell s Employee Stock Purchase Plan, which is referred to as the ESPP, held by executive officers of Cornell will be treated the same as other options or rights to acquire Cornell common stock under the ESPP. The following table sets forth the number of in-the-money options to acquire Cornell common stock held by executive officers under the ESPP as of August 1, 2010, and the dollar amount payable to each officer, upon the exercise of such options upon completion of the merger if such holder elects to receive cash:

Name	Number of Options	Net Merger Consideration(1)(2)
James E. Hyman	771	$ 5,190
John R. Nieser	95	639
Patrick N. Perrin	379	2,551
Cathryn L. Porter	356	2,396

Executive Officers as a Group (4 Persons)	1,601	$	10,776

(1) Based upon each holder electing to receive the equivalent of 1.3 shares of GEO common stock in cash, which, based upon the closing price per share of GEO common stock on as reported on the NYSE on June 4, 2010, is equal to $26.351 per share.

(2) The net merger consideration is $6.731 per share, which is based upon the difference between the ESPP option price of $19.62 per share of Cornell common stock and $26.351.

Nonqualified Deferred Compensation Plan. Cornell maintains a nonqualified deferred compensation plan, which is referred to as the NQDC Plan, into which directors and executive officers may choose to defer amounts of compensation. All amounts credited to the NQDC Plan are fully vested at all times and are fully accrued (i.e., no additional contributions will be made to the NQDC Plan because of the merger). However, amounts credited to the NQDC Plan will become payable to the plan participants earlier than when such payment would ordinarily have been made absent the merger to NQDC Plan participants and could be viewed as an interest in addition to that held

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by stockholders generally. The following table sets forth the dollar amount of compensation accrued by each participating director and executive officer under the NQDC Plan as of June 4, 2010:

Name	Amount Accrued Under the Nonqualified Deferred Compensation Plan(1)
Zachary R. George	$ 311,189
Todd Goodwin	311,683
Total	$ 622,872

(1) Based on the June 4, 2010 Cornell stock price of $26.03 per share.

Employment and Change in Control Agreements. Upon consummation of the merger, GEO shall honor the existing amended and restated employment agreement between Cornell and James E. Hyman, the employment/separation agreement between Cornell and John Nieser, the executive management employment agreement between Cornell and Cathryn L. Porter and the severance agreement between Cornell and Patrick N. Perrin. The merger would constitute a change of control for purposes of these agreements.

Assuming that the merger occurred on August 1, 2010 and each of the above executive officers were terminated immediately following the completion of the merger in accordance with their respective agreement, the following table sets forth the dollar amount of cash and benefits such executive officer would be entitled to receive:

Name	Amount of Cash and Benefits Payable Upon Termination
James E. Hyman (1)	$ 2,445,980
John R. Nieser (1)	620,979
Patrick N. Perrin	390,664
Cathryn L. Porter	428,297
Total	$ 3,885,920

(1) Each of Messrs. Hyman and Nieser would also be entitled to receive gross up payments if the excise tax under Section 4999 applies.

Stock Ownership of GEO and Cornell Directors and Executive Officers (see page 89 and 93)

On [ ], 2010, the GEO record date, directors and executive officers of GEO and their respective affiliates, as a group, beneficially owned and were entitled to vote approximately [ ] shares of GEO common stock. These shares represent approximately [ ]% of the shares of GEO common stock outstanding on the GEO record date.

On , 2010, the Cornell record date, directors and executive officers of Cornell and their respective affiliates, as a group, beneficially owned and were entitled to vote approximately [ ] shares of Cornell common stock. These shares represent approximately [ ]% of the shares of Cornell common stock outstanding on the Cornell record date.

No Appraisal Rights (see page 64)

Neither Cornell stockholders nor GEO shareholders have appraisal rights in connection with the merger.

Material Federal Income Tax Consequences of the Merger (see page 64)

GEO and Cornell intend for the merger to qualify as a reorganization under Section 368(a) of the Code for U.S. federal income tax purposes. It is a condition to the closing of the merger that GEO will have received a written opinion from Akerman Senterfitt and Cornell will have received a written opinion from Hogan Lovells US LLP, hereafter referred to as Hogan Lovells, both as of the closing date of the merger and to the effect that for U.S. federal income tax purposes, the merger will constitute a reorganization within the meaning of Section 368(a) of the Code. If such opinions are not delivered, and if the parties seek to proceed with the transaction notwithstanding that fact, then we will recirculate this joint merger proxy/prospectus with appropriate revisions and resolicit the vote of the GEO and Cornell stockholders.

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Receipt by a holder of Cornell common stock of GEO common stock pursuant to the merger will not cause gain or loss to be recognized for U.S. federal income tax purposes, except that (i) gain or loss will be recognized on the receipt of cash in lieu of a fractional share of GEO common stock, (ii) gain (but not loss) will be recognized to the extent of other cash received in exchange for shares of Cornell common stock in the case of a holder of Cornell common stock who receives a combination of cash and GEO common stock and (iii) gain or loss will be recognized in the case of a holder of Cornell common stock who receives solely cash in exchange for such stock.

The U.S. federal income tax consequences described above may not apply to some holders of Cornell common stock, including some types of holders specifically referred to on page 64. Accordingly, please consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.

Accounting Treatment (see page 64)

The merger will be accounted for as an acquisition by GEO of Cornell under the acquisition method of accounting according to accounting principles generally accepted in the United States, referred to herein as GAAP.

Regulatory Matters (see page 69)

The merger is subject to review by federal and state antitrust authorities pursuant to applicable federal and state antitrust laws. Under the provisions of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, referred to herein as the HSR Act, and the rules and regulations thereunder, the merger cannot be completed until the companies have made the required notifications and the occurrence of the first of the following: (1) the early termination of the waiting period; (2) the expiration of the required waiting period; or (3) the resolution of any applicable federal or state litigation. The required notification and report forms were filed by each of GEO and Cornell on April 30, 2010 with the United States Department of Justice, Antitrust Division and the Federal Trade Commission. The waiting period under the HSR Act expired as of 11:59 pm on June 1, 2010.

Financing (see page 69)

Completion of the merger is not conditioned on receipt of any financing. However, in connection with the merger, GEO may choose to refinance Cornell s existing senior secured credit facility, and Cornell s existing 10.75% senior notes due 2012 and pay the cash component of the merger consideration, by utilizing a combination of existing cash and one or more draws upon GEO s existing senior credit facility with BNP Paribas, as amended. BNP Paribas has committed $150.0 million to GEO in order to effect such an increase, which commitment will expire if the merger is not closed on or prior to April 18, 2011. In the alternative, GEO may choose to pursue alternate financing sources, including debt financing or accessing the capital markets. For more information regarding the financing in connection with the merger, see Financing.

Voting Agreement (see page 86)

Certain significant stockholders of Cornell have entered into a voting agreement with GEO requiring them, among other things, to vote their shares of Cornell common stock in favor of the adoption and approval of the terms of the merger agreement, the merger and the other transactions contemplated by the merger agreement and any actions required in furtherance thereof and vote against any alternative proposal, action, transaction or agreement that would result in a breach of any covenant, representation, warranty or other obligation or agreement of Cornell set forth in the merger agreement or of a Cornell stockholder set forth in the voting agreement. The Cornell stockholders party to the voting agreement beneficially owned 18.4% of Cornell s outstanding common stock as of April 15, 2010. The voting agreement is attached as Annex B to this joint proxy statement/prospectus.

Listing of GEO Stock (see page 75)

GEO has agreed to use its reasonable best efforts to cause the shares of GEO common stock that are to be issued pursuant to the merger and the shares of GEO common stock that are required to be reserved for issuance upon exercise or settlement of Cornell options and other equity-based awards to be approved for listing on the NYSE. It is also a condition to the merger that the shares of GEO common stock issuable in connection with the merger be approved for listing on the NYSE on or prior to the effective time of the merger.

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Conditions to Completion of the Merger (see page 83)

Each party s obligations to effect the merger is subject to the satisfaction or waiver of mutual conditions, including the following:

- receipt of the GEO shareholder approval in accordance with Florida law and Cornell stockholder approval in accordance with Delaware law;
- the absence of any law, injunction, judgment or ruling prohibiting consummation of the merger or making the consummation of the merger illegal;
- the effectiveness of, and the absence of any stop order with respect to, the registration statement on Form S-4 of which this joint proxy statement/prospectus forms a part;
- the approval for listing on the NYSE, subject to official notice of issuance, of the shares of GEO common stock issuable in connection with the merger;
- the representations and warranties of each party to the merger agreement being true and correct in all material respects, and true and correct (without giving effect to any qualifications) except where such failures to be true and correct would not reasonably be expected to have a material adverse effect in the case of certain representations and warranties, and each party to the merger agreement having performed in all material respects all of its obligations under the merger agreement; and
- the merger agreement will not have been terminated.

The obligations of GEO and GEO Acquisition III, Inc. to effect the merger are subject to the satisfaction or waiver of the following additional conditions:

- the Cornell employee stock purchase plan must have been terminated as of the effective time and each option or right to purchase Cornell common stock thereunder will have been exercised or deemed to have been exercised and converted into the right to receive the stock consideration or the cash consideration;
- no events, occurrences or developments have occurred since the Cornell Balance Sheet Date (as defined in the merger agreement) and are continuing that have had or would reasonably be expected, to have individually or in the aggregate, a material adverse effect on Cornell;
- certain specified third-party consents must have been obtained;
- each non-employee director of Cornell and, if requested in writing by GEO, of each subsidiary of Cornell, in each case must have resigned or been removed in his or her capacity as a director, effective as of, or prior to, the closing date;
- GEO must have received the opinion of its own counsel that the merger will be treated for Federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code; and
- Cornell must not permit its total issued and outstanding shares of common stock to exceed 16,000,000 shares after giving effect to all shares of Cornell common stock issued and outstanding and all shares of Cornell common stock issuable upon the exercise of any option, warrant, employee stock purchase right or other right

or issuable upon the conversion or exchange of any security convertible into or exchangeable for shares of Cornell common stock.

Cornell s obligation to effect the merger is subject to the satisfaction or waiver of the following additional conditions:

no events, occurrences or developments have occurred since the GEO Balance Sheet Date (as defined in the merger agreement) and are continuing that have had or would reasonably be expected, to have individually or in the aggregate, a material adverse effect on GEO; and

Cornell must have received the opinion of its own counsel that the merger will be treated for Federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code.

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Termination of the Merger Agreement (see page 84)

The merger agreement may be terminated at any time before the effective time of the merger by mutual written consent of GEO, GEO Acquisition III, Inc. and Cornell.

The merger agreement may also be terminated prior to the effective time of the merger by either GEO or Cornell if:

- the merger has not been consummated on or before February 15, 2011;
- any governmental authority issues an order, decree or ruling, enacts a law or takes any other action (that is final and nonappealable) having the effect of making the merger illegal or otherwise prohibiting the completion of the merger;
- the GEO shareholders or Cornell stockholders fail to give the necessary approvals at their special meetings or any adjournments or postponements thereof; or
- GEO or Cornell have breached in any material respect any of their representations or warranties or failed to perform in any material respect any of their covenants set forth in the merger agreement, and such breach or failure to perform (i) would prevent such party from satisfying the closing conditions of the merger agreement relating to the accuracy of its representations and warranties or compliance with covenants, and (ii) cannot be cured or has not been cured within 30 days from the date of notice to such party.

The merger agreement may also be terminated prior to the effective time of the merger by GEO if:

- the Cornell board of directors has changed its recommendation to the Cornell stockholders that they adopt the merger agreement or it has approved or entered into any acquisition agreement other than in compliance with the merger agreement;
- a burdensome condition has been imposed in connection with the grant of the antitrust approval relating to the merger which would prohibit or materially restrict the ownership or operation of any material business or assets of GEO and its subsidiaries or Cornell and its subsidiaries or cause GEO and its subsidiaries or Cornell and its subsidiaries to agree to or to dispose of or hold separate all or a material portion of the business and assets of GEO and its subsidiaries or Cornell and its subsidiaries; or
- Cornell fails to fulfill the condition regarding the maximum number of issued and outstanding shares of Cornell common stock, and such failure either cannot be cured or has not been cured within 30 days from the date of notice to Cornell.

The merger agreement may also be terminated prior to the effective time of the merger by Cornell if Cornell, in compliance with the terms of the merger agreement, has entered into a definitive acquisition agreement to effect a proposal that the Cornell board of directors determines in good faith to be more favorable to Cornell stockholders and it pays to GEO a $12 million termination fee and the GEO-related fees and expenses (as defined below) within the time frame provided.

Reimbursement of Fees and Expenses; Termination Fees (see page 85)

Fees and Expenses Payable by GEO. GEO has agreed to reimburse Cornell for its reasonable and documented out-of-pocket fees and expenses up to $2 million incurred by Cornell and its affiliates in connection with the merger

agreement and the transactions contemplated thereby, under any of the following circumstances:

if the merger agreement is terminated by Cornell or GEO following the failure by GEO to obtain the GEO shareholder approval; or

if the merger agreement is terminated by Cornell if GEO or GEO Acquisition III, Inc. have breached in any material respect any of their representations or warranties or failed to perform in any material respect any of their covenants set forth in the merger agreement, and such breach or failure to perform (i) would prevent GEO or GEO Acquisition III from satisfying the closing conditions of the merger agreement relating to the accuracy of the representations and warranties or performance of its obligations required under the merger agreement, and (ii) cannot be cured or has not been cured within 30 days from the date of notice to GEO.

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Fees and Expenses Payable by Cornell. Cornell has agreed to reimburse GEO up to $2 million of GEO s and GEO Acquisition III s reasonable and documented out-of-pocket fees and expenses incurred by GEO, GEO Acquisition III, Inc. and their respective affiliates in connection with the merger agreement and the transactions contemplated thereby, referred to as the GEO-related fees and expenses, under any of the following circumstances:

- if the merger agreement is terminated by GEO or Cornell following the failure by Cornell to obtain the Cornell stockholder approval; or

- if the merger agreement is terminated by GEO because Cornell has breached in any material respect any of its representations or warranties or failed to perform in any material respect any of its covenants set forth in the merger agreement, and such breach or failure to perform (i) would prevent Cornell from satisfying the closing conditions of the merger agreement relating to the accuracy of the representations and warranties or performance of its obligations required under the merger agreement, and (ii) cannot be cured or has not been cured within 30 days from the date of notice to Cornell.

Termination Fee Payable by Cornell. Cornell has agreed to pay GEO a termination fee of $12 million and reimburse GEO the GEO-related fees and expenses under any of the following circumstances:

- if the merger agreement is terminated by GEO pursuant to the Cornell board of directors having changed its recommendation to the Cornell stockholders that they adopt the merger agreement or the Cornell board of directors approving or entering into any acquisition agreement other than in compliance with the merger agreement; or

- if the merger agreement is terminated by Cornell pursuant to Cornell, in compliance with the terms of the merger agreement, having entered into a definitive acquisition agreement to effect a proposal that the Cornell board of directors determines in good faith to be more favorable to Cornell stockholders and Cornell simultaneously pays the termination fee and the GEO-related fees and expenses within the time frame provided.

If the merger agreement is terminated pursuant to the reasons below, and any acquisition proposal that was received by Cornell or publicly announced prior to such termination of the merger agreement is consummated no later than the 12-month anniversary of the date of the termination, then Cornell has agreed to pay GEO a termination fee of $12 million upon the consummation of the acquisition proposal:

- if the merger agreement is terminated by GEO or Cornell because the merger has not been consummated on or before February 15, 2011;

- if the merger agreement is terminated by GEO or Cornell because Cornell stockholders fail to give the necessary approvals at their special meetings; or

- if the merger agreement is terminated by GEO because Cornell has breached in any material respect any of its representations or warranties or failed to perform in any material respect any of its covenants or agreements set forth in the merger agreement, and such breach or failure to perform (i) would prevent Cornell from satisfying the closing conditions of the merger agreement relating to the accuracy of the representations and warranties or performance of its obligations under the merger agreement, and (ii) cannot be cured or has not been cured within 30 days from the date of notice to Cornell.

Special Meetings of GEO Shareholders and Cornell Stockholders

The GEO Special Meeting (see page 88)

Meeting. The GEO special meeting will be held on [ ], 2010 at [ ] p.m., Eastern time, at [ ]. At the GEO special meeting, GEO shareholders will be asked to:

approve the issuance of shares of GEO common stock in connection with the merger;

approve the amendments to the 2006 Plan; and

approve an adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the foregoing proposals.

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Record Date; Votes. GEO has fixed the close of business on [ ], 2010 as the record date, which is referred to as the GEO record date, for determining the GEO shareholders entitled to receive notice of and to vote at the GEO special meeting. Only holders of record of GEO common stock on the GEO record date are entitled to receive notice of and vote at the GEO special meeting, and any adjournment or postponement thereof.

Each share of GEO common stock is entitled to one vote on each matter brought before the meeting. On the GEO record date, there were [ ] shares of GEO common stock issued and outstanding.

Required Vote. The GEO proposals require different percentages of votes in order to approve them:

The GEO share issuance requires the affirmative vote of holders of shares of GEO common stock representing a majority of votes cast on the proposal, provided that the total number of votes cast on the proposal must represent a majority of the total number of shares of GEO common stock issued and outstanding on the record date for the GEO special meeting;

Approval of the amendments to the 2006 Plan requires the affirmative vote of holders of shares of GEO common stock representing a majority of votes cast on the proposal, provided that the total number of votes cast on the proposal must represent a majority of the total number of shares of GEO common stock issued and outstanding on the record date for the GEO special meeting; and

Approval of an adjournment of the GEO special meeting, if necessary, to solicit additional proxies in favor of the GEO share issuance and the amendments to the 2006 Plan requires the affirmative vote of holders of shares of GEO common stock represented and entitled to vote at the special meeting to exceed the number of votes cast opposing the approval of an adjournment.

Approval of the GEO share issuance by GEO shareholders is a condition to completion of the merger. Approval of the amendments to the 2006 Plan by GEO shareholders is not a condition to approval of the merger agreement and the closing of the merger.

Failure to Vote; Abstentions. If you are a GEO shareholder, any of your shares as to which you abstain or which are not voted will have the same effect as a vote **AGAINST** the GEO share issuance, a vote **AGAINST** the amendments to the 2006 Plan and a vote **AGAINST** approving an adjournment of the GEO special meeting. For more information regarding the effect of abstentions, a failure to vote or a broker non-vote, see The GEO Special Meeting Votes Required to Approve GEO Proposals on page 89.

The Cornell Special Meeting (see page 92)

Meeting. The Cornell special meeting will be held on [ ], 2010, at [ ] p.m., Central time, at [ ]. At the Cornell special meeting, Cornell stockholders will be asked to:

adopt the merger agreement, pursuant to which Cornell will become a wholly owned subsidiary of GEO; and

approve an adjournment of the Cornell special meeting, if necessary, to solicit additional proxies in favor of the foregoing proposal.

Record Date; Votes. Cornell has fixed the close of business on [ ], 2010 as the record date, which is referred to as the Cornell record date, for determining the Cornell stockholders entitled to receive notice of and to vote at the Cornell special meeting. Only holders of record of Cornell common stock on the Cornell record date are entitled to

receive notice of and vote at the Cornell special meeting, and any adjournment or postponement thereof.

Each share of Cornell common stock is entitled to one vote on each matter brought before the meeting. On the Cornell record date, there were [ ] shares of Cornell common stock issued and outstanding.

Required Vote. The Cornell proposals require different percentages of votes in order to approve them:

- the adoption of the merger agreement requires the approval of holders of a majority of the total number of shares of Cornell common stock issued and outstanding on the record date for the Cornell special meeting; and

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the approval of an adjournment of the Cornell special meeting, if necessary, to solicit additional proxies in favor of the adoption of the merger agreement, requires the affirmative vote of holders of shares of Cornell common stock representing a majority of the total number of shares of Cornell common stock present, in person or by proxy at the Cornell special meeting, and entitled to vote on the proposal.

Adoption of the merger agreement by Cornell stockholders is a condition to the completion of the merger.

Failure to Vote; Abstentions. If you are a Cornell stockholder, any of your shares as to which you abstain or which are not voted will have the same effect as a vote **AGAINST** the proposal to approve the merger agreement and a vote **AGAINST** approving an adjournment of the Cornell special meeting. For more information regarding the effect of abstentions, a failure to vote or a broker non-vote, see The Cornell Special Meeting Votes Required to Approve Cornell Proposals beginning on page 93.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF GEO

The following tables set forth the selected historical consolidated financial data for GEO. The selected consolidated financial data as of and for the thirteen weeks ended April 4, 2010 and March 29, 2009 and as of and for the fiscal years ended January 3, 2010, December 28, 2008, December 30, 2007, December 31, 2006 and January 1, 2006 have been derived from GEO s consolidated financial statements. You should not take historical results as necessarily indicative of the results that may be expected for any future period.

You should read this selected consolidated financial data in conjunction with GEO s Quarterly Report on Form 10-Q for the thirteen weeks ended April 4, 2010 and Annual Report on Form 10-K for the fiscal year ended January 3, 2010.

	For the Thirteen Weeks Ended		Fiscal Years Ended				
	April 4, 2010	March 29, 2009	2009	2008	2007	2006(1)	2005(2)
	(In thousands, except per share data)						
Statement of Operations Data:							
Revenues	$ 287,542	$ 259,061	$ 1,141,090	$ 1,043,006	$ 976,299	$ 818,439	$ 612,900
Operating expenses	226,382	202,327	897,356	822,659	788,503	680,088	541,173
Depreciation and amortization	9,238	9,816	39,306	37,406	33,218	21,682	15,876
General and administrative expenses	17,448	17,236	69,240	69,151	64,492	56,268	48,958
Operating income	34,474	29,682	135,188	113,790	90,086	60,401	6,893
Interest income	1,229	1,090	4,943	7,045	8,746	10,687	9,154
Interest expense	(7,814)	(7,204)	(28,518)	(30,202)	(36,051)	(28,231)	(23,016)
Loss on extinguishment of debt			(6,839)		(4,794)	(1,295)	(1,360)
Income before income taxes, equity in earnings of affiliates, and discontinued operations	27,889	23,568	104,774	90,633	57,987	41,562	(8,329)
Provision for income taxes	10,807	9,141	41,991	33,803	22,049	15,138	(12,129)
Equity in earnings of affiliates, net of income tax	590	644	3,517	4,623	2,151	1,576	2,079

provision							
Income from continuing operations	17,672	15,071	66,300	61,453	38,089	28,000	5,879
Income (loss) from discontinued operations, net of tax provision (benefit)		(366)	(346)	(2,551)	3,756	2,031	1,127
Net income	$ 17,672	$ 14,705	$ 65,954	$ 58,902	$ 41,845	$ 30,031	$ 7,006
Weighted average common shares outstanding:							
Basic	50,711	50,697	50,879	50,539	47,727	34,442	28,740
Diluted	51,640	51,723	51,922	51,830	49,192	35,744	30,030
Earnings (loss) per common share:							
Basic:							
Income from continuing operations	$ 0.35	$ 0.30	$ 1.30	$ 1.22	$ 0.80	$ 0.81	$ 0.20
Income (loss) from discontinued operations		(0.01)		(0.05)	0.08	0.06	0.04
Net income per share basic	$ 0.35	$ 0.29	$ 1.30	$ 1.17	$ 0.88	$ 0.87	$ 0.24
Diluted:							
Income from continuing operations	$ 0.34	$ 0.29	$ 1.28	$ 1.19	$ 0.77	$ 0.78	$ 0.19
Income (loss) from discontinued operations		(0.01)	(0.01)	(0.05)	0.08	0.06	0.04
Net income per share diluted	$ 0.34	$ 0.28	$ 1.27	$ 1.14	$ 0.85	$ 0.84	$ 0.23
Balance Sheet Data:							
Cash and cash equivalents	$ 30,276	$ 60,009	$ 33,856	$ 31,655	$ 44,403	$ 111,520	$ 57,094
Restricted cash	36,606	31,707	34,068	32,697	34,107	33,651	26,366
Accounts receivable, net	179,848	178,273	200,756	199,665	164,773	162,867	127,612

Property, plant and equipment, net	1,003,917	903,921	998,560	878,616	783,363	287,374	282,236
Total assets	1,426,740	1,310,037	1,447,818	1,288,621	1,192,634	743,453	639,511
Total debt	588,536	516,443	584,694	512,133	463,930	305,957	376,046
Total shareholders equity	631,588	595,759	665,098	579,597	529,347	249,907	108,594

(1) The Selected Historical Consolidated Balance Sheet Data for the fiscal year ended December 31, 2006 does not include the impact of certain discontinued operations which occurred in the fiscal year ended December 28, 2008. The Selected Historical Consolidated Statement of Operations Data for this fiscal year includes a

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reclassification for income related to GEO s non-controlling interest which was reclassified to operating income for consistent presentation to later years presented.

(2) The Selected Historical Consolidated Statement of Operations Data and Balance Sheet Data for the fiscal year ended January 1, 2006 does not include the impact of certain discontinued operations which occurred in the fiscal year ended December 28, 2008. The Selected Historical Consolidated Statement of Operations Data for this fiscal year includes a reclassification for income related to GEO s non-controlling interest which was reclassified to operating income for consistent presentation to later years presented.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF CORNELL

The following tables set forth the selected historical consolidated financial data for Cornell. The selected consolidated financial data as of and for the three months ended March 31, 2010 and March 31, 2009 and for the fiscal years ended December 31, 2009, 2008, 2007, 2006 and 2005 have been derived from Cornell s consolidated financial statements. You should not take historical results as necessarily indicative of the results that may be expected for any future period.

You should read this selected consolidated financial data in conjunction with Cornell s Quarterly Report on Form 10-Q for the three months ended March 31, 2010 and Cornell s Annual Report on Form 10-K, as amended, for the fiscal year ended December 31, 2009.

	For the Three Months Ended		Years Ended December 31,				
	March 31, 2010	March 31, 2009	2009	2008	2007	2006	2005
	(In thousands, except per share data)						
Statement of Operations Data:							
Revenues	$ 100,006	$ 99,710	$ 412,377	$ 386,724	$ 360,604	$ 360,855	$ 310,775
Operating expenses, excluding depreciation and amortization	76,683	72,891	295,645	280,630	274,110	275,395	238,305
Pre-opening and start-up expenses			4,086			2,657	9,017
Depreciation and amortization	4,699	4,893	18,833	17,943	15,986	16,285	15,200
General and administrative expenses	5,759	6,138	24,112	25,954	25,499	21,720	20,387
Income from operations	12,865	15,788	69,701	62,197	45,009	44,798	27,866
Interest expense	6,314	6,199	25,830	26,946	26,215	26,130	24,041
Interest income	(129)	(246)	(657)	(2,988)	(1,951)	(3,060)	(2,318)
Income from continuing operations before provision for income taxes	6,680	9,835	44,528	38,239	20,745	21,728	6,143
Provision for income taxes	2,831	4,101	17,955	15,603	8,835	9,148	2,215
Income from continuing operations	3,849	5,734	26,573	22,636	11,910	12,580	3,928
Discontinued operations, net of tax benefit of $381 and $1,950 in 2006 and 2005, respectively						(707)	(3,622)

Net income	3,849	5,734	26,573	22,636	11,910	11,873	306
Non-controlling interest(1)	569	477	1,947	445			
Income available to Cornell Companies, Inc.	$ 3,280	$ 5,257	$ 24,626	$ 22,191	$ 11,910	$ 11,873	$ 306
Earnings per share attributable to Cornell Companies, Inc. stockholders:							
Basic:	$ 0.22	$ 0.36	$ 1.65	$ 1.51	$ 0.82	$ 0.85	$ 0.02
Diluted:	$ 0.22	$ 0.36	$ 1.64	$ 1.49	$ 0.82	$ 0.84	$ 0.02
Number of shares used in per share computation:							
Basic:	14,756	14,572	14,881	14,701	14,452	14,003	13,692
Diluted:	14,882	14,629	14,986	14,847	14,611	14,072	13,787
Balance Sheet Data:							
Cash and cash equivalents	$ 18,061	$ 10,271	$ 27,724	$ 14,613	$ 3,028	$ 18,529	$ 13,723
Property and equipment, net	457,274	450,620	455,523	450,354	383,952	319,064	323,861
Total assets	643,765	635,601	650,565	636,921	562,287	523,533	510,628
Total debt	300,697	321,525	303,254	320,482	286,709	265,981	276,360
Stockholders equity	257,665	234,593	258,738	228,167	200,449	181,564	165,461

(1) Non-controlling interest in consolidated special purpose entities represents equity that other investors have contributed to the special purpose entity Municipal Corrections Finance, L.P., or MCF. Non-controlling interest is adjusted for income and losses allocable to the other owners of the special purpose entity.

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SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA

The following Selected Unaudited Pro Forma Condensed Combined Financial Data is based on the historical financial data of GEO and Cornell, and has been prepared to illustrate the effects of the merger. The Selected Unaudited Pro Forma Condensed Combined Financial Data does not give effect to any anticipated synergies, operating efficiencies or costs savings that may be associated with the merger. The Selected Unaudited Pro Forma Condensed Combined Financial Data also does not include any integration costs the companies may incur related to the merger as part of combining the operations of the companies. The Selected Unaudited Pro Forma Condensed Combined Statements of Income from Continuing Operations Data below is presented as if the merger were completed on December 29, 2008, the first day of GEO s fiscal year ended January 3, 2010, and the Selected Unaudited Pro Forma Condensed Combined Balance Sheet Data below is presented as if the merger were completed on April 4, 2010. The unaudited pro forma financial data included in this joint proxy statement/prospectus is based on the historical financial statements of GEO and Cornell, and on publicly available information and certain assumptions that we believe are reasonable, which are described the notes to the Unaudited Pro Forma Condensed Combined Financial Statements included in this joint proxy statement/prospectus. This data should be read in conjunction with GEO s and Cornell s historical consolidated financial statements and accompanying notes in GEO s Quarterly Report on Form 10-Q as of and for the thirteen-weeks ended April 4, 2010 and GEO s Annual Report on Form 10-K as of and for the year ended January 3, 2010 and Cornell s Quarterly Report on Form 10-Q as of and for the three months ended March 31, 2010 and Cornell s Annual Report on Form 10-K, as amended, as of and for the year ended December 31, 2009. GEO has not performed a detailed valuation analysis necessary to determine the fair market values of Cornell s assets to be acquired and liabilities to be assumed. Accordingly, the pro forma financial statements include only a preliminary allocation of the purchase price, which will be finalized at closing using a third party financial valuation service. The preliminary purchase price allocation is primarily based on the carrying value of Cornell s assets, liabilities and noncontrolling interest. See also the Unaudited Pro Forma Condensed Combined Financial Statements and notes thereto beginning on page 107.

	For the Thirteen Weeks Ended April 4, 2010	For the Year Ended January 3, 2010
	(In thousands, except per share data)	
RESULTS OF CONTINUING OPERATIONS:		
Revenues	$ 387,121	$ 1,551,759
Operating income	45,362	197,545
Income from Continuing Operations Before Estimated Nonrecurring Charges Related to the Transaction Attributable to the Combined Company	20,123	86,528
Income from Continuing Operations Before Estimated Nonrecurring Charges Related to the Transaction per Common Share Attributable to the Combined Company		
Basic:	$ 0.30	$ 1.30
Diluted:	0.30	1.28
Weighted Average Shares Outstanding:		

Basic:	66,431	66,599
Diluted:	67,360	67,642

		As of April 4, 2010 (In thousands)
BALANCE SHEET DATA:		
Current assets	$	377,094
Current liabilities		284,060
Total assets		2,258,117
Total debt		972,159
Total liabilities		1,313,275
Total shareholders equity		944,842

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COMPARATIVE HISTORICAL AND PRO FORMA PER SHARE DATA

The following table sets forth selected per share data for GEO and Cornell separately on a historical basis. It also includes unaudited pro forma combined per share data for GEO, which combines the data of GEO and Cornell on a pro forma basis giving effect to the merger. This data does not give effect to any anticipated synergies, operating efficiencies or costs savings that may be associated with the merger. This data also does not include any integration costs the companies may incur related to the merger as part of combining the operations of the companies. This data should be read in conjunction with GEO s and Cornell s historical consolidated financial statements and accompanying notes in GEO s Annual Report on Form 10-K for the year ended January 3, 2010 and Cornell s Annual Report on Form 10-K, as amended, for the year ended December 31, 2009. See also the Unaudited Pro Forma Condensed Combined Financial Statements and notes thereto beginning on page 107.

	As of and for the Thirteen Weeks Ended April 4, 2010	As of and for the Year Ended January 3, 2010
GEO Historical Per Share Data:		
Income from continuing operations per share		
Basic	$ 0.35	$ 1.30
Diluted	0.34	1.28
Cash dividends per share		
Book value per diluted share	12.23	12.81
GEO Unaudited Pro Forma Combined Per Share Data:		
Income from Continuing Operations Before Estimated Nonrecurring Charges Related to the Transaction Attributable to the Combined Company per share		
Basic	$ 0.30	$ 1.30
Diluted	0.30	1.28
Cash dividends per share		
Book value per diluted share	14.03	14.49

	As of and for the Three Months Ended March 31, 2010	As of and for the Year Ended December 31, 2009
Cornell Historical Per Share Data:		
Income from continuing operations per share		
Basic	$ 0.22	$ 1.65
Diluted	0.22	1.64
Cash dividends per share		
Book value per diluted share	17.31	17.27

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	As of and for the Thirteen Weeks Ended April 4, 2010	As of and for the Year Ended April 4, 2010
Cornell Unaudited Equivalent Pro Forma Combined Per Share Data:(1)		
Income from Continuing Operations Before Estimated Nonrecurring Charges Related to the Transaction Attributable to the Combined Company per share		
Basic	$ 0.39	$ 1.69
Diluted	0.39	1.66
Cash dividends per share		
Book value per diluted share	18.24	18.84

(1) The Cornell equivalent pro forma per share amounts are calculated by multiplying GEO pro forma per share amounts by the exchange ratio for the merger of 1.3.

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COMPARATIVE PER SHARE MARKET PRICE AND SHARE INFORMATION

Shares of GEO common stock and Cornell common stock are each listed and principally traded on the NYSE. GEO common stock is listed for trading under the symbol GEO and Cornell common stock is listed for trading under the symbol CRN. The following table sets forth, for the periods indicated, the high and low sales prices per share of GEO common stock and Cornell common stock, in each case as reported on the consolidated tape of the NYSE. Neither GEO nor Cornell declared or paid cash dividends on their common stock for the fiscal years and interim periods shown below.

	GEO Common Stock Market Price ($)		Cornell Common Stock Market Price ($)	
	High	Low	High	Low
2008				
First Quarter	28.71	22.01	23.01	16.15
Second Quarter	29.48	22.10	24.50	20.16
Third Quarter	26.96	18.00	28.32	22.00
Fourth Quarter	21.62	12.65	26.00	16.50
2009				
First Quarter	19.54	10.98	18.45	13.73
Second Quarter	18.66	12.83	20.40	15.86
Third Quarter	20.78	16.82	22.64	15.74
Fourth Quarter	22.78	19.35	23.92	20.16
2010				
First Quarter	23.18	17.91	25.13	18.06
Second Quarter (through [June 4], 2010)	[22.27]	[18.23]	[28.55]	[17.61]

The following table shows the closing sale prices of GEO common stock and Cornell common stock as reported on the NYSE on April 16, 2010, the last full trading day before the public announcement of the signing of the merger agreement, and on , 2010, the most recent practicable date before the printing of this joint proxy statement/prospectus. The table also sets forth the value of the GEO common stock that a Cornell stockholder would have received for one share of Cornell common stock, assuming that the transaction had occurred on those dates. The numbers have been calculated by multiplying the closing sale price of GEO common stock as of the specified date by the exchange ratio and assumes that the merger consideration received consists exclusively of GEO common stock. The actual value of the GEO common stock that a stockholder will receive on the date of the transaction may be higher or lower than the prices set forth below.

	GEO Common Stock	Cornell Common Stock	Implied Value of Cornell Common Stock
April 16, 2010	$ 19.16	$ 18.47	$ 24.91
[ ], 2010	[ ]	[ ]	[ ]

GEO shareholders should obtain current market quotations for shares of GEO and Cornell common stock in deciding whether to vote for approval of the issuance of GEO common stock in accordance with the terms of the merger agreement. Cornell stockholders should obtain current market quotations for shares of GEO common stock and Cornell common stock in deciding whether to vote for adoption of the merger agreement.

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RECENT DEVELOPMENTS

Stock Repurchase Program

On February 22, 2010, GEO announced that its Board of Directors approved a stock repurchase program of up to $80.0 million of its common stock effective through March 31, 2011. The stock repurchase program is intended to be implemented through purchases made from time to time in the open market or in privately negotiated transactions, in accordance with applicable rules and requirements of the Securities and Exchange Commission. The program also may include repurchases from time to time from executive officers or directors of vested restricted stock and/or vested stock options. The stock repurchase program does not obligate GEO to purchase any specific amount of its common stock and may be suspended or extended at any time at GEO s discretion. GEO does not intend to enter into any privately negotiated transactions to repurchase any shares of GEO stock issued in the merger, nor does it intend to target shares of GEO stock issued in the merger for repurchase in the open market. As of [June 4, 2010], GEO has repurchased 3,878,828 shares of its common stock for $77.3 million.

Contract Terminations

On April 14, 2010, GEO announced the results of the rebids of two of its managed-only contracts in the State of Florida. The State of Florida has issued a Notice of Intent to Award contracts for the 1,884-bed Graceville Correctional Facility located in Graceville, Florida and the 985-bed Moore Haven Correctional Facility located in Moore Haven, Florida to another operator effective August 1, 2010. GEO does not expect that the termination of these contracts will have a material adverse impact, individually or in the aggregate, on its financial condition, results of operations or cash flows.

Litigation Relating to the Merger

On April 27, 2010, a putative stockholder class action was filed in the District Court for Harris County, Texas by Todd Shelby against Cornell, members of the Cornell board of directors, individually, and GEO. The plaintiff filed an amended complaint on May 28, 2010. The amended complaint alleges, among other things, that the Cornell directors, aided and abetted by Cornell and GEO, breached their fiduciary duties in connection with the merger. Among other things, the amended complaint seeks to enjoin Cornell, its directors and GEO from completing the merger and seeks a constructive trust over any benefits improperly received by the defendants as a result of their alleged wrongful conduct.

Asset Acquisition

On June 7, 2010, GEO announced the acquisition of a 650-bed Correctional Facility (the Facility) in Adelanto, California for approximately $28.0 million. The Facility was bought from the City of Adelanto. GEO expects to retrofit the Facility and market it to local, state, and federal correctional and detention agencies. GEO financed the acquisition of the Facility with free cash flow and borrowings available under its senior revolving credit facility.

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RISK FACTORS

In addition to the other information included and incorporated by reference into this joint proxy statement/prospectus, including the matters addressed in Cautionary Statement Regarding Forward-Looking Statements below, you should carefully consider the following risk factors before deciding whether to vote for the GEO share issuance and the amendments to the 2006 Plan, in the case of GEO shareholders, or for adoption of the merger agreement, in the case of Cornell stockholders. In addition to the risk factors set forth below, you should read and consider other risk factors specific to each of the GEO and Cornell businesses that will also affect the combined company after the merger, which are described in Part I, Item 1A of GEO s Annual Report on Form 10-K for the year ended January 3, 2010 and Cornell s Annual Report on Form 10-K, as amended, for the year ended December 31, 2009, each of which has been filed by GEO or Cornell, as applicable, with the SEC and any subsequent periodic reports all of which are incorporated by reference into this joint proxy statement/prospectus. If any of the risks described below or in the periodic reports incorporated by reference into this joint proxy statement/prospectus actually occurs, the businesses, financial condition, results of operations, prospects or stock prices of GEO, Cornell or the combined company could be materially adversely affected. See Where You Can Find More Information, beginning on page 126.

Risks Related to Completion of the Merger

Cornell s stockholders will receive, subject to certain conditions, either cash consideration or a fixed ratio of 1.3 shares of GEO common stock for each share of Cornell common stock regardless of any changes in the market value of Cornell common stock or GEO common stock before the completion of the merger.

Upon completion of the merger, subject to certain conditions, Cornell stockholders will receive either cash consideration or a fixed ratio of 1.3 shares of GEO common stock for each share of Cornell common stock they hold. There will be no adjustment to the exchange ratio (except for adjustments to reflect the effect of any stock split, reverse stock split, stock dividend, recapitalization, reclassification or other similar transaction with respect to Cornell common stock), and the parties do not have a right to terminate the merger agreement based upon changes in the market price of either GEO common stock or Cornell common stock. Accordingly, the dollar value of GEO common stock that Cornell s stockholders will receive upon completion of the merger will depend upon the market value of GEO common stock at the time of completion of the merger, which may be different from, and lower than, the closing price of GEO common stock on the last full trading day preceding public announcement that GEO and Cornell entered into the merger agreement, the last full trading day prior to the date of this joint proxy statement/prospectus or the date of the Cornell stockholder meetings. The opinions received from GEO s and Cornell s respective financial advisors were based on market and other conditions as of the dates of such opinions and neither GEO nor Cornell intends to request updated opinions from such financial advisors prior to completion of the merger. Moreover, completion of the merger may occur some time after the requisite stockholder approvals have been obtained. The market values of GEO common stock and Cornell common stock have varied since GEO and Cornell entered into the merger agreement and will continue to vary in the future due to changes in the business, operations or prospects of GEO and Cornell, market assessments of the merger, regulatory considerations, market and economic considerations, and other factors both within and beyond the control of GEO and Cornell.

There can be no assurance that the merger will be consummated. The announcement and pendency of the merger, or the failure of the merger to be consummated, could have an adverse effect on GEO s or Cornell s stock price, business, financial condition, results of operations or prospects.

The merger is subject to a number of conditions to closing, including (i) the approval of the issuance of shares of GEO common stock in accordance with the terms of the merger agreement, (ii) the adoption of the merger agreement by the

Cornell stockholders, (iii) the resolution of any litigation instituted applicable to the merger under the HSR Act or any other applicable federal or state statute or regulation, (iv) no temporary restraining order, preliminary or permanent injunction or other order shall have been issued (and remain in effect) by a court or other governmental entity having the effect of making the merger illegal or otherwise prohibiting the consummation of the merger, (v) the approval for listing on the NYSE of the shares of GEO common stock issuable in connection with

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the merger and (vi) the receipt of certain third party contractual approvals that are required as a result of the merger. See The Merger Agreement Conditions to Completion of the Merger, beginning on page 83.

If the shareholders of GEO fail to approve the GEO share issuance or if Cornell stockholders fail to adopt the merger agreement, GEO and Cornell will not be able to complete the merger. Additionally, if the other closing conditions are not met or waived, the companies will not be able to complete the merger. As a result, there can be no assurance that the merger will be completed in a timely manner or at all.

Further, the announcement and pendency of the merger could disrupt GEO s and Cornell s businesses, in any of the following ways, among others:

- GEO and Cornell employees may experience uncertainty about their future roles with the combined company, which might adversely affect Cornell s and GEO s ability to retain and hire key managers and other employees;
- the attention of management of each of GEO and Cornell may be directed toward the completion of the merger and transaction-related considerations and may be diverted from the day-to-day business operations of their respective companies; and
- customers, suppliers or others may seek to modify or terminate their business relationships with GEO or Cornell.

GEO and Cornell may face additional challenges in competing for new business and retaining or renewing business. These disruptions could be exacerbated by a delay in the completion of the merger or termination of the merger agreement.

For the foregoing reasons, there can be no assurance that the announcement and pendency of the merger, or the failure of the merger to be consummated, will not have an adverse effect on GEO s or Cornell s stock price, business, financial condition, results of operations or prospects.

There can be no assurance that GEO will be able to secure the debt financing required in connection with the merger.

GEO s obligation to complete the merger is not conditioned on receipt of any financing. However, GEO needs approximately $300.0 million to fund the cash component of the merger consideration, the redemption of Cornell s 10.75% senior notes, the refinancing of Cornell s credit facility and the payment of transaction fees and expenses. GEO intends to fund the foregoing utilizing a combination of existing cash and one or more draws upon GEO s senior credit facility. BNP Paribas has provided a commitment to extend $150.0 million of additional financing under the accordion feature of GEO s existing senior credit facility. GEO may choose to draw upon its existing senior credit facility and the $150.0 million of committed financing or it may choose to pursue alternate financing sources, including debt financing or accessing the capital markets. GEO is currently in compliance with its debt covenants; however, GEO cannot guarantee that it will continue to be in compliance with all necessary conditions in order to draw upon its existing senior credit facility or the $150.0 million of committed financing, or that it will be able to secure alternative financing on terms as favorable as its current debt financing arrangements, on commercially acceptable terms, or at all. If GEO is unable to access its current sources of debt financing or is unable to use its available cash and secure any alternative financing in order to fund the payments it is obligated to make in connection with the merger, GEO will be in breach of the merger agreement.

The merger agreement limits Cornell s ability to pursue an alternative acquisition proposal and requires Cornell to pay a termination fee of $12 million, plus expenses, if it does.

The merger agreement prohibits Cornell from soliciting, initiating or encouraging alternative merger or acquisition proposals with any third party. The merger agreement also provides for the payment by Cornell to GEO of a termination fee of $12 million, plus up to $2 million in fees and expenses, if the merger agreement is terminated in certain circumstances in connection with a competing acquisition proposal for Cornell or the withdrawal by the board of directors of Cornell of its recommendation that the Cornell stockholders vote in favor of the proposals

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required to consummate the merger, as the case may be. See The Merger Agreement Reimbursement of Fees and Expenses; Termination Fees, beginning on page 85.

There may be a long delay between GEO and Cornell each receiving the necessary shareholder and stockholder approvals for the merger and the closing of the transaction, during which time Cornell will lose the ability to consider and pursue alternative acquisition proposals, which might otherwise be superior to the merger.

Following the GEO shareholder and Cornell stockholder approvals, the merger agreement prohibits Cornell from taking any actions to review, consider or recommend any alternative acquisition proposals, including those that could be superior to Cornell s stockholders, respectively, when compared to the merger. Given that there could be a delay between stockholder approval and closing, the time during which Cornell could be prevented from reviewing, considering or recommending such proposals could be significant.

Cornell stockholders electing cash consideration cannot be certain that they will receive cash consideration.

Under the terms of the merger agreement, no more than 20% of the shares of Cornell common stock are permitted to be exchanged for cash. If cash elections are made with respect to more than 20% of the shares of Cornell common stock outstanding immediately before the effective time of the merger, the excess over 20% shall be treated as a stock election. Additionally, if the Cornell stockholders electing cash consideration in the aggregate would require GEO to pay cash consideration in excess of $100.0 million, GEO, in its sole discretion, may pay such excess amount in either cash consideration or stock consideration. Accordingly, if a Cornell stockholder elects cash consideration, the holder may receive a portion of the merger consideration in stock, which could result in a different result than that anticipated by such stockholder and may result in tax consequences that differ from those that would have resulted from the merger if the Cornell stockholder had only received cash consideration.

Certain directors and executive officers of GEO and Cornell may have interests that may be different from, or in addition to, interests of GEO and Cornell stockholders generally.

Some of the directors of GEO and Cornell who recommend that GEO shareholders vote in favor of the GEO issuance and Cornell stockholders vote in favor of adopting the merger agreement, and the executive officers of GEO and Cornell who provided information to the GEO and Cornell board of directors relating to the merger, have employment, indemnification and change in control benefit arrangements, rights to acceleration of equity-based awards and other benefits on a change in control of Cornell, and rights to ongoing indemnification and insurance that may provide them with interests in the merger. The receipt of compensation or other benefits, including the rights to acceleration of equity-based awards by Cornell s executive officers in connection with the merger, may make it more difficult for the combined company to retain their services after the merger, or require the combined company to expend additional sums to continue to retain their services. Stockholders of both companies should be aware of these interests when considering the Cornell and GEO board of directors recommendations that they vote in favor of the adoption of the merger agreement, or the GEO share issuance, as the case may be. See The Merger Interests of GEO Executive Officers and Directors in the Merger beginning on page 50. See The Merger Interests of Cornell Directors and Executive Officers in the Merger That are Different Than Yours beginning on page 59.

Estimates as to the future value of the combined company are inherently uncertain. You should not rely on such estimates without considering all of the information contained in this joint proxy statement/prospectus.

Any estimates as to the future value of the combined company, including estimates regarding the price at which the common stock of the combined company will trade following the merger, are inherently uncertain. The future value of the combined company s ability to achieve projected revenue and earnings expectations and to realize the anticipated synergies described in this joint proxy

statement/prospectus, all of which are subject to the risks and uncertainties described in this joint proxy statement/prospectus, including these risk factors. Accordingly, you should not rely upon any estimates as to the future value

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of the combined company, or the price at which the common stock of the combined company will trade following the merger, whether made before or after the date of this joint proxy statement/prospectus by GEO s or Cornell s respective management or affiliates or others, without considering all of the information contained in this joint proxy statement/prospectus.

A lawsuit has been filed against Cornell, members of the Cornell board of directors and GEO challenging the merger, and an unfavorable judgment or ruling in this lawsuit could prevent or delay the consummation of the merger, result in substantial costs or both.

Cornell, its directors and GEO have been named in a purported stockholder class action complaint, as amended, filed in Texas state court. The complaint alleges, among other things, that Cornell s directors breached their fiduciary duties by entering into the merger agreement without first taking steps to obtain adequate, fair and maximum consideration for Cornell s stockholders by shopping the company or initiating an auction process, by structuring the transaction to take advantage of Cornell s current low stock valuation, and by structuring the transaction to benefit GEO while making an alternative transaction either prohibitively expensive or otherwise impossible, and that the corporate defendants have aided and abetted such breaches by Cornell s directors. The plaintiffs are seeking, among other things, both an injunction prohibiting the merger and a constructive trust in an unspecified amount.

One of the conditions to the closing of the merger is that there not be any legal prohibition preventing the consummation of the merger, which would include the injunction sought by the plaintiffs in this case if it were to be granted. As a result, if the plaintiffs are successful in obtaining the injunction they seek, the merger may be blocked or delayed, or there could be substantial costs to GEO and/or Cornell. It is possible that other similar lawsuits may be filed in the future. Cornell cannot estimate any possible loss from this or similar future litigation at this time. Cornell has obligations under certain circumstances to hold harmless and indemnify each of the defendant directors against judgments, fines, settlements and expenses related to claims against such directors and otherwise to the fullest extent permitted under Delaware law and Cornell s certificate of incorporation, bylaws and contractual agreements with its directors.

The shares of GEO common stock to be received by Cornell stockholders as a result of the merger will have different rights from the shares of Cornell common stock.

The rights associated with Cornell common stock are different from the rights associated with GEO common stock. See the section of this joint proxy statement/prospectus entitled Comparison of Stockholder Rights for a discussion of the different rights associated with Cornell common stock.

If the merger is not consummated by February 15, 2011, either Cornell or GEO may choose not to proceed with the merger.

Either Cornell or GEO may terminate the merger agreement if the merger has not been completed by February 15, 2011, unless the failure of the merger to be completed has resulted from the failure of the party seeking to terminate the merger agreement to perform its obligations.

If you tender shares of Cornell common stock to make an election (or follow the procedures for guaranteed delivery), you will not be able to sell those shares, unless you revoke your election prior to the election deadline.

You will receive an election form and other materials relating to your right to elect the form of merger consideration under the merger agreement and will be requested to send to the exchange agent your Cornell stock certificates (or follow the procedures for guaranteed delivery) together with the properly completed election form. If you want to make a cash or stock election, you must deliver your stock certificates (or follow the procedures for guaranteed

delivery) and a properly completed and signed form of election to the exchange agent by the election deadline, which will be specified in the form of election. If you hold Cornell stock options and you wish to make an election as to the form of merger consideration, you must have exercised your options before the election deadline.

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You will not be able to sell any shares of Cornell common stock that you have delivered, unless you revoke your election before the deadline by providing written notice to the exchange agent. If you do not revoke your election, you will not be able to liquidate your investment in Cornell common stock for any reason until you receive cash and/or GEO common stock in the merger. In the time between delivery of your shares and the completion of the merger, the trading price of Cornell or GEO common stock may decrease, and you might otherwise want to sell your shares of Cornell to gain access to cash, make other investments, or reduce the potential for a decrease in the value of your investment.

The date that you will receive your merger consideration depends on the completion date of the merger, which is uncertain. The completion date of the merger might be later than expected due to unforeseen events, such as delays in obtaining required third-party approvals.

Risks Related to the Combined Company if the Merger is Completed

GEO and Cornell may experience difficulties integrating their businesses.

Currently, each company operates as an independent public company. Achieving the anticipated benefits of the merger will depend in significant part upon whether the two companies integrate their businesses in an efficient and effective manner. Due to legal restrictions, GEO and Cornell have been able to conduct only limited planning regarding the integration of the two companies following the merger and have not yet determined the exact nature of how the businesses and operations of the two companies will be combined after the merger. The actual integration may result in additional and unforeseen expenses, and the anticipated benefits of the integration plan may not be realized. The companies may not be able to accomplish the integration process smoothly, successfully or on a timely basis. The necessity of coordinating geographically separated organizations, systems of controls, and facilities and addressing possible differences in business backgrounds, corporate cultures and management philosophies may increase the difficulties of integration. The companies operate numerous systems and controls, including those involving management information, purchasing, accounting and finance, sales, billing, employee benefits, payroll and regulatory compliance. The integration of operations following the merger will require the dedication of significant management and external resources, which may temporarily distract management s attention from the day-to-day business of the combined company and be costly. Employee uncertainty and lack of focus during the integration process may also disrupt the business of the combined company. Any inability of management to successfully and timely integrate the operations of the two companies could have a material adverse effect on the business and results of operations of the combined company.

The combined company may not fully realize the anticipated synergies and related benefits of the merger or within the timing anticipated.

GEO and Cornell entered into the merger agreement because each company believes that the merger will be beneficial to each of GEO, the GEO shareholders, Cornell and the Cornell stockholders including, among other things, as a result of the anticipated synergies resulting from the combined company s operations. GEO s management anticipates annual synergies of $12-15 million during the year following the completion of the merger. The companies may not be able to achieve the anticipated operating and cost synergies or long-term strategic benefits of the merger within the timing anticipated or at all. For example, elimination of duplicative costs may not be fully achieved or may take longer than anticipated. For at least the first year after the merger, and possibly longer, the benefits from the merger will be offset by the costs incurred in integrating the businesses and operations, or adverse conditions imposed by regulatory authorities on the combined business in connection with granting approval for the merger. An inability to realize the full extent of, or any of, the anticipated synergies or other benefits of the merger, as well as any delays that may be encountered in the integration process, which may delay the timing of such synergies or other benefits, could have an adverse effect on the business and results of operations of the combined company, and may affect the value of

the shares of GEO common stock after the completion of the merger.

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The merger may not be accretive and may cause dilution to the combined company s earnings per share, which may harm the market price of GEO common stock after the merger.

While GEO believes the merger has the potential to be accretive to future earnings, there can be no assurance with respect to the timing and scope of the accretive effect or whether it will be accretive at all. The combined company could encounter additional transaction and integration-related costs or other factors such as the failure to realize all of the benefits anticipated in the merger or a downturn in its business. All of these factors could cause dilution to the combined company s earnings per share or decrease the expected accretive effect of the merger and cause a decrease in the price of GEO common stock after the merger.

The price of the common stock of the combined company may be affected by factors different from those affecting the price of GEO common stock or Cornell common stock independently.

After completion of the merger, as the combined company integrates the businesses of GEO and Cornell, the results of operations as well as the stock price of the combined company may be affected by factors different than those factors affecting GEO and Cornell as independent stand-alone entities. The combined company may face additional risks and uncertainties not otherwise facing each independent company prior to the merger. For a discussion of GEO s and Cornell s businesses and certain factors to consider in connection with their respective businesses, see the respective sections entitled Management s Discussion and Analysis of Financial Condition and Results of Operations in each of GEO s Annual Report on Form 10-K for the year ended January 3, 2010 and Cornell s Annual Report on Form 10-K, as amended, for the year ended December 31, 2009 and other documents incorporated by reference into this joint proxy statement/prospectus.

Charges to earnings resulting from the application of the acquisition method of accounting may adversely affect the market value of GEO common stock following the merger.

In accordance with GAAP, GEO will be considered the acquiror of Cornell for accounting purposes. GEO will account for the merger using the acquisition method of accounting. There may be charges related to the acquisition that are required to be recorded to GEO s earnings that could adversely affect the market value of GEO common stock following the completion of the merger. Under the acquisition method of accounting, GEO will allocate the total purchase price to the assets acquired, including identifiable intangible assets, and liabilities assumed from Cornell based on their fair values as of the date of the completion of the merger, and record any excess of the purchase price over those fair values as goodwill. For certain tangible and intangible assets, revaluing them to their fair values as of the completion date of the merger may result in GEO s incurring additional depreciation and amortization expense that may exceed the combined amounts recorded by GEO and Cornell prior to the merger. This increased expense will be recorded by GEO over the useful lives of the underlying assets. In addition, to the extent the value of goodwill or intangible assets were to become impaired after the merger, GEO may be required to incur charges relating to the impairment of those assets.

The combined company will incur significant transaction- and integration-related costs in connection with the merger.

GEO and Cornell expect to incur non-recurring costs associated with combining the operations of the two companies, including charges and payments to be made to some of their employees pursuant to change in control contractual obligations. GEO expects that the amount of these costs will be determined as of the effective time of the merger and may be material to the financial position and results of operations of the combined company. The substantial majority of non-recurring expenses resulting from the merger will be comprised of transaction costs related to the merger, facilities and systems consolidation costs, and employee-related costs. GEO and Cornell will also incur fees and costs related to formulating integration plans and performing these activities. Additional unanticipated costs may be

incurred in the integration of the two companies businesses. The elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, may not offset incremental transaction- and other integration-related costs in the near term.

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The combined company will have substantial indebtedness following the merger, which may limit its financial flexibility.

Following the completion of the merger, the combined company is expected to have approximately $[ ] million in pro-forma total debt outstanding. This amount of indebtedness may limit the combined company s flexibility as a result of its debt service requirements, and may limit the combined company s ability to access additional capital and make capital expenditures and other investments in its business, to withstand economic downturns and interest rate increases, to plan for or react to changes in its business and its industry, and to comply with financial and other restrictive covenants in its indebtedness.

Further, the combined company s ability to comply with the financial and other covenants contained in its debt instruments may be affected by changes in economic or business conditions or other events beyond its control. If the combined company does not comply with these covenants and restrictions, it may be required to take actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing all or part of its existing debt, or seeking additional equity capital.

GEO may have failed to discover undisclosed liabilities of Cornell.

GEO s investigations and due diligence review of Cornell may have failed to discover undisclosed liabilities of Cornell. If Cornell has undisclosed liabilities, GEO as a successor owner may be responsible for such undisclosed liabilities. GEO has tried to minimize its exposure to undisclosed liabilities by obtaining certain protections under the merger agreement, including representations and warranties from Cornell regarding undisclosed liabilities. However, there can be no assurance that such provisions in the merger agreement will protect GEO against any undisclosed liabilities being discovered or provide an adequate remedy for any undisclosed liabilities that are discovered. Additionally, the representations and warranties from Cornell do not survive beyond the effective time of the merger. Therefore, there can be no assurance that GEO will have a remedy that is enforceable, collectible or sufficient in amount, scope or duration, or a remedy at all, to offset, fully or partially, any undisclosed liabilities arising from the merger. Such undisclosed liabilities could have an adverse effect on the business and results of operations of GEO and may adversely affect the value of the shares of GEO common stock after the consummation of the merger.

Cornell may have failed to discover undisclosed liabilities of GEO.

Cornell s investigations and due diligence review of GEO may have failed to discover undisclosed liabilities of GEO. Cornell has tried to minimize its exposure to undisclosed liabilities by obtaining certain protections under the merger agreement, including representations and warranties from GEO regarding undisclosed liabilities. However, there can be no assurance that such provisions in the merger agreement will protect Cornell against any undisclosed liabilities being discovered or provide an adequate remedy for any undisclosed liabilities that are discovered. Additionally, the representations and warranties from GEO do not survive beyond the effective time of the merger. Therefore, there can be no assurance that the combined company will have a remedy that is enforceable, collectible or sufficient in amount, scope or duration, or any remedy at all, to offset, fully or partially, any undisclosed liabilities of GEO. Such undisclosed liabilities could have an adverse effect on the business and results of operations of the combined company, and may adversely affect the value of the shares of GEO common stock after the consummation of the merger.

The merger will result in GEO reentering the market of operating juvenile correctional facilities which may pose certain risks and difficulties compared to other facilities.

As a result of the merger, GEO will reenter the market of operating juvenile correctional facilities. GEO intentionally exited this market a number of years ago. Operating juvenile correctional facilities may pose increased operational

risks and difficulties that may result in increased litigation, higher personnel costs, higher levels of turnover of personnel and reduced profitability. Additionally, juvenile services contracts related to educational services may provide for annual collection several months after a school year is completed. GEO cannot assure you that the combined company will be successful in operating juvenile correctional facilities or that it will minimize the risks and difficulties involved while yielding an attractive profit margin.

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The combined company s goodwill or other intangible assets may become impaired, which could result in material non-cash charges to its results of operations.

The combined company will have a substantial amount of goodwill and other intangible assets resulting from the merger. At least annually, or whenever events or changes in circumstances indicate a potential impairment in the carrying value as defined by GAAP, the combined company will evaluate this goodwill for impairment based on the fair value of each reporting unit. Estimated fair values could change if there are changes in the combined company s capital structure, cost of debt, interest rates, capital expenditure levels, operating cash flows, or market capitalization. Impairments of goodwill or other intangible assets could require material non-cash charges to the combined company s results of operations.

Future results of the combined company may differ materially from the unaudited pro forma financial statements presented in this joint proxy statement/prospectus.

The combined company s future results may be materially different from those shown in the unaudited pro forma financial statements presented in this joint proxy statement/prospectus that show only a combination of GEO s and Cornell s historical results. GEO expects to incur significant costs associated with completing the merger and combining the operations of the two companies, and the exact magnitude of these costs is not yet known. Furthermore, these costs may decrease capital that could be used by GEO for income-earning investments in the future.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus contains certain forward-looking information about GEO, Cornell and the combined company that is intended to be covered by the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995. These statements may be made directly in this joint proxy statement/prospectus or may be incorporated into this joint proxy statement/prospectus by reference to other documents and may include statements for the period following the completion of the merger. Representatives of GEO and Cornell may also make forward-looking statements. Forward-looking statements are statements that are not historical facts. Words such as expect, believe, will, may, anticipate, plan, estimate, intend, should, and similar expressions are intended to identify forward-looking statements. These statements include statements about the expected benefits of the merger, information about the combined company, including expected synergies, combined operating and financial data and the combined company s objectives, plans and expectations, the likelihood of satisfaction of certain conditions to the completion of the merger and whether and when the merger will be consummated. Forward-looking statements are not guarantees of performance. These statements are based upon the current beliefs and expectations of the management of each of GEO and Cornell and are subject to risks and uncertainties, including the risks described in this joint proxy statement/prospectus under the section Risk Factors and those that are incorporated by reference into this joint proxy statement/prospectus that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

In light of these risks, uncertainties, assumptions and factors, the results anticipated by the forward-looking statements discussed in this joint proxy statement/prospectus, in documents incorporated by reference into this joint proxy statement/prospectus or made by representatives of GEO or Cornell may not occur. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date hereof or, in the case of statements incorporated by reference, on the date of the document incorporated by reference, or, in the case of statements made by representatives of GEO or Cornell, on the date those statements are made. All subsequent written and oral forward-looking statements concerning the merger or the combined company or other matters addressed in this joint proxy statement/prospectus and attributable to GEO or Cornell or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the

extent required by applicable law or regulation, neither GEO nor Cornell undertakes any obligation to update or publish revised forward-looking statements to reflect events or circumstances after the date hereof or the date of the forward-looking statements or to reflect the occurrence of unanticipated events.

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THE MERGER

The following discussion contains important information relating to the merger. You are urged to read this discussion together with the merger agreement and related documents attached as annexes to this joint proxy statement/prospectus before voting.

Structure of the Merger

Subject to the terms and conditions of the merger agreement and in accordance with Delaware law, GEO Acquisition III, Inc., a wholly owned subsidiary of GEO that was formed for the purpose of the merger, will be merged with and into Cornell, with Cornell surviving the merger and becoming a wholly owned subsidiary of GEO. Immediately following the merger, GEO will continue to be named The GEO Group, Inc. and will be the parent company of Cornell. Accordingly, after the effective time of the merger, shares of Cornell common stock will no longer be publicly traded.

Merger Consideration

Cornell Stockholders. At the effective time of the merger, each outstanding share of Cornell common stock will be converted into the right to receive either (i) 1.3 shares of GEO common stock, or (ii) an amount of cash consideration equal to the greater of (x) the fair market value of one share of GEO common stock plus $6.00 or (y) the fair market value of 1.3 shares of GEO common stock. Cornell stockholders desiring to receive a combination of GEO common stock and cash may do so by making a stock election with respect to a portion of their shares and a cash election with respect to their remaining shares. If a Cornell stockholder fails to make an election, the holder will receive the stock consideration. Fair market value of GEO common stock for the purpose of determining the cash consideration means the average of the daily closing prices per share of GEO common stock for the ten consecutive trading days on which shares of GEO common stock are actually traded (as reported on the NYSE) ending on the trading day immediately preceding the tenth business day preceding the closing date. Cornell stockholders have the opportunity to elect whether to receive stock consideration or cash consideration as provided above. However, the merger agreement provides that notwithstanding such elections, no more than 20% of the shares of Cornell common stock are permitted to be exchanged for cash consideration. If cash elections are made with respect to more than 20% of Cornell s shares, the excess over 20% shall be treated as if a stock election had been made with respect to such excess shares and they will be exchanged for shares of GEO common stock. In such event, a pro rata portion (rounded up to the nearest whole share) of each holder s shares of Cornell common stock with respect to which an election was made to elect cash consideration shall instead be converted to GEO common stock. Additionally, if the application of the above procedures and limitations relating to the merger agreement would result in more than $100.0 million of cash being paid to Cornell stockholders electing cash consideration, then GEO may elect, in its sole discretion, to reduce the amount of cash paid to each Cornell stockholder electing cash consideration on a pro rata basis so that the total cash paid with respect to all cash consideration is $100.0 million. If the cash consideration otherwise payable to any holder of Cornell common stock is reduced under this clause, such holder shall be entitled to receive GEO common stock at a fair market value (as defined above) equal to the amount of the reduction. GEO intends to pay such excess amount in cash.

Election Procedure. An election form and letter of transmittal have been enclosed with this joint proxy statement/prospectus pursuant to which Cornell stockholders may elect whether they would prefer to receive GEO common stock or cash in exchange for their Cornell shares. If you were a record holder of Cornell common stock on the Cornell record date, you should carefully review and follow the instructions included in the election form and the letter of transmittal. To make an election, record holders must properly complete and sign the election form and letter

of transmittal and send those documents and the certificates for their shares (or a properly completed notice of guaranteed delivery) to the exchange agent at the address listed in the election form and letter of transmittal by the election deadline, which is 5:00 p.m., New York time, on [ ], 2010. If the merger agreement is terminated, all election forms delivered to the exchange agent on or prior to the date of such termination will be automatically revoked and all share certificates will be returned. Please do not send your election form and stock certificates with your proxy card for the special meeting. Your election form and stock certificates are to be submitted separately from your proxy card.

If you own shares of Cornell common stock in street name through a broker or other financial institution, you will receive or should seek instructions from the institution holding your shares concerning how to make your election. Any instructions must be given to your broker or other financial institution sufficiently in advance of the

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election deadline for record holders in order to allow your broker or financial institution sufficient time to cause the record holder of your shares to make an election as described above. Therefore, you should carefully read any materials you receive from your broker.

If you are a record holder of Cornell shares, you may change your election or change the number of shares for which you have made an election at any time prior to the election deadline by sending a signed written notice to the exchange agent identifying the shares of Cornell common stock for which you are changing your election along with a properly completed revised election form. For a change of an election to be effective, it must be received by the exchange agent prior to the election deadline. In addition, a record holder may revoke an election at any time prior to the election deadline by delivering to the exchange agent a written notice of revocation. A revocation of a proxy shall also be deemed a revocation of an election with respect to the merger consideration. Shares of Cornell common stock as to which an election has been revoked after the election deadline will be deemed non-election shares, and no new election as to such shares may be made after the election deadline. If you hold your shares in street name, you must follow your broker s instructions for changing or revoking an election.

All elections are subject to the proration procedures described above. If you do not make a valid election, your shares will be considered non-election shares, and when the merger is completed you will be entitled to receive the stock consideration for non-election shares as described above.

GEO Shareholders. GEO shareholders will continue to own their existing shares of GEO common stock after the merger. Each share of GEO common stock will represent one share of common stock in the combined company.

Fractional Shares. GEO will not issue fractional shares of GEO common stock in the merger. All fractional shares of GEO common stock to which a holder of shares of Cornell common stock would otherwise be entitled as a result of the merger will be aggregated. For any fractional share that results from such aggregation, the exchange agent will pay the holder an amount of cash, without interest, equal to the product of such fraction of a share of GEO common stock which the Cornell stockholder would otherwise have been entitled to receive pursuant to the merger multiplied by the closing sale price of a share of GEO common stock on the NYSE on the trading day that is one trading day prior to the closing date. GEO shall deposit with the exchange agent the funds required to make such cash payments when and as needed.

Ownership of the Combined Company After the Merger

As of April 4, 2010, approximately 49.2 million shares of GEO common stock were outstanding and approximately 2.8 million shares of GEO common stock were reserved for the exercise of outstanding GEO options and settlement of other outstanding GEO equity-based awards. In accordance with terms of the merger, at the effective time of the merger, GEO (1) will issue up to approximately [ ] million shares of GEO common stock to Cornell stockholders pursuant to the merger and (2) will reserve for issuance approximately [ ] million shares of GEO common stock in connection with the exercise or settlement of Cornell equity-based awards. GEO and Cornell expect that the shares of GEO common stock issued in connection with the merger in respect of Cornell common stock will represent approximately [ ]% of the outstanding common stock of the combined company immediately after the merger on a diluted basis. Shares of GEO common stock held by GEO shareholders immediately prior to the merger will represent approximately [ ]% of the outstanding common stock of the combined company immediately after the merger on a diluted basis.

Background of the Merger

Since 2003, GEO and Cornell, through their respective management teams and representatives, have discussed a potential strategic combination on a number of occasions. In 2004 and again in 2007, the companies undertook

extensive due diligence and entered into negotiations regarding definitive merger agreements. However, the companies did not consummate a transaction in either year.

Following the failure to consummate a transaction in 2004, representatives of the companies continued to hold informal discussions regarding a potential business combination. James E. Hyman, Cornell s Chairman, Chief Executive Officer and President, and George C. Zoley, GEO s Chairman and Chief Executive Officer, have known

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each other professionally since early 2005 and from time to time have had informal conversations about their respective companies and the possibility of a strategic combination. In 2006, Cornell conducted a review of strategic alternatives involving multiple industry participants and potential private equity partners. That process eventually resulted in a merger agreement with a private equity company that Cornell s stockholders rejected in January 2007.

In May 2007, representatives of GEO contacted representatives of Cornell and proposed that GEO acquire Cornell in an all stock transaction. Substantive discussions between representatives of the companies and extensive due diligence continued from May through October. However, the parties were ultimately unable to agree on terms for a proposed transaction and, on October 22, 2007, discussions regarding a combination were terminated. Thereafter, Mr. Hyman, from time to time, continued to have informal discussions on strategic combinations with other industry participants.

Beginning in the spring of 2009, the Cornell board of directors and Cornell senior management undertook a review of Cornell s strategic alternatives, based on the broader industry and economic climate, including (i) continuing to execute its business strategy as a stand-alone entity, (ii) acquiring or divesting business units, (iii) undertaking an internal restructuring or (iv) engaging in a transaction with a potential strategic acquirer.

On July 2, 2009, GEO, through its representatives, delivered to Cornell a written proposal whereby GEO proposed to acquire Cornell in an all stock transaction at an exchange ratio of 1.05 shares of GEO common stock for each outstanding share of Cornell common stock. Following the receipt of this proposal, on July 9, 2009, the Cornell board of directors met with representatives of Moelis & Company LLC, hereafter referred to as Moelis & Company, Cornell s financial advisor, to evaluate the terms of the proposal including, among other things, the proposed price per share, the transaction structure and the relative advantages of a strategic combination with GEO at that time. Based on its evaluation, the Cornell board of directors rejected the proposal.

In August 2009, Messrs. Hyman and Zoley again informally discussed the possibility of re-initiating conversations regarding a potential transaction between GEO and Cornell. No formal terms were proposed at that time. During the ensuing months, Mr. Zoley periodically kept the members of GEO s board of directors apprised that Cornell was potentially interested in engaging in discussions once again.

Following the rejection of the July 2009 GEO proposal and the informal discussions with GEO in August 2009, Cornell analyzed its available resources and the challenges it faced as a stand-alone entity. Throughout the remainder of 2009 and the beginning of 2010, Cornell s management investigated potential acquisition opportunities related to Cornell s community-corrections segment and targeted companies in both the secure and juvenile industry segments. Cornell s management also analyzed potential business unit divestitures and alternative debt or leverage structures as a means of creating value for Cornell s stockholders and better positioning Cornell in the marketplace. However, Cornell was unable to find sufficiently attractive external acquisition or internal restructuring opportunities.

On February 18, 2010, at a meeting of the corporate planning committee of the GEO board of directors, Mr. Zoley discussed at length with the GEO board members various growth opportunities that GEO was in the process of evaluating. During this meeting, Mr. Zoley once again discussed the potential acquisition of Cornell. Mr. Zoley also provided to the GEO board members selected preliminary pro forma information regarding the potential impact of an acquisition of Cornell on GEO s business, including certain key financial and operating metrics.

On March 3, 2010, Messrs. Hyman and Zoley met and discussed GEO s continued interest in a strategic business combination. During this meeting, Mr. Hyman and Mr. Zoley discussed a proposal whereby GEO would acquire Cornell in an all stock transaction at an exchange ratio of 1.25 shares of GEO common stock for each outstanding share of Cornell common stock. In the days following, Mr. Hyman, following separate telephonic communications with each member of the Cornell board of directors, continued to engage in informal conversations with a number of potential domestic and international strategic acquirers in Cornell s industry and related industries. Such discussions

continued throughout the months of March and April, however each potential acquirer informed Cornell that they were not interested in pursuing substantive discussions concerning a transaction at that time.

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At a meeting held on March 26, 2010, the Cornell board of directors met with representatives of Moelis & Company and Cornell senior management present, including Mr. Hyman. Mr. Hyman outlined Mr. Zoley s proposal to Cornell s board of directors. The board discussed the proposal and other strategic considerations and potential strategic alternatives available to Cornell. At this meeting, the Cornell board of directors appointed a special committee of the board comprised solely of independent directors, referred to herein as the special committee, to evaluate strategic alternatives, including GEO s proposal and any proposals received from other parties, and to negotiate the terms of any definitive transaction documents. The special committee further determined to retain Hogan Lovells as legal counsel in connection with the evaluation of proposals.

On April 1, 2010, the special committee met with representatives of Moelis & Company and Cornell senior management regarding the status of discussions with various potential strategic partners. Representatives of Cornell senior management informed the special committee that a potential strategic acquirer expressed limited general interest in a transaction but it, and each of the other parties contacted, did not appear interested in specific discussions at that time. The special committee, following discussion concerning these parties, and following a review of the fiduciary duties of the Cornell board of directors with representatives of Hogan Lovells, determined, among other things, that Mr. Hyman should inform Mr. Zoley that Cornell, through the special committee, would be willing to proceed with discussions concerning a potential strategic transaction and to request that Mr. Zoley submit a written proposal for the special committee s consideration. Additionally, the special committee determined that representatives of Cornell senior management and Moelis & Company should continue communications with other potential strategic acquirers. Immediately following the meeting, Mr. Hyman contacted Mr. Zoley as directed.

On April 2, 2010, GEO submitted a written, non-binding proposal to the board of directors of Cornell pursuant to which GEO proposed to acquire all of the outstanding common stock of Cornell in exchange for either stock consideration at an exchange ratio of 1.25 shares of GEO common stock for each outstanding share of Cornell common stock, or a mix of cash and stock consideration equal to one share of GEO common stock plus $4.00 in cash for each outstanding share of Cornell common stock, at the election of each Cornell stockholder. The proposal further requested that GEO and Cornell adhere to an expedited transaction timeline and due diligence process.

On April 5, 2010, the special committee of Cornell met with representatives of Hogan Lovells and Moelis & Company, with members of Cornell senior management present, to consider GEO s proposal and to receive an update as to the status of discussions with various other potential strategic acquirers. A representative of Moelis & Company and members of Cornell senior management informed the special committee that the other potential strategic acquirers were not interested in substantive discussions at that time and a representative of Moelis & Company reviewed with the Cornell board of directors the likelihood of interest by, and ability to procure acquisition financing of, other potential parties. Mr. Hyman outlined the terms of GEO s proposal and the proposed timeline. Representatives of Moelis & Company outlined for the special committee the substance of discussions concerning the proposal held with GEO s outside counsel. A representative of Moelis & Company answered questions from the members of the special committee regarding the specific terms of the offer and representatives of Hogan Lovells reviewed the fiduciary duties of the Cornell board of directors. Following discussion among its members, the special committee determined that Moelis & Company should contact representatives of GEO to communicate that the special committee had rejected GEO s proposal because the special committee believed that GEO s proposal constituted an inadequate premium to the trading price of Cornell s common stock. Immediately following the meeting, representatives of Moelis & Company contacted GEO as directed. Discussions continued throughout the week of April 5, 2010 between Moelis & Company and representatives of GEO concerning the specific financial terms of a possible revised proposal.

On April 9, 2010, GEO held internal discussions and conducted a detailed review of, among other things, its valuation of Cornell. Representatives of GEO subsequently contacted representatives of Moelis & Company to orally communicate that (i) GEO would revise its offer such that all of the outstanding common stock of Cornell would be

exchanged for either stock consideration at an exchange ratio of 1.25 shares of GEO common stock for each outstanding share of Cornell common stock, or a mix of cash and stock consideration equal to one share of GEO common stock plus $5.00 in cash for each outstanding share of Cornell common stock, at the election of each Cornell stockholder, and (ii) no seats on the board of directors of GEO would be offered to Cornell as part of the transaction.

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On April 9, 2010, the special committee met with representatives of Hogan Lovells, Moelis & Company and members of Cornell senior management present to discuss GEO s revised proposal. Following discussion among those present concerning the revised terms of the proposal, financial analysis conducted by Moelis & Company concerning Cornell and GEO and a review of the fiduciary duties of the Cornell board of directors with representatives of Hogan Lovells, the special committee determined to reject GEO s revised proposal and to submit a counter proposal in writing to GEO which would result in Cornell stockholders receiving, for each outstanding share of Cornell common stock, either (i) 1.3 shares of GEO common stock, or (ii) the cash value of one share of GEO common stock plus $6.00, at such stockholders election.

On April 10, 2010, representatives of GEO and GEO senior management held extensive discussions regarding the terms of the special committee s counterproposal. Following those discussions, on April 11, 2010, GEO submitted a revised written, non-binding proposal to acquire Cornell pursuant to which Cornell s stockholders could elect to receive in exchange for each outstanding share of Cornell common stock either (i) 1.3 shares of GEO common stock, or (ii) the cash value of one share of GEO common stock plus $6.00, at such stockholders election. The proposal provided for the execution of a definitive merger agreement on April 18, 2010 and a public announcement of the transaction on April 19, 2010.

Hogan Lovells received the first draft of the definitive merger agreement from GEO s counsel on April 13, 2010. Thereafter, the parties and their respective advisors continued mutual due diligence and, from April 13, 2010 through April 18, 2010, negotiated the terms of a definitive merger agreement and ancillary documents. The parties largely completed their due diligence efforts on April 16, 2010.

On April 15, 2010, the GEO board of directors held a telephonic meeting to discuss the proposed acquisition of Cornell. Mr. Zoley summarized the status of recent discussions and negotiations that had taken place regarding the proposed transaction. He then reviewed in detail the terms of GEO s proposal letter, dated April 11, 2010, which is summarized above. A copy of the letter had been provided to the GEO board of directors in advance of the meeting. Mr. Zoley next reviewed the extensive history of discussions between the two companies and the substantial due diligence that GEO had conducted over the years on Cornell s business. Discussions were then had regarding the board s significant familiarity with Cornell s business and operations. Several GEO board members expressed optimism that Cornell appeared to once again have an interest in pursuing a transaction but questioned whether a transaction could actually be completed on mutually satisfactory terms given the parties history of terminated discussions. A number of key factors relating to transaction execution were then considered, including, among other things, the extensive amount of due diligence the parties had conducted on each other s respective businesses in the past, the information that was publicly available on both companies due to their status as SEC reporting companies, the companies status as competitors in the corrections industry, and the risk that a lengthy process could significantly increase the possibility that news of a potential transaction could leak and make the transaction highly improbable. After taking these and other relevant factors into account, the GEO board of directors supported GEO management s view that an expedited timeline for negotiations and due diligence would be an advisable strategy for successfully executing a definitive merger agreement with respect to a proposed transaction. Representatives of Akerman Senterfitt then reviewed the proposed terms of the merger agreement with Cornell in detail. Extensive discussions were had regarding various key terms and provisions of the merger agreement. Following these discussions on the merger agreement, representatives of Akerman Senterfitt delivered a detailed presentation regarding the GEO board of directors fiduciary duties in connection with its review and approval of the proposed transaction with Cornell. After extensive discussion, the meeting was adjourned.

On April 16, 2010, the board of directors of Cornell, including the members of the special committee, met with representatives of Hogan Lovells, Moelis & Company and members of Cornell senior management present to discuss the status of due diligence efforts and negotiations concerning the definitive merger agreement. Representatives of Hogan Lovells, Moelis & Company and Cornell senior management reviewed for the board, among other things, the

directors fiduciary duties, the proposed deal structure, preliminary due diligence results and certain of GEO s corporate governance practices and policies. The parties continued negotiations following such meeting.

The special committee met again on April 18, 2010 with representatives of Hogan Lovells, Moelis & Company and members of Cornell senior management present to confer and agree upon a recommendation to the board of

directors of Cornell regarding a potential transaction with GEO. During this meeting, Mr. Hyman outlined a revised proposal pursuant to which Cornell s stockholders could elect to receive in exchange for each outstanding share of Cornell common stock either (i) 1.3 shares of GEO common stock or (ii) the greater of the cash equivalent of (a) 1.3 shares of GEO common stock or (b) one share of GEO common stock plus $6.00, at the election of each Cornell stockholder. GEO s proposal was contingent upon certain conditions, including, among other things, that no more than 20% of the shares of Cornell common stock be exchanged for the cash consideration and that the aggregate cash consideration payable would not, except in GEO s sole discretion, exceed $100.0 million. The proposal was discussed at length by the members of the special committee and the special committee s legal and financial advisors. Representatives of Hogan Lovells also reviewed the status of the negotiations concerning the definitive merger agreement and thereafter the members of the special committee unanimously determined to recommend, subject to the receipt of definitive documentation from GEO consistent with the terms of the transaction as presented by Mr. Hyman, the acceptance of GEO s proposal to the board of directors of Cornell.

Immediately thereafter, the board of directors of Cornell, including the members of the special committee, met with representatives of Hogan Lovells, Moelis & Company and members of Cornell senior management present to consider the proposed transaction. Mr. Hyman outlined the terms of GEO s revised merger proposal. Representatives of Hogan Lovells advised the board of directors of its fiduciary duties and its confidentiality obligations, and also reviewed the terms of the draft merger agreement with the board of directors and answered questions from the board members about the transaction documents, including with respect to events which would trigger the payment of a termination fee by Cornell to GEO and the fiduciary duties of the Cornell board of directors in connection with the receipt of superior proposals. A representative of Moelis & Company presented its updated financial analysis of the proposed merger and explained to the members of the Cornell board of directors the mechanics of the proposed election to be made by Cornell stockholders and other details regarding the transaction structure. In connection with its deliberations, the Cornell board of directors considered written materials distributed in advance of the meeting by Moelis & Company. Representatives of Hogan Lovells also reviewed with the board the final results of the due diligence conducted on GEO. The directors then engaged in a discussion with their advisors about the transaction. Following such discussion, a representative of Moelis & Company orally expressed its opinion (subsequently confirmed in writing) that as of such date, based upon and subject to the considerations, assumptions, qualifications and limitations set forth therein, the consideration to be received in the merger by the holders of shares of Cornell common stock (viewed solely in their capacities as holders of shares of Cornell common stock), was fair from a financial point of view. Mr. Hyman disclosed to the Cornell board of directors that GEO had requested him to extend by one year, contingent upon the consummation of the merger, the term of the non-competition period contained in Mr. Hyman s employment agreement. Such extension would be made on mutually-agreeable terms to be documented after execution of the merger agreement. Mr. Hyman reviewed the proposed terms of such understanding, which had not yet been finalized, and responded to questions from the Cornell board of directors relating thereto. As of the date hereof, the parties are working to agree on definitive documentation agreeable to both parties regarding the extension of Mr. Hyman s non-competition period. Thereafter, the special committee expressed its unanimous recommendation of the transaction to the Cornell board of directors and then the Cornell board of directors, having taken into consideration the information presented, including the opinion of Moelis & Company, approved the merger of GEO and Cornell and the merger agreement, and voted to recommend the adoption of the merger agreement to the holders of Cornell s common stock. Promptly following the vote of the members of the board of directors, Moelis & Company delivered its written opinion, dated April 18, 2010, a copy of which is attached hereto as Annex E.

On April 18, 2010, the GEO board of directors met with representatives of Akerman Senterfitt and GEO s financial advisors to discuss the proposed transaction with Cornell. During the meeting, Mr. Zoley outlined the revised merger proposal. Barclays Capital and BofA Merrill Lynch reviewed with the GEO board of directors their financial analysis of the proposed merger consideration and each rendered to the GEO board of directors an oral opinion (confirmed by delivery of a written opinion) to the effect that, as of such date and based upon and subject to the considerations, assumptions, qualifications and limitations set forth therein, the consideration to be paid by GEO in the merger was

fair, from a financial point of view, to GEO. Representatives of Akerman Senterfitt then reviewed with the GEO board of directors the results of GEO s due diligence review and the terms of the merger agreement. An extensive discussion was had regarding various key terms and provisions of the merger agreement. Representatives of Akerman Senterfitt also discussed the fiduciary duties of the GEO board of directors with respect

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to the potential transaction. Thereafter, the GEO board of directors, having taken into consideration the information presented and the factors noted below in the section captioned GEO Reasons for the Merger and the Recommendation of GEO s Board of Directors Relating to the Merger, approved the merger of GEO and Cornell, the merger agreement and the GEO share issuance. The GEO board of directors voted to recommend that the GEO shareholders approve the GEO share issuance in connection with the merger. Following the vote of the members of the GEO board of directors, Barclays Capital and BofA Merrill Lynch each delivered their individual written opinions, dated April 18, 2010, copies of which are attached hereto as Annex C and Annex D.

Following the approval of Cornell s board of directors, the parties executed the merger agreement and certain related agreements on April 18, 2010 and a joint press release was issued on the morning of April 19, 2010.

GEO Reasons for the Merger and the Recommendation of GEO s Board of Directors Relating to the Merger

The GEO board of directors believes that the merger will provide GEO shareholders with an interest in a combined company with an enhanced platform to deliver high quality, diversified government services and pursue new growth opportunities. In evaluating the GEO share issuance in connection with the merger, the GEO board of directors consulted with GEO s senior management and legal and financial advisors. The GEO board of directors has (i) determined that the merger consideration is fair, from a financial point of view, and (ii) recommended the approval of the GEO share issuance in connection with the merger to the GEO shareholders.

In reaching its conclusion to recommend the GEO share issuance in connection with the merger, the GEO board of directors considered a number of factors, including those discussed below:

Strategic Considerations

Strong Strategic Benefits. The GEO board of directors considered that two key strategic benefits of the merger would be the combined company s increased scale and the further diversification of GEO s service offerings. The GEO board considered:

- that the combined company is expected to generate annual revenues of more than $1.5 billion, and to materially increase GEO s net income and free cash flow on an annualized basis, giving GEO substantially more size than it has pre-merger; and

- that the addition of Cornell s substantial presence in the community-based and behavioral health markets will further diversify GEO s service offerings. Pre-merger, GEO operates two community-based corrections facilities totaling 287 beds, while Cornell operates 30 community-based facilities totaling 3,558 beds. Cornell operates 27 youth and family behavioral health facilities totaling 3,043 beds. GEO does not currently operate any youth and family behavioral health facilities.

Expansion of GEO Care Business Unit into New Markets and Service Offerings. GEO plans to place Cornell s community-based and youth and family behavioral health operations under GEO Care s management. These two divisions will incorporate an additional 57 facilities totaling 6,601 beds into GEO Care s operations. As a result of the merger, GEO Care will have a presence in a total of 11 new states and the District of Columbia. The GEO board of directors believe that this expansion and further diversification of GEO Care s business into new geographic markets and service offerings will substantially increase the profile of GEO Care s operational expertise and enhance GEO Care s ability to pursue business in new states and business segments.

GEO believes that the increased scale and diversification of the combined company post-merger will enable the combined company to better capitalize on attractive business development opportunities and serve its

customers, mitigate business segment risk and result in a more balanced and diverse revenue base.

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Financial Considerations

Increased Ability to Compete More Effectively. The GEO board of directors considered the financial strength of the combined company compared to GEO s financial standing pre-merger, including, but not limited to, the GEO board of directors belief that:

a post-merger GEO is expected to have increased cash flow which should, in turn, enhance the combined company s access to capital markets and lower its cost of capital. GEO strongly believes that strengthening its access to capital through the merger will enable it to more effectively compete with its competitors in the private sector, as well as the public sector; and

a post-merger GEO will be increasingly well positioned to build and finance new correctional facilities to meet customer demands for larger facilities. GEO believes that being in a better position to build and finance new correctional facilities is important due to the increased demand for private sector financing for the construction of new corrections facilities in light of budgetary pressures faced by state and federal governments.

Consideration Consisting of GEO Common Stock or Cash. The GEO board of directors considered that providing for the merger consideration to consist of GEO common stock or cash at the election of Cornell stockholders, subject to the limitation that no more than 20% of the shares of Cornell common stock be exchanged for the cash consideration and that the aggregate cash consideration payable not exceed $100.0 million except in GEO s sole discretion, was favorable, including for the following reasons:

the consideration is structured in a way that is intended to qualify as a reorganization within the meaning of Section 368(a) of the Code. This qualification means that Cornell stockholders generally would not recognize gain for federal income tax purposes, upon their exchange of shares except with respect to cash received;

the requirement to have a significant portion of the merger consideration paid in shares of GEO common stock permits Cornell stockholders to share in the growth and opportunities of the combined company and participate in the potential future increase in value of an investment in GEO or dispose of their shares of GEO common stock received in the merger in the public market while the remaining cash portion of the merger consideration permits Cornell stockholders to receive a certain cash value for their shares and as a result monetize their investment in Cornell; and

the significant stock portion of the merger consideration permits GEO to use its common stock as currency and minimizes the amount of cash from operations or borrowings that GEO has to use to consummate the merger.

Integration Considerations

Synergies and Cost Savings of the Combined Company. The management of GEO anticipates annual synergies of $12-15 million during the year following the completion of the merger, and believes there may be potential to achieve additional synergies thereafter. GEO believes the merger should result in a number of important synergies. These synergies are expected to result primarily from achieving greater operating efficiencies, capturing inherent economies of scale and leveraging corporate resources. Any synergies achieved will further enhance the free cash flow and return on invested capital of the combined company.

In the course of its deliberations, the GEO board of directors also considered a variety of risks and other factors in addition to the factors listed above, relating to the merger, including

the risk that Cornell could lose management contracts to operate some of their facilities;

the risk regarding the failure of the merger to be consummated or any delay in consummating the merger;

the risk that GEO and Cornell may experience difficulties or delays in integrating their businesses; and

the risk that the combined company may fail to realize the full extent of, or any of, the anticipated synergies or other benefits of the merger.

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In reaching its decision to recommend approval of the GEO share issuance to GEO s shareholders in connection with the merger, the GEO board of directors did not quantify or assign any relative weights to different factors. The GEO board of directors considered all of these factors as a whole, and overall considered them to be favorable to, and to support, its determination.

The GEO board of directors has determined that the GEO share issuance in connection with the merger is advisable and in the best interests of GEO and its shareholders. The GEO board of directors recommends that GEO shareholders vote **FOR** the GEO share issuance and **FOR** the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the foregoing proposals.

Opinions of GEO s Financial Advisors

GEO engaged Barclays Capital and BofA Merrill Lynch as GEO s financial advisors in connection with the merger. At an April 18, 2010 meeting of GEO s board of directors held to evaluate the merger, Barclays Capital and BofA Merrill Lynch rendered to GEO s board of directors separate oral opinions, subsequently confirmed by delivery of separate written opinions dated April 18, 2010, to the effect that, as of that date and based on and subject to the qualifications, limitations and assumptions stated in such opinions, the consideration to be paid by GEO in the merger was fair, from a financial point of view, to GEO.

The separate written opinions, each dated April 18, 2010, are attached as Annexes C and D, respectively, to this joint proxy statement/prospectus. The written opinions set forth, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken by GEO s financial advisors in rendering their respective opinions. The following summaries are qualified in their entirety by reference to the full text of each such opinion. The opinions are addressed to GEO s board of directors for its use in connection with its evaluation of the merger consideration and relate only to the fairness, from a financial point of view, to GEO of the consideration to be paid by GEO in the merger. The opinions do not in any manner address GEO s underlying business decision to proceed with or effect the merger or any other matter and are not intended to and do not constitute a recommendation to any shareholder as to how such shareholder should vote or act with respect to the merger or any related matter.

The terms of the merger (including, without limitation, the consideration payable in the merger) were determined through negotiations between GEO and Cornell, rather than by any financial advisor, and the decision to enter into the merger agreement was solely that of GEO s board of directors. Barclays Capital and BofA Merrill Lynch did not recommend any specific form of consideration to GEO s board of directors or that any specific form of consideration constituted the only appropriate consideration for the merger. The opinions were only one of many factors considered by GEO s board of directors in its evaluation of the merger and should not be viewed as determinative of the views of GEO s board of directors, management or any other party with respect to the merger or the consideration payable in the merger.

Summary of Barclays Capital s Opinion

In arriving at its opinion, Barclays Capital, among other things:

- reviewed the merger agreement and the specific financial terms of the merger;

- reviewed and analyzed publicly available information concerning Cornell and GEO that Barclays Capital believed to be relevant to its analysis, including Cornell s Annual Report on Form 10-K for the fiscal year ended December 31, 2009, GEO s Annual Report on Form 10-K for the fiscal year ended January 3, 2010 and

other relevant filings with the SEC;

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reviewed and analyzed financial and operating information with respect to GEO s business, operations and prospects furnished to Barclays Capital by GEO, including financial projections of GEO prepared by GEO s management, referred to as the GEO forecasts;

reviewed and analyzed financial and operating information with respect to Cornell s business, operations and prospects furnished to Barclays Capital by Cornell and GEO, including financial projections of Cornell prepared by Cornell s management, referred to as the Cornell forecasts, and certain adjustments thereto prepared by GEO s management reflecting more conservative assumptions and estimates as to the future financial performance of Cornell, referred to as the adjusted Cornell forecasts;

reviewed and analyzed public estimates of independent research analysts with respect to the future financial performance of GEO and Cornell;

reviewed and analyzed trading histories of Cornell common stock and GEO common stock from April 15, 2009 to April 16, 2010 and a comparison of those trading histories with each other;

reviewed and analyzed a comparison of certain financial data of Cornell and GEO with each other and with those of other companies that Barclays Capital deemed relevant;

reviewed and analyzed a comparison of the financial terms of the merger with the financial terms of certain other transactions that Barclays Capital deemed relevant;

reviewed and analyzed the relative contributions of Cornell and GEO to the future financial performance of the combined company on a pro forma basis;

reviewed and analyzed the potential pro forma financial impact of the merger on the future financial performance of the combined company, including the amount and timing of cost savings expected by GEO s management to result from the merger, referred to as cost savings;

had discussions with GEO s and Cornell s managements concerning GEO s and Cornell s respective businesses, operations, assets, liabilities, financial condition and prospects; and

undertook such other studies, analyses and investigations as Barclays Capital deemed appropriate.

In arriving at its opinion, Barclays Capital assumed and relied upon the accuracy and completeness of the financial and other information used by Barclays Capital without any independent verification of such information and further relied upon the assurances of GEO s and Cornell s managements that they were not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to the Cornell forecasts, upon Cornell s advice, Barclays Capital assumed that such projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of Cornell s management as to the future financial performance of Cornell. With respect to the adjusted Cornell forecasts and the GEO forecasts, upon GEO s advice, Barclays Capital assumed that such projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of GEO s management as to the future financial performance of Cornell and GEO and that Cornell and GEO would perform substantially in accordance with such projections, and Barclays Capital relied on the adjusted Cornell forecasts and the GEO forecasts in arriving at its opinion. In addition, upon GEO s advice, Barclays Capital assumed that the amount and timing of the cost savings were reasonable and would be realized in accordance with such estimates. Barclays Capital assumed no responsibility for and expressed no view as to any projections or estimates reviewed by it or the assumptions on which they were based. In arriving at its opinion, Barclays Capital did

not conduct a physical inspection of the properties and facilities of Cornell or GEO and did not make or obtain any evaluations or appraisals of the assets or liabilities, contingent or otherwise, of Cornell or GEO. Barclays Capital s opinion necessarily was based upon market, economic and other conditions as they existed on, and could be evaluated as of, the date of its opinion. Barclays Capital assumed no responsibility for updating or revising its opinion based on events or circumstances that may occur after the date of its opinion. Barclays Capital expressed no opinion as to the prices at which shares of GEO common stock or Cornell common stock would trade at any time following the announcement of the merger or the prices at which shares of GEO common stock would trade at any time following consummation of the merger.

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Barclays Capital assumed the accuracy of the representations and warranties contained in the merger agreement and all related agreements. Barclays Capital also assumed, upon GEO s advice, that all material governmental, regulatory and third party approvals, consents and releases for the merger would be obtained within the constraints contemplated by the merger agreement and that the merger would be consummated in accordance with the merger agreement without waiver, modification or amendment of any material term, condition or agreement. Barclays Capital s opinion does not in any manner address the form or structure of the merger, the form or structure of the merger consideration or any election, limitations or proration procedures relating to the merger consideration. Barclays Capital also did not express any opinion as to any tax or other consequences that might result from the merger, nor did its opinion address any legal, tax, regulatory or accounting matters, as to which Barclays Capital understood that GEO had obtained such advice as it deemed necessary from qualified professionals.

Barclays Capital was not requested to opine as to, and its opinion did not in any manner address, GEO s underlying business decision to proceed with or effect the merger or the likelihood of consummation of the merger. In addition, Barclays Capital expressed no opinion on, and its opinion did not in any manner address, the fairness of the amount or the nature of any compensation to any officers, directors or employees of any parties to the merger, or any class of such persons, relative to the consideration to be paid by GEO in the merger or otherwise. The issuance of Barclays Capital s opinion was approved by Barclays Capital s fairness opinion committee. Barclay Capital s opinion is not intended to be and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act with respect to the merger or any related matter. Except as described above, GEO imposed no other instructions or limitations on Barclays Capital with respect to the investigations made or the procedures followed by it in rendering its opinion.

Barclays Capital is an internationally recognized investment banking firm and, as part of its investment banking activities, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. In selecting Barclays Capital as GEO s financial advisor in connection with the merger, GEO considered Barclays Capital s qualifications, reputation and experience in the valuation of businesses and securities in connection with mergers and acquisitions generally. GEO also considered its prior relationship with Barclays Capital and its affiliates and their provision of investment banking and financial services to GEO described in more detail below.

As compensation for Barclays Capital s financial advisory services to GEO in connection with the merger, GEO has agreed to pay Barclays Capital an aggregate fee of $3.75 million, a portion of which was payable upon execution of the merger agreement and $3.375 million of which is contingent upon the consummation of the merger. In addition, GEO has agreed to reimburse Barclays Capital for expenses, including fees and disbursements of Barclays Capital s counsel, and indemnify Barclays Capital and related parties for certain liabilities that may arise out of Barclays Capital s engagement. Barclays Capital and its affiliates have performed various investment banking and financial services for GEO in the past, and expect to perform such services in the future, and have received, and expect to receive, customary fees for such services. Specifically, in the past two years, Barclays Capital and its affiliates have acted as (i) joint book runner on certain debt offerings of GEO and (ii) financial advisor to GEO in connection with GEO s share buy-back program. In addition, an affiliate of Barclays Capital currently is a lender under certain of GEO s credit facilities. Barclays Capital and its affiliates engage in a wide range of businesses from investment and commercial banking, lending, asset management and other financial and non-financial services. In the ordinary course of business, Barclays Capital and its affiliates may actively trade and effect transactions in the equity, debt and/or other securities (and any derivatives thereof) and financial instruments (including loans and other obligations) of GEO, Cornell and certain of their respective affiliates for our own account and for the accounts of our customers and, accordingly, may at any time hold long or short positions and investments in such securities and financial instruments.

Summary of BofA Merrill Lynch s Opinion

In connection with rendering its opinion, BofA Merrill Lynch, among other things:

reviewed certain publicly available business and financial information relating to Cornell and GEO;

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reviewed certain internal financial and operating information with respect to the business, operations and prospects of Cornell furnished to or discussed with BofA Merrill Lynch by Cornell s management, including certain financial forecasts relating to Cornell prepared by Cornell s management, referred to as the Cornell forecasts;

reviewed an alternative version of the Cornell forecasts incorporating certain adjustments thereto made by GEO s management, referred to as the adjusted Cornell forecasts, and discussed with GEO s management its assessments as to the relative likelihood of achieving the future financial results reflected in the Cornell forecasts and the adjusted Cornell forecasts;

reviewed certain internal financial and operating information with respect to the business, operations and prospects of GEO furnished to or discussed with BofA Merrill Lynch by GEO s management, including certain financial forecasts relating to GEO prepared by GEO s management, referred to as the GEO forecasts;

reviewed certain estimates as to the amount and timing of cost savings anticipated by GEO s management to result from the merger, referred to as the cost savings;

discussed the past and current business, operations, financial condition and prospects of Cornell with members of senior managements of Cornell and GEO, and discussed the past and current business, operations, financial condition and prospects of GEO with members of GEO s senior management;

discussed with GEO s management its assessments as to (a) Cornell s existing and future relationships, agreements and arrangements with, and GEO s ability to retain, key management contracts of Cornell and (b) the ability of GEO to integrate the businesses of GEO and Cornell;

reviewed the potential pro forma financial impact of the merger on the future financial performance of GEO, including the potential effect on GEO s estimated earnings per share, both before and after taking into account potential cost savings;

reviewed the trading histories of Cornell common stock and GEO common stock and a comparison of such trading histories with each other;

compared certain financial and stock market information of Cornell and GEO with similar information of other companies BofA Merrill Lynch deemed relevant;

compared certain financial terms of the merger to financial terms, to the extent publicly available, of other transactions BofA Merrill Lynch deemed relevant;

reviewed the relative financial contributions of Cornell and GEO to the future financial performance of the combined company on a pro forma basis;

reviewed the merger agreement; and

performed such other analyses and studies and considered such other information and factors as BofA Merrill Lynch deemed appropriate.

In arriving at its opinion, BofA Merrill Lynch assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information and data publicly available or provided to or

otherwise reviewed by or discussed with it and relied upon the assurances of the managements of GEO and Cornell that they were not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. With respect to the Cornell forecasts, BofA Merrill Lynch was advised by Cornell, and assumed, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of Cornell s management as to the future financial performance of Cornell. With respect to the adjusted Cornell forecasts, GEO forecasts and cost savings, BofA Merrill Lynch assumed, at GEO s direction, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of GEO s management as to the future financial performance of Cornell and GEO and the other matters covered thereby and, based on the assessments of GEO s management as to the relative likelihood of achieving the future financial results reflected in the Cornell forecasts and the adjusted Cornell forecasts, BofA Merrill Lynch

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relied, at GEO s direction, on the adjusted Cornell forecasts for purposes of its opinion. BofA Merrill Lynch also relied, at GEO s direction, on the assessments of GEO s management as to GEO s ability to achieve the cost savings and was advised by GEO, and assumed, that the cost savings would be realized in the amounts and at the times projected. BofA Merrill Lynch further relied, at GEO s direction, upon the assessments of GEO s management as to Cornell s existing and future relationships, agreements and arrangements with, and GEO s ability to retain, key management contracts of Cornell and as to the ability of GEO to integrate the businesses of GEO and Cornell and assumed that there would be no developments with respect to any such matters that would have an adverse effect on Cornell, GEO or the contemplated benefits of the merger.

BofA Merrill Lynch did not make and was not provided with any independent evaluation or appraisal of the assets or liabilities, contingent or otherwise, of Cornell or GEO, nor did it make any physical inspection of the properties or assets of Cornell or GEO. BofA Merrill Lynch did not evaluate the solvency or fair value of Cornell or GEO under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. BofA Merrill Lynch assumed, at GEO s direction, that the merger would be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary governmental, regulatory and other approvals, consents, releases and waivers for the merger, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, would be imposed that would have an adverse effect on Cornell, GEO or the contemplated benefits of the merger. BofA Merrill Lynch also assumed, at GEO s direction, that the merger would qualify for federal income tax purposes as a reorganization under the provisions of Section 368(a) of the Code.

BofA Merrill Lynch expressed no view or opinion as to any terms or other aspects of the merger, other than the merger consideration to the extent expressly specified in its opinion, including, without limitation, the form or structure of the merger, the form or structure of the merger consideration or any election, limitations or proration procedures relating to the merger consideration. BofA Merrill Lynch s opinion was limited to the fairness, from a financial point of view, to GEO of the merger consideration to be paid in the merger and no opinion or view was expressed with respect to any consideration received in connection with the merger by the holders of any class of securities, creditors or other constituencies of any party. In addition, no opinion or view was expressed with respect to the fairness, financial or otherwise, of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees of any party to the merger, or class of such persons, relative to the merger consideration. Furthermore, no opinion or view was expressed as to the relative merits of the merger in comparison to other strategies or transactions that might be available to GEO or in which GEO might engage or as to the underlying business decision of GEO to proceed with or effect the merger. BofA Merrill Lynch did not express any opinion as to what the value of GEO common stock actually would be when issued or the prices at which GEO common stock or Cornell common stock would trade at any time, including following announcement or consummation of the merger. BofA Merrill Lynch also did not express any view or opinion with respect to, and relied, with GEO s consent, upon the assessments of GEO s management regarding, legal, regulatory, accounting, tax or similar matters relating to Cornell, GEO or the merger as to which BofA Merrill Lynch understood that GEO had obtained such advice as it deemed necessary from qualified professionals. In addition, BofA Merrill Lynch expressed no opinion or recommendation as to how any shareholder should vote or act in connection with the merger or any related matter.

BofA Merrill Lynch s opinion was necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to BofA Merrill Lynch as of, the date of its opinion. It should be understood that subsequent developments may affect its opinion, and BofA Merrill Lynch does not have any obligation to update, revise or reaffirm its opinion. The issuance of BofA Merrill Lynch s opinion was approved by BofA Merrill Lynch s Americas Fairness Opinion Review Committee. Except as described above, GEO imposed no other limitations on the investigations made or procedures followed by BofA Merrill Lynch in rendering its opinion.

GEO has agreed to pay BofA Merrill Lynch for its services as financial advisor to GEO in connection with the merger an aggregate fee of $3.75 million, a portion of which was payable upon execution of the merger agreement and $3.375 million of which is contingent upon the completion of the merger. GEO also has agreed to reimburse BofA Merrill Lynch for its expenses, including fees and disbursements of BofA Merrill Lynch s counsel, incurred in connection with BofA Merrill Lynch s engagement and to indemnify BofA Merrill Lynch, any controlling person of

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BofA Merrill Lynch and each of their respective directors, officers, employees, agents and affiliates against specified liabilities, including liabilities under the federal securities laws.

BofA Merrill Lynch and its affiliates comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and financial advisory services and other commercial services and products to a wide range of companies, governments and individuals. In the ordinary course of business, BofA Merrill Lynch and its affiliates may invest on a principal basis or on behalf of customers or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in equity, debt or other securities or financial instruments (including derivatives, bank loans or other obligations) of GEO, Cornell and certain of their respective affiliates.

BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to GEO and have received or in the future may receive compensation for the rendering of these services, including (i) having acted as joint book runner on certain debt offerings of GEO and as dealer manager for a tender offer undertaken by GEO for certain of its outstanding notes, (ii) having acted or acting as lender under various credit facilities of GEO and (iii) having provided or providing certain treasury management services to GEO. In addition, BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to Cornell and have received or in the future may receive compensation for the rendering of these services, including having acted or acting as syndication agent for, and/or as lender under, various credit and leasing facilities of Cornell.

BofA Merrill Lynch is an internationally recognized investment banking firm which is regularly engaged in providing financial advisory services in connection with mergers and acquisitions. In selecting BofA Merrill Lynch as GEO s financial advisor in connection with the merger, GEO considered BofA Merrill Lynch s experience in transactions similar to the merger and reputation in the investment community. GEO also considered its prior relationship with BofA Merrill Lynch and its affiliates and their provision of investment banking, commercial banking and other financial services to GEO described in more detail above.

Summary of Financial Analyses

In connection with rendering their respective opinions, GEO s financial advisors performed certain financial, comparative and other analyses as summarized below. This summary is not a complete description of the financial analyses performed and factors considered in connection with such opinions. In arriving at their respective opinions, GEO s financial advisors did not ascribe a specific range of values to shares of GEO common stock or Cornell common stock but rather made their respective determinations as to the fairness, from a financial point of view, to GEO of the consideration to be paid by GEO in the merger on the basis of various financial and comparative analyses taken as a whole. The preparation of a fairness opinion is a complex process and involves various determinations as to the most appropriate and relevant methods of financial and comparative analyses and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to summary description.

In arriving at their respective opinions, GEO s financial advisors did not attribute any particular weight to any single analysis or factor considered but rather made qualitative judgments as to the significance and relevance of each analysis and factor relative to all other analyses and factors performed and considered and in the context of the circumstances of the particular transaction. Accordingly, the analyses must be considered as a whole, as considering any portion of such analyses and factors, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying such opinions. The fact that any specific analysis has been referred to in the summary below is not meant to indicate that such analysis was given greater weight than any other

analysis referred to in the summary.

In performing their analyses, GEO s financial advisors considered industry performance, general business and economic conditions and other matters existing as of April 18, 2010, many of which are beyond the control of GEO, Cornell or any other parties to the merger. None of GEO, Cornell or GEO s financial advisors or any other person assumes responsibility if future results are different from those discussed, whether or not any such difference is

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material. Any estimates contained in these analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than as set forth below. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or necessarily reflect the prices at which businesses or securities may actually be sold or acquired. Accordingly, the assumptions and estimates used in, and the results derived from, the following analyses are inherently subject to substantial uncertainty.

The following is a summary of the material financial analyses reviewed with GEO s board of directors by GEO s financial advisors at GEO s board meeting on April 18, 2010. **Certain financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses, the tables must be read together with the text of each summary, as the tables alone do not constitute a complete description of the financial analyses. Considering the data in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of such financial analyses.** Barclays Capital and BofA Merrill Lynch performed separate financial analyses with respect to Cornell and GEO on a standalone basis and jointly performed certain pro forma financial analyses as more fully described below. For purposes of the financial analyses summarized below, the term implied merger consideration refers to the implied per share value of (i) the all-stock merger consideration of $24.91 based on 1.3 shares of GEO common stock and GEO s closing stock price of $19.16 as of April 16, 2010 (the last trading day prior to execution of the merger agreement) and (ii) the all-cash consideration of $25.16 based on 1.0 share of GEO common stock and GEO s closing stock price of $19.16 as of April 16, 2010 plus $6.00. Also for purposes of the financial analyses summarized below, the term merger exchange ratios refers to the exchange ratio of 1.3 and the implied all-cash exchange ratio of 1.31 based on the implied value of the all-cash merger consideration of $25.16 divided by GEO s closing stock price on April 16, 2010.

Barclays Capital Financial Analyses

Cornell Selected Company Analysis. Barclays Capital reviewed and compared specific financial and operating data relating to Cornell with the following two selected correctional, detention, educational, rehabilitation and treatment services providers, which companies were selected generally because they operate in whole or in part in the same industry as Cornell:

GEO

Corrections Corporation of America

No selected company is identical to Cornell and such analysis may not necessarily utilize all companies that could be deemed comparable to Cornell. Accordingly, Barclays Capital believes that purely quantitative analyses are not, in isolation, determinative and that qualitative judgments concerning differences in the business, financial and operating characteristics and prospects of Cornell and the selected companies that could affect public trading values also are relevant.

Barclays Capital calculated, among other things, the ratio of each company s enterprise value to its calendar year 2010 estimated earnings before interest, taxes, depreciation and amortization, or EBITDA. Enterprise value generally was obtained by adding short-term and long-term debt to the sum of the market value of common equity, calculated using a fully diluted share count assuming the treasury stock method, and the book value of any minority interest, and subtracting cash and cash equivalents. These calculations were performed based on publicly available financial data and closing stock prices as of April 16, 2010, the last trading date prior to execution of the merger agreement. Barclays Capital then applied a range of selected multiples of calendar year 2010 estimated EBITDA derived from the selected companies to corresponding data of Cornell based on the adjusted Cornell forecasts. This analysis indicated

the following implied per share equity value reference range for Cornell, as compared to the implied merger consideration:

Implied per Share Equity Value Reference Range for Cornell	Implied Merger Consideration Based on:	
	All-Stock Consideration	All-Cash Consideration
$22.58 - $27.57	$24.91	$25.16

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Barclays Capital also calculated an implied exchange ratio reference range by dividing the high and low ends of the implied per share equity value reference range for Cornell described above by GEO s closing stock price of $19.16 as of April 16, 2010. This indicated the following implied exchange ratio reference range, as compared to the merger exchange ratios:

Implied Exchange Ratio Reference Range	Merger Exchange Ratios Based on: All-Stock Consideration	All-Cash Consideration
1.18x - 1.44x	1.3x	1.31x

Cornell Selected Transactions Analysis. Barclays Capital reviewed and compared the purchase prices and financial multiples paid in the following nine selected transactions involving correctional, detention, educational, rehabilitation and treatment services providers, which transactions were selected generally because they involve companies that operate in whole or in part in the same industry or provide similar services as Cornell:

Acquiror	Target
Psychiatric Solutions, Inc.	Horizon Health Corporation
Psychiatric Solutions, Inc.	Alternative Behavioral Services, Inc.
GEO	Correctional Services Corp.
Cornell	Correctional Systems, Inc.
Electra Partners Europe Limited	Global Solutions Limited
Psychiatric Solutions, Inc.	Ramsay Youth Services, Inc.
National MENTOR Holdings, Inc.	REM, Inc.
Psychiatric Solutions, Inc.	The Brown Schools, Inc. (six psychiatric facilities)
Group 4 Falck A/S	The Wackenhut Corp.

No selected transaction or company is identical to Cornell or the merger and such analysis may not necessarily utilize all transactions or companies that could be deemed comparable to Cornell or the merger. Accordingly, Barclays Capital believes that purely quantitative analyses are not, in isolation, determinative and that qualitative judgments concerning differences in the characteristics of the selected transactions and the merger that could affect the acquisition values of the selected target companies and Cornell also are relevant.

Barclays Capital calculated transaction values in the selected transactions as the ratio of the target company s enterprise value, based on the consideration payable in the selected transaction, to its latest 12 months EBITDA based on publicly available information at the time of announcement of the relevant transaction. Barclays Capital then applied a range of selected multiples of latest 12 months EBITDA derived from the selected transactions to Cornell s calendar year 2009 EBITDA based on Cornell s public filings and to Cornell s calendar year 2010 estimated EBITDA based on the adjusted Cornell forecasts. This analysis indicated the following implied per share equity value reference ranges for Cornell, as compared to the implied merger consideration:

Implied per Share Equity Value Reference Ranges for Cornell Based on: 2009A EBITDA	2010E EBITDA	Implied Merger Consideration Based on: All-Stock Consideration	All-Cash Consideration

$33.06 - $38.70	$27.57 - $32.57	$24.91	$25.16

Barclays Capital also calculated implied exchange ratio reference ranges by dividing the high and low ends of the implied per share equity value reference ranges for Cornell described above by GEO s closing stock price of $19.16 as of April 16, 2010. This indicated the following implied exchange ratio reference ranges, as compared to the merger exchange ratios:

Implied Exchange Ratio Reference Ranges Based on:		**Merger Exchange Ratios Based on:**	
2009A EBITDA	**2010E EBITDA**	**All-Stock Consideration**	**All-Cash Consideration**
1.73x - 2.02x	1.44x - 1.70x	1.3x	1.31x

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Cornell Discounted Cash Flow Analysis. Barclays Capital performed a discounted cash flow analysis of Cornell to calculate the estimated present value of the standalone future cash flows of Cornell. Present value refers to the current value of future cash flows or amounts and is obtained by discounting those future cash flows or amounts by a discount rate that takes into account macroeconomic assumptions and estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors. To calculate an implied reference range for Cornell using the discounted cash flow method, Barclays Capital added (i) Cornell s projected after-tax unlevered free cash flows for fiscal years 2010 through 2014 based on the adjusted Cornell forecasts to (ii) the residual or terminal value of Cornell at the end of the forecast period, and discounted such amounts to present value using a range of selected discount rates. The after-tax unlevered free cash flows were calculated by taking the tax-affected earnings before interest and tax expense, adding back non-cash depreciation and amortization, subtracting capital expenditures and adjusting for changes in working capital. The terminal value of Cornell was estimated by applying to Cornell s fiscal year 2014 estimated EBITDA a range of terminal value multiples of 7.5x to 8.5x, which range was selected taking into consideration, among other things, calendar year 2010 estimated EBITDA multiples derived from Cornell and the selected companies referred to above under the Cornell Selected Company Analysis. The cash flows and terminal values were then discounted to present value using discount rates ranging from 9.0% to 11.0%, which range was selected taking into consideration, among other things, a weighted average cost of capital calculation. This analysis indicated the following implied per share equity value reference range for Cornell, as compared to the implied merger consideration:

	Implied Merger Consideration Based on:	
Implied per Share Equity Value Reference Range for Cornell	**All-Stock Consideration**	**All-Cash Consideration**
$21.81 - $28.29	$24.91	$25.16

Barclays Capital also calculated an implied exchange ratio reference range by dividing the high and low ends of the implied per share equity value reference range for Cornell described above by GEO s closing stock price of $19.16 as of April 16, 2010. This indicated the following implied exchange ratio reference range, as compared to the merger exchange ratios:

	Merger Exchange Ratios Based on:	
Implied Exchange Ratio Reference Range	**All-Stock Consideration**	**All-Cash Consideration**
1.14x - 1.48x	1.3x	1.31x

Other Factors. Barclays Capital also considered, for informational purposes, certain other factors, including:

- premiums paid in selected precedent transactions with transaction values of between $200 million and $1 billion announced during the five-year period ended April 13, 2010;
- implied exchange ratios based on certain market and financial data for Cornell and GEO;
- target prices for Cornell common stock estimated by selected research analysts; and
- high and low closing prices of Cornell common stock during the 52-week period ended April 16, 2010.

BofA Merrill Lynch Financial Analyses

Cornell Selected Companies Analysis. BofA Merrill Lynch reviewed publicly available financial and stock market information for Cornell and the following three selected correctional, detention, educational, rehabilitation and treatment services providers, which companies were selected generally because they operate in whole or in part in the same industry or provide similar services as Cornell:

GEO

Corrections Corporation of America

The Providence Service Corporation

BofA Merrill Lynch reviewed, among other things, enterprise values of the selected companies, calculated as equity values based on closing stock prices on April 16, 2010, plus debt, less cash and other adjustments, as a multiple of

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calendar years 2010 and 2011 estimated EBITDA. BofA Merrill Lynch also reviewed per share equity values, based on closing stock prices on April 16, 2010 (the last trading day prior to execution of the merger agreement), of the selected companies as a multiple of calendar year 2010 estimated earnings per share, referred to as EPS. BofA Merrill Lynch then applied a range of selected multiples of calendar years 2010 and 2011 estimated EBITDA and calendar year 2010 estimated EPS derived from the selected companies to corresponding data of Cornell. Estimated financial data of the selected companies were based on publicly available research analysts estimates, public filings and other publicly available information. Estimated financial data of Cornell were based on the adjusted Cornell forecasts. This analysis indicated the following implied per share equity value reference ranges for Cornell, as compared to the implied merger consideration:

Implied per Share Equity Value Reference Ranges for Cornell Based on:			Implied Merger Consideration Based on:	
2010E EBITDA	**2011E EBITDA**	**2010E EPS**	**All-Stock Consideration**	**All-Cash Consideration**
$17.60 - $25.10	$17.50 - $25.60	$15.50 - $17.80	$24.91	$25.16

BofA Merrill Lynch also calculated implied exchange ratio reference ranges derived from the implied per share equity value reference ranges for Cornell described above and the implied per share equity value reference ranges for GEO described below under the caption - GEO selected companies analysis. This indicated the following implied exchange ratio reference ranges, as compared to the merger exchange ratios:

Implied Exchange Ratio Reference Ranges Based on:			Merger Exchange Ratios Based on:	
2010E EBITDA	**2011E EBITDA**	**2010E EPS**	**All-Stock Consideration**	**All-Cash Consideration**
0.77x - 1.31x	0.83x - 1.50x	0.70x - 0.93x	1.3x	1.31x

No company used in this analysis is identical to Cornell and such analysis may not necessarily utilize all companies that could be deemed comparable to Cornell. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies to which Cornell was compared.

Cornell Selected Precedent Transactions Analysis. BofA Merrill Lynch reviewed, to the extent publicly available, financial information relating to the following nine selected transactions involving correctional, detention, educational, rehabilitation and treatment services providers, which transactions were selected generally because they involve companies that operate in whole or in part in the same industry or provide similar services as Cornell:

Acquiror	**Target**
G4S plc	Global Solutions Limited
Psychiatric Solutions, Inc.	Horizon Health Corporation
GEO	Correctional Services Corp.

Cornell	Correctional Systems, Inc.
Electra Partners Europe Limited	Global Solutions Limited
Psychiatric Solutions, Inc.	Ramsay Youth Services, Inc.
National MENTOR Holdings, Inc.	REM, Inc.
Psychiatric Solutions, Inc.	The Brown Schools, Inc. (six psychiatric facilities)
Group 4 Falck A/S	The Wackenhut Corp.

BofA Merrill Lynch reviewed transaction values, calculated as the enterprise value implied for the target company, based on the consideration payable in the selected transaction, as a multiple of the target company s latest 12 months EBITDA. BofA Merrill Lynch then applied a range of selected multiples of latest 12 months EBITDA derived from the selected transactions to Cornell s calendar year 2010 estimated EBITDA which, given the recent decline in Cornell s EBITDA, served as a proxy for Cornell s latest 12 months EBITDA. Estimated financial data of the

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selected transactions were based on publicly available information. Estimated financial data of Cornell were based on the adjusted Cornell forecasts. This analysis indicated the following implied per share equity value reference range for Cornell, as compared to the implied merger consideration:

	Implied Merger Consideration Based on:	
Implied per Share Equity Value Reference Range for Cornell	**All-Stock Consideration**	**All-Cash Consideration**
$30.10 - $35.10	$24.91	$25.16

No company, business or transaction used in this analysis is identical to Cornell or the merger and such analysis may not necessarily utilize all transactions or companies that could be deemed comparable to Cornell or the merger. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the acquisition or other values of the companies, business segments or transactions to which Cornell and the merger were compared.

Cornell Discounted Cash Flow Analysis. BofA Merrill Lynch performed a discounted cash flow analysis of Cornell to calculate the estimated present value of the standalone unlevered, after-tax free cash flows that Cornell was forecasted to generate during the second through fourth quarters of calendar year 2010 through the full calendar year 2014 based on the Cornell forecasts and the adjusted Cornell forecasts. BofA Merrill Lynch calculated terminal values for Cornell by applying to Cornell s fiscal year 2014 estimated EBITDA a range of terminal multiples of 6.5x to 8.0x, which range was selected taking into consideration, among other things, calendar year 2010 estimated EBITDA multiples derived from Cornell and the selected companies referred to above under the Cornell Selected Companies Analysis. The cash flows and terminal values were then discounted to present value as of December 31, 2009 using discount rates ranging from 8.0% to 10.0%, which range was selected taking into consideration, among other things, a weighted average cost of capital calculation. BofA Merrill Lynch also calculated the estimated present value of potential cost savings estimated by GEO s management to result from the merger assuming a selected perpetuity growth rate of 0.5% and discount rate of 9.0%. This analysis indicated the following implied per share equity value reference ranges for Cornell, both before and after taking into account the estimated present value of potential cost savings, as compared to the implied merger consideration:

Implied per Share Equity Value Reference Ranges for Cornell Based on:		Implied Merger Consideration Based on:	
Cornell Forecasts (Without Cost Savings)	**Adjusted Cornell Forecasts (Without Cost Savings)**	**All-Stock Consideration**	**All-Cash Consideration**
$30.70 - $42.40	$18.90 - $27.40	$24.91	$25.16
Cornell Forecasts (With Cost Savings)	**Adjusted Cornell Forecasts (With Cost Savings)**		
$35.50 - $47.20	$23.70 - $32.20		

GEO Selected Companies Analysis. BofA Merrill Lynch reviewed publicly available financial and stock market information for GEO and the following three selected correctional, detention, educational, rehabilitation and treatment

services providers, which companies were selected generally because they operate in whole or in part in the same industry or provide similar services as GEO:

Cornell

Corrections Corporation of America

The Providence Service Corporation

BofA Merrill Lynch reviewed, among other things, enterprise values of the selected companies, calculated as equity values based on closing stock prices on April 16, 2010, plus debt, less cash and other adjustments, as a multiple of calendar years 2010 and 2011 estimated EBITDA. BofA Merrill Lynch also reviewed per share equity values, based on closing stock prices on April 16, 2010, of the selected companies as a multiple of calendar year 2010 estimated EPS. BofA Merrill Lynch then applied a range of selected multiples of calendar years 2010 and 2011 estimated EBITDA and calendar year 2010 estimated EPS derived from the selected companies to corresponding data of GEO. Estimated financial data of the selected companies were based on publicly available research analysts

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estimates, public filings and other publicly available information. Estimated financial data of GEO were based on the GEO forecasts. This analysis indicated the following implied per share equity value reference ranges for GEO, as compared to the closing price of GEO common stock on April 16, 2010:

Implied per Share Equity Value Reference Ranges for GEO Based on:			
2010E EBITDA	**2011E EBITDA**	**2010E EPS**	**Closing Price of GEO Common Stock on April 16, 2010**
$19.10 - $22.80	$17.10 - $21.10	$19.10 - $22.00	$19.16

No company used in this analysis is identical to GEO and such analysis may not necessarily utilize all companies that could be deemed comparable to GEO. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies to which GEO was compared.

Other Factors. BofA Merrill Lynch also considered, for informational purposes, certain other factors, including:

high and low closing prices of Cornell common stock and GEO common stock during the 52-week period ended April 16, 2010; and

target stock prices for Cornell common stock and GEO common stock estimated by selected research analysts.

Barclays Capital and BofA Merrill Lynch Joint Pro Forma Financial Analyses

Pro Forma Contribution Analysis. Barclays Capital and BofA Merrill Lynch reviewed the relative financial contributions of Cornell and GEO to the estimated financial performance of the combined company on a pro forma basis. Barclays Capital and BofA Merrill Lynch reviewed the pro forma combined company s estimated revenue, EBITDA and earnings before interest and taxes, referred to as EBIT, for fiscal years 2010 and 2011 based on the adjusted Cornell forecasts (in the case of Cornell financial data) and the GEO forecasts (in the case of GEO financial data). Barclays Capital and BofA Merrill Lynch calculated the overall aggregate equity ownership percentages of Cornell stockholders and GEO shareholders in the combined company based on such relative contributions, and then compared such percentages to the aggregate pro forma equity ownership percentages of Cornell stockholders and GEO shareholders in the combined company immediately upon consummation of the merger based on the merger consideration assuming either all-stock consideration or the maximum percentage of cash payable in the merger of 20%. This analysis indicated the following:

	Aggregate Pro Forma Equity Ownership of GEO Shareholders Based on:	
Overall Contribution Percentage Reference Range for GEO	**All-Stock Consideration**	**80% Stock / 20% Cash Consideration**
69.4% - 74.3%	71%	75%

Aggregate Pro Forma Equity Ownership

Overall Contribution Percentage Reference Range for Cornell	of Cornell Stockholders Based on: All-Stock Consideration	80% Stock / 20% Cash Consideration
25.7% - 30.6%	29%	25%

Potential Pro Forma EPS Impact. Barclays Capital and BofA Merrill Lynch reviewed the potential pro forma financial effects of the merger on GEO s fiscal year 2011 estimated EPS, both before and after taking into account potential cost savings estimated by GEO s management to result from the merger, based on (i) the GEO forecasts and the Cornell forecasts, (ii) the GEO forecasts and the adjusted Cornell forecasts and (iii) publicly available research analysts consensus estimates with respect to GEO, referred to as GEO consensus estimates, and the

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adjusted Cornell forecasts. Assuming the maximum percentage of cash payable in the merger of 20%, this analysis indicated that the merger could be:

accretive to GEO s fiscal year 2011 estimated EPS based on the Cornell forecasts and GEO forecasts, both before and after taking into account potential cost savings;

dilutive to GEO s fiscal year 2011 estimated EPS based on the adjusted Cornell forecasts and both the GEO forecasts and GEO consensus estimates, before taking into account potential cost savings; and

accretive to GEO s fiscal year 2011 estimated EPS based on the adjusted Cornell forecasts and both the GEO forecasts and GEO consensus estimates, after taking into account potential cost savings.

The actual results achieved by the combined company may vary from forecasted results and the variations may be material.

Interests of GEO Executive Officers and Directors in the Merger

In considering the recommendation of the GEO board of directors with respect to the merger, GEO shareholders should be aware that executive officers of GEO and members of the GEO board of directors may have interests in the transactions contemplated by the merger agreement that may be different from, or in addition to, the interests of the GEO shareholders generally. The GEO board of directors was aware of these interests and considered them, among other matters, in approving the merger agreement and making its recommendation. These interests are summarized below.

Board of Directors and Board Committees

At the effective time of the merger, all members of the GEO board of directors will continue as directors of the combined company. Mr. Zoley, currently the chairman of the board and chief executive officer of GEO, will continue in those roles with the combined company.

Executive Officers

At the effective time of the merger, all executive officers of the GEO management team will continue in those roles with the combined company.

Cornell Reasons for the Merger and the Recommendation of the Cornell Board of Directors

The Cornell board of directors believes the merger presents an opportunity to merge with a successful worldwide private provider of correctional services and create a combined company that will have revenues of approximately $1.5 billion, enhanced scale, diversification, and complementary service offerings. In reaching its decision to approve the Merger Agreement, the Cornell board of directors consulted with its legal advisors regarding its fiduciary duties, the terms of the merger agreement and related issues, and reviewed with its financial advisor, Moelis & Company, and the senior management of Cornell, among other things, operational matters, the financial aspects and the fairness of the transaction to the Cornell stockholders from a financial point of view. The Cornell board of directors has (i) determined that the merger is fair to, and in the best interests of, Cornell and its stockholders, (ii) approved and adopted the Merger Agreement and the merger and (iii) resolved to recommend to Cornell s stockholders that they vote to approve the Merger Agreement and the merger.

In reaching its conclusion to approve the Merger Agreement and the merger, the Cornell board of directors considered a number of factors, including the companies failure to come to terms on a transaction in 2004, 2007 and 2009, the perceived execution risk of pursuing another transaction with GEO, the proposed purchase price per share of Cornell common stock offered by GEO, the complementary nature of the companies businesses and GEO s ability to integrate Cornell s operations into its own with minimal disruption to customers and employees. (These and other factors considered by the Cornell board of directors are discussed in greater detail below). Despite the long history between the companies, the board of directors ultimately determined that the accelerated negotiation timeline proposed by GEO significantly mitigated the execution risk of the proposed transaction

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and that the proposed purchase price represented a superior value proposition for Cornell stockholders relative to other strategic alternatives, including the company s continued independence.

Financial Considerations

Merger consideration payable to Cornell s stockholders. The Cornell board of directors took into account the proposed merger consideration. The Cornell board of directors assessed the merger consideration in light of, among other things, the following factors:

the price to be paid per share of Cornell common stock in the transaction represented a premium of 35% over the closing sale price of Cornell s common stock on April 16, 2010 (the trading day immediately prior to the public announcement of the transaction);

the potential for GEO s stock to appreciate in price;

the anticipated increased trading liquidity of the combined company; and

the belief that the transaction will be tax-deferred to Cornell stockholders (to the extent such stockholders receive shares of GEO common stock in exchange for their Cornell shares and not cash).

The Cornell board of directors determined that the combination of cash and shares of GEO common stock as consideration in the merger transaction was beneficial to Cornell s stockholders. Cornell desired to provide its stockholders with the option to choose the type of consideration they preferred. The merger agreement allows all stockholders to elect to receive, at their choosing, either cash or shares of GEO, or a combination of both, in exchange for their shares of Cornell (subject to the restrictions discussed elsewhere in this Joint Proxy Statement/Prospectus). No Cornell stockholder will be required to receive cash in the merger transaction.

Financial strength. The Cornell board of directors considered the expected financial strength of the combined company following the merger and the ability of the combined company to realize cost savings, lower its cost of capital and improve its overall financial resources.

Financial analyses and Opinion of Moelis & Company. The Cornell board of directors evaluated the financial analyses and financial presentation of Cornell s financial advisor, Moelis & Company, as well as the written opinion of Moelis & Company dated April 18, 2010, that, as of such date and based on and subject to the limitations and qualifications set forth in its opinion, the merger consideration was fair, from a financial point of view, to Cornell stockholders. See The Merger Opinion of Cornell s Financial Advisor beginning on page 53.

Strategic Considerations

Comparison of prospects of the merged entity and a stand alone strategy. The Cornell board of directors considered what it believed to be a number of strategic advantages of the merger in comparison to a stand alone strategy, including, but not limited to, its belief that:

a merger with GEO would create a highly competitive platform by combining Cornell s national franchise across three separate businesses with GEO s global presence, capacity and complementary product offerings; and

the combination of Cornell and GEO would likely reduce the impact of headline risk for the individual businesses.

Integration Considerations

Ability to integrate. The Cornell board of directors took note of GEO s integration record. In this regard, the Cornell board of directors noted that customer and employee disruption from consolidations in connection with the transaction should not be significant due to the complementary nature of the markets and customers served by Cornell and GEO.

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Similarity of business strategy and philosophy. The Cornell board of directors noted that Cornell and GEO share a similar commitment to their respective stockholders and shareholders, customers and employees and are both focused on growing revenue and profitability, which the Cornell board of directors believed would facilitate the process of integration of these two organizations.

Other Strategic Alternatives

Continued independence. The Cornell board of directors considered, among other things, the high level of competition in the provision of correctional and related services and the increasing importance of scale in the industry, particularly in the cost of capital required for construction of new facilities. The Cornell board of directors also considered and analyzed, in consultation with its financial advisor, Moelis & Company, information with respect to Cornell s financial condition, results of operations, businesses and its prospects. In this regard, the Cornell board of directors considered Cornell s past performance and compared Cornell s operating results to publicly available financial and other information for its competitors. Additionally, the Cornell board of directors considered Cornell s ability to grow as an independent institution, its prospects to make future acquisitions, and its ability to further enhance stockholder value without engaging in a strategic transaction. In this regard, the Cornell board of directors considered the long- and short-term interests of Cornell and its stockholders, including whether those interests are best served by continued independence.

Superiority of value. The Cornell board of directors noted that based on its own experience, the results of discussions held by Cornell senior management with third parties, and the advice of Moelis & Company, the probability of receiving a higher value offer from another party in the near term was low.

Alternative strategic transactions. The Cornell board of directors also noted that, while the Merger Agreement prohibits Cornell from seeking alternative transactions, it permits, subject to its terms and conditions, Cornell to consider and react to alternative combination proposals made on an unsolicited basis.

In addition to the foregoing, the Cornell board of directors also considered, among other things, the following factors:

the recommendation of the Special Committee that the Merger Agreement is advisable and in the best interests of Cornell and its stockholders;

the Cornell board of director s knowledge of GEO s business, operations, financial condition, earnings and prospects;

the Cornell board of director s review of reports of Cornell management and outside advisors concerning the operations, financial condition and prospects of GEO;

GEO s ability to pay the merger consideration and to consummate the transaction in an efficient and timely manner;

the Cornell board of directors review of the potential impact of the merger on employees and belief that the impact would generally be positive in that employees would become part of a more geographically diversified institution with greater resources and opportunities;

the Cornell board of directors review with its legal advisors of the likelihood of the transaction receiving regulatory approval and the terms and conditions of the Merger Agreement, including the parties respective representations, warranties and covenants, the conditions to closing and:

the stock and cash elections with respect to the merger consideration;

the Cornell board of directors ability to comply with its fiduciary duties if Cornell receives a superior proposal; and

the requirement of Cornell to pay GEO a $12 million termination fee plus expenses in certain circumstances.

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In the course of its deliberations, the Cornell board of directors also considered a variety of risks and other countervailing factors related to entering into the Merger Agreement, including:

- the risk that the merger will not be consummated even were the Company s stockholders to adopt the Merger Agreement;
- the potential for any adverse effects of the public announcement of the merger on the Company s business, including its significant customers, suppliers and other key relationships, its ability to attract and retain key management personnel and its overall competitive position if the merger is not consummated;
- the additional cost to another potential purchaser as a result of the termination fee and expense reimbursement to be paid by Cornell to GEO in the event Cornell accepts, in accordance with the terms and conditions of the Merger Agreement, a superior proposal;
- the possibility that, although the merger provides Cornell s stockholders with a premium over the price at which Cornell s common stock traded prior to the public announcement of the merger, the price of Cornell s common stock might have increased in the future to a price higher than the per share valuation implied by the transaction;
- the possibility that merger integration would occupy more of management s time and attention than anticipated and therefore impact other strategic and business priorities;
- the interests of certain of Cornell s directors and executive officers with respect to the merger (see, The Merger Interests of Cornell Directors and Executive Officers in the Merger That are Different Than Yours); and
- that cash paid to Cornell stockholders in connection with the merger would be taxable to such stockholders for U.S. federal income tax purposes.

While the Cornell board of directors realized that there can be no assurance about future results, including results expected or considered in the factors listed above, the Cornell board of directors concluded that the potential positive factors outweighed the potential risks of consummating the merger.

The foregoing discussion of the factors considered by the Board in evaluating the merger and the Merger Agreement is not intended to be exhaustive, but rather, includes all material factors considered by the Cornell board of directors. In reaching its decision to approve the merger and the Merger Agreement, the Cornell board of directors did not quantify or assign any relative weights to the factors considered, and the individual directors may have given different weights to different factors. The Cornell board of directors considered all these factors as a whole, and overall considered them to be favorable to, and to support, its determination. **ACCORDINGLY, THE CORNELL BOARD OF DIRECTORS RECOMMENDS THAT ALL CORNELL STOCKHOLDERS VOTE FOR APPROVAL OF THE MERGER AND THE MERGER AGREEMENT.**

Opinion of Cornell s Financial Advisor

Pursuant to a letter agreement dated March 30, 2010, Cornell engaged Moelis & Company to act as its exclusive financial advisor in connection with the merger. Subsequently, the Cornell board of directors asked Moelis & Company to provide it with an opinion as to whether the per share consideration to be received in the transactions contemplated pursuant to the merger agreement was fair, from a financial point of view, to Cornell s stockholders.

On April 18, 2010, at a meeting of the Cornell board of directors held to evaluate the merger agreement and the transactions contemplated thereby, Moelis & Company delivered to the Cornell board of directors its oral opinion, subsequently confirmed by delivery of a written opinion dated April 18, 2010, that, based upon and subject to the limitations and qualifications set forth in the opinion, as of the date of the opinion, the merger consideration to be received by the Cornell stockholders, pursuant to the terms and subject to the conditions set forth in the merger agreement, is fair, from a financial point of view, to such holders.

The full text of Moelis & Company s opinion is attached as Annex E to this proxy statement/prospectus and is incorporated herein by reference. This summary is qualified in its entirety by reference to the full text of the opinion.

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The full text of the opinion describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Moelis & Company in connection with such opinion. Stockholders are encouraged to read the opinion carefully in its entirety. Moelis & Company s opinion is directed to the Cornell board of directors and addresses only the fairness from a financial point of view of the consideration to be received by Cornell stockholders. The Cornell board has not asked Moelis & Company to address, and its opinion does not address, the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of Cornell, other than the stockholders. Moelis & Company s opinion does not constitute a recommendation on how any stockholder of Cornell should vote at any stockholders meetings held in connection with the merger. In addition, Moelis & Company did not express any opinion as to the fairness of the amount or nature of any compensation to be received by any of Cornell s officers, directors or employees, or any class of such persons, relative to the merger consideration.

Moelis & Company s opinion does not address Cornell s underlying business decision to effect the merger or the relative merits of the merger as compared to any alternative business strategies or transactions that might be available to Cornell and does not constitute a recommendation to any Cornell stockholder as to how such Cornell stockholder should vote with respect to the merger. At the direction of the Cornell board of directors, Moelis & Company was not asked to, nor did it, offer any opinion as to the material terms of the merger agreement or the form of the merger. Moelis & Company expressed no opinion as to what the value of GEO s common stock will be when it is issued pursuant to the merger agreement or the prices at which GEO s or Cornell s common stock will trade at any time.

Moelis & Company s opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Moelis & Company as of, the date of Moelis & Company s opinion. Moelis & Company has also assumed, with the consent of the Cornell board of directors, that all governmental, regulatory or other consents and approvals necessary for the consummation of the merger will be obtained without the imposition of any material delay, limitation, restriction, divestiture or condition that would have an adverse effect on Cornell or GEO or on the expected benefits of the merger. Moelis & Company has also assumed, with the consent of the Cornell board of directors, that the final executed form of the merger agreement does not differ in any material respect from the draft that Moelis & Company has examined, and that GEO and Cornell will comply with all the material terms of the merger agreement. The Moelis & Company opinion was approved by Moelis & Company s Fairness Opinion and Valuation Review Committee.

In arriving at the conclusions reached in its opinion, Moelis & Company has, among other things:

- reviewed certain publicly available business and financial information relating to Cornell and GEO that Moelis & Company deemed relevant;

- reviewed certain internal information relating to the past and current business of Cornell, including financial forecasts, earnings, cash flow, assets, liabilities and prospects of Cornell and information relating to anticipated cost savings, synergies and related expenses expected to result from the merger, all furnished to Moelis & Company by Cornell;

- reviewed certain internal information relating to GEO, including financial forecasts, earnings, cash flow, assets, liabilities and prospects of GEO and information relating to anticipated cost savings, synergies and related expenses expected to result from the merger, all furnished to Moelis & Company by GEO;

- conducted discussions with members of senior management and representatives of Cornell and GEO concerning the matters described above, as well as their respective businesses and prospects before and after giving effect to the merger;

reviewed publicly available financial and stock market data, including valuation multiples, for Cornell and GEO and compared them with those of certain other companies in lines of business that Moelis & Company deemed relevant;

compared the proposed financial terms of the merger with the financial terms of certain other transactions that Moelis & Company deemed relevant;

considered certain potential pro forma effects of the merger;

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reviewed a draft of the merger agreement, dated April 18, 2010;

participated in certain discussions and negotiations among representatives of Cornell and GEO and their financial and legal advisors; and

conducted such other financial studies and analyses and took into account such other information as Moelis & Company deemed appropriate.

In connection with its review, Moelis & Company did not assume any responsibility for independent verification of any of the information supplied to, discussed with, or reviewed by it for the purpose of its opinion and, with the consent of the Cornell board of directors, relied on such information being complete and accurate in all material respects. In addition, at the direction of the Cornell board of directors, Moelis & Company has not made any independent evaluation or appraisal of any of the assets or liabilities (contingent, derivative, off-balance-sheet, or otherwise) of Cornell or GEO, nor has Moelis & Company been furnished with any such evaluation or appraisal. With respect to the forecasted financial information referred to above, Moelis & Company has assumed, with the consent of the Cornell board of directors, that such information has been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the respective management of Cornell or GEO as to the respective future performance of Cornell or GEO. Any estimates or forecasts contained in Moelis & Company s analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates or forecasts. Moelis & Company is a financial advisor only and relied upon, without independent verification, certain internal information provided to it by Cornell and GEO. Moelis & Company is not a legal, tax or regulatory advisor and its opinion does not address any legal, tax or regulatory matters.

Financial Analyses

The following is a summary of the financial analyses presented by Moelis & Company to the Cornell board of directors at its meeting held on April 18, 2010 in connection with the delivery of the oral opinion of Moelis & Company at such meeting and its subsequent written opinion, dated April 18, 2010.

The summary set forth below does not purport to be a complete description of the analyses performed and factors considered by Moelis & Company in arriving at its opinion. The fact that any specific analysis has been referred to in the summary below or in this statement is not meant to indicate that such analysis was given more weight than any other analysis. The preparation of a fairness opinion is a complex process involving various determinations and subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, such an opinion is not readily susceptible to partial analysis or summary description. With respect to the comparable public companies analysis and the precedent transactions analysis summarized below, no company, business or transaction used in such analyses as a comparison is either identical or directly comparable to Cornell or the merger, nor is an evaluation of such analyses entirely mathematical. These analyses necessarily involve complex considerations and judgments concerning financial and operating characteristics and other factors. Moelis & Company did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis for purposes of its opinion, but rather arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole, and believes that the totality of the factors considered and analyses it performed in connection with its opinion operated collectively to support its determination as to the fairness from a financial point of view as of the date of its opinion of the merger consideration to be received by the Cornell stockholders.

Some of the summaries of the financial analyses below include information presented in tabular format. In order to fully understand Moelis & Company s analyses, the tables must be read together with the text of each summary. The

tables alone do not constitute a complete description of the analyses performed by Moelis & Company. Considering the data described below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Moelis & Company s analyses. Moelis & Company did not in isolation draw conclusions from or with regard to any one factor or method of analysis for purposes of its opinion, but rather Moelis & Company arrived at its opinion based on the results of all analyses undertaken by it and assessed as a whole.

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The analyses performed by Moelis & Company include analyses based upon forecasts of future results, which results might be significantly more or less favorable than those upon which Moelis & Company s analyses were based. The analyses do not purport to be appraisals or to reflect the prices at which Cornell s or GEO s shares of common stock might trade at any time following the announcement of the merger. Because the analyses are inherently subject to uncertainty, being based upon numerous factors and events, including, without limitation, factors relating to general economic and competitive conditions beyond the control of the parties or their respective advisors, neither Moelis & Company nor any other person assumes responsibility if future results or actual values are materially different from those contemplated below.

Cornell Analyses

In its evaluation of the proposed transaction, Moelis & Company selected three principal valuation methodologies (specifically, a comparable public companies analysis, a precedent transactions analysis and a discounted cash flow analysis), each of which is summarized on the following pages.

Set forth in the table immediately below are the derived per share valuation ranges resulting from the application, subject to certain assumptions, of the three valuation methodologies that Moelis & Company selected (specifically, the publicly traded comparable companies analysis, the precedent transactions analysis and the discounted cash flow analysis). The discounted cash flow analysis was conducted based upon certain materials prepared by Cornell management. The table below contains certain additional data presented to the Cornell board of directors by Moelis & Company that was not incorporated into, and does not constitute a part of, the three valuation methodologies utilized by Moelis & Company in support of its opinion. These data include (i) the 52-week trading range of a share of Cornell stock, (ii) Cornell s volume-weighted average closing price per share of $18.88 for the thirty calendar days ended on April 16, 2010, which we refer to as the 30-Day volume-weighted average price, or VWAP, (iii) Cornell s volume-weighted average closing price per share of $20.08 for the one-hundred twenty calendar days ended on April 16, 2010, which we refer to as the 120-Day VWAP, and (iv) analyst consensus price target of $22.67 for a share of Cornell stock compiled as of April 16, 2010. The derived per share valuation ranges are presented next to the implied per share values for Cornell based on the merger consideration to be received, calculated using GEO s closing price per share of $19.16 as of April 16, 2010 (the last trading day prior to the delivery of the opinion).

Valuation Methodology		**Implied per Share Value:**	
Comparable public companies analysis	$ 14.68-$20.10	All Stock Offer(1)	$ 24.91
Precedent transactions analysis	$ 22.80-$28.16	All Cash Offer(2)	$ 25.16
Discounted cash flow analysis	$ 20.68-$27.89		

Market Data Statistics	
52 Week Low and High	$ 15.50, $25.13
4/16/10 Closing Price	$ 18.47
30-Day VWAP	$ 18.88
120-Day VWAP	$ 20.08
Analyst Consensus Price Target	$ 22.67

(1)

Assumes 100% stock consideration at a 1.30x fixed exchange ratio. Each issued and outstanding share of Cornell common stock will be converted into the right to receive 1.30 shares of common stock of GEO.

(2) If cash election is selected, each issued and outstanding share of Cornell common stock will receive in cash an amount equal to the greater of either (i) the fair market value of 1.00 share of common stock of GEO plus $6.00 per share or (ii) the fair market value of 1.30 shares of common stock of GEO.

Comparable Public Companies Analysis

Moelis & Company performed a comparable public companies analysis, which is intended to provide an implied value of a company by comparing certain financial information of the company with corresponding financial information of similar public companies. Moelis & Company compared selected financial metrics of

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Cornell with similar data involving companies with business operations that generally reflected similar characteristics to Cornell s Adult Secure business and/or Non Adult business.

Given the mix of Cornell s business operations and the limited number of publicly traded companies with business operations directly comparable to those of Cornell, Moelis & Company analyzed the market values and trading multiples of Cornell and publicly traded companies with lines of business, or operating and financial characteristics, generally similar to those of Cornell s Adult Secure business and/or Non Adult business. Using publicly available information, Moelis & Company independently selected and analyzed the market values and trading multiples of Cornell and the corresponding trading multiples of the Adult Secure Public Companies and the Non Adult Public Companies listed below:

Adult Secure Companies: Corrections Corporation of America and The GEO Group, Inc.

Non Adult Companies: Res-Care, Inc. and Providence Service Corporation

All multiples were based on the closing stock prices of the selected companies on April 16, 2010. Estimated financial data for the selected companies were based on publicly available research analysts estimates. Moelis & Company reviewed enterprise values of the selected companies as multiples of, among other things, estimated calendar year 2010 through estimated calendar year 2012 earnings before interest, taxes, depreciation and amortization and other non- cash and non- recurring expenses or gains, commonly referred to as EBITDA. Moelis & Company calculated enterprise values as equity value, plus total debt and minority interest, less cash. This analysis indicated the following:

	Enterprise Value/		
Mean of Comparable Companies	**CY2010 EBITDA**	**CY2011 EBITDA**	**CY2012 EBITDA**
Adult Secure Companies	8.4x	8.0x	7.3x
Non Adult Companies	5.7x	5.5x	NA
All Comparable Companies	7.1x	6.8x	7.3x

Based on the foregoing, Moelis & Company selected multiple ranges for the metric, applied the selected ranges to the relevant statistic for Cornell using Cornell management s background materials and calculated an implied range of Cornell stock prices. This resulted in a valuation range for Cornell of $14.68 to $20.10 per share, which compares to the merger consideration of $24.91 (100% stock) and $25.16 (cash election offer) per Cornell share based on GEO s closing stock price as of April 16, 2010 of $19.16.

Precedent Transactions Analysis

Moelis & Company compared selected financial and transaction metrics of Cornell and the merger with similar data involving companies with business operations that generally reflected similar characteristics to Cornell s Adult Secure business and/or Non Adult business. Given the lack of transactions involving businesses directly comparable to Cornell, Moelis & Company considered relevant transactions dating back approximately nine years. Market conditions at the time a given transaction was announced were also considered when analyzing the precedent transactions.

For each of the precedent transactions, Moelis & Company calculated valuation multiples based on information that was publicly available, focusing on the ratio of enterprise value to EBITDA for the identified target company for the last reported last twelve months period as of the announcement date of the transaction.

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The precedent transactions considered were:

Date Announced	Acquiror	Target
01/4/2010	Group 4 Securicor plc	Nuclear Security Services Corporation
08/31/2009	The GEO Group	Just Care
10/09/2006	Veritas Capital	Cornell Companies
03/22/2006	Vestar Capital Partners	National Mentor Holdings
07/14/2005	The GEO Group	Correctional Services Corporation
01/24/2005	Cornell Corporation	Correctional Systems, Inc.
10/08/2005	Bain Capital	CRC Health Corporation
03/10/2004	Onex Corporation	Res-Care, Inc.
03/08/2002	Group 4 Securicor plc	The Wackenhut Corporation
01/17/2001	Madison Dearborn Partners	National Mentor Holdings

Precedent Transactions:

	TEV/LTM	
	Revenue	**EBITDA**
Mean	1.3x	8.3x

Based on the foregoing, Moelis & Company selected multiple ranges for the metric and applied them to the relevant statistic for Cornell using Cornell management s background materials and calculated an implied range of Cornell stock prices. This resulted in a valuation range for Cornell of $22.80 to $28.16 per share, which compares to the merger consideration of $24.91 (100% stock) and $25.16 (cash election offer) per Cornell share based on GEO s closing stock price as of April 16, 2010 of $19.16.

Discounted Cash Flow Analysis

Using background materials provided by Cornell management, Moelis & Company performed a discounted cash flow analysis utilizing the after-tax unlevered free cash flows for the fiscal years 2010 to 2015, applying the mid-year convention and discount rates ranging from 9.5% to 11.5% derived from the estimated weighted average cost of capital for Cornell and for the Adult Secure Companies and Non Adult Companies referred to above under Comparable Public Companies Analysis. In conducting the terminal valuation, Moelis & Company utilized Cornell s calendar year 2015 estimated EBITDA normalized assuming depreciation and amortization equals capital expenditure, and applied a 6.0x to 7.0x multiple derived from the mean of the trading multiples in the Adult Secure and/or Non Adult Companies referred to above under Comparable Public Companies Analysis .

Based on the foregoing, Moelis & Company derived a valuation range of $20.68 to $27.89, which compares to the merger consideration of $24.91 (100% stock) and $25.16 (cash election offer) per Cornell share based on GEO s closing stock price as of April 16, 2010 of $19.16.

Conclusion

Based on the foregoing analyses, on April 18, 2010, Moelis & Company delivered to the Cornell board of directors its oral opinion, subsequently confirmed by delivery of a written opinion dated April 18, 2010, that, based upon and

subject to the limitations and qualifications set forth in the opinion, as of the date of the opinion, the merger consideration to be received by the Cornell stockholders, pursuant to the terms and subject to the conditions set forth in the merger agreement, is fair, from a financial point of view, to such holders.

Other Information

As noted above, the discussion set forth above is a summary of the material financial analyses presented by Moelis & Company to the Cornell board of directors in connection with Moelis & Company s analysis of the fairness of the consideration to be received by holders of shares of Cornell common stock pursuant to the merger

agreement from a financial point of view to such holders and in connection with the delivery of its opinion to the Cornell board of directors, and is not a comprehensive description of all analyses undertaken by Moelis & Company in connection with its opinion. Moelis & Company believes that its analyses must be considered as a whole and that selecting portions of its analyses or the factors it considered or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying Moelis & Company s analyses and opinion. The fact that any specific analysis has been referred to in the summary above is not meant to indicate that such analysis was given greater weight than any other analysis referred to in the summary.

The consideration to be paid pursuant to the merger agreement was determined through arm s-length negotiations between Cornell and GEO and was approved by each company s board of directors. Moelis & Company provided advice to Cornell during these negotiations, however, Moelis & Company did not recommend any specific consideration to the Cornell board of directors or suggest that any specific consideration constituted the only appropriate consideration for a transaction.

The merger consideration was determined through negotiations among Cornell and its representatives, on the one hand, and GEO and its representatives, on the other hand, and the decision by the Cornell board of directors to approve, adopt and authorize the merger agreement was solely that of the Cornell board of directors. The Moelis & Company opinion and financial analyses, taken together, represented only one of many factors considered by the Cornell board of directors in its evaluation of the merger and should not be determinative of the views of the Cornell board of directors or Cornell management with respect to the merger or the merger consideration or whether the Cornell board of directors would have been willing to agree to different merger consideration.

Moelis & Company was engaged by Cornell primarily due to a long standing relationship between Cornell and a senior banker at Moelis & Company. This individual had previously served as Cornell s investment banker and financial adviser and had participated in prior discussions between Cornell and GEO during his time with Moelis & Company and his prior investment banking firm. His familiarity with the history of the discussions between the parties, knowledge of the correctional, detention and mental health industry and the prior positive experiences working with this individual resulted in Cornell engaging Moelis & Company as its exclusive financial advisor. Moelis & Company is an investment banking enterprise with substantial experience in transactions similar to the merger. Moelis & Company, as part of its investment banking business, is continually engaged in the valuation of businesses and securities in connection with business combinations and acquisitions and for other purposes. Moelis & Company has consented to the inclusion in this proxy statement/prospectus of its written opinion delivered to the Cornell board of directors, dated April 18, 2010.

Under the terms of the engagement letter between Moelis & Company and Cornell, Moelis & Company agreed to act as Cornell s financial advisor in connection with the merger. In accordance with the terms of such engagement letter, (i) Moelis & Company received a fee of $1,000,000 upon the delivery of its opinion, which was not contingent upon the consummation of the merger and (ii) Moelis & Company will receive a transaction fee contingent upon the consummation of the merger equal to 1.0% of the transaction value (as defined in the engagement letter) or approximately $7 million based on the closing price of Cornell common stock on April 30, 2010. The opinion fee is creditable against the fee payable upon consummation of the merger. In addition, Cornell has agreed to reimburse Moelis & Company for certain expenses and indemnify Moelis & Company for certain liabilities arising out of its engagement. Other than its engagement in connection with the merger, Moelis & Company has no agreement, arrangement or understanding for the provision of investment banking or other related services to either Cornell or GEO.

Interests of Cornell Directors and Executive Officers in the Merger That are Different Than Yours

In considering the recommendation of the Cornell board of directors to vote for the proposal to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, you should be aware that some of Cornell s directors and executive officers have certain interests in, and will receive benefits from, the merger that differ from, or are in addition to (and therefore may conflict with), the interests of Cornell s stockholders generally. These additional interests are described below. The Cornell board of directors was aware of these interests during their deliberations regarding the merits of the merger agreement and considered them in

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determining to recommend to Cornell s stockholders that they vote to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement.

Equity-Based Awards

Stock Options and Restricted Stock. The stock options and restricted stock held by the directors and executive officers of Cornell will be treated the same as all other stock options and restricted stock under the terms of the merger agreement. Any option to purchase Cornell common stock that must be exercised by its terms prior to the effective time which is not exercised will terminate as of the effective time of the merger. The merger agreement provides that upon completion of the merger, each outstanding and unexercised option to acquire shares of Cornell common stock that is not required to be exercised prior to the effective time of the merger, whether vested or unvested, will cease to represent the right to acquire shares of Cornell common stock and will become a right to acquire GEO common stock. The number of shares and the exercise price subject to the converted options will be adjusted in accordance with the exchange ratio in the transaction. However, the duration and other terms of the Cornell options which are converted into options to acquire shares of GEO will remain the same as the terms of the prior Cornell options. Unless an assumed option provides for acceleration of vesting prior to the effective time, such option shall vest upon the effective time of the merger. All shares of Cornell restricted stock will vest and be automatically converted into shares of GEO common stock, as adjusted to account for the exchange ratio. The following table sets forth, as of August 1, 2010, the number of unvested options and unvested shares of restricted stock held by the directors and executive officers of Cornell that will become fully vested in advance of, or upon, the consummation of the merger:

Name	Number of Currently Unvested Options to Fully Vest Upon Completion of Merger	Number of Currently Unvested Shares of Restricted Stock to Fully Vest Upon Completion of Merger
Max Batzer	[1,250]	[ ]
Anthony R. Chase	[1,250]	[ ]
Richard Crane	[1,250]	[ ]
Zachary R. George	[1,250]	[ ]
Todd Goodwin	[1,250]	[ ]
James E. Hyman	[ ]	[124,167]
Andrew R. Jones	[1,250]	[ ]
Alfred J. Moran, Jr.	[1,250]	[ ]
John R. Nieser	[ ]	[60,167]
Patrick N. Perrin	[ ]	[31,584]
Cathryn L. Porter	[ ]	[37,375]
D. Stephen Slack	[1,250]	[ ]
Executive Officers and Directors as a Group (12 Persons)	[10,000]	[253,293]

Employee Stock Purchase Plan. Each outstanding option or right to acquire Cornell common stock under the terms of Cornell s Employee Stock Purchase Plan, which is referred to as the ESPP, held by the executive officers of Cornell will be treated the same as all other options or rights to acquire Cornell common stock under the ESPP. Non-employee directors are not eligible to participate in the ESPP. Cornell will make reasonable best efforts to ensure that, immediately prior to the effective time, the following occurs: (i) each outstanding option or right to acquire Cornell common stock under Cornell s employee stock purchase plan will automatically be exercised or deemed exercised, and (ii) in lieu of the shares of Cornell common stock otherwise issuable upon the exercise of each such option or right,

the holder of such option or right will have the right to elect to receive from GEO, following the effective time, either the stock consideration or the cash consideration, subject to the same prorations and adjustments set forth in The Merger Merger Consideration above, except to the extent that the holder of such option or right elects not to exercise the holder s options and to withdraw the entire balance of holder s Cornell employee stock purchase plan account prior to the effective time. The following table sets forth the number of

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in-the-money options to acquire Cornell common stock held by executive officers under the ESPP as of August 1, 2010, and the dollar amount payable to each executive officer, upon the exercise of such options upon completion of the merger if such holder elects to receive cash:

Name	Number of Options	Net Merger Consideration(1)(2)
James E. Hyman	771	$ 5,190
John R. Nieser	95	639
Patrick N. Perrin	379	2,551
Cathryn L. Porter	356	2,396
Executive Officers as a Group (4 Persons)	1,601	$ 10,776

(1) Based upon each holder electing to receive the equivalent of 1.3 shares of GEO common stock in cash, which, based upon the closing price per share of GEO common stock on as reported on the NYSE on June 4, 2010, is equal to $26.351 per share.

(2) The net merger consideration is $6.731 per share, which is based upon the difference between the ESPP option price of $19.62 per share of Cornell common stock and $26.351.

Nonqualified Deferred Compensation Plan. Cornell maintains a nonqualified deferred compensation plan, which is referred to as the NQDC Plan, into which directors and executive officers may choose to defer amounts of compensation. Cornell also makes contributions to the accounts of certain executive officers in the NQDC Plan equal to amounts that would have been credited to the executive s account under the Cornell 401(k) plan if not for the imposition of certain IRS limits on contributions to tax-qualified plans such as the Cornell 401(k) plan. All amounts credited to the NQDC Plan are fully vested at all times and are fully accrued (i.e., no additional contributions will be made to the NQDC Plan because of the merger). However, amounts credited to the NQDC Plan will become payable to the plan participants at, or immediately prior to, the effective time of the merger. This time of payment would be earlier than when such payment would ordinarily have been made absent the merger to NQDC Plan participants and could be viewed as an interest in addition to that held by stockholders generally. This plan provides for a gross-up for any excise taxes with respect to Section 4999 excise parachute payments made under the plan.

The following table sets forth the dollar amount of compensation accrued by each participating director and executive officer under the NQDC Plan as of June 4, 2010:

Name	Amount Accrued Under the Nonqualified Deferred Compensation Plan(1)
Zachary R. George	$ 311,189
Todd Goodwin	311,683
Total	$ 622,872

(1) Based on the June 4, 2010 Cornell stock price of $26.03 per share.

Employment and Change in Control Agreements

Upon the consummation of the merger, GEO shall honor the existing amended and restated employment agreement between Cornell and James E. Hyman, the employment/separation agreement between Cornell and John R. Nieser, the executive management employment agreement between Cornell and Cathryn L. Porter, and the severance agreement between Cornell and Patrick N. Perrin. The merger would constitute a change of control for purposes of these agreements.

The following describes the material terms of such agreements:

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James E. Hyman. Mr. Hyman s existing amended and restated employment agreement provides that he will be entitled to receive the severance and other benefits described below if, at any time prior to the expiration of 180 days following the completion of the merger, he voluntarily terminates his employment:

- Mr. Hyman will be paid, to the extent he has not already been paid, his accrued annual base salary and any annual bonus for the fiscal year prior to termination, and his pro rata annual bonus as earned through the date of termination;

- Mr. Hyman will be entitled to receive an amount equal to (i) two times his annual base salary and (ii) 100% of the annual bonus he would have been entitled to receive for the remainder of the employment period (that is, two years) as if all performance goals had been met;

- The surviving company will reimburse Mr. Hyman for all reasonable expenses incurred by him on behalf of the surviving company, as well as any relocation expenses;

- The surviving company will pay for Mr. Hyman to continue his health care benefits under COBRA for 18 months; and

- In the event any payment or benefit received by Mr. Hyman (whether payable under his employment agreement or otherwise) gives rise to an excise tax under Section 4999 of the Code, as amended, he will be entitled to a gross-up payment in an amount that would place him in the same after-tax position he would have been in if no excise tax had applied.

In addition to the above-mentioned benefits, regardless of whether Mr. Hyman terminates his employment, upon the effective time of the merger, all of Mr. Hyman s unvested restricted stock awards will vest.

Assuming that the merger occurred on August 1, 2010 and Mr. Hyman terminated his employment immediately following the completion of the merger, he would be entitled to receive approximately $2,445,980 in cash and benefits under the terms of his employment agreement, plus a gross up payment if the excise tax under Section 4999 applies,

In addition, as part of the merger discussions, GEO requested that Mr. Hyman extend his existing non-competition period by one year. GEO and Mr. Hyman agreed that subsequent to entering into the merger agreement, they would seek to come to a mutually-acceptable understanding relating to such extension. This matter was part of the Cornell board of directors discussions when considering the proposed transaction. GEO and Mr. Hyman are working to agree on definitive documentation agreeable to both parties in connection with the extension of Mr. Hyman s non-competition period.

John R. Nieser. Mr. Nieser s existing amended employment/separation agreement provides that he will be entitled to receive the severance and other benefits described below if, within 180 days following the completion of the merger, the surviving corporation terminates the employment of Mr. Nieser:

- Mr. Nieser will be paid, to the extent he has not already been paid, his accrued annual base salary as earned through the date of termination;

- Mr. Nieser will be entitled to receive any incentive compensation award that has been earned but not paid;

- Mr. Nieser will be entitled to receive a payment equal to the pro rata portion of the target award under Cornell s Incentive Compensation Plan;

Mr. Nieser will be entitled to receive a continuation of his base salary for a period of 24 months following the date of termination;

The surviving company will make additional payments equal to its contribution towards the cost of coverage under the surviving company s health plan during the severance period for so long as Mr. Nieser remains covered by such health plan; and

In the event any payment or benefit received by Mr. Nieser (whether payable under the employment/separation agreement or otherwise) gives rise to an excise tax under Section 4999 of the Code, he will be

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entitled to a gross-up payment in an amount that would place him in the same after-tax position that he would have been in if no excise tax had applied.

Assuming that the merger occurred on August 1, 2010 and Mr. Nieser is terminated immediately following the completion of the merger, he would be entitled to receive approximately $620,979 in cash and benefits under the terms of his employment/separation agreement, plus a gross up payment if the excise tax under Section 4999 applies.

Cathryn L. Porter. Ms. Porter s existing executive management employment agreement provides that she will be entitled to receive the severance and other benefits described below, if at any time within 180 days following completion of the merger, her employment is terminated involuntarily by the surviving corporation:

Ms. Porter will be paid, to the extent she has not already been paid, her accrued annual base salary as earned through the date of termination;

Ms. Porter will be entitled to receive a continuation of her base salary for a period of 18 months following the date of termination;

Ms. Porter will be entitled to receive in a lump sum payment the pro rata portion of any discretionary incentive compensation award that would have been made following the end of the relevant fiscal year; and

Ms. Porter will be entitled to extended COBRA benefits at the surviving company s expense until the earlier of twelve months from the date of termination or the date Ms. Porter commences employment with any person or entity and is thereby eligible for health insurance benefits, provided that the surviving company shall deduct from Ms. Porter s monthly payments of her base salary an amount equal to that which was deducted for such coverage when Ms. Porter was a regular employee.

Assuming that the merger occurred on August 1, 2010 and Ms. Porter is terminated immediately following the completion of the merger, she would be entitled to receive approximately $428,297 in cash and benefits under the terms of her employment agreement.

Patrick N. Perrin. Mr. Perrin s existing severance agreement provides that he will be entitled to receive the severance and other benefits described below if, at any time within 180 days following completion of the merger, his employment is terminated involuntarily by the surviving corporation:

Mr. Perrin will be paid, to the extent he has not already been paid, his accrued annual base salary as earned through the date of termination;

Mr. Perrin will be entitled to receive any incentive compensation award that has been earned but not paid;

Mr. Perrin will be entitled to receive a payment equal to the pro rata portion of the target award under Cornell s Incentive Compensation Plan;

Mr. Perrin will be entitled to receive a continuation of his base salary for a period of 18 months following the date of termination; and

Mr. Perrin will be entitled to extended COBRA benefits at his expense, provided that the surviving company shall pay to Mr. Perrin an amount equal to the surviving company s portion of employee health care costs under the surviving company s group health care plan as if Mr. Perrin were an active employee.

Mr. Perrin s existing severance agreement further provides that if Mr. Perrin is terminated within one year after the merger for any reason, but is not involuntarily terminated within 180 days following consummation of the merger, Mr. Perrin shall be entitled exclusively to receive the severance and other benefits described below:

Mr. Perrin will be entitled to receive a lump sum payment equal to the sum of (i) his highest annual base salary as of the termination date and the change in control date plus (ii) the average of the annual bonus paid or payable, including by reason of any deferral, to Mr. Perrin by Cornell or its affiliates in respect of the two most recent full fiscal years ending prior to the termination date; and

Mr. Perrin will be entitled to have all stock options, restricted stock awards and similar awards granted to him by Cornell immediately vest on the termination date.

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Assuming that the merger occurred on August 1, 2010 and Mr. Perrin is terminated immediately following the completion of the merger, he would be entitled to receive approximately $390,664 in cash and benefits under the terms of his severance agreement.

Protection of Directors and Officers Against Claims

GEO has agreed to indemnify and hold harmless the present and former officers and directors of Cornell and its subsidiaries against any claims, liabilities, losses, damages, judgments, fines, penalties, costs and expenses in connection with any claim, suit, action, proceeding or investigation, whether civil, criminal, administrative or investigative), arising out of or pertaining to matters existing or occurring at or before the consummation of the merger to the fullest extent allowed under applicable law. GEO has also agreed that it will maintain Cornell s existing directors and officers liability insurance policy, or provide a policy providing similar coverage, for the benefit of Cornell s directors and officers who are currently covered by such insurance, for at least six years from the effective time of the merger, with respect to acts or omissions occurring prior to the effective time of the merger, subject to a limit on the cost to maintain such coverage.

Accounting Treatment

The merger will be accounted for as an acquisition of Cornell by GEO under the acquisition method of accounting of GAAP. Under the acquisition method of accounting, the assets and liabilities of the acquired company are, as of completion of the merger, recorded at their respective fair values and added to those of the reporting public issuer, including an amount for goodwill representing the difference between the purchase price and the fair value of the identifiable net assets. The financial statements of GEO issued after the merger will reflect the operations of the combined company beginning at the effective time of the merger. The consolidated financial statements of the combined company will not be restated retroactively to reflect the historical financial position or results of operations of Cornell.

All unaudited pro forma condensed combined financial statements contained in this proxy statement/prospectus were prepared using the acquisition method of accounting. The final allocation of the purchase price will be determined after the merger is completed and after completion of an analysis to determine the fair value of Cornell s assets and liabilities. Accordingly, the final purchase accounting adjustments may be materially different from the unaudited pro forma adjustments. Any decrease in the fair value of the assets or increase in the fair value of the liabilities of Cornell as compared to the unaudited pro forma information included in this proxy statement/prospectus will have the effect of increasing the amount of the purchase price allocable to goodwill.

Federal Securities Laws Consequences; Stock Transfer Restriction Agreements

All shares of GEO common stock that Cornell stockholders receive in the merger will be freely transferable, except for shares of GEO common stock received by persons who become affiliates of GEO under the Securities Act of 1933, as amended, and the related SEC rules and regulations.

No Appraisal Rights

Neither Cornell stockholders nor GEO shareholders have appraisal rights in connection with the merger.

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MATERIAL FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER

The following discussion summarizes the material U.S. federal income tax consequences of the merger to holders of Cornell common stock and GEO common stock. Pursuant to the opinions included as Exhibit 8.1 and 8.2, respectively, and subject to the conditions set forth in such opinions, each of Akerman Senterfitt and Hogan Lovells adopts and confirms the statements in this discussion, to the extent they constitute legal conclusions and relate to the tax consequences of the merger, as its opinion of the material United States federal income tax consequences of the merger.

This discussion addresses only those U.S. holders (defined below) that hold their Cornell common stock as a capital asset and does not address all aspects of U.S. federal income taxation that may be relevant to a holder of Cornell common stock in light of that stockholder s particular circumstances or to a stockholder subject to special rules, such as:

- a stockholder that is not a U.S. holder;
- a financial institution or insurance company;
- a mutual fund;
- a tax-exempt organization;
- a dealer or broker in securities or foreign currencies;
- a trader in securities that elects to apply a mark-to-market method of accounting;
- a stockholder that holds Cornell common stock as part of a hedge, appreciated financial position, straddle, conversion, or other risk reduction transaction;
- a stockholder that acquired Cornell common stock pursuant to the exercise of options or similar derivative securities or otherwise as compensation; or
- a U.S. person whose functional currency is not the U.S. dollar.

If a partnership or other entity taxed as a partnership for U.S. federal income tax purposes holds Cornell common stock, the tax treatment of a partner in such partnership will depend on the status of the partners and the activities of the partnership. A partner in a partnership holding Cornell common stock should consult its tax advisor about the tax consequences of the merger to them.

The following discussion is not binding on the Internal Revenue Service, which is referred to as the IRS. It is based on the Code, applicable Treasury regulations, administrative interpretations and court decisions, each as in effect as of the date of this joint proxy statement/prospectus, and all of which are subject to change, possibly with retroactive effect. The tax consequences under U.S. state and local and foreign laws and U.S. federal laws other than U.S. federal income tax laws are not addressed. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences set forth below.

Holders of Cornell common stock are strongly urged to consult their tax advisors as to the specific tax consequences to them of the merger, including the applicability and effect of U.S. federal alternative minimum tax, state and local

and foreign income and other tax laws in light of their particular circumstances.

For purposes of this section, the term U.S. holder means a beneficial owner of Cornell common stock that for U.S. federal income tax purposes is:

a citizen or resident of the United States;

a corporation or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any State or the District of Columbia;

an estate, the income of which is subject to U.S. federal income tax regardless of its source; or

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a trust, the substantial decisions of which are controlled by one or more U.S. persons and which is subject to the primary supervision of a U.S. court, or a trust that validly has elected under applicable Treasury regulations to be treated as a U.S. person for U.S. federal income tax purposes.

General

GEO and Cornell have structured the merger to qualify as a reorganization for U.S. federal income tax purposes. Akerman Senterfitt has included its opinion to GEO as Exhibit 8.1 hereto, and Hogan Lovells has included its opinion to Cornell as Exhibit 8.2 hereto, each effective on the effectiveness date of this joint proxy statement/prospectus and subject to the conditions set forth in such opinions, that (a) the merger will constitute a reorganization within the meaning of Section 368(a) of Code and (b) GEO and Cornell will be parties to the reorganization within the meaning of Section 368(b) of the Code. Further, it is a condition to the closing of the merger that GEO will have received a written opinion from Akerman Senterfitt, and Cornell will have received a written opinion from Hogan Lovells US LLP, both as of the closing date of the merger and to the effect that for U.S. federal income tax purposes, the merger will constitute a reorganization within the meaning of section 368(a) of the Code. Neither GEO nor Cornell intends to waive this condition. These opinions each rely on assumptions, including assumptions regarding the absence of changes in existing facts and law and the completion of the merger in the manner contemplated by the merger agreement, and representations and covenants made by GEO and Cornell, including those contained in certificates of officers of GEO and Cornell. The accuracy of those representations, covenants or assumptions may affect the conclusions set forth in these opinions, in which case the tax consequences of the merger could differ from those discussed here. Opinions of counsel neither bind the IRS nor preclude the IRS from adopting a contrary position. No ruling has been or will be sought from the IRS on the tax consequences of the merger. Consequently, no assurance can be given that the IRS will not assert, or a court would not sustain, a position contrary to those set forth herein.

U.S. Federal Income Tax Consequences of the Merger to U.S. Holders of Cornell Common Stock

The United States federal income tax consequences of the merger to a U.S. holder will vary depending on whether the U.S. holder receives shares of GEO common stock, cash, or a combination of GEO common stock and cash, in exchange for Cornell common stock. If a U.S. holder chooses to make a cash election pursuant to the merger agreement, at the time of such election such U.S. holder will not know whether, or to what extent, the proration rules of the merger agreement will alter the mix of consideration such U.S. holder will receive. As a result, the tax consequences to such a U.S. holder will not be ascertainable with certainty until the U.S. holder knows the precise number of shares of GEO common stock and the amount of cash that such U.S. holder will receive in the merger.

Receipt Solely of GEO Common Stock

A U.S. holder who receives only shares of GEO common stock in the merger will not recognize any gain or loss except for any gain or loss recognized with respect to cash received in lieu of a fractional share of GEO common stock. U.S. holders will recognize gain or loss on any cash received in lieu of a fractional share of GEO common stock equal to the difference between the amount of cash received in lieu of the fractional share and the portion of the holder s adjusted tax basis of the shares of Cornell common stock surrendered that is allocable to the fractional share. Such gain or loss will be long-term capital gain or loss if the holding period in Cornell common stock is more than one year as of the closing date of the merger. The deductibility of capital losses is subject to limitations. Such U.S. holder will have an adjusted tax basis in the GEO common stock received in the merger, including any fractional share for which cash is received, equal to the adjusted tax basis of the Cornell common stock surrendered by that holder in the merger. The holding period for GEO common stock received in the merger will include the holding period for the Cornell common stock surrendered therefor.

Receipt of GEO Common Stock and Cash

A U.S. holder who receives both GEO common stock and cash in the merger will not recognize any loss on the exchange, and will recognize gain (if any) equal to the lesser of: (1) the amount of cash received (other than cash received in lieu of a fractional share) and (2) the excess of the sum of the amount of cash received and the fair market

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value of the shares of GEO common stock received over the stockholder s adjusted tax basis for the shares of Cornell common stock surrendered in exchange therefor. For purposes of this calculation, the fair market value of GEO common stock is based on the trading price as of the effective time of the merger, rather than the ten-day average price used in calculating the amount of cash consideration to be paid to Cornell stockholders making a cash election.

Subject to the discussion below, any gain recognized with respect to shares of Cornell common stock as a consequence of participating in the merger will be capital gain, and will be long-term capital gain if the shares have been held for more than one year on the closing date of the merger. It is possible, however, that a U.S. holder would instead be required to treat all or part of such gain as dividend income, if that U.S. holder s percentage ownership in GEO (including shares that the U.S. holder is deemed to own under certain attribution rules) after the transaction is not meaningfully reduced from what the U.S. holder s percentage ownership would have been if the U.S. holder had received solely shares of GEO common stock rather than a combination of cash and GEO common stock in the merger. If a U.S. holder who has a relatively minimal stock interest in GEO and Cornell suffers a reduction in its proportionate interest in GEO (as compared to the interest it would have had if it had received solely shares of GEO common stock), the U.S. holder should be regarded as having suffered a meaningful reduction in interest. A U.S. holder should consult its own tax advisor as to whether its receipt of cash in the merger will be treated as capital gain or dividend income under the Code.

A U.S. holder who receives GEO common stock will have an adjusted tax basis in the GEO common stock received in the merger equal to the adjusted tax basis of the shares of Cornell common stock surrendered, increased by the amount of gain, if any, recognized (including any portion of the gain that is treated as a dividend, if any, but excluding any gain recognized with respect to a fractional share), and decreased by the amount, if any, of cash received (other than cash received in lieu of a fractional share). The holding period for shares of GEO common stock received in exchange for shares of Cornell common stock in the merger will include the holding period for the shares of Cornell common stock surrendered in the merger.

U.S. holders will recognize gain or loss on any cash received in lieu of a fractional share of GEO common stock equal to the difference between the amount of cash received in lieu of the fractional share and the portion of the holder s adjusted tax basis of the shares of Cornell common stock surrendered that is allocable to the fractional share. Such gain or loss will be long-term capital gain or loss if the holding period in Cornell common stock is more than one year as of the closing date of the merger.

Receipt Solely of Cash

A U.S. holder who receives only cash in the merger will recognize gain or loss equal to the difference between the amount of cash received and its adjusted tax basis in the shares of Cornell common stock surrendered in the exchange. It is anticipated that most U.S. holders will be required to treat any recognized gain (or loss) as capital gain (or loss), as described above. However, it is possible that a U.S. holder would instead be required to treat all or part of such gain as dividend income as described in the section *Receipt of GEO Common Stock and Cash.* A U.S. holder should consult its own tax advisor as to whether its receipt of cash in the merger will be treated as capital gain or dividend income under the Code.

Separate Blocks of Stock

In the case of a holder of Cornell common stock that holds shares of Cornell common stock with differing tax bases and/or holding periods, the preceding rules must be applied to each identifiable block of Cornell common stock.

Reporting Requirements

A holder of Cornell common stock who receives GEO common stock as a result of the merger will be required to retain records pertaining to the merger. A holder of Cornell common stock who is a significant holder will be subject to certain reporting requirements with respect to the merger. In particular, such stockholders will be required to attach a statement to their tax returns for the year of the merger that contains the information listed in Treasury Regulation Section 1.368-3(b). Such statement must include the stockholder s adjusted tax basis in its Cornell

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common stock and other information regarding the reorganization. A significant holder is a U.S. holder who receives GEO common stock in the merger and who, immediately before the merger, owned at least 5% of the outstanding stock of Cornell (by vote or value) or securities of Cornell with a tax basis of $1 million or more. U.S. holders are urged to consult with their tax advisers with respect to these and other reporting requirements applicable to the merger.

Information Reporting and Backup Withholding

A holder of Cornell common stock may be subject to information reporting and backup withholding in connection with any cash payments received instead of a fractional share of GEO common stock, unless such holder provides proof of an applicable exemption or a correct taxpayer identification number, and otherwise complies with the applicable requirements of the backup withholding rules. The amounts withheld under the backup withholding rules are not an additional tax and may be refunded, or credited against the holder s U.S. federal income tax liability, provided the required information is furnished.

This discussion is intended to provide only a general summary of the material U.S. federal income tax consequences of the merger, and is not a complete analysis or description of all potential U.S. federal income tax consequences of the merger. This discussion does not address tax consequences that may vary with, or are contingent on, individual circumstances. In addition, it does not address any non-income tax or any foreign, state or local tax consequences of the merger. Accordingly, each holder of Cornell common stock is strongly urged to consult his or her tax advisor to determine the particular U.S. federal, state or local or foreign income or other tax consequences to that stockholder of the merger.

U.S. Federal Income Tax Consequences to GEO Shareholders

There will be no U.S. federal income tax consequences to a holder of GEO common stock (who does not also own Cornell common stock) as a result of the merger.

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REGULATORY MATTERS

Under the merger agreement, each of GEO and Cornell has agreed to use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable law to consummate the merger and the other transactions contemplated by the merger agreement, including (1) preparing and filing with any governmental authority or other third party as promptly as practicable all documentation to effect all necessary filings, notices, petitions, statements, registrations, submissions of information, applications and other documents and (2) obtaining and maintaining all approvals, actions, non-actions, consents, waivers, licenses, orders, registrations, permits, authorizations, clearances and other confirmations required to be obtained from any governmental authority or other third party that are necessary, proper or advisable to consummate the merger and the other transactions contemplated by the merger agreement.

A condition to GEO s and Cornell s respective obligations to consummate the merger is that any waiting period applicable to the merger under the HSR Act will have expired or been terminated. See The Merger Agreement Conditions to Completion of the Merger beginning on page 83.

U.S. Antitrust Filing

Under the HSR Act and the rules and regulations promulgated thereunder, certain transactions, including the merger, may not be consummated unless certain waiting period requirements have expired or been terminated. Pursuant to the requirements of the HSR Act, each of GEO and Cornell filed a Notification and Report Form with respect to the merger with the United States Department of Justice, Antitrust Division, which is referred to as the Antitrust Division, and the Federal Trade Commission, which is referred to as the FTC, on April 30, 2010. Pursuant to the requirements of the HSR Act, the merger may be closed following the expiration of a 30-calendar day waiting period (if the thirtieth day falls on a weekend or holiday, the waiting period will expire on the next business day) following the filings by GEO and Cornell with the FTC and the Antitrust Division, unless the federal government terminates the waiting period early or issues a request for additional information and documentary material.

The waiting period under the HSR Act expired as of 11:59 pm on June 1, 2010. Although the waiting period has expired, at any time before the effective time of the merger, the Antitrust Division, the FTC or others could take action under the antitrust laws with respect to the merger, including seeking to enjoin the merger or to require the divestiture of certain assets of GEO or Cornell. Private parties (including individual states) may also bring legal actions under the antitrust laws. GEO and Cornell do not believe that the closing of the merger will result in a violation of any applicable antitrust laws. However, there can be no assurance that a challenge to the merger on antitrust grounds will not be made, or if such a challenge is made, what the result will be. See The Merger Agreement Conditions to Completion of the Merger for certain conditions, including conditions with respect to litigation and other legal restraints.

Other than the filings described above, neither GEO nor Cornell is aware of any material regulatory approvals required to be obtained, or waiting periods required to expire, to complete the merger. If GEO and Cornell discover that other material approvals or waiting periods are necessary, GEO and Cornell will seek to obtain or comply with them in accordance with the merger agreement.

FINANCING

Completion of the merger is not conditioned on receipt of any financing. However, in connection with the merger, GEO may choose to refinance Cornell s existing senior secured credit facility and Cornell s existing 10.75% senior

notes due 2012, and to pay the cash component of the merger consideration, by utilizing a combination of GEO s existing cash and one or more draws upon GEO s senior credit facility.

Under GEO s existing senior credit facility, GEO currently has the right to increase the revolving and term loan commitments thereunder. BNP Paribas has committed $150.0 million to GEO in order to effect such an increase, which commitment will expire if the merger is not closed on or prior to April 18, 2011, which we refer to as commitments increase.

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Under the BNP Paribas commitment, any commitments increase taking the form of a term loan will have a maturity date equal to the maturity date of the term loans in GEO s existing senior credit facility, January 24, 2014. That portion of the commitments increase, if any, taking the form of revolving credit commitments will have a final maturity date concurrent with GEO s existing senior revolving credit commitments, September 14, 2012.

At GEO s option, the interest rate on any new term loans under the commitments increase will be equal to either a base rate plus an applicable margin or the LIBOR rate plus an applicable margin. GEO expects the applicable margin on any new term loans to be 2.25% in the case of base rate loans and 3.25% in the case of LIBOR rate loans and the rate of interest applicable to revolving credit loans drawn under the commitments increase to be the same as currently applicable to revolving loans under GEO s existing senior credit facility.

The loans under the new commitments will be subject in all respects to the terms of GEO s existing credit facility, as amended, and will be subject to the satisfaction of a number of conditions, including that the closing of the merger will have occurred on or before April 18, 2011.

In the alternative, GEO may choose to pursue alternate financing.

GEO expects that the total utilization under GEO s senior credit facility (existing or alternative) at the effective time of the merger will be approximately $[ ] million, consisting of $[ ] in borrowings and $[ ] in letters of credit.

THE COMPANIES

The GEO Group, Inc.

GEO s principal executive offices are located at: One Park Place, Suite 700, 621 Northwest 53rd Street, Boca Raton, Florida 33487-8242.

GEO is a leading provider of government-outsourced services specializing in the management of correctional, detention, mental health and residential treatment facilities in the United States, Canada, Australia, South Africa and the United Kingdom. GEO operates a broad range of correctional and detention facilities including maximum, medium and minimum security prisons, immigration detention centers and minimum security detention centers. GEO also provides secure transportation services for offender and detainee populations as contracted. GEO s correctional and detention management services involve the provision of security, administrative, rehabilitation, education, health and food services primarily at adult male correctional and detention facilities. GEO s mental health and residential treatment services involve the delivery of quality care, innovative programming and active patient treatment, primarily at privatized state mental health facilities. GEO also develops new facilities based on contract awards, using its project development expertise and experience to design, construct and finance what it believes are state-of-the-art facilities that maximize security and efficiency. As of April 4, 2010, GEO managed 56 facilities totaling approximately 52,700 beds worldwide. GEO has an additional 4,325 beds under development at three facilities, including an expansion and renovation of one vacant facility which GEO currently owns, the expansion of one facility GEO currently owns and operates and a new 2,000-bed facility which GEO will manage upon completion. GEO owns three idle facilities totaling 954 beds and two facilities totaling 1,560 beds that are leased to Cornell and other private operators. GEO maintained an average companywide facility occupancy rate of 94.4% for the thirteen weeks ended April 4, 2010, excluding facilities that are either idle or under development. For the thirteen weeks ended April 4, 2010 and for the fiscal year ended January 3, 2010, GEO had consolidated revenues of $0.3 billion and $1.1 billion, respectively.

This joint proxy statement/prospectus incorporates important business and financial information about GEO from other documents that are not included in or delivered with this joint proxy statement/prospectus. For a list of the documents incorporated by reference in this joint proxy statement/prospectus, see Where You Can Find More

Information beginning on page 126.

Cornell Companies, Inc.

Cornell s principal executive offices are located at: 1700 West Loop South, Suite 1500, Houston, Texas 77027.

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Cornell is a leading provider of correctional, detention, educational, rehabilitation and treatment services outsourced by federal, state, county and local government agencies for adults and juveniles. Cornell partners with these agencies to deliver quality, cost-efficient programs that Cornell believes enable its customers to achieve their missions while saving taxpayers money. Cornell s customers include the Federal Bureau of Prisons, U.S. Marshals Service, various state Departments of Corrections, and city, county and state departments of human services and similar agencies. Cornell offers a diverse portfolio of services in structured and secure environments throughout three operating divisions: (1) Adult Secure Services; (2) Abraxas Youth and Family Services; and (3) Adult Community-Based Services. As of March 31, 2010, Cornell operated 63 facilities among its three operating divisions, representing a total operating service capacity of 20,531. Cornell also had five facilities that were vacant, representing additional service capacity of 861 beds. Service capacity is comprised of the number of beds currently available for service in residential facilities and on either the contractual terms or an estimate of the number of clients to be served for non-residential community-based programs. Cornell s facilities are located in 15 states and the District of Columbia. For the quarter ended March 31, 2010 and for the year ended December 31, 2009, Cornell had revenues of $100.0 million and $412.4 million, respectively.

This joint proxy statement/prospectus incorporates important business and financial information about Cornell from other documents that are not included in or delivered with this joint proxy statement/prospectus. For a list of the documents incorporated by reference in this joint proxy statement/prospectus, see Where You Can Find More Information beginning on page 126.

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THE MERGER AGREEMENT

The following is a summary of the material terms of the Agreement and Plan of Merger, dated as of April 18, 2010, among The GEO Group, Inc., GEO Acquisition III, Inc. and Cornell Companies, Inc., which is referred to as the merger agreement. This summary does not purport to describe all the terms of the merger agreement and is qualified in its entirety by reference to the complete merger agreement which is attached as Annex A to this joint proxy statement/prospectus and incorporated by reference. The rights and obligations of the parties are governed by the express terms and conditions of the merger agreement and not this summary or any other information contained in this joint proxy statement/prospectus. All GEO shareholders and Cornell stockholders are urged to read the merger agreement carefully and in its entirety.

Structure of the Merger

Subject to the terms and conditions of the merger agreement and in accordance with Delaware law, GEO Acquisition III, Inc., a wholly owned subsidiary of GEO that was formed for the purpose of the merger, will be merged with and into Cornell, with Cornell surviving the merger and becoming a wholly owned subsidiary of GEO. Immediately following the merger, GEO will continue to be named The GEO Group, Inc. and will be the parent company of Cornell. Accordingly, after the effective time of the merger, shares of Cornell common stock will no longer be publicly traded.

Closing and Effective Time of the Merger

The closing will occur as soon as practicable, but in no event later than two business days after the day on which the last of the conditions set forth in the merger agreement has been satisfied or waived, unless GEO and Cornell agree to a different date. The merger will become effective upon the filing of a certificate of merger with the Secretary of State of the State of Delaware or such later time as may be agreed upon by GEO and Cornell and as specified in the certificate of merger. See The Merger Agreement Conditions to Completion of the Merger beginning on page 83 for a more complete description of the conditions that must be satisfied or waived before closing.

Merger Consideration

Cornell Stockholders. At the effective time of the merger, each outstanding share of Cornell common stock will be converted into the right to receive either (i) 1.3 shares of GEO common stock or (ii) an amount of cash equal to the greater of (x) the fair market value of one share of GEO common stock plus $6.00 or (y) the fair market value of 1.3 shares of GEO common stock. Cornell stockholders desiring to receive a combination of GEO common stock and cash may do so by making a stock election with respect to a portion of their shares and a cash election with respect to their remaining shares. If a Cornell stockholder fails to make an election, the holder will receive the stock consideration. Fair market value of GEO common stock means the average of the daily closing prices per share of GEO common stock for the ten consecutive trading days on which shares of GEO common stock are actually traded (as reported on the NYSE) ending on the last trading day immediately preceding the tenth business day preceding the closing date. Cornell stockholders have the opportunity to elect whether they would prefer to receive stock consideration or cash consideration as provided above. However, the merger agreement provides that notwithstanding such elections, no more than 20% of the shares of Cornell common stock are permitted to be exchanged for cash consideration. If cash elections are made with respect to more than 20% of the shares of Cornell common stock outstanding immediately before the effective time, the excess over 20% shall be treated as if a stock election had been made with respect to them and will be exchanged for shares of GEO common stock, such that only 20% of the shares of Cornell common stock outstanding immediately before the effective time are exchanged for the cash consideration.

In such event, a pro rata portion (rounded up to the nearest whole share) of each holder s shares of Cornell common stock with respect to which an election was made to elect cash consideration shall instead be treated as an election for stock consideration such that the reduction is borne pro rata by each holder of Cornell common stock with respect to which such election was made.

If the Cornell stockholders election would otherwise result in more than $100.0 million of cash in the aggregate being paid to holders electing cash consideration, GEO may elect, in its sole discretion, to reduce the

amount of cash paid to each holder electing cash consideration pro rata based on the number of shares held so that the total cash paid with respect to all Cornell stockholders electing cash consideration is $100.0 million. If the cash consideration otherwise payable to any holder is reduced under this clause, such holder shall be entitled to receive GEO common stock at a fair market value (defined above) equal to the amount of the reduction. GEO intends to pay such excess amount in cash.

Election Procedures. An election form and letter of transmittal have been enclosed with this joint proxy statement/prospectus pursuant to which Cornell stockholders may elect whether they would prefer to receive GEO common stock or cash in exchange for their Cornell shares. If you were a record holder of Cornell common stock on the Cornell record date, you should carefully review and follow the instructions included in the election form and the letter of transmittal. To make an election, record holders must properly complete and sign the election form and letter of transmittal and send those documents and the certificates for their shares (or a properly completed notice of guaranteed delivery) to the exchange agent at the address listed in the election form and letter of transmittal by the election deadline, which is 5:00 p.m. New York time, on [ ], 2010. If the merger agreement is terminated, all election forms delivered to the exchange agent on or prior to the date of such termination will be automatically revoked and all share certificates will be returned. Please do not send your election form and stock certificates with your proxy card for the special meeting. Your election form and stock certificates are to be submitted separately from your proxy card.

If you own shares of Cornell common stock in street name through a broker or other financial institution, you will receive or should seek instructions from the institution holding your shares concerning how to make your election. Any instructions must be given to your broker or other financial institution sufficiently in advance of the election deadline for record holders in order to allow your broker or financial institution sufficient time to cause the record holder of your shares to make an election as described above. Therefore, you should carefully read any materials you receive from your broker. If you instruct a broker to submit an election for your shares, you must follow your broker s directions for changing those instructions.

If you are a record holder of Cornell shares, you may change your election or change the number of shares for which you have made an election at any time prior to the election deadline by sending a signed written notice to the exchange agent identifying the shares of Cornell common stock for which you are changing your election along with a properly completed revised election form. For a change of an election to be effective, it must be received by the exchange agent prior to the election deadline. In addition, a record holder may revoke an election at any time prior to the election deadline by delivering to the exchange agent a written notice of revocation. A revocation of a proxy shall also be deemed a revocation of an election with respect to the merger consideration. Shares of Cornell common stock as to which an election has been revoked after the election deadline will be deemed non-election shares, and no new election as to such shares may be made after the election deadline. If you hold your shares in street name, you must follow your broker s instructions for changing or revoking an election.

All elections are subject to the proration procedures described above. If you do not make a valid election your shares will be considered non-election shares, and when the merger is completed you will be entitled to receive the stock consideration for non-election shares as described above.

GEO Shareholders. GEO shareholders will continue to own their existing shares of GEO common stock after the merger. Each share of GEO common stock will represent one share of common stock in the combined company.

Fractional Shares. GEO will not issue fractional shares of GEO common stock in the merger. All fractional shares of GEO common stock to which a holder of shares of Cornell common stock would otherwise be entitled as a result of the merger will be aggregated. For any fractional share that results from such aggregation, the exchange agent will pay the holder an amount of cash, without interest, equal to the product of such fraction of a share of GEO common stock

to which the Cornell stockholder would otherwise have been entitled to receive pursuant to the merger multiplied by the closing sale price of a share of GEO common stock on the NYSE on the trading day that is one trading day prior to the closing date. GEO shall deposit with the exchange agent the funds required to make such cash payments when and as needed.

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Exchange of Shares

GEO has appointed [BNY Mellon Shareowner Services] as exchange agent for the purpose of exchanging certificates and uncertificated shares of Cornell common stock. The exchange agent will also be responsible for administering the election procedures described above and determining the merger consideration to be received by each holder of Cornell common stock as described above and consistent with the merger agreement.

The letter of transmittal sent to Cornell stockholders by the exchange agent contains instructions for exchanging shares of Cornell common stock for the applicable merger consideration. If you are a record holder of Cornell shares and you wish to make an election with respect to any of your shares, you must submit an election form and, separately, letter of transmittal (along with the certificates representing the shares with respect to which you are making an election) to the exchange agent prior to the election deadline. Record holders of Cornell common stock should not submit their Cornell stock certificates with their proxy card. Stock certificates should only be sent to the exchange agent with a properly completed, signed election form and letter of transmittal. If you own shares of Cornell common stock in street name through a broker or other financial institution, you will receive or should seek instructions from the institution holding your shares concerning how to make your election.

Soon after the completion of the merger, but in any event within ten business days after the effective date of the merger, the exchange agent will send a letter of transmittal to each person who was a Cornell stockholder at the effective time of the merger and who did not submit his or her election form and share certificates on or before the election deadline or who holds shares for which a valid election was not made. This mailing will contain instructions on how to surrender shares of Cornell common stock in exchange for the merger consideration the holder is entitled to receive under the merger agreement.

After the effective time, each certificate that previously represented shares of Cornell common stock will represent only the right to receive the applicable merger consideration as described above under Merger Consideration, including cash for any fractional shares of Cornell common stock. In addition, neither GEO nor Cornell will register any transfers of the shares of Cornell common stock after the effective time of the merger.

If a certificate for Cornell common stock has been lost, stolen or destroyed, the exchange agent will issue the consideration properly payable under the merger agreement upon receipt of an affidavit relating to such loss, theft or destruction and customary indemnification. The posting of a bond in a reasonable amount may also be required.

Cornell Options and Other Equity-Based Awards

At the effective time of the merger, each outstanding option issued by Cornell to purchase shares of Cornell common stock granted under any stock option or other equity incentive plan, which is outstanding and unexercised immediately following the effective time and which does not, by its terms, terminate on the effective time, whether vested or unvested will be assumed by GEO, and these options will entitle the holder to receive GEO common stock as adjusted to account for the exchange ratio, rounded down to the nearest whole number of shares of GEO common stock, on the same terms and conditions as were applicable before the merger (but taking into account any acceleration of Cornell options in connection with the merger). In addition, at the effective time of the merger, each Cornell option that has been assumed by GEO will have an exercise price per share equal to the quotient determined by dividing the exercise price per share of Cornell common stock at which such Cornell option was exercisable immediately prior to the effective time by the exchange ratio rounded up to the nearest whole cent.

At the effective time of the merger, each outstanding share of Cornell restricted stock will vest and be automatically converted into GEO common stock as adjusted to account for the exchange ratio.

Cornell will use reasonable best efforts to ensure that, immediately prior to the effective time, the following occurs: (i) each outstanding option or right to acquire Cornell common stock under Cornell s employee stock purchase plan will automatically be exercised or deemed exercised, and (ii) in lieu of the shares of Cornell common stock otherwise issuable upon the exercise of each such option or right, the holder of such option or right will have the right to elect to receive from GEO, following the effective time, either the stock consideration or the cash consideration except to the extent that the holder of such option or right elects not to exercise the holder s options and to withdraw the entire balance of holder s Cornell employee stock purchase plan account prior to the effective

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time and subject to the same prorations and adjustments as elections made with respect to shares of Cornell common stock, discussed above in The Merger Agreement Merger Consideration.

Listing of GEO Stock

GEO has agreed to use its reasonable best efforts to cause the shares of GEO common stock to be issued in connection with the merger to be approved for listing on the NYSE. The approval for listing of these shares on the NYSE is a condition to the obligations of GEO and Cornell to complete the merger, subject only to official notice of issuance. GEO will continue to use the trading symbol GEO for the shares of GEO common stock issuable to the Cornell stockholders in the merger.

Representations and Warranties

The merger agreement contains a number of substantially reciprocal representations and warranties made by and to GEO and GEO Acquisition III, Inc., on the one hand, and Cornell, on the other hand. The most significant representations and warranties relate to:

due incorporation, good standing and qualification;

ownership of subsidiaries;

capitalization;

corporate authority to enter into the merger agreement and complete the merger;

approval and adoption of the merger agreement and related matters by each party s board of directors;

absence of any breach of organizational documents, laws, agreements and instruments as a result of the merger;

the required stockholder vote to (1) adopt the merger agreement, in the case of Cornell, and (2) approve the issuance of shares of GEO common stock in connection with the merger, in the case of GEO;

required consents and filings with government entities;

accuracy and sufficiency of documents filed with the SEC;

conformity of the financial statements with applicable accounting requirements and that the financial statements fairly present, in all material respects, the consolidated financial positions of GEO and Cornell, respectively;

absence of undisclosed liabilities;

since January 3, 2010, in the case of GEO, and December 31, 2009, in the case of Cornell, conduct of business in ordinary and usual course and absence of any material adverse event, change, effect or development;

absence of material pending or threatened legal proceedings;

compliance with laws, regulations and court orders and permits;

tax matters;

employee benefits plans and labor and employment matters;

material contracts;

intellectual property matters;

real estate and personal property matters;

environmental matters;

information supplied for use in this joint proxy statement/prospectus;

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receipt of opinions from financial advisors;

absence of any obligation to pay brokers or other similar fees; and

insurance matters.

Significant portions of the representations and warranties of Cornell and GEO are qualified as to materiality or material adverse effect. For the purpose of the merger agreement, a material adverse effect means, when used in connection with GEO or Cornell, any changes, circumstances or effects that individually or in the aggregate has a material adverse effect on the business, assets, liabilities, results of operation or condition (financial or otherwise) of that party and of its subsidiaries, taken as a whole, or that materially impairs, prevents or delays the ability of that party to consummate the merger and the other transactions to be performed or consummated by that party; provided, however, that none of the following, or any change, event, occurrence or effect resulting or arising from the following, shall constitute or shall be considered in determining whether there has occurred, a material adverse effect:

(i) changes in conditions in the United States economy or capital or financial markets generally;

(ii) changes in general legal, regulatory, political, economic or business conditions or changes in GAAP that, in each case, generally affect any industry in the United States related to the correction, detention, education, rehabilitation and treatment services for adults and juveniles in the case of Cornell and in which the party or any of its subsidiaries operates in the case of GEO (other than those changes that have a materially disproportionate adverse effect on the party and its subsidiaries, taken as a whole, relative to other participants in such industry);

(iii) the negotiation, execution, announcement or performance of this Agreement or the consummation of the merger, including the impact thereof on relationships, contractual or otherwise, with customers, suppliers, distributors, partners or employees in the case of Cornell (other than any such impact resulting from a material breach of the party s covenant with respect to the conduct of such party s business in the ordinary course of business);

(iv) any natural disaster that does not disproportionately affect the party or its subsidiaries relative to other participants in the industries in which the party and its subsidiaries operate, or

(v) any action taken by the party and its subsidiaries as expressly contemplated, required or permitted by the merger agreement or with the other party s written consent.

In addition, the assertions embodied in the representations and warranties are subject to qualifications and limitations as agreed to by GEO and Cornell in connection with negotiating the terms of the merger agreement. The representations and warranties in the merger agreement were made only as of the date of the merger agreement or such other date as is specified in the merger agreement. The representations and warranties in the merger agreement do not survive the completion of the merger except for those provisions that by their terms apply after the effective time of the merger.

Conduct of Business by GEO and Cornell

Restrictions on Cornell s Interim Operations

Cornell has agreed that until the effective date of the merger, Cornell will conduct its business in the ordinary course of business consistent with past practice and use commercially reasonable efforts to preserve substantially intact its current business organization, keep available the services of its current officers and employees and keep its

relationships with customers, suppliers, licensors, licensees, distributors and others having business dealings with them, subject to certain exceptions. Cornell has further agreed generally to not take, and to not permit its subsidiaries to take, the following actions (subject in each case to exceptions provided in the merger agreement) prior to the completion of the merger without the prior written consent of GEO (which consent may not be unreasonably withheld, delayed or conditioned):

- authorize, issue, sell, grant, pledge or otherwise dispose of or encumber any of its equity securities, or any securities or rights convertible into its equity securities, or any rights, warrants or options to purchase or other similar agreements obligating it to issue any such equity securities or such other securities or rights;

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redeem, purchase or otherwise acquire any of its outstanding equity securities, or any securities or rights convertible into its equity securities or any rights, warrants or options to acquire any equity securities or such other securities or rights;

incur any indebtedness for borrowed money or guarantee any such indebtedness such that the aggregate amount of all indebtedness and guarantees of Cornell and its subsidiaries, taken as a whole, would be more than $2.5 million in excess of the aggregate amount of all such indebtedness and guarantees as of the date of the merger agreement;

make any loans, advances or capital contributions to, or investments in, any other person (or any commitments therefor);

amend, cancel or otherwise modify in any material respect, any existing material contract;

pay, discharge or satisfy any claims, liabilities or obligation (whether absolute, accrued, asserted or unasserted, contingent or otherwise);

settle, pay or discharge any litigation, investigation, arbitration, proceeding or other claim;

sell, lease, license, pledge, grant options to purchase or lease, grant rights of first refusal to purchase or lease, or otherwise dispose of or encumber or permit or suffer to exist any lien on any material lease, or any Cornell owned real estate or Cornell leased real estate having a fair market value in excess of $1 million, or sell, lease or otherwise dispose of any other properties or assets, in one or a series of related transactions, having an aggregate fair market value in excess of $1 million;

make capital expenditures or commitments in excess of $1 million in the aggregate;

acquire the capital stock or assets of one or more persons;

(i) pay or provide current or former directors, officers, employees or consultants any bonus, change of control, severance, incentive, retention, or other compensation in excess of their base salaries, (ii) adopt, enter into or terminate, or amend or waive any material term of, any Cornell benefit plan, (iii) increase the compensation or benefits of any of its directors, officers, employees or consultants except for salary increases to employees which have been approved by Cornell, (iv) accelerate the payment, right to payment or vesting of any compensation or benefits, including any outstanding options or restricted stock awards or (v) make any material change in the key management structure of Cornell or its subsidiaries;

make, change or revoke any material election concerning taxes or tax returns, or settle any material tax claim or assessment, or consent to any extension or waiver of the limitation period applicable to any material tax claim or assessment, or file any amended tax return, or increase tax contingency reserves for tax deficiencies or fax liens;

make any changes in any material respect in financial or tax accounting methods, principles or practices (or change an annual accounting period), except as required by GAAP or applicable law;

amend its organizational documents;

adopt a plan or agreement of complete or partial liquidation or dissolution;

cancel any debt owed to it, or waive any claim or right of substantial value to Cornell and its subsidiaries;

fail to maintain any insurance policies;

write-up or write-down the value of its assets, except as may be required by GAAP or consistent with past practice; or

authorize, agree or commit to take any of the above actions.

Restrictions on GEO s Interim Operations

GEO has agreed to not take any action that would reasonably be expected to: (i) impose any material delay in the obtaining of, or significantly increase the risk of not obtaining, any authorizations, consents, orders, declarations

or approvals of any governmental authority necessary to consummate the merger or the expiration or termination of any applicable waiting period; (ii) significantly increase the risk of any governmental authority entering an order prohibiting the consummation of the merger; or (iii) otherwise materially delay the consummation of the merger. GEO has further agreed to not take, and in certain circumstances to not permit its subsidiaries to take, the following actions (subject in each case to exceptions provided in the merger agreement) prior to the completion of the merger without the prior written consent of Cornell (which consent may not be unreasonably withheld, delayed or conditioned):

amend its organizational documents in a manner adverse to Cornell stockholders as opposed to any GEO shareholders;

issue, sell, grant or authorize the issuance, sale or grant of, any share capital of GEO except (a) for fair market value, as determined by GEO in good faith, or (b) upon the vesting of restricted stock units or the exercise of options, warrants, convertible securities or other rights of any kind to acquire any share capital of GEO which were issued with an exercise or conversion price of not less than fair market value, as determined by GEO in good faith, at the time of issuance; provided, that the foregoing will not prohibit issuances as part of normal employee compensation in the ordinary course of business; provided further, that the restrictions will not prohibit the issuance of securities or other rights in connection with the acquisition of another entity or business;

declare, set aside or pay any dividends or other distribution payable in cash, shares, property or otherwise, except for regular quarterly dividends declared and paid in cash at times and in amounts consistent with past practice and distributions in connection with GEO s stock repurchase program;

reclassify, combine, split or subdivide its share capital without appropriate adjustment to the per share stock election consideration and the per share cash election consideration;

acquire by merging or consolidating with, or by purchasing a substantial portion of the assets of or the equity in any person if the consummation of such transaction would reasonably be expected to result in a delay;

make any material change with respect to accounting policies or procedures (other than reasonable and usual changes in the ordinary course of business and consistent with past practice, as required by GAAP or as a result of a change in law); or

announce an intention or make a commitment to undertake any of the above actions.

Shareholder Meetings and Board Recommendations

GEO has agreed, subject to applicable law and the terms of the merger agreement, that it will:

take all action necessary to cause the GEO shareholder meeting to be duly called and held as soon as reasonably practicable after the registration statement is declared effective to secure the GEO shareholder approval (as defined below);

cause the joint proxy statement/prospectus to contain the recommendation of the GEO board that the GEO shareholders approve the GEO share issuance and the determination of the GEO board that the GEO share issuance is advisable and in the best interests of the GEO shareholders;

not withdraw, qualify, modify or amend, or propose to withdraw, qualify, modify or amend, in any manner adverse to Cornell, the GEO Board Recommendation, or take any action, or make any public statement, filing

or release inconsistent with the GEO Board Recommendation; and

use its reasonable best efforts to solicit the GEO shareholder approval and take all other action necessary or advisable to secure the vote or consent of its shareholders required by the rules of the NYSE and Florida law.

Cornell has agreed, subject to applicable law and the terms of the merger agreement, that it will:

take all action necessary to cause the Cornell stockholder meeting to be duly called and held as soon as reasonably practicable after the registration statement is declared effective to secure the Cornell stockholder approval (as defined below);

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cause the joint proxy statement/prospectus to contain the recommendation of the Cornell board to the Cornell stockholders that they give the Cornell stockholder approval and the determination of the Cornell board that the merger is advisable and in the best interests of the Cornell stockholders except to the extent the Cornell board has withdrawn or modified its recommendation as permitted by the merger agreement;

not, except as permitted in the merger agreement, withdraw, qualify, modify or amend, or propose to withdraw, qualify, modify or amend, in any manner adverse to GEO or GEO Acquisition III, Inc., the Cornell board recommendation, or take any action, or make any public statement, filing or release inconsistent with the Cornell board recommendation; and

use its reasonable best efforts to solicit the Cornell stockholder approval and take all other action necessary or advisable to secure the vote or consent of its stockholders required by the rules of the NYSE and Delaware law.

Subject to the exceptions described below under No Solicitation and applicable law, GEO and Cornell agreed to use reasonable best efforts to cause each party s shareholders and stockholders meeting to be held on the same date.

No Solicitation

Cornell has agreed that it will not, and that it will use its reasonable best efforts to cause its and its subsidiaries directors, officers or employees, or any of its investment bankers, attorneys or other advisors or representatives not to, directly or indirectly, solicit, initiate or knowingly encourage, or facilitate (including by way of furnishing material non-public information) any proposal or offer from, or indication of interest in making a proposal or offer by, any person (other than GEO and its subsidiaries) relating to (i) a merger, consolidation, dissolution, recapitalization or other business combination involving Cornell or any of its subsidiaries (other than consolidations, dissolutions or combinations by Cornell of any of its wholly owned subsidiaries), (ii) the issuance by Cornell of over 20% of the Cornell common stock as consideration for the assets or securities of another entity or person, (iii) the acquisition in any manner, directly or indirectly, of over 20% of Cornell common stock or consolidated total assets of Cornell or to which 20% or more of the Cornell revenues or earnings on a consolidated basis are attributable, (iv) an acquisition or disposition that would essentially prevent the consummation of the merger with GEO, (v) any tender offer or exchange offer that, if consummated, would result in any entity or person owning 20% or more of any class of equity securities of Cornell or (vi) the payment of an extraordinary dividend (whether in cash or other property) by Cornell. Any such proposal or offer, other than with respect to a transaction permitted by the covenants described above under Conduct of Business by GEO and Cornell, is referred to in this joint proxy statement/prospectus as an acquisition proposal.

Cornell has further agreed that it will not, and that it will use its reasonable best efforts to cause its and its subsidiaries directors, officers or employees, or any of its investment bankers, attorneys or other advisors or representatives not to, directly or indirectly:

approve or recommend, or propose to approve or recommend, or execute or enter into, any letter of intent, agreement in principle, or any other agreement, arrangement or understanding, relating in any respect to any acquisition proposal; or

participate in any substantive discussions or negotiations regarding, or furnishing to any person or provide any person with access to, any material non-public information with respect to, or knowingly take any other action to facilitate any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, an acquisition proposal.

Notwithstanding the restrictions described above, Cornell is not prohibited from:

complying with Rule 14d-9 or Rule 14e-2(a) under the Securities Exchange Act of 1934, as amended;

furnishing information, pursuant to a customary and acceptable confidentiality agreement) regarding Cornell and its subsidiaries and participate in discussions or negotiations with or, subject to certain

restrictions, providing confidential information to a third party who has made an unsolicited bona fide written acquisition proposal, but in each case only if:

the Cornell stockholder approval has not yet been obtained;

Cornell is in compliance with the provisions regarding other proposals in the merger agreement; and

the board of directors of Cornell determines in good faith (after consultation with its outside counsel and financial advisors) that the relevant acquisition proposal constitutes, or could be reasonably expected to lead to, a superior proposal, as defined below.

effecting a change in recommendation in respect of the GEO acquisition proposal, but only if, prior to taking such action:

the Cornell stockholder approval has not yet been obtained;

Cornell is in compliance with the provisions described under this section;

the board of directors of Cornell has determined in good faith (after consultation with its outside legal counsel), that such acquisition proposal constitutes a superior proposal after giving effect to any adjustments which may be offered by GEO as described below;

Cornell has notified GEO in writing, at least three business days in advance of such change in recommendation that it is considering taking such action, specifying the terms and conditions of such superior proposal and the identity of the person making such superior proposal; and

during such three business day period, Cornell has, if requested by GEO, negotiated in good faith with GEO to modify or amend the merger agreement such that, after giving effect to such amendments, such acquisition proposal no longer constitutes a superior proposal.

The term superior proposal means a proposal to acquire, directly or indirectly, for consideration consisting of cash, securities or a combination thereof, more than 50% of the Cornell common stock or all or substantially all of the assets of Cornell and its subsidiaries on a consolidated basis, made by a third party, and which is otherwise on terms and conditions that the board of directors of Cornell determines in good faith (after consultation with outside counsel and outside financial advisors) to be more favorable to the Cornell stockholders than the merger and the other transactions.

Cornell is required to give GEO at least 48 hours written notice of its intention to take any action to respond to any unsolicited proposal and provide GEO, concurrently with the provision of any non-public information concerning Cornell or any subsidiary to the person making the acquisition proposal, a list of such non-public information and copies of any such non-public information that was not previously provided to GEO. Cornell has agreed to promptly advise GEO and keep GEO reasonably informed on a prompt and reasonably current basis of any request for information or the submission or receipt of any acquisition proposal, or any inquiry with respect to or that could lead to any acquisition proposal, the material terms and conditions of such request, acquisition proposal or inquiry, and the identity of the person making any such request, acquisition proposal or inquiry and Cornell s responses.

If Cornell effects a change in recommendation, GEO will have the option, exercisable within ten business days after such change in recommendation, to cause the board of directors of Cornell to submit the merger agreement to its stockholders for the purpose of adopting the merger agreement notwithstanding the change in recommendation. If GEO exercises this option, it will not be entitled to terminate the merger agreement as a result of the change in

recommendation. If GEO does not exercise the option to force the Cornell stockholder vote, the merger agreement will be deemed terminated due to a Cornell adverse recommendation change upon the expiration of the ten business day period. See the The Merger Agreement Termination of the Merger Agreement and The Merger Agreement Reimbursement of Fees and Expenses; Termination Fees sections below.

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Efforts to Consummate

Subject to the terms and conditions of the merger agreement, GEO and Cornell have agreed to use their respective reasonable best efforts promptly to take, or cause to be taken, all actions and do, or cause to be done, all things necessary, proper or advisable to (i) cause the conditions to the closing of the merger to be satisfied as promptly as practicable, (ii) obtain all approvals, consents, registrations, permits, authorizations and other confirmations from any third party to consummate the merger and the other transactions and (iii) consummate and make effective, in the most expeditious manner practicable, the merger and the other transactions.

Each of GEO and Cornell have agreed to use their respective reasonable best efforts promptly and fully to (i) prepare and file all documentation to effect all necessary filings, notices, petitions, statements, registrations, submissions of information, applications and other documents (including any required filings under the Hart Scott Rodino Act) and (ii) obtain all approvals, consents, registrations, permits, authorizations and other confirmations from any governmental authority necessary to consummate the merger and the other transactions.

Notwithstanding the foregoing, nothing in the merger agreement will be deemed to require GEO or Cornell or any of their respective subsidiaries or affiliates to agree to or effect any action that would result in a Burdensome Condition . For purposes of the merger agreement, a Burdensome Condition is any prohibition, license, limitation, or other requirement that would prohibit or materially restrict, in GEO s reasonable judgment, the ownership or operation by Cornell or any of its subsidiaries, or by GEO or any of its subsidiaries, of all or, in GEO s reasonable judgment, any material portion of the business or assets of Cornell and its subsidiaries, taken as a whole, or GEO and its subsidiaries, taken as a whole, or compel GEO or any of its subsidiaries to agree to or to dispose of or hold separate all or, in GEO s reasonable judgment, any material portion of the business or assets of Cornell and its subsidiaries, taken as a whole, or GEO and its subsidiaries, taken as a whole. In addition, except where prohibited or required by law, and subject to the confidentiality agreements, Cornell will not file or submit any filings and applications to any governmental authority without the prior written consent of GEO.

Indemnification and Insurance

The merger agreement provides that GEO and the surviving corporation will indemnify, and provide advance expenses to, each person who has been at any time a member of the board of directors (or committee of the board) of Cornell or a subsidiary of Cornell, or a director or officer of Cornell or a subsidiary of Cornell and each person who served at the request of Cornell or a subsidiary of Cornell (including in connection with serving at the request of Cornell or a subsidiary of Cornell as a member of the board of directors (or committee) or director, officer, employee or agent of another person (including any employee benefit plan)) with respect to all claims, liabilities, losses, damages, judgments, fines, penalties, costs (including fees and expenses of legal counsel) in connection with any claim, suit, action, proceeding or investigation (whether civil, criminal, administrative or investigative), whenever asserted, based on or arising out of, in whole or in part, acts or omissions by an indemnitee serving in that capacity for Cornell or its subsidiaries, to the fullest extent permitted under applicable law.

The merger agreement requires that the organizational documents of the surviving corporation contain provisions that are no less favorable to the indemnified parties with respect to limitation of liabilities of members of the board of directors (or committees), directors, and officers as those set forth in Cornell s organizational documents as of the date of the merger agreement. Such provisions cannot be amended, repealed or otherwise modified in a manner that would adversely affect the rights of the indemnitees.

The merger agreement also provides that prior to the effective time of the merger, Cornell will purchase an extended reporting period endorsement or a tail policy covering acts or omissions occurring at or prior to the effective time with respect to those persons currently (and any additional persons who become covered prior to the effective time of the merger) covered by Cornell s current directors and officers liability insurance policy which shall provide such directors and officers coverage for six years after the effective time of the merger, on terms no less advantageous than those in effect as of the date of the merger agreement. Cornell s obligation to provide this insurance coverage is subject to a cap of a $2.0 million premium limit. If Cornell cannot maintain the existing or equivalent insurance coverage without exceeding the $2.0 million premium limit cap, Cornell is required to maintain the maximum amount of insurance obtainable having the terms and scope of coverage of the insurance in effect as of the date of the merger agreement that can be obtained by paying the $2.0 million premium limit but at no

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time will the aggregate amount of such coverage be less than the aggregate amount of the directors and officers liability insurance coverage then provided by GEO to its directors and officers.

The rights of any indemnified party under such provisions of the merger agreement are in addition to any other rights such party may have under any law or contract or constituent documents of any person. In the event GEO or the surviving company or any of its successors or assigns (i) consolidates with or merges into any other person and is not the continuing or surviving company or entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any person, then and in each such case, proper provision will be made so that the successors and assigns of GEO and the surviving company will assume all of the foregoing obligations.

Employee Matters and Termination of the 401(k) Plan

The merger agreement contains covenants relating to employee matters and the termination of the 401(k) plan.

Under these covenants GEO has agreed, among other things, to:

- provide Cornell employees with service credit for purposes of any waiting period, vesting, eligibility, and benefit entitlement under benefit plans, programs or arrangements made available to Cornell employees following the closing date;

- honor, from and after the effective date, written employment, retention, termination, severance or other similar contracts with any Cornell employee and all benefits that have vested under long term incentive plans, supplemental executive retirement plans, deferral plans and similar plans in the ordinary course of business; and

- cause, to the extent that the 401(k) plan is terminated in accordance with the merger agreement, the tax-qualified defined contribution plan established or maintained by GEO to accept eligible rollover distributions from continuing Cornell employees.

Under these covenants Cornell has agreed, among other things, to:

- honor, prior to the effective date, all individual employment, retention, termination, severance or other similar agreements, long term incentive plans, supplemental executive retirement plans, deferral plans and similar plans; and

- cause, unless otherwise requested by GEO prior to the effective date, the Cornell board of directors to terminate the 401(k) plan on the day preceding the closing date.

Certain Other Covenants

The merger agreement contains additional covenants, most of which are mutual, including, among other things, agreements by each party to:

- prepare the Form S-4 and joint proxy statement/prospectus;

- use reasonable best efforts to consummate the merger and the other transactions;

- consult with the other party regarding any public announcements;

provide reasonable access to information subject to the confidentiality agreement;

agree to notify the other party of certain events or communications;

take all actions reasonably necessary to cause any dispositions of equity securities of Cornell in connection with the transactions contemplated by the merger agreement by each individual who is a director or officer of Cornell to be exempt under Rule 16b-3 promulgated under the Exchange Act; and

use reasonable best efforts to cause the merger to qualify and not take any action or fail to take any action that would prevent the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

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Conditions to Completion of the Merger

Each party s obligations to effect the merger is subject to the satisfaction or waiver of mutual conditions, including the following:

- receipt of the GEO shareholder approval in accordance with Florida law and Cornell stockholder approval in accordance with Delaware law;
- the absence of any law, injunction, judgment or ruling prohibiting consummation of the merger or making the consummation of the merger illegal;
- the effectiveness of, and the absence of any stop order with respect to, the registration statement on Form S-4 of which this joint proxy statement/prospectus forms a part;
- the approval for listing on the NYSE, subject to official notice of issuance, of the shares of GEO common stock issuable in connection with the merger;
- the expiration or termination of the waiting period (and any extension thereof) applicable to the merger under the HSR Act;
- the representations and warranties of each party to the merger agreement being true and correct in all material respects, and true and correct (without giving effect to any qualifications) except where such failures to be true and correct would not reasonably be expected to have a material adverse effect in the case of certain representations and warranties, and each party to the merger agreement having performed in all material respects all of its obligations under the merger agreement; and
- the merger agreement will not have been terminated.

The obligations of GEO and GEO Acquisition III, Inc. to effect the merger are subject to the satisfaction or waiver of the following additional conditions:

- the Cornell employee stock purchase plan must have been terminated as of the effective time and each option or right to purchase Cornell common stock thereunder will have been exercised or deemed to have been exercised and converted into the right to receive the stock consideration or the cash consideration;
- no events, occurrences or developments have occurred since the Cornell Balance Sheet Date (as defined in the merger agreement) and are continuing that have had or would reasonably be expected, to have individually or in the aggregate, a material adverse effect on Cornell;
- certain specified third-party consents must have been obtained;
- each non-employee director of Cornell and, if requested in writing by GEO, of each subsidiary of Cornell, in each case, must have resigned or been removed in his or her capacity as a director, effective as of, or prior to, the closing date;
- GEO must have received the opinion of its own counsel that the merger will be treated for Federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code; and

Cornell must not permit its total issued and outstanding shares of common stock to exceed 16,000,000 shares after giving effect to all shares of Cornell common stock issued and outstanding and all shares of Cornell common stock issuable upon the exercise of any option, warrant, employee stock purchase right or other right or issuable upon the conversion or exchange of any security convertible into or exchangeable for shares of Cornell common stock.

Cornell s obligation to effect the merger is subject to the satisfaction or waiver of the following additional conditions:

no events, occurrences or developments have occurred since the GEO Balance Sheet Date (as defined in the merger agreement) and are continuing that have had or would reasonably be expected, to have individually or in the aggregate, a material adverse effect on GEO; and

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Cornell must have received the opinion of its own counsel that the merger will be treated for Federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code.

Termination of the Merger Agreement

The merger agreement may be terminated at any time before the effective time of the merger by mutual written consent of GEO, GEO Acquisition III, Inc. and Cornell.

The merger agreement may also be terminated prior to the effective time of the merger by either GEO or Cornell if:

the merger has not been consummated on or before February 15, 2011;

any governmental authority issues an order, decree or ruling, enacts a law or takes any other action (that is final and nonappealable) having the effect of making the merger illegal or otherwise prohibiting the completion of the merger;

the GEO shareholders or Cornell stockholders fail to give the necessary approvals at their special meetings or any adjournments or postponements thereof; or

GEO or Cornell have breached in any material respect any of their representations or warranties or failed to perform in any material respect any of their covenants set forth in the merger agreement, and such breach or failure to perform (i) would prevent such party from satisfying the closing conditions of the merger agreement relating to the accuracy of its representations and warranties and/or compliance with covenants, and (ii) cannot be cured or has not been cured within 30 days from the date of notice to such party;

The merger agreement may also be terminated prior to the effective time of the merger by GEO if:

the Cornell board of directors has changed its recommendation to the Cornell stockholders that they adopt the merger agreement or it has approved or entered into any acquisition agreement other than in compliance with the merger agreement;

A burdensome condition has been imposed in connection with the grant of the antitrust approval relating to the merger which would prohibit or materially restrict the ownership or operation of any material business or assets of GEO and its subsidiaries or Cornell and its subsidiaries or cause GEO and its subsidiaries or Cornell and its subsidiaries to agree to or to dispose of or hold separate all or a material portion of the business and assets of GEO and its subsidiaries or Cornell and its subsidiaries; or

Cornell fails to fulfill the condition regarding the maximum number of issued and outstanding shares of Cornell common stock and such failure either cannot be cured or has not been cured within 30 days from the date of notice to Cornell.

The merger agreement may also be terminated prior to the effective time of the merger by Cornell if Cornell, in compliance with the terms of the merger agreement, has entered into a definitive acquisition agreement to effect a proposal that the Cornell board of directors determines in good faith to be more favorable to Cornell stockholders and it pays to GEO a $12 million termination fee and the GEO Related Fees and Expenses (as defined below) within the time frame provided.

Effect of Termination

If the merger agreement is validly terminated, the merger agreement, with the exception of certain sections thereof, will become null and void.

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Reimbursement of Fees and Expenses; Termination Fees

Fees and Expenses Payable by GEO. GEO has agreed to reimburse Cornell for its reasonable and documented out-of-pocket fees and expenses up to $2 million incurred by Cornell and its affiliates in connection with the merger agreement and the transactions contemplated thereby, under any of the following circumstances:

- if the merger agreement is terminated by Cornell or GEO following the failure by GEO to obtain the GEO shareholder approval; or

- if the merger agreement is terminated by Cornell if GEO or GEO Acquisition III, Inc. have breached in any material respect any of their representations or warranties or failed to perform in any material respect any of their covenants set forth in the merger agreement, and such breach or failure to perform (i) would prevent GEO or GEO Acquisition III from satisfying the closing conditions of the merger agreement relating to the accuracy of the representations and warranties or performance of its obligations required under the merger agreement, and (ii) cannot be cured or has not been cured within 30 days from the date of notice to GEO.

Fees and Expenses Payable by Cornell. Cornell has agreed to reimburse GEO up to $2 million of GEO s and GEO Acquisition III s reasonable and documented out-of-pocket fees and expenses incurred by GEO, GEO Acquisition III, Inc. and their respective affiliates in connection with the merger agreement and the transactions contemplated thereby, referred to as the GEO-related fees and expenses, under any of the following circumstances:

- if the merger agreement is terminated by GEO or Cornell following the failure by Cornell to obtain the Cornell stockholder approval; or

- if the merger agreement is terminated by GEO if Cornell has breached in any material respects any of its representations or warranties or failed to perform in any material respect any of its covenants set forth in the merger agreement, and such breach or failure to perform (i) would prevent Cornell from satisfying the closing conditions of the merger agreement relating to the accuracy of the representations and warranties or performance of its obligations required under the merger agreement, and (ii) cannot be cured or has not been cured within 30 days from the date of notice to Cornell.

Termination Fee Payable by Cornell. Cornell has agreed to pay GEO a termination fee of $12 million and reimburse GEO the GEO-related fees and expenses under any of the following circumstances:

- if the merger agreement is terminated by GEO pursuant to the Cornell board of directors having changed its recommendation to the Cornell stockholders that they adopt the merger agreement or the Cornell board of directors approving or entering into any acquisition agreement other than in compliance with the merger agreement; or

- if the merger agreement is terminated by Cornell pursuant to Cornell, in compliance with the terms of the merger agreement, having entered into a definitive acquisition agreement to effect a proposal that the Cornell board of directors determines in good faith to be more favorable to Cornell stockholders and Cornell simultaneously pays the termination fee and the GEO-related fees and expenses within the time frame provided.

If the merger agreement is terminated pursuant to the reasons below, and any acquisition proposal that was received by Cornell or publicly announced prior to such termination of the merger agreement is consummated no later than the

12-month anniversary of the date of the termination, then Cornell has agreed to pay GEO a termination fee of $12 million upon the consummation of the acquisition proposal:

if the merger agreement is terminated by GEO or Cornell because the merger has not been consummated on or before February 15, 2011;

if the merger agreement is terminated by GEO or Cornell because Cornell stockholders fail to give the necessary approvals at their special meetings; or

if the merger agreement is terminated by GEO because Cornell has breached in any material respect any of its representations or warranties or failed to perform in any material respect any of its covenants or agreements set forth in the merger agreement, and such breach or failure to perform (i) would prevent

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Cornell from satisfying the closing conditions of the merger agreement relating to the accuracy of the representations and warranties or performance of its obligations under the merger agreement, and (ii) cannot be cured or has not been cured within 30 days from the date of notice to Cornell.

Other Expenses

Except as otherwise provided above, all fees and expenses incurred in connection with the merger agreement and the transactions contemplated pursuant to the merger agreement will be paid by the party incurring such fees and expense, whether or not the merger is consummated.

Amendments; Waivers

The parties may:

at any time before the approval of stockholders of Cornell, amend the merger agreement;

after the approval of the stockholders of Cornell, amend the merger agreement, but no amendment that by law requires further approval by the stockholders of Cornell can be made without such further approval; or

at any time before the effective time of the merger, (a) waive any inaccuracies in the representations and warranties of the other party contained in the merger agreement, (b) extend the time for the performance of the obligations or other acts under the merger agreement or (c) waive compliance by the other party with any of the agreements or conditions contained in the merger agreement.

Governing Law

The merger agreement is governed by and will be construed in accordance with the laws of the State of Delaware without regard to its rules of conflict of laws.

Voting Agreement

Certain significant stockholders of Cornell have entered into a voting agreement with GEO requiring them among other things, to vote their shares of Cornell common stock in favor of the adoption and approval of the terms of the merger agreement, the merger and the other transactions contemplated by the merger agreement and any actions required in furtherance thereof and vote against any alternative proposal, action, transaction or agreement that would result in a breach of any covenant, representation, warranty or other obligation or agreement of Cornell set forth in the merger agreement or of a Cornell stockholder set forth in the voting agreement. The Cornell stockholders party to the voting agreement beneficially owned 18.4% of Cornell s outstanding common stock as of April 15, 2010. The voting agreement is attached as Annex B to this joint proxy statement/prospectus.

PROPOSAL TO APPROVE AMENDMENTS TO THE GEO GROUP, INC. 2006 STOCK INCENTIVE PLAN

GEO is proposing amendments to The GEO Group, Inc. 2006 Stock Incentive Plan, referred to herein as the 2006 Plan, to increase the number of shares of common stock subject to awards under the 2006 Plan by 2,000,000, from 2,400,000 to 4,400,000. Since the adoption of the 2006 Plan, GEO has issued awards with respect to a total of 2,074,728 shares of common stock, including 942,228 shares of restricted stock and stock options representing the right to acquire 1,132,500 shares of common stock. As of June 8, 2010, GEO had only 577,894 shares of common stock (includes the 252,622 shares that were returned to the plan due to cancellations/forfeitures (153,800 options and

98,822 restricted shares)) available for issuance pursuant to the 2006 Plan. After giving effect to the 1,859,112 aggregate shares of common stock subject to currently outstanding awards under all of GEO s equity compensation plans, GEO s equity compensation grants total only 3.80% of its shares of common stock outstanding (based on 48,897,425 shares of common stock outstanding as of June 8, 2010). As a result, GEO is seeking an increase in the number of shares of common stock subject to the 2006 Plan from 2,400,000 to 4,400,000 in order to provide adequate availability to issue new awards to GEO and Cornell employees, board members and consultants who will be involved in the completion of the merger and the integration of Cornell s operations, as well as the operations of the larger combined company going

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forward. GEO believes this allocation of new awards under the 2006 Plan will be adequate to address all equity compensation related needs of the larger combined company over the next two to three year period. GEO s board of directors believes that the equity awards are a key component of overall employee compensation and will help maintain GEO s performance-oriented culture and further align the interests of GEO s employees and shareholders.

In addition, GEO is also proposing to make other amendments to the 2006 Plan to reflect what GEO believes are appropriate changes to certain numerical thresholds in the 2006 Plan as a result of the proposal to increase awards issuable under the plan. These changes include:

increasing the total number of shares of common stock issuable pursuant to incentive stock options under the plan to [ ] (currently 1,200,000);

increasing the total number of shares of common stock issuable pursuant to stock options or stock appreciation rights to any one individual in any one year under the plan to [ ] (currently 450,000); and

increasing the total number of shares of common stock issuable pursuant to performance shares, restricted stock and other common stock awards to any one individual in any one year under the plan to [ ] (currently 450,000).

The awards, benefits or amounts that will be received or allocated to eligible participants under the 2006 Plan as amended by these proposed amendments have not been determined.

Annex F to this joint proxy statement/prospectus contains the 2006 Plan, as amended and restated to reflect the proposed amendments to the 2006 Plan described in this joint proxy statement/prospectus, which is referred as the Amended and Restated Plan. The Amended and Restated Plan also reflects amendments to the 2006 Plan that have been adopted and approved by GEO s shareholders since the initial adoption of the 2006 Plan.

Key Features of the 2006 Plan

The following are several key features of the 2006 Plan:

Share Usage and Annual Run Rate. The 2006 Plan provides for a fixed reserve of shares, which GEO is proposing to increase from 2,400,000 to 4,400,000. The 2006 Plan also limits the number of shares awarded annually under the 2006 Plan, or the annual run rate, to a maximum of 3% of GEO s total number of outstanding shares of common stock at any time during a fiscal year. In managing the annual run rate, the Compensation Committee will consider the potential negative impact on dilution of the granting of awards under the 2006 Plan. Any shares of common stock that GEO may repurchase from time to time will be factored into the Compensation Committee s determination of awards under the 2006 Plan.

Controlled Use of Full Value Awards. The 2006 Plan currently limits the number of full value awards (e.g., restricted stock, performance shares and performance share units, etc.) that can be granted on a share for share basis to 1,083,000 total shares of common stock. This provision limits the potential dilutive impact of full value awards issued under the 2006 Plan.

Discounted Stock Option and Stock Appreciation Rights Prohibited. The 2006 Plan prohibits stock appreciation rights or stock option awards with an exercise price less than the fair market value of its common stock on the date of grant.

Re-pricing Without Shareholder Approval Prohibited. Without shareholder approval, the 2006 Plan prohibits the re-pricing of options and stock appreciation rights, the cancellation of such awards in exchange for new awards with a lower exercise price or the repurchase of such awards which have an exercise price that is higher than the then current fair market value of GEO s common stock, except in the event of stock splits, certain other recapitalizations and a change in control.

Inclusion of Minimum Vesting Provisions. With respect to awards that are subject only to a future service requirement, unless the GEO Compensation Committee provides otherwise in an award agreement, (i) options and stock appreciation rights granted pursuant to the 2006 Plan will be subject to a four-year vesting schedule as follows: 20% of such options or stock appreciation rights will vest immediately and the remaining 80% of such options or stock appreciation rights will vest in equal annual increments over a four-

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year period following the date of grant, and (ii) all other awards that have vesting periods will vest in equal annual increments over a four-year period following the date of grant.

Shares Terminated Under Prior Plans will Not Increase the Plan Reserve. Shares subject to awards under the prior plans that are cancelled, forfeited, or expired will not be available for re-grant in the 2006 Plan. There will be no transfer of unused shares reserved for other plans into the 2006 Plan share reserve. Since approval of the 2006 Plan, GEO has not granted any new awards under any of the prior plans.

Shares Surrendered to Pay Taxes or Exercise Price for Stock Options Will Not Increase the Plan Reserve. Shares tendered to us for taxes or to pay the exercise price will not provide us with additional shares for the 2006 Plan.

Stock Appreciation Rights Settled in Shares Will Not be Counted on a Net Basis. Each stock-settled stock appreciation right will count as a full share against the 2006 Plan share reserve limit rather than the net gain realized upon exercise.

Independent Plan Administrator. The 2006 Plan will be administered by the Compensation Committee, composed exclusively of independent non-employee directors.

Fixed Plan Term. The 2006 Plan will expire ten years after shareholders approve the 2006 Plan. However, awards granted under the 2006 Plan may survive the termination of the Plan.

Limit on Stock Option Period. Stock appreciation rights and stock options will have a maximum term of ten years.

Equity Compensation Plan Information

The following table includes information as of January 3, 2010 about certain GEO plans which provide for the issuance of common stock in connection with the exercise of stock options and other equity-based awards.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by security holders	2,806,957	$ 10.26	553,044
Equity compensation plans not approved by security holders			

Total	2,806,957	$	10.26	553,044

Recommendation of the Board of Directors

The board of directors unanimously recommends a vote **FOR** the approval of the amendments to The GEO Group Inc. 2006 Stock Incentive Plan.

THE GEO SPECIAL MEETING

The GEO board of directors is using this joint proxy statement/prospectus to solicit proxies from shareholders of GEO who hold shares of GEO common stock on the GEO record date for use at the GEO special meeting. GEO is first mailing this joint proxy statement/prospectus and accompanying form of proxy to GEO shareholders on or about [ ], 2010.

Date, Time and Place

The GEO special meeting will be held on [ ], 2010, at [ ] a.m., Eastern time, at [ ].

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Purpose of the GEO Special Meeting

At the GEO special meeting, GEO shareholders will be asked to consider and vote upon the following proposals:

to approve the GEO share issuance;

to approve the amendments to the 2006 Plan; and

to approve an adjournment of the GEO special meeting, if necessary, to solicit additional proxies in favor of the foregoing proposals.

Board Recommendations

The GEO board of directors has determined that the GEO share issuance is advisable and in the best interests of GEO and its shareholders. The GEO board of directors recommends that GEO shareholders vote:

FOR the GEO share issuance;

FOR the amendments to the 2006 Plan; and

FOR the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the foregoing proposals.

GEO Record Date; Shares Entitled to Vote

GEO has fixed the close of business on [ ], 2010 as the record date, which is referred to as the GEO record date, for determining the GEO s shareholders entitled to receive notice of and to vote at the GEO special meeting. Only holders of record of GEO common stock on the GEO record date are entitled to receive notice of and vote at the GEO special meeting, and any adjournment or postponement thereof.

Each share of GEO common stock is entitled to one vote on each matter brought before the meeting. On the GEO record date, there were approximately [ ] shares of GEO common stock issued and outstanding, held by [ ] holders of record. Shares of GEO common stock held by GEO as treasury shares will not be entitled to vote.

Quorum Requirement

Under Florida law and the GEO Bylaws, a quorum of GEO shareholders at the special meeting is necessary to transact business. A majority of shares of stock issued and outstanding and entitled to vote, represented in person or by proxy, will constitute a quorum for the transaction of business at the GEO special meeting.

All shares of GEO common stock represented in person or by proxy at the GEO special meeting, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum at the GEO special meeting.

Stock Ownership of GEO Directors and Executive Officers

On [ ], 2010, the GEO record date, directors and executive officers of GEO and their respective affiliates, as a group, beneficially owned and were entitled to vote approximately shares of GEO common stock. These shares represent approximately [ ]% of the shares of GEO common stock outstanding on the GEO record date. Information

pertaining to the security ownership of certain beneficial owners and directors and executive officers of GEO is incorporated by reference to GEO s Proxy Statement for its 2010 Annual Meeting of Shareholders, as filed with the SEC on March 24, 2010.

Votes Required to Approve GEO Proposals

Approval of the GEO proposals to be considered at the GEO special meeting requires the vote percentages described below. You may vote for or against any of the proposals submitted at the GEO special meeting or you may abstain from voting.

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Required Vote for GEO Share Issuance (Proposal 1)

The GEO share issuance requires the affirmative vote of holders of shares of GEO common stock representing a majority of votes cast on the proposal, provided that the total number of votes cast on the proposal must represent a majority of the total number of shares of GEO common stock issued and outstanding on the record date of the GEO special meeting.

Required Vote for Amendments to the 2006 Plan (Proposal 2)

Approval of the amendments to the 2006 Plan requires the affirmation vote of holders of shares of GEO common stock representing a majority of votes cast on the proposal, provided that the total number of votes cast on the proposal must represent a majority of the total number of shares of GEO common stock issued and outstanding on the record date of the GEO special meeting.

Required Vote for Adjournment of the GEO Special Meeting (Proposal 3)

Approval of an adjournment of the GEO special meeting, if necessary, to solicit additional proxies in favor of the foregoing proposal requires the affirmative vote of holders of shares of GEO common stock represented and entitled to vote at the special meeting to exceed the number of votes cast opposing the approval of an adjournment of the GEO special meeting.

Failure to Vote; Abstentions and Broker Non-Votes

If you are a GEO shareholder, any of your shares as to which you abstain or which are not voted will have the same effect as a vote **AGAINST** the GEO share issuance, a vote **AGAINST** the amendments to the 2006 Plan and a vote **AGAINST** approving an adjournment of the GEO special meeting. Under the NYSE rules, any of your shares that are not voted on the GEO share issuance will not be counted to determine if holders representing a majority of the issued and outstanding shares of GEO common stock have cast a vote on that proposal, making the requirement that votes cast represent a majority of the total issued and outstanding shares of GEO common stock more difficult to meet.

Under NYSE rules, brokers who hold shares in street name for customers have the authority to vote on certain routine proposals when they have not received instructions from beneficial owners. Under NYSE rules, such brokers are precluded from exercising their voting discretion with respect to the approval and adoption of non-routine matters, such as the GEO share issuance and the amendment to the 2006 Plan and are thus precluded from exercising their voting discretion with respect to the proposal to approve the GEO share issuance, the amendments to the 2006 Plan or the proposal to adjourn the GEO special meeting. Therefore, absent specific instructions from the beneficial owner of such shares, brokers are not empowered to vote such shares on those matters at the GEO special meeting.

Submission of Proxies

By Mail

A proxy card is enclosed for your use. To submit your proxy by mail, GEO asks that you sign and date the accompanying proxy card and, if you are a shareholder of record, return it to [ ] as soon as possible in the enclosed postage-paid envelope or pursuant to the instructions set out in the proxy card. If you are a beneficial owner, please refer to your proxy card or the information provided to you by your bank, broker, custodian or record holder. When the accompanying proxy is returned properly executed, the shares of GEO common stock represented by it will be voted at the GEO special meeting in accordance with the instructions contained in the proxy.

If proxies are returned properly executed without indication as to how to vote, the GEO common stock represented by each such proxy will be voted as follows: (1) **FOR** the proposal to approve the issuance of shares of GEO common stock in accordance with the terms of the merger agreement; (2) **FOR** the proposal to amend the 2006 Plan; and (3) **FOR** the proposal to adjourn the special meeting, if necessary, to solicit additional proxies in favor of the foregoing proposals.

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Your vote is important. Accordingly, please sign, date and return the enclosed proxy card whether or not you plan to attend the GEO special meeting in person.

By Telephone

If you are a shareholder of record, you may also submit your proxy by telephone by dialing the toll-free telephone number on your proxy card and providing the unique control number indicated on the enclosed proxy card. Telephone proxy submission is available 24 hours a day and will be accessible until 11:59 p.m. on [ ], 2010. Easy-to-follow voice prompts allow you to submit your proxy and confirm that your instructions have been properly recorded. If you are a beneficial owner, please refer to your proxy card or the information provided by your bank, broker, custodian or record holder for information on telephone proxy submission. If you are located outside the United States, Canada and Puerto Rico, see your proxy card or other materials for additional instructions. If you submit your proxy by telephone, you do not need to return your proxy card. If you hold shares through a broker or other custodian, please check the voting form used by that firm to see if it offers telephone proxy submission.

By Internet

If you are a shareholder of record, you may also choose to submit your proxy on the Internet. The website for Internet proxy submission and the unique control number you will be required to provide are on your proxy card. Internet proxy submission is available 24 hours a day, and will be accessible until 11:59 p.m. on [ ], 2010. If you are a beneficial owner, please refer to your proxy card or the information provided by your bank, broker, custodian or record holder for information on Internet proxy submission. As with telephone proxy submission, you will be given the opportunity to confirm that your instructions have been properly recorded. If you submit your proxy on the Internet, you do not need to return your proxy card. If you hold shares through a broker or other custodian, please check the voting form used by that firm to see if it offers Internet proxy submission.

Voting In Person

If you wish to vote in person at the GEO special meeting, a ballot will be provided at the GEO special meeting. However, if your shares are held in the name of your bank, broker, custodian or other record holder, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote at the meeting.

Revocation of Proxies

You have the power to revoke your proxy at any time before your proxy is voted at the GEO special meeting. If you grant a proxy in respect of your GEO shares and then attend the GEO special meeting in person, your attendance at the special meeting or at any adjournment or postponement of the special meeting will not automatically revoke your proxy. Your proxy can be revoked in one of four ways:

- you can send a signed notice of revocation of proxy;
- you can grant a new, valid proxy bearing a later date (including, if applicable, a proxy by telephone or through the Internet);
- you can revoke the proxy in accordance with the telephone or Internet proxy submission procedures described in the proxy voting instructions attached to the proxy card; or
- if you are a holder of record, you can attend the GEO special meeting (or, if the special meeting is adjourned or postponed, attend the adjourned or postponed meeting) and vote in person, which will automatically cancel any

proxy previously given, but your attendance alone will not revoke any proxy that you have previously given.

If you choose either of the first two methods to revoke your proxy, you must submit your notice of revocation or new proxy to GEO s Corporate Secretary so that it is received no later than the beginning of the GEO special meeting or, if the special meeting is adjourned or postponed, before the adjourned or postponed meeting is actually held.

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If your shares are held in the name of a broker or nominee, you may change your vote by submitting new voting instructions to your broker or nominee. If you need assistance in changing or revoking your proxy, please contact [ ], toll-free at [ ].

Solicitation of Proxies

This solicitation is made on behalf of the GEO board of directors and GEO will pay the costs of soliciting and obtaining proxies, including the cost of reimbursing banks and brokers for forwarding proxy materials to their principals. Proxies may be solicited, without extra compensation, by GEO s officers and employees in person or by mail, telephone, fax or other methods of communication. GEO has engaged [ ] to assist it in the distribution and solicitation of proxies at a fee of $[ ], plus expenses. GEO and Cornell will also reimburse brokers and other custodians, nominees and fiduciaries for their expenses in sending these materials to you and getting your voting instructions.

Householding

Under SEC rules, a single set of annual reports and proxy statements may be sent to any household at which two or more GEO shareholders reside if they appear to be members of the same family. Each GEO shareholder continues to receive a separate proxy card. This procedure, referred to as householding, reduces the volume of duplicate information GEO shareholders receive and reduces mailing and printing expenses for GEO. Brokers with accountholders who are GEO shareholders may be householding GEO s proxy materials. As indicated in the notice previously provided by these brokers to GEO shareholders, a single proxy statement will be delivered to multiple shareholders sharing an address unless contrary instructions have been received from an affected GEO shareholder. Once you have received notice from your broker that it will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement, please notify your broker. GEO shareholders who currently receive multiple copies of the proxy statement at their address and would like to request householding of their communications should contact their broker.

THE CORNELL SPECIAL MEETING

The Cornell board of directors is using this joint proxy statement/prospectus to solicit proxies from Cornell stockholders who hold shares of Cornell common stock on the Cornell record date for use at the Cornell special meeting. Cornell is first mailing this joint proxy statement/prospectus and accompanying form of proxy to Cornell stockholders on or about [ ] , 2010.

Date, Time and Place

The Cornell special meeting will be held on [ ], 2010 at [ ] a.m. Central time, at [ ].

Purpose of the Cornell Special Meeting

At the Cornell special meeting, Cornell stockholders will be asked to consider and vote upon the following proposals:

- to adopt the merger agreement; and
- to approve an adjournment of the Cornell special meeting, if necessary, to solicit additional proxies in favor of the foregoing proposal.

Board Recommendations

The Cornell board of directors has determined that the merger agreement and the merger contemplated thereby are advisable and in the best interests of Cornell and its stockholders. The Cornell board of directors recommends that Cornell stockholders vote:

FOR the adoption of the merger agreement; and

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FOR the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the foregoing proposal.

Cornell Record Date; Shares Entitled to Vote

Cornell has fixed the close of business on [ ], 2010 as the record date, which is referred to as the Cornell record date, for determining the Cornell stockholders entitled to receive notice of and to vote at the Cornell special meeting. Only holders of record of Cornell common stock on the Cornell record date are entitled to receive notice of and vote at the Cornell special meeting, and any adjournment or postponement thereof.

Each share of Cornell common stock is entitled to one vote on each matter brought before the meeting. On the Cornell record date, there were approximately [ ] shares of Cornell common stock issued and outstanding, held by [ ] holders of record.

Quorum Requirement

Under Delaware law and the Cornell Bylaws, a quorum of Cornell stockholders at the Cornell special meeting is necessary to transact business. The presence of holders representing a majority of the votes of all outstanding Cornell common stock on the record date entitled to vote at the Cornell special meeting will constitute a quorum for the transaction of business at the Cornell special meeting.

All shares of Cornell common stock represented in person or by proxy at the Cornell special meeting, including abstentions, will be treated as present for purposes of determining the presence or absence of a quorum at the Cornell special meeting.

Stock Ownership of Cornell Directors, Executive Officers and Certain Stockholders

On [ ], 2010, the Cornell record date, directors and executive officers of Cornell and their respective affiliates, as a group, beneficially owned and were entitled to vote approximately [ ] shares of Cornell common stock. These shares represent approximately [ ]% of the shares of Cornell common stock outstanding on the Cornell record date. Information pertaining to the security ownership of certain beneficial owners and directors and executive officers of Cornell is incorporated by reference to Cornell s Annual Report on Form 10-K for the year ended December 31, 2009, as amended.

Wynnefield Capital Inc. and North Star Partners, L.P. and affiliated entities of each who entered into a voting agreement with GEO owned approximately 2,747,185 shares of Cornell common stock or 18.4% of Cornell s outstanding shares of common stock as of the April 15, 2010. Pursuant to the voting agreement, these entities have agreed to vote their shares of Cornell common stock in favor of the adoption and approval of the terms of the merger agreement, the merger and the other transactions contemplated by the merger agreement and any actions required in furtherance thereof and vote against any alternative proposal, action, transaction or agreement that would result in a breach of any covenant, representation, warranty or other obligation or agreement of Cornell set forth in the merger agreement or of a Cornell stockholder set forth in the voting agreement. Accordingly, Cornell expects that all shares of Cornell common stock, as a group, owned by Wynnefield Capital Inc. and North Star Partners, L.P. will be voted in favor of the merger.

Votes Required to Approve Cornell Proposals

Approval of the Cornell proposals to be considered at the Cornell special meeting requires the vote percentages described below. You may vote for or against either or both of the proposals submitted at the Cornell special meeting or you may abstain from voting.

Required Vote for Adoption of Merger Agreement (Proposal 1)

The affirmative vote of holders of shares of Cornell common stock representing a majority of the total number of shares of Cornell common stock issued and outstanding on the record date for the Cornell special meeting is required to adopt the merger agreement. Consequently, an abstention from voting, a failure to vote or a broker non-vote on Proposal 1 will have the effect of a vote **AGAINST** Proposal 1.

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Required Vote for Adjournment of the Cornell Special Meeting (Proposal 2)

Approval of an adjournment of the Cornell special meeting, if necessary, to solicit additional proxies in favor of the foregoing proposal requires the affirmative vote of holders of shares of Cornell common stock representing a majority of the total number of shares of Cornell common stock present, in person or by proxy at the Cornell special meeting, and entitled to vote on the proposal.

Adoption of the merger agreement by the requisite vote of the Cornell stockholders is required to complete the merger.

Independent inspectors will count the votes on each proposal to be voted upon at the Cornell special meeting.

Please do not send your election form and stock certificates with your proxy card for the special meeting. Your election form and stock certificates are to be submitted separately.

Failure to Vote; Abstentions and Broker Non-Votes

If you are a Cornell stockholder, any of your shares as to which you abstain or which are not voted will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement. Any of your shares as to which you abstain or which are present and entitled to vote but not voted will have the same effect as a vote **AGAINST** approving an adjournment of the Cornell special meeting.

Under NYSE rules, brokers who hold shares in street name for customers have the authority to vote on certain routine proposals when they have not received instructions from beneficial owners. Under NYSE rules, such brokers are precluded from exercising their voting discretion with respect to the approval and adoption of non-routine matters, such as the adoption of the merger agreement, and are thus precluded from exercising their voting discretion with respect to the proposal to adopt the merger agreement or the proposal to adjourn the Cornell special meeting. Therefore, absent specific instructions from the beneficial owner of such shares, brokers are not empowered to vote such shares on those matters at the Cornell special meeting.

Submission of Proxies

By Mail

A proxy card is enclosed for your use. To submit your proxy by mail, Cornell asks that you sign and date the accompanying proxy and, if you are a stockholder of record, return it as soon as possible in the enclosed postage-paid envelope or pursuant to the instructions set out in the proxy card. If you are a beneficial owner, please refer to your proxy card or the information provided to you by your bank, broker, custodian or record holder. When the accompanying proxy is returned properly executed, the shares of Cornell common stock represented by it will be voted at the Cornell special meeting in accordance with the instructions contained in the proxy.

If proxies are returned properly executed without indication as to how to vote, the Cornell common stock represented by each such proxy will be voted as follows: (1) **FOR** the proposal to adopt the merger agreement and (2) **FOR** the proposal to adjourn the special meeting, if necessary, to solicit additional proxies in favor of the foregoing proposal.

Your vote is important. Accordingly, please sign, date and return the enclosed proxy card whether or not you plan to attend the Cornell special meeting in person.

By Telephone

If you are a stockholder of record, you may also submit your proxy by telephone by dialing the toll-free telephone number on your proxy card and providing the unique control number indicated on the enclosed proxy card. Telephone proxy submission is available 24 hours a day and will be accessable until 11:59 p.m. Eastern time on [ ], 2010. Easy-to-follow voice prompts allow you to submit your proxy and confirm that your instructions have been properly recorded. If you are a beneficial owner, please refer to your proxy card or the information provided by your bank, broker, custodian or record holder for information on telephone proxy submission. If you are located outside the United States, Canada and Puerto Rico, see your proxy card or other

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materials for additional instructions. If you submit your proxy by telephone, you do not need to return your proxy card. If you hold shares through a broker or other custodian, please check the voting form used by that firm to see if it offers telephone proxy submission.

By Internet

If you are a stockholder of record, you may also choose to submit your proxy on the Internet. The website for Internet proxy submission and the unique control number you will be required to provide are on the proxy card. Internet proxy submission is available 24 hours a day and will be accessable until 11:59 p.m. Eastern time on [ ], 2010. If you are a beneficial owner, please refer to your proxy card or the information provided by your bank, broker, custodian or record holder for information on Internet proxy submission. As with telephone proxy submission, you will be given the opportunity to confirm that your instructions have been properly recorded. If you submit your proxy on the Internet, you do not need to return your proxy card. If you hold shares through a broker or other custodian, please check the voting form used by that firm to see if it offers Internet proxy submission.

Voting In Person

If you wish to vote in person at the Cornell special meeting, a ballot will be provided at the Cornell special meeting. However, if your shares are held in the name of your bank, broker, custodian or other record holder, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote at the meeting.

Revocation of Proxies

You have the power to revoke your proxy at any time before your shares are voted at the Cornell special meeting. If you grant a proxy in respect of your Cornell shares and then attend the Cornell special meeting in person, your attendance at the special meeting or at any adjournment or postponement of the special meeting will not automatically revoke your proxy. Your proxy can be revoked in one of four ways:

- you can send a signed notice of revocation of proxy;
- you can grant a new, valid proxy bearing a later date (including, if applicable, a proxy by telephone or through the Internet);
- you can revoke the proxy in accordance with the telephone or Internet proxy submission procedures described in the proxy voting instructions attached to the proxy card; or
- if you are a holder of record, you can attend the Cornell special meeting (or, if the special meeting is adjourned or postponed attend the adjourned or postponed meeting) and vote in person, which will automatically cancel any proxy previously given, but your attendance alone will not revoke any proxy that you have previously given.

If you choose either of the first two methods to revoke your proxy, you must submit your notice of revocation or new proxy to Cornell s Corporate Secretary so that it is received no later than the beginning of the Cornell special meeting or, if the special meeting is adjourned or postponed, before the adjourned or postponed meeting is actually held. A revocation of a proxy shall also be deemed a revocation of an election with respect to the merger consideration.

If your shares are held in the name of a broker or nominee, you may change your vote by submitting new voting instructions to your broker or nominee. If you need assistance in changing or revoking your proxy, please contact [ ] toll-free at [ ].

Solicitation of Proxies

This solicitation is made on behalf of the Cornell board of directors and Cornell will pay the costs of soliciting and obtaining proxies, including the cost of reimbursing banks and brokers for forwarding proxy materials to their principals. Proxies may be solicited, without extra compensation, by Cornell s officers and employees by mail, telephone, fax, personal interviews or other methods of communication. Cornell has engaged [ ] to assist it in the distribution and solicitation of proxies at a fee of $[ ], plus expenses. GEO and Cornell will also

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reimburse brokers and other custodians, nominees and fiduciaries for their expenses in sending these materials to you and getting your voting instructions.

Householding

Under SEC rules, a single set of annual reports and proxy statements may be sent to any household at which two or more Cornell stockholders reside if they appear to be members of the same family. Each Cornell stockholder continues to receive a separate proxy card. This procedure, referred to as householding, reduces the volume of duplicate information Cornell stockholders receive and reduces mailing and printing expenses for Cornell. Brokers with accountholders who are Cornell stockholders may be householding Cornell s proxy materials. As indicated in the notice previously provided by these brokers to Cornell stockholders, a single proxy statement will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from an affected Cornell stockholder. Once you have received notice from your broker that it will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement, please notify your broker. Cornell stockholders who currently receive multiple copies of the proxy statement at their address and would like to request householding of their communications should contact their broker.

DESCRIPTION OF GEO CAPITAL STOCK

The following summary of the material terms of the capital stock of GEO is not intended to be a complete summary of all the rights and preferences of GEO s capital stock. GEO and Cornell urge you to read GEO s Amended and Restated Articles of Incorporation, as amended, Amended and Restated Bylaws and refer to the applicable provisions of Florida law, for a complete description of the rights and preferences of GEO s capital stock. Copies of GEO s Amended and Restated Articles of Incorporation, as amended, and Amended and Restated Bylaws will be sent to holders of shares of GEO common stock or Cornell common stock upon request. See Where You Can Find More Information beginning on page 126.

Authorized Capital Stock

GEO s authorized capital stock consists of:

- 90,000,000 shares of common stock, par value $0.01 per share; and
- 30,000,000 shares of preferred stock, par value $0.01 per share, of which 100,000 shares are designated as Series A Junior Participating Preferred Stock.

The only equity securities currently outstanding are shares of common stock. As of April 29, 2010, GEO had 49,227,527 shares of common stock issued and outstanding.

Common Stock

Each holder of GEO common stock is entitled to one vote per share on all matters to be voted upon by GEO shareholders. Upon any liquidation, dissolution or winding up of GEO s business, the holders of GEO s common stock are entitled to share equally in all assets available for distribution after payment of all liabilities, subject to the liquidation preference of shares of preferred stock, if any, then outstanding. GEO common stock has no preemptive or conversion rights. All outstanding shares of common stock are duly authorized, validly issued, fully paid and non-assessable and the shares of GEO common stock issuable pursuant to the merger will be duly authorized, validly issued, fully paid and non-assessable. GEO common stock is traded on the on the New York Stock Exchange under

the symbol GEO.

Preferred Stock

Pursuant to GEO s Amended and Restated Articles of Incorporation, as amended, its board of directors may, by resolution and without further action or vote by our shareholders, provide for the issuance of up to 30,000,000 shares of preferred stock from time to time in one or more series having such voting powers, and

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such designations, preferences, and relative, participating, optional, or other special rights and qualifications, limitations, or restrictions thereof, as the board of directors may determine.

The issuance of preferred stock may have the effect of delaying or preventing a change in GEO s control without further action by its shareholders. The issuance of shares of preferred stock with voting and conversion rights may adversely affect the voting power of the holders of GEO s common stock.

Rights Agreement and Series A Junior Participating Preferred Stock

Each share of GEO common stock carries with it one preferred share purchase right. If the rights become exercisable, each right entitles the registered holder to purchase from GEO one one-thousandth of a share of Series A Junior Participating Preferred Stock at a fixed price, subject to adjustment. Until a right is exercised, the holder of the right has no right to vote or receive dividends or any other rights as a shareholder as a result of holding the right. The rights trade automatically with shares of GEO common stock, and may only be exercised in connection with certain attempts to take over GEO. The rights are designed to protect the interests of GEO and its shareholders against coercive takeover tactics and encourage potential acquirors to negotiate with GEO s board of directors before attempting a takeover. The description and terms of the rights are set forth in a rights agreement, dated as of October 9, 2003, as the same may be amended from time to time, between GEO and EquiServe Trust Company, N.A., as rights agent.

Dividends

Subject to preferences that may be applicable to any outstanding preferred stock, the holders of common stock are entitled ratably to receive dividends, if any, declared by GEO s board of directors out of funds legally available for the payment of dividends. GEO has not paid cash dividends to date and does not expect to pay any cash dividends in the foreseeable future.

Anti-Takeover Protections

Certain Provisions of Florida Law

GEO is subject to several anti-takeover provisions under Florida law that apply to a public corporation organized under Florida law, unless the corporation has elected to opt out of those provisions in its articles of incorporation or bylaws. GEO has not elected to opt out of those provisions. GEO s common stock is subject to the affiliated transactions and control-share acquisitions provisions of the Florida Business Corporation Act. These provisions require, subject to certain exceptions, that an affiliated transaction be approved by the holders of two-thirds of the voting shares other than those beneficially owned by an interested shareholder and that voting rights be conferred on control shares acquired in specified control share acquisitions only to the extent conferred by resolution approved by the shareholders, excluding holders of shares defined as interested shares. Subject to several exceptions, these provisions have the effect of deterring certain transactions between GEO and its shareholders and certain acquisitions of specified percentages of GEO common stock, that in each case have not been approved by disinterested stockholders.

Preferred Stock

GEO s board of directors is authorized, without further shareholder action, to divide any or all shares of the authorized preferred stock into series and fix and determine the designations, preferences and relative rights and qualifications, limitations or restrictions thereon of any series so established, including voting powers, dividend rights, liquidation preferences, redemption rights and conversion privileges. The issuance of preferred stock with voting rights or conversion rights may adversely affect the voting power of the common stock, including the loss of voting control to

others. The issuance of preferred stock may also have the effect of delaying, deferring or preventing a change in our control without shareholder approval.

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Rights Agreement

The rights issued under the rights agreement described above have certain anti-takeover effects. The rights will cause substantial dilution to a person or group that attempts to acquire control of GEO without conditioning the offer on the redemption of the rights. The rights should not interfere with any merger or other business combination approved by GEO s board of directors prior to the time that any such person first becomes an acquiring person (as defined in the rights agreement). The rights are designed to provide additional protection against abusive takeover tactics such as offers for all shares at less than full value or at an inappropriate time (in terms of maximizing long-term shareholder value), partial tender offers and selective open-market purchases. The rights are intended to assure that GEO s board of directors has the ability to protect shareholders and GEO if efforts are made to gain control of GEO in a manner that is not in the best interests of GEO and its shareholders. The rights may, but are not intended to, deter takeover proposals that may be in the interests of GEO s shareholders.

Transfer Agent

The transfer agent and registrar for GEO s common stock is BNY Mellon Shareowner Services.

Stock Exchange Listing; Delisting and Deregistration of Cornell Common Stock

It is a condition to the merger that the shares of GEO common stock issuable in the merger be approved for listing on the NYSE on or before the effective time of the merger, subject to official notice of issuance. GEO common stock will continue to trade under the symbol GEO. At the effective time of the merger, shares of Cornell common stock will cease to be listed on the NYSE and will be deregistered under the Exchange Act.

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COMPARISON OF STOCKHOLDER RIGHTS

GEO is incorporated under Florida law and Cornell is incorporated under Delaware law. The following table compares the material differences between the current rights of Cornell stockholders under the Cornell restated certificate of incorporation, as amended and the third amended and restated bylaws, which are referred to as the Cornell charter and Cornell bylaws, respectively, and the current rights of GEO shareholders under the GEO amended and restated articles of incorporation, as amended and the amended and restated bylaws, which are referred to as the GEO charter and GEO bylaws, respectively. Copies of the GEO charter, the GEO bylaws, the Cornell charter and the Cornell bylaws will be sent to holders of GEO shareholders or Cornell stockholders upon request. See Where You Can Find More Information beginning on page 126. Because this summary does not provide a complete description of these documents and may not contain all the information that is important to you, GEO and Cornell urge you to read each of their charters and bylaws in their entirety.

	Cornell Stockholder Rights	GEO Shareholder Rights
Authorized Capital	The authorized capital stock of Cornell is 40,000,000 shares of capital stock, divided into: 30,000,000 shares of common stock, par value $.001 per share, and 10,000,000 shares of preferred stock, par value $.001 per share.	The authorized capital stock of GEO is 120,000,000 shares of capital stock, divided into: 90,000,000 shares of common stock, par value $0.01 per share, and 30,000,000 shares of preferred stock, par value $0.01 per share, of which 100,000 shares are designated as Series A Junior Participating Preferred Stock.
Number of Directors	The Cornell bylaws provide that the number of directors shall not be less than three (3) and shall not be more than thirteen (13) and the number of directors shall be fixed by resolutions of the Board of Directors. The Cornell board of directors currently consists of nine (9) directors.	The GEO bylaws provide that the number of directors will not be less than three (3) and will not be more than nineteen (19) and the number of directors shall be fixed by resolution adopted by the affirmative vote of a majority of the board of directors. *Before the merger.* The GEO board of directors currently consists of seven directors. *After the merger.* The GEO board of directors will consist of seven directors.
Removal of Directors	Where a corporation does not have a classified board of directors and where the certificate of incorporation does not provide otherwise and where there is no	Florida law provides that, absent a provision in the articles of incorporation permitting removal of directors only for cause, the directors may be removed with or

cumulative voting, Delaware law provides that any director or the entire board of directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote on the election of directors.	without cause by the shareholders. The GEO bylaws provide that a GEO director may be removed from office, with or without cause, by a vote of a majority of the shares of stock issued and outstanding and entitled to vote.

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	Cornell Stockholder Rights	GEO Shareholder Rights
Vacancies on the Board of Directors	The Cornell charter provides that in the case of a vacancy occurring on the board of directors, including any vacancy created by an increase in the number of directors and vacancies resulting from death, resignation or removal of a director shall be filled by (a) the affirmative vote of at least a majority of the remaining Cornell directors then in office, even if such remaining directors constitute less than a quorum of the board of directors, or (b) the affirmative vote of holders of at least a majority of the then outstanding shares of all classes and series of capital stock of Cornell entitled to vote generally in the election of Cornell directors, considered as one class.	The GEO bylaws provide that in general a vacancy occurring on the board of directors, including any vacancy created by reason of death, resignation, expiration of term of office or increase in the number of directors, may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum, and any director so chosen will hold office until the next annual election and until his or her successor has been duly elected and qualified.
Committees of the Board of Directors	The Cornell bylaws provide that the board may, by resolution passed by a majority of the entire board, designate one or more committees, each committee to consist of one or more of the directors of Cornell. The current committees of the Cornell board of directors are the Compensation Committee, the Governance Committee and the Audit Committee.	The GEO bylaws provide that the board of directors may, by resolution, appoint an executive committee to consist of up to five (5) directors. The GEO bylaws also provide that the board of directors may, by resolution adopted by a majority of the board of directors, designate other committees, each such committee to consist of the number of directors as the board of directors of GEO deems appropriate. The current committees of the GEO board of directors are the audit and finance committee, the compensation committee, the corporate planning committee, the executive committee, the independent committee, the legal steering committee, the operations and oversight committee and the nominating and corporate governance committee.

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	Cornell Stockholder Rights	GEO Shareholder Rights
Stockholder Quorum	The Cornell bylaws provide that at all meetings of the stockholders, a majority of the capital stock issued and outstanding and entitled to vote present in person or represented by proxy shall constitute a quorum at all meetings of the stockholders for the transaction of business. A stockholder shall be treated as being present at a meeting if such stockholder is (a) present in person at the meeting or (b) represented at the meeting by a valid proxy, whether the proxy card granting such proxy is marked as casting a vote or abstaining or is left blank. A quorum at a meeting of stockholders, once established, shall not be broken by the withdrawal of enough votes to leave less than a quorum.	The GEO bylaws provide that a majority of the shares of stock issued and outstanding and entitled to vote, represented in person or by proxy, will constitute a quorum for the transaction of business at all meetings of shareholders. If at any shareholder meeting there is less than a quorum present, the shareholders present in person or represented by proxy will have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum will be present or represented.
Stockholder Action by Written Consent	The Cornell bylaws provide that an action may be taken by written consent of the Cornell stockholders only where it is an action by unanimous written consent.	Under Florida law, unless otherwise provided in the charter, shareholders may take any action required or permitted to be taken at a shareholders meeting without a meeting if the action is consented to in writing by shareholders entitled to cast the same number of votes that would be required to take that action at a meeting at which all shareholders were present and voting in person. The GEO charter provides that every amendment to the charter will be approved by the board of directors, proposed by the board of directors to the shareholders and approved at a shareholder meeting by a majority of the shares entitled to vote, unless all the directors and all the shareholders sign a written statement manifesting their intention that a certain amendment to the charter be made.

	The GEO bylaws do not provide that action of the shareholders may be taken by written consent.

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	Cornell Stockholder Rights	GEO Shareholder Rights
Special Meetings of Stockholders	Under Delaware law, a special meeting of stockholders may be called by the board of directors or by any other person authorized to do so in the corporation s certificate of incorporation or bylaws. The Cornell bylaws provide that special meetings of stockholders for any purpose or purposes may be called at any time by the Chairman of the Board or by any two or more Cornell directors. Special meetings of stockholders may not be called by any other person or persons. The business that may be transacted at a special meeting of stockholders is limited to the business set forth in the notice of such special meeting and, if the notice so provides, such other matters as the person or persons calling the special meeting may bring before the special meeting.	Under Florida law, a special meeting of shareholders may be called by: (1) the board of directors, (2) any person authorized to do so in the corporation s charter or bylaws or (3) holders of not less than 10% (unless a greater percentage not to exceed 50% is required by the articles of incorporation) of all the votes entitled to be cast on an issue proposed to be considered at the proposed special meeting. The GEO bylaws provide that special meetings of shareholders may be called at any time by the chairman of the board of directors and will be called by the chairman of the board of directors or the secretary at the request in writing of a majority of the board of directors or of the holders of not less than 10% of all the shares entitled to vote at the meeting. Under Florida law and the GEO bylaws, the written notice of the special meeting must set forth the purpose or purposes for which the meeting is called.

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	Cornell Stockholder Rights	GEO Shareholder Rights
Stockholder Proposals	The Cornell bylaws provide that a proposal of business to be considered by the stockholders (other than nominations for directors) may be made at an annual meeting of stockholders by any stockholder of the corporation who provides written notice to the Secretary of Cornell that is timely and in the proper form set forth in the bylaws. To be timely, written notice must be delivered to, mailed to and received by, the Secretary of Cornell not less than 90 days nor more than 120 days prior to the first anniversary of the date of the previous year s annual meeting of stockholders. However, if no annual meeting was held in the previous year or the date of the annual meeting is advanced by more than 30 days prior to or delayed by more than 60 days after, notice must be delivered not more than 120 days prior to such anniversary date and not less than the close of business ten days following the day on which the date of the meeting is first publicly disclosed. The notice must include certain disclosures about the business being proposed and the stockholders making such proposal, including beneficial ownership interests and derivatives.	The GEO bylaws provide that the proposal of business to be considered by the shareholders may be made at an annual meeting of shareholders only (i) pursuant to the corporation s notice of meeting, (ii) by or at the direction of the board of directors or (iii) by any shareholder of record of the corporation who was a shareholder of record at the time notice was delivered to the secretary of GEO and at the time of the meeting, who is entitled to vote at the meeting and who complies with the procedures set forth in the bylaws. The procedures referenced above are the means for shareholders to submit proposals, other than proposals governed by Rule 14a-8 under the rules of the Exchange Act of 1934, as amended. To be timely written notice of a shareholder proposal must be delivered to the secretary of GEO not less than 60 days nor more than 90 days prior to the first anniversary of the preceding year s annual meeting, unless the date of the annual meeting is changed by more than 30 days from such anniversary date. Such notice must include certain disclosures about the business being proposed and regarding the shareholder making such proposal, including all beneficial ownership interests and rights to vote any shares of any security of GEO.

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	Cornell Stockholder Rights	GEO Shareholder Rights
Stockholder Nominations	The Cornell bylaws provide that the nomination of persons for election to the board of directors may be made at an annual meeting of stockholders by any stockholder who provides written notice to the Secretary of Cornell that is both timely and in proper form. To be timely, the same notice for stockholder proposals above applies. Such notice must include certain information about the person whom the stockholder proposes to nominate and information about the stockholder as set forth in the bylaws.	The GEO bylaws provide that the nomination of persons for election to the board of directors may be made at an annual meeting of shareholders only by or at the direction of, the nominating and corporate governance committee of the board of directors. The nominating and corporate governance committee will consider proposed nominees whose names are submitted to the committee by shareholders; however, the committee does not have a formal process for that consideration. There are no differences between the considerations and qualifications for director nominees that are recommended by shareholders and director nominees recommended by the nominating and corporate governance committee.
Voting Stock	Cornell common stock is the only outstanding class of Cornell voting securities. Each share of common stock is entitled to one vote on all matters submitted to stockholders.	GEO common stock is the only outstanding class of GEO voting securities and will be the only outstanding class of GEO voting securities upon completion of the merger. Under the GEO bylaws, each share of common stock is entitled to one vote on each matter submitted to a vote at a meeting of shareholders.
Vote Required for Certain Stockholder Actions	Under Delaware law, except as otherwise required by Delaware law and unless the certificate of incorporation or bylaws of the corporation provide otherwise, in all matters other than the election of directors, the affirmative vote of the majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be an act of the stockholders. The Cornell charter and bylaws do not contain any provision altering this default	The GEO bylaws provide that, except for election of directors, each matter properly presented to any meeting of shareholders shall be the act of the shareholders if the affirmative vote of shares of stock represented at the meeting and entitled to vote on the subject matter exceed the votes cast opposing the action, unless a greater number of shares of stock is required by Florida law or by the charter. The GEO bylaws provide in the

rule.	election of directors, directors are elected by a plurality of the votes cast by the shares of stock represented and entitled to vote at the meeting, unless the vote of a greater number of shares of stock is required by Florida law or by the charter. The candidates for director receiving the highest number of votes, up to the number of directors to be elected, are elected.
The Cornell bylaws provide that each director shall be elected by a plurality of the votes cast by the holders of outstanding shares of Cornell capital stock entitled to vote in the election of directors at a meeting of stockholders at which a quorum is present.	

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	Cornell Stockholder Rights	GEO Shareholder Rights
Amendment of Certificate of Incorporation	Under Delaware law, the Cornell charter may be amended by the adoption of a resolution of the board of directors, setting forth the proposed amendment and either calling a special meeting or directing that the amendment be considered at the next annual meeting followed by the vote of a majority of the outstanding voting stock entitled to vote thereon and a majority of the outstanding stock of each class entitled to vote thereon as a class.	Under Florida law, the GEO charter may be amended when the board of directors proposes amendments to the charter for submission to the shareholders. For the amendment to be adopted: (1) the board of directors must recommend the amendment to the shareholders (unless the board of directors determines that no recommendation should be made); and (2) the shareholders entitled to vote on the amendment must approve the amendment by a majority of the votes entitled to be cast on the amendment. The corporation must notify each shareholder of the proposed shareholders meeting. The GEO charter provides that every amendment to the GEO charter will be approved by the board of directors, proposed by them to the shareholders, and approved at a shareholders meeting by a majority of the stock entitled to vote thereon, unless all directors and all the shareholders sign a written statement manifesting their intention that a certain amendment of the charter be made.
Amendment of Bylaws	Under Delaware law, the Cornell bylaws may be amended by the stockholders holding at least a majority of the voting power present in person or represented by proxy at a meeting of stockholders and entitled to vote on the matter. Pursuant to the Cornell charter, an amendment of the bylaw requires an affirmative vote of at least a majority of the total number of directors of the Cornell as so fixed, whether or not there exist any vacancies in previously authorized	Under Florida law, the GEO bylaws may be amended or repealed by the GEO board of directors unless: (a) the charter or Florida law reserves the power to amend the bylaws generally or a particular bylaw provision exclusively to the shareholders, or (b) the shareholders, in amending or repealing the bylaws generally or a particular provision, provide expressly that the board of directors may not amend or repeal the bylaws or that bylaw provision.

directorships. The stockholders of Cornell shall also have the power to adopt, amend or repeal the bylaws of Cornell, or adopt new bylaws, at any annual or special meeting by the affirmative vote of holders of at least a majority of the then outstanding voting stock, voting together as a single class.	The GEO Bylaws may be altered, amended or repealed or new bylaws may be adopted, by the affirmative vote of a majority of the board of directors at any regular or special meeting of the board.

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	Cornell Stockholder Rights	GEO Shareholder Rights
Dividends	Under Delaware law, except as set forth in the certificate of incorporation, directors of a corporation are generally permitted to declare and pay dividends out of surplus (defined as the excess, if any, of net assets over capital) or, if no surplus exists, out of net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. However, the directors of a corporation may not pay any dividends out of net profits if the capital of the corporation has been reduced to an amount less than the aggregate amount of capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets. Under the Cornell bylaws, dividends upon the capital stock of the Cornell may be declared by the board at any regular or special meeting thereof, and may be paid in cash, in property or in shares of Cornell capital stock. Before payment of any dividend, there may be set aside out of any funds of Cornell available for dividends such sum or sums as the board, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of Cornell, or for any proper purpose, and the board may modify or abolish any such reserve.	Under Florida law, subject to any restriction in the GEO charter, the board of directors may declare and pay dividends or other distributions to shareholders unless, after giving effect to the distribution: (1) the corporation would not be able to pay its debts as they become due in the usual course of business; or (2) the corporation s total assets would be less than the sum of its total liabilities plus the amount required to satisfy outstanding liquidation rights superior to the liquidation rights of those receiving the distribution. Under the GEO charter, subject to the rights of the holders of the preferred stock, the holders of common stock will be entitled to receive when, as and if declared by the board of directors, out of funds legally available, dividends payable in cash, stock or otherwise. Under the GEO bylaws, and subject to the provisions of the charter, if any, dividends may be declared by the board of directors at any regular or special meeting, in accordance with Florida law. Dividends may be paid in cash, property or in shares of GEO s capital stock, subject to any provisions of Florida law or of the charter. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation or for

such other purposes as the directors will think conducive to the interest of the corporation, an the directors may modify or abolish any such reserve in the manner in which it was created.

GEO has not paid any cash dividends on its common stock for fiscal years 2009 and 2008.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following Unaudited Pro Forma Condensed Combined Financial Statements are based on the historical financial statements of GEO and Cornell after giving effect to the proposed merger of the companies, and the assumptions, reclassifications and adjustments described in the accompanying notes to the Unaudited Pro Forma Condensed Combined Financial Statements. The Unaudited Pro Forma Condensed Combined Balance Sheet as of April 4, 2010 gives effect to the merger of GEO and Cornell as if the merger had occurred on that date. The Unaudited Pro Forma Condensed Combined Statements of Income for the thirteen weeks ended April 4, 2010 and for the year ended January 3, 2010 giving effect to the merger of GEO and Cornell as if the merger had occurred on December 29, 2008. The Unaudited Pro Forma Condensed Combined Financial Statements should be read in conjunction with (i) GEO s historical consolidated financial statements for the thirteen weeks ended April 4, 2010 and for the year ended January 3, 2010 and the accompanying notes thereto; (ii) Cornell s historical consolidated financial statements for the three months ended March 31, 2010 and for the year ended December 31, 2009 and the accompanying notes thereto; and (iii) the accompanying Notes to the Unaudited Pro Forma Condensed Combined Financial Statements.

GEO will account for the merger as a purchase of Cornell by GEO, using the acquisition method of accounting in accordance with accounting principles generally accepted in the United States, or GAAP. GEO and Cornell expect that, upon completion of the merger, Cornell stockholders will receive approximately 23.3% of the outstanding common stock of the combined company in respect of their Cornell shares on a diluted basis and GEO shareholders will retain approximately 76.7% of the outstanding common stock of the combined company on a diluted basis assuming that holders of 20% of the Cornell shares receive the cash consideration. For the purposes of determining the acquirer for accounting purposes, GEO considered relative voting rights, the premium to be paid by GEO to acquire Cornell, the composition of the governing body of the combined entity and the composition of senior management of the combined entity after the merger. Based on the weighting of these factors, GEO has concluded that it is the accounting acquirer.

Under the acquisition method of accounting, as of the effective time of the merger, the assets acquired, including the identifiable intangible assets, and liabilities assumed from Cornell will be recorded at their respective fair values and added to those of GEO. Any excess of the purchase price for the merger over the net fair value of Cornell s identified assets acquired and liabilities assumed will be recorded as goodwill and any transaction costs and restructuring expenses associated with the merger will be expensed as incurred. The results of operations of Cornell will be combined with the results of operations of GEO beginning at the effective time of the merger. The consolidated financial statements of the combined company will not be restated retroactively to reflect the historical financial position or results of operations of Cornell. Following the merger, and subject to the finalization of the purchase price allocation, the earnings of GEO will reflect the effect of any purchase accounting adjustments, including any increased depreciation and amortization associated with fair value adjustments to the assets acquired and liabilities assumed.

The unaudited pro forma financial data included in this joint proxy statement/prospectus are based on the historical financial statements of GEO and Cornell, and on publicly available information and certain assumptions that GEO believes are reasonable, which are described in the notes to the Unaudited Pro Forma Condensed Combined Financial Statements included in this joint proxy statement/prospectus. GEO has not performed a detailed valuation analysis necessary to determine the fair market values of Cornell s assets to be acquired and liabilities to be assumed. For the purposes of the Unaudited Pro Forma Condensed Combined Financial Statements, preliminary allocations of estimated acquisition consideration have been based on the share conversion of 1.3 shares, valued as of the closing price on May 28, 2010 of GEO stock for 80% of the aggregate shares of Cornell common stock and stock awards outstanding as of March 31, 2010 and the cash equivalent for the remaining 20% of the aggregate shares. The preliminary acquisition consideration has been allocated to certain assets and liabilities using management

assumptions as further described in the accompanying notes. After the closing of the merger, GEO will complete their valuations of the fair value of the assets acquired and the liabilities assumed and determine the useful lives of the assets acquired.

The Unaudited Pro Forma Condensed Combined Financial Statements are provided for informational purposes only. The pro forma information provided is not necessarily indicative of what the combined company s

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financial position and results of operations would have actually been had the merger been completed on the dates used to prepare these pro forma financial statements. The adjustments to fair value and the other estimates reflected in the accompanying Unaudited Pro Forma Condensed Combined Financial Statements may be materially different from those reflected in the combined company s consolidated financial statements subsequent to the merger. In addition, the Unaudited Pro Forma Condensed Combined Financial Statements do not purport to project the future financial position or results of operations of the merged companies. Reclassifications and adjustments may be required if changes to the combined company s financial presentation are needed to conform GEO s and Cornell s accounting policies.

These Unaudited Pro Forma Condensed Combined Financial Statements do not give effect to any anticipated synergies, operating efficiencies or costs savings that may be associated with the transaction. These financial statements also do not include any integration costs the companies may incur related to the merger as part of combining the operations of the companies. The Unaudited Pro Forma Condensed Combined Financial Statements include an estimate for transaction costs, including change in control payments, which the company expects to be approximately $27 million. Additional costs, not included in the Unaudited Pro Forma Condensed Combined Financial Statements, will likely be incurred for items such as systems integration and conversion, change in control and other employee benefits, lease termination and/ or modification costs, and training costs. While some of these costs of integration will be incurred prior to the effective time of the merger, a substantial portion of the remainder of these costs will be incurred over the year following the merger. In general, these costs will be recorded as expenses when incurred and are non-recurring, and, therefore, are not reflected in the Unaudited Pro Forma Condensed Combined Financial Statements. Due to the preliminary status of the merger integration plan, the amount of integration costs is not yet estimable.

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THE GEO GROUP INC.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEETS
As of April 4, 2010

	Historical				
	The GEO Group Inc.	Cornell Companies Inc.	Pro Forma Adjustments	Note	Pro Forma Combined
			(In thousands)		
ASSETS					
Current Assets					
			82,926	(G)	
			(82,926)	(A)	
Cash and cash equivalents	$ 30,276	$ 18,061	$ (3,750)	(A)	$ 44,587
Restricted cash and other assets	13,306	30,492			43,798
Accounts receivable, less allowance for doubtful accounts	179,848	55,803			235,651
Deferred income tax asset, net	17,020	9,754			26,774
Other current assets	13,116	13,168			26,284
Total current assets	253,566	127,278	(3,750)		377,094
Restricted Cash and Other Assets	23,300	29,884			53,184
Property and Equipment, Net	1,003,917	457,274		(B)	1,461,191
Assets Held for Sale	4,348				4,348
Direct Finance Lease Receivable	36,969				36,969
			149,106		
Goodwill	40,147	13,308	(13,308)	(C)	189,253
			59,057		
Intangible Assets, net	17,032	1,053	(1,053)	(C)	76,089
Other Non-Current Assets	47,461	14,968	(2,440)	(D)	59,989
	$ 1,426,740	$ 643,765	$ 187,612		$ 2,258,117
LIABILITIES AND SHAREHOLDERS EQUITY					
Current Liabilities					
Accounts payable, accrued expenses and accrued payroll	$ 165,500	$ 58,574	$ 26,585	(E)	$ 250,659
Current portion of capital lease obligations, long-term debt and non-recourse debt	19,990	13,411			33,401
Total current liabilities	185,490	71,985	26,585		284,060
Deferred Income Tax Liability	7,060	24,984	22,512	(F)	54,556

Other Non-Current Liabilities	34,056	1,845			35,901
Capital Lease Obligations	14,233	11			14,244
Long-Term Debt	462,391	178,986	82,926	(G)	724,303
Non-Recourse Debt	91,922	108,289			200,211
Commitments & Contingencies					
Shareholders Equity					
Preferred stock, $0.01 par value, 30,000,000 shares authorized, none issued or outstanding					
*Common stock, $0.01 par value, 90,000,000 shares authorized, 68,070,408 issued and 49,227,524 outstanding	492	16	157	(H)	649
			(16)	(K)	
Additional paid-in-capital	353,988	165,708	331,545	(I)	685,533
			(165,708)	(K)	
Retained earnings	383,599	101,224	(120,194)	(J)	364,629
Accumulated other comprehensive income	5,661	1,358	(1,358)	(K)	5,661
Treasury stock, at cost	(112,705)	(11,163)	11,163	(K)	(112,705)
Total shareholders equity attributable to The GEO Group, Inc.	631,035	257,143	55,589		943,767
Noncontrolling interest	553	522			1,075
Total shareholders equity	631,588	257,665	55,589		944,842
	$ 1,426,740	$ 643,765	$ 187,612		$ 2,258,117

* On a proforma combined basis, share information is as follows: 90,000,000 shares authorized, 68,070,408 issued and 64,948,007 outstanding.

See accompanying notes to Unaudited Pro Forma Condensed Combined Financial Statements.

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THE GEO GROUP INC.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF INCOME
For the thirteen weeks ended April 4, 2010

	Historical		Pro Forma		Pro Forma
	The GEO Group Inc.	Cornell Companies Inc.	Adjustments	Note	Combined
	(In thousands, except per share data)				
Revenues	$ 287,542	$ 100,006	$ (427)	(L)	$ 387,121
Operating Expenses	226,382	76,683	(427)	(L)	302,638
Depreciation & Amortization	9,238	4,699	1,977	(M)	15,914
General & Administrative Expenses	17,448	5,759			23,207
Operating Income	34,474	12,865	(1,977)		45,362
Interest Income	1,229	129			1,358
Interest Expense	(7,814)	(6,314)	637	(N)	(13,491)
Income Before Income Taxes, Equity in Earnings of Affliates, and Discontinued Operations	27,889	6,680	(1,340)		33,229
Provision for Income Taxes	10,807	2,831	(511)	(O)	13,127
Equity in Earnings of Affiliates, net of income tax	590				590
Income from Continuing Operations	17,672	3,849	(829)		20,692
Less: Earnings Attributable to Non-controlling Interest		(569)			(569)
Income from Continuing Operations Before Estimated Nonrecurring Charges Related to the Transaction Attributable to the Combined Company	$ 17,672	$ 3,280	$ (829)		$ 20,123
Weighted Average Common Shares Outstanding:					
Basic	50,711	14,756	964	(P)	66,431
Diluted	51,640	14,882	838	(P)	67,360
Earnings per Common Share Basic:					
Income from Continuing Operations Before Estimated Nonrecurring Charges Related to	$ 0.35	$ 0.22			$ 0.30

the Transaction Attributable to the Combined Company			
Diluted:			
Income from Continuing Operations Before Estimated Nonrecurring Charges Related to the Transaction Attributable to the Combined Company	$ 0.34	$ 0.22	$ 0.30

See accompanying notes to Unaudited Pro Forma Condensed Combined Financial Statements.

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THE GEO GROUP, INC.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF INCOME
For the year ended January 3, 2010

	Historical				
	The GEO Group, Inc.	Cornell Companies, Inc.	Pro Forma Adjustments	Note	Pro Forma Combined
	(In thousands, except per share data)				
Revenues	$ 1,141,090	$ 412,377	$ (1,708)	(L)	$ 1,551,759
Operating Expenses	897,356	299,731	(1,708)	(L)	1,195,379
Depreciation and amortization	39,306	18,833	7,344	(M)	65,483
General and Administrative Expenses	69,240	24,112			93,352
Operating Income	135,188	69,701	(7,344)		197,545
Interest Income	4,943	657			5,600
Interest Expense	(28,518)	(25,830)	237	(N)	(54,111)
Loss on Extinguishment of Debt	(6,839)				(6,839)
Income Before Income Taxes, Equity in Earnings of Affiliates, and Discontinued Operations	104,774	44,528	(7,107)		142,195
Provision for Income Taxes	41,991	17,955	(2,709)	(O)	57,237
Equity in Earnings of Affiliates, net of income tax	3,517				3,517
Income from Continuing Operations	66,300	26,573	(4,398)		88,475
Less: Earnings Attributable to Non-controlling Interest		(1,947)			(1,947)
Income from Continuing Operations Before Estimated Nonrecurring Charges Related to the Transaction Attributable to the Combined Company	$ 66,300	$ 24,626	$ (4,398)		$ 86,528
Weighted Average Common Shares Outstanding:					
Basic	50,879	14,881	839	(P)	66,599
Diluted	51,922	14,986	734	(P)	67,642
Earnings per Common Share:					
Basic:					
Income from Continuing Operations Before Estimated Nonrecurring Charges Related to the Transaction Attributable to the Combined Company	$ 1.30	$ 1.65			$ 1.30
Diluted:					

Income from Continuing Operations Before Estimated Nonrecurring Charges Related to the Transaction Attributable to the Combined Company	$ 1.28	$ 1.64	$ 1.28

See accompanying notes to Unaudited Pro Forma Condensed Combined Financial Statements.

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NOTES TO THE UNAUDITED PRO FORMA

CONDENSED COMBINED FINANCIAL STATEMENTS

1. Basis of Presentation

The following Unaudited Pro Forma Condensed Combined Financial Statements have been prepared by GEO based on the historical financial statements of GEO and Cornell to illustrate the effects of the proposed merger of the companies. The Unaudited Pro Forma Condensed Combined Financial Statements should be read in conjunction with (i) GEO s historical consolidated financial statements for the thirteen weeks ended April 4, 2010 and for the year ended January 3, 2010 and accompanying notes thereto; and (ii) Cornell s historical consolidated financial statements for the three months ended March 31, 2010 and for the year ended December 31, 2009 and accompanying notes thereto. The effective date of the merger between GEO and Cornell is assumed to be April 4, 2010 for purposes of preparing the Unaudited Pro Forma Condensed Combined Balance Sheet and December 29, 2008 for purposes of preparing the Unaudited Pro Forma Condensed Combined Statement of Income for the thirteen weeks ended April 4, 2010 and for the fiscal year ended January 3, 2010. The unaudited pro forma financial data included in this Proxy Statement is based on the historical financial statements of GEO and Cornell, and on publicly available information and certain assumptions that GEO believes are reasonable, which are described the notes to the Unaudited Pro Forma Condensed Combined Financial Statements included in this Proxy Statement.

2. Summary of Business Operations and Significant Accounting Policies

The Unaudited Pro Forma Condensed Combined Financial Statements have been prepared in a manner consistent with the accounting policies adopted by the Company. The accounting policies followed for financial reporting on a pro forma basis are the same as those disclosed in the Notes to Consolidated Financial Statements included in the Company s Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 22, 2010 for the fiscal year ended January 3, 2010. The Unaudited Pro Forma Condensed Combined Financial Statements do not assume any differences in accounting policies between GEO and Cornell. Upon consummation of the merger, GEO will review the accounting policies of Cornell to ensure conformity of such accounting policies to those of GEO and, as a result of that review, GEO may identify differences between the accounting policies of the two companies, that when conformed, could have a material impact on the combined financial statements. At this time, GEO is not aware of any difference that would have a material impact on the Unaudited Pro Forma Condensed Combined Financial Statements.

3. Preliminary Estimated Acquisition Consideration

On April 18, 2010, the Company, GEO Acquisition III, Inc., and Cornell, entered into a definitive merger agreement pursuant to which the Company will acquire Cornell for stock and/or cash at an estimated enterprise value of $685.0 million, including the assumption of $300 million in debt and excluding cash, based on the closing prices of both companies stocks on April 16, 2010. GEO is identified as the acquiring company for US GAAP accounting purposes. If the merger is completed, Cornell stockholders will be entitled to receive, at their election, either (i) 1.3 shares of common stock of GEO, par value $.01 per share, for every share of Cornell common stock in the case of Cornell stockholders electing to receive stock consideration or Cornell stockholders who fail to make an election; or (ii) the right to receive cash consideration equal to the greater of (x) the fair market value of one share of GEO common stock plus $6.00 or (y) the fair market value of 1.3 shares of GEO common stock, in the case of Cornell stockholders electing to receive cash. In order to preserve the tax-deferred treatment of the transaction, no more than 20% of the outstanding shares of Cornell common stock may be exchanged for the cash consideration. If cash elections are made with respect to more than 20% of Cornell s shares, the excess over 20% shall be treated as if a stock

election had been made with respect to them and will be exchanged for shares of GEO common stock. Additionally, if cash elections are made such that the aggregate cash consideration would exceed $100.0 million, then GEO may elect, in its sole discretion, to pay such excess amount in shares of GEO common stock or in cash. Based on Cornell s estimated shares of common stock as of May 6, 2010 and equity awards outstanding as of March 31, 2010, the latest date of public information, the preliminary estimated acquisition consideration would be allocated as indicated in the table below. The share price used to calculate the estimated cash payout was based on

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NOTES TO THE UNAUDITED PRO FORMA

CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

the closing price of GEO s common stock on May 28, 2010 which was $21.10. In addition, the consideration is based on the assumption that 20% of the shares of Cornell common stock will be exchanged for cash.

The Cornell 2006 Incentive Plan (Cornell 2006 Plan) provides for the immediate vesting of all unvested options issued under this plan should a change of control occur. The Cornell 2006 Plan, unlike certain of Cornell s prior option plans, does not stipulate that the awards must be exercised prior to the acquisition close date. As such, the completion of the merger between GEO and Cornell would result in the immediate vesting of the unvested awards under the Cornell 2006 Plan. These awards are exercisable upon the change in control, have no postcombination service requirement and will retain the original terms and expiration dates of the awards as issued under the Cornell 2006 Plan. In connection with the merger agreement, GEO will issue 1.3 stock option awards underlying shares of GEO common stock for each stock option award outstanding under the Cornell 2006 Plan. In accordance with ASC 805-30-30-9, these replacement awards will be accounted for as modifications of share based payment awards in accordance with ASC 718. As such, the replacement awards will be included in measuring the consideration transferred in the merger with Cornell to the extent that the fair value of the replacement award approximates the fair value of the awards replaced as valued at the acquisition date. To the extent that the fair value of GEO s awards exceeds the fair value of the replaced awards, the excess will be expensed immediately. GEO has not yet performed a fair value analysis with regards to the value of the potential liability relative to the unexercised replacement awards but will do so in connection with the final purchase price allocation. Stock awards issued by GEO subsequent to the transaction that are unrelated to the merger with Cornell will vest in accordance with the terms of The GEO Group, Inc. 2006 Stock Incentive Plan (GEO 2006 Plan) and will be expensed over the service period, if any, of the award in accordance with ASC 718.

In the preliminary estimated acquisition consideration table below, GEO has made the assumption that all Cornell options will be exercised, on a dilutive basis and exchanged in the transaction. If certain of these options are not exercised and exchanged in the transaction, GEO will issue replacement awards to the Cornell option holders at the exchange ratio. The fair value of these replacement awards will be included in the acquisition consideration. If this occurs, GEO does not believe the fair value of the replacement awards would significantly impact the consideration estimated below.

Preliminary Estimated Acquisition Consideration:

	(in 000 s)
80% of the total 14,897,068 Cornell shares of common stock outstanding, including unvested restricted stock	11,918
80% of the total 218,781 Cornell stock options calculated on a diluted basis	175
20% of the total 14,897,068 Cornell shares of common stock outstanding, including unvested restricted stock	2,979
20% of the total 218,781 Cornell stock options calculated on a diluted basis	44
Total Cornell Common Stock and equivalents considered for the preliminary estimated acquisition consideration	15,116
80% Equity Estimated consideration exchanged representing 1.3 GEO shares of common stock, valued at the closing price on May 28, 2010 of $21.10, exchanged for each share of Cornell common stock	$ 331,702

outstanding and Cornell stock options outstanding	
20% Cash Estimated consideration exchanged representing cash equal to 1.3x the closing price of GEO common stock on May 28, 2010 of $21.10, exchanged for each share of Cornell common stock outstanding and Cornell stock options outstanding	82,926
Total preliminary estimated acquisition consideration	$ 414,628

The preliminary estimated acquisition consideration, currently based on the closing price of GEO s common stock on May 28, 2010 of $21.10, may change significantly if the trading price of GEO s common stock fluctuates

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NOTES TO THE UNAUDITED PRO FORMA

CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

materially from the market value as of May 28, 2010. If the share price were to increase/ decrease by 10% the impact to total consideration and goodwill generated from the transaction would be as follows (in 000 s):

	10% decrease in the value of GEO common stock	Based on $21.10 closing price of GEO common stock at May 28, 2010	10% increase in the value of GEO common stock
Total consideration	$ 373,260	$ 414,628	$ 456,930
Goodwill excess of purchase price over identifiable assets acquired and liabilities assumed	$ 117,338	$ 149,106	$ 181,593

GEO will record the merger as a purchase of Cornell by GEO, using the acquisition method of accounting in accordance with GAAP. Under the acquisition method of accounting, as of the effective time of the merger, the assets acquired, including the identifiable intangible assets, and liabilities assumed from Cornell will be recorded at their respective fair values. Any excess of the purchase price for the merger over the net fair value of Cornell s identified assets acquired and liabilities assumed will be recorded as goodwill.

GEO has not performed a detailed valuation analysis necessary to determine the fair market values of Cornell s assets to be acquired and liabilities to be assumed. Accordingly, the pro forma financial statements include only a preliminary allocation of the purchase price for certain assets and liabilities based on assumptions and estimates. After the closing of the merger, GEO will complete its valuations of the fair value of the assets acquired and the liabilities assumed and determine the useful lives of the assets acquired. The adjustments to fair value and the other estimates, including amortization expense, reflected in the accompanying Unaudited Pro Forma Condensed Combined Financial Statements may be materially different from those reflected in the combined company s consolidated financial statements subsequent to the merger. There has been no adjustment reflected for depreciation expense which may change materially once GEO has performed a final valuation analysis.

4. Reclassifications

Certain reclassifications have been made to GEO s and Cornell s historical consolidated financial statements for the purpose of presenting the Unaudited Pro Forma Condensed Combined Financial Statements:

Cornell s Bond fund payment account and other restricted assets, both current and long term portions, have been included with Restricted cash and other assets as applicable, in the accompanying Unaudited Pro Forma Condensed Combined Balance Sheet,

Cornell s other receivables have been classified as Other current assets in the accompanying Unaudited Pro Forma Condensed Combined Balance Sheet,

GEO s accounts payable, accrued expenses and payroll and related taxes have been combined on a single line in the Unaudited Pro Forma Condensed Combined Balance Sheet,

Cornell s capital leases have been reclassified from Long-Term Debt to the financial statement line item on GEO s historical financial statements for Capital Lease Obligations,

Cornell s 8.47% Bonds due 2016, which represent debt of special purpose entities, have been reclassified to Non-Recourse Debt since these bonds are not guaranteed by Cornell and are non-recourse to Cornell s consolidated special purpose entity, Municipal Corrections Finance, L.P., and

Cornell s pre-opening and start up expenses have been reclassified in the accompanying Unaudited Pro Forma Condensed Combined Statements of Income as Operating Expenses in order to be comparable to GEO s historical Statements of Income.

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NOTES TO THE UNAUDITED PRO FORMA

CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

5. Preliminary Pro Forma and Acquisition Accounting Adjustments

(A) The pro forma cash balance reflects a decrease in cash of $82.9 million for the assumed 20% cash consideration which will be paid to Cornell s stockholders as part of the transaction consideration. This decrease of $82.9 million is entirely offset by the proceeds GEO will realize in connection with its financing of the payment for the cash consideration. See note (G). If cash elections are made such that the aggregate cash consideration would exceed $100.0 million, GEO may elect, in its sole discretion, to pay such excess amount in shares of GEO common stock or in cash. The pro forma cash balance reflects the payment of deferred financing costs estimated at $3.8 million associated with the additional borrowings under GEO s senior credit facility. Refer to Note (D).

(B) GEO has not determined the fair market values of Cornell s property and equipment and therefore has not reflected a fair value adjustment to the property and equipment of Cornell. The following tables demonstrate the impact to pro forma depreciation and amortization expense for the thirteen weeks ended April 4, 2010 and for the fiscal year ended January 3, 2010 of a 10% increase or decrease in the final determination of the fair market value of Cornell s property and equipment and intangible assets (in 000 s).

As of and For the Thirteen Weeks Ended April 4, 2010	Selected from Pro Forma Financial Statements	Sensitivity Analysis -10%	Sensitivity Analysis +10%
Book Value of Acquired Property and Equipment, Net	$ 457,274	$ 411,547	$ 503,001
Fair Value of Acquired Intangible Assets	59,057	53,151	64,963
Historical Condensed Combined Depreciation*	$ 12,985	$ 11,687	$ 14,284
Pro Forma Amortization	2,929	2,636	3,222
Pro Forma Depreciation and Amortization	$ 15,914	$ 14,323	$ 17,506

For The Year Ended January 3, 2010	Selected from Pro Forma Financial Statements	Sensitivity Analysis -10%	Sensitivity Analysis +10%
Historical Condensed Combined Depreciation*	$ 54,029	$ 48,626	$ 59,432
Pro Forma Amortization	11,454	10,309	12,599
Pro Forma Depreciation and Amortization	$ 65,483	$ 58,935	$ 72,031

*

As discussed in note (B), GEO has not yet determined the fair value of Cornell s property and equipment and as a result, the depreciation expense has not been adjusted for the pro forma effects of the transaction.

(C) This adjustment reflects the elimination of Cornell s historical goodwill and intangible assets of $13.3 million and $1.1 million, respectively and the establishment of estimated goodwill and intangible assets resulting from the transaction.

The estimated purchase price allocated to the assets, liabilities and noncontrolling interest is based on the carrying values of Cornell s assets at March 31, 2010. GEO has made a preliminary estimate of the amortizable intangible assets further discussed in note (C). The estimated purchase price was allocated as follows (in 000 s):

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NOTES TO THE UNAUDITED PRO FORMA

CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

Preliminary Estimated Purchase Price Allocation

Current Assets	$ 127,278
Property and Equipment, Net	457,274
Intangible Assets	59,057
Goodwill	149,106
Other Non-Current Assets	38,662
Total Assets Acquired	$ 831,377
Accounts payable, accrued expenses and accrued payroll, including $7.6 million of accrued change in control payments discussed in note (E)	$ 66,189
Other Non-Current Liabilities	49,341
Debt and Capital Lease Obligations	300,697
Total Liabilities Assumed	416,227
Less: Noncontrolling Interest	522
Net assets acquired and noncontrolling interest acquired	$ 414,628

For the purposes of the Unaudited Pro Forma Condensed Combined Financial Statements, GEO made a preliminary estimate of the identifiable intangible assets acquired in the merger as follows:

Preliminary estimated acquisition consideration assuming the closing price of $21.10 as of May 28, 2010	$ 414,628
Less: the net assets acquired based on Cornell s carrying value, prior to any allocation of purchase price	(257,143)
Estimated excess of purchase price over fair value of assets acquired and liabilities assumed	157,485(a)
Estimated allocation of the excess purchase price to identifiable intangible assets	37.5%
Estimated fair value of identifiable intangible assets	$ 59,057

(a) The preliminary excess of purchase price is prior to the preliminary purchase accounting adjustments as follows (in 000 s):

Preliminary excess purchase price	$ 157,485
Less: net intangible asset	(58,004)

Deferred tax liability of intangible asset	22,512
Other preliminary purchase price adjustments	13,805
Net change in goodwill	$ 135,798

GEO has not performed a detailed valuation analysis necessary to determine the fair market values of Cornell s assets to be acquired and liabilities to be assumed. Accordingly, the pro forma financial statements do not include a final allocation of the purchase price. GEO has included an estimate of fair value for certain assets and liabilities, primarily the amortizable intangible assets related to management contracts, based on public information and management s assumptions. The estimated fair value of the assumed management contracts applies a percentage to the excess of the consideration exchanged over Cornell s net assets and is a preliminary estimate. GEO s management applied this percentage upon the exercise of its judgment based on historical data used from information gathered during prior attempts to merge with Cornell. The final fair value of the intangible assets will be prepared at closing using a third party financial valuation service. This estimate may be materially different

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NOTES TO THE UNAUDITED PRO FORMA

CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

from the fair value established by a complete analysis. Once the fair values of certain of these assets and liabilities have been determined, the amount of goodwill and intangible assets will be allocated accordingly.

(D) Other Non-Current Assets reflects an adjustment for the deferred financing fees of $3.8 million associated with GEO s repayment of Cornell s 103/4% Senior Notes due 2012 and Cornell s outstanding borrowings under its Revolver. See Note (G). This increase to deferred costs was offset by the elimination of Cornell s deferred finance costs of approximately $6.2 million as of March 31, 2010 which are not recognized in accordance with the fair value accounting for business combinations.

(E) This adjustment reflects estimated non-recurring transaction expenses of $19.0 million that are expensed. In addition, the combined company will reflect an opening balance sheet liability of $7.6 million of automatic change in control payments outlined in the terms of certain Cornell executive employee agreements. These change in control payments are triggered by the merger and are reflected as an adjustment to the purchase price.

(F) This adjustment reflects deferred income taxes which are associated with preliminary estimated identifiable intangible assets associated with the management contracts. Refer to Note (C) for GEO s calculation of the preliminary estimated identifiable intangible assets. The deferred income tax liability is calculated using GEO s domestic estimated effective income tax rate, as follows (in 000 s):

Estimated fair value of identifiable intangible assets	$ 59,057
GEO s estimated effective domestic income tax rate	38.12%
Pro forma deferred tax liability related to the identifiable intangible assets	$ 22,512

(G) The increase to Long-term debt reflects the cash payout of $82.9 million (financed from additional borrowings under the accordion feature of GEO s Senior Credit Facility) in exchange for 20% of the shares of Cornell common stock. The share price used to calculate the estimated cash payout was based on the closing price of GEO s common stock on May 28, 2010 which was $21.10. In connection with the closing of the merger, GEO is required to repay the balance on Cornell s revolver, which was $67.4 million as of March 31, 2010. In addition, in connection with the merger GEO also intends to redeem Cornell s 103/4% Senior Notes due 2012 for approximately $112.0 million, the face amount of the 103/4% Senior Notes. GEO expects to fund these payments with borrowings under its Senior Credit Facility and supplemental borrowings under the $150.0 million of committed financing under the accordion feature of GEO s Senior Credit Facility as follows (in 000 s):

	Historical			
	The GEO Group Inc. As of April 4, 2010	Cornell Companies Inc. As of March 31, 2010	Pro Forma Adjustments	Pro Forma Combined

			$ 111,912	
Revolver	$ 67,000	$ 67,400	(67,400)	$ 178,912
Term Loan B	150,400			150,400
Accordion			150,000	150,000
Senior Notes	250,000	112,000	(112,000)	250,000
Discount	(3,483)	(414)	414	(3,483)
Swap	(1,526)			(1,526)
Total Long-term debt	**$ 462,391**	**$ 178,986**	**$ 82,926**	**$ 724,303**

(H) This pro forma common stock adjustment represents an estimated share issuance of 15.7 million of the Company s shares of common stock at $0.01 par value in connection with the closing of the merger.

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NOTES TO THE UNAUDITED PRO FORMA

CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

(I) Additional paid-in-capital on a pro forma basis reflects the share conversion of 1.3 shares of GEO s stock for each share of Cornell common stock exchanged (assuming 80% of the estimated 15.1 million shares of Cornell common stock are exchanged for the stock consideration). The aggregate value of the estimated 15.7 million shares of GEO common stock, using the closing price of the Company s shares on May 28, 2010, was $331.7 million. Refer to Note 3.

(J) Pro forma retained earnings reflects estimated non-recurring transaction expenses of $19.0 million. Transaction costs, which GEO expects to be non-deductible for Federal income tax purposes, include legal, financial advisory, due diligence, and filing fees and other costs necessary to close the transaction. This adjustment excludes $7.6 million of automatic change in control payments relative to certain executive employee agreements which are reflected in Accounts payable, accrued expenses and accrued payroll. See Note (E).

(K) Reflects an adjustment to eliminate Cornell s historical equity.

(L) Pro forma revenue and operating expense for the thirteen weeks ended April 4, 2010 and for the year ended January 3, 2010 reflects the elimination of $0.4 million of rental income and $0.4 million of rental expense and $1.7 million of rental income and $1.7 million rental expense, respectively, related to a facility currently owned by GEO and leased to Cornell.

(M) Pro forma depreciation and amortization for the thirteen weeks ended April 4, 2010 and for the fiscal year ended January 3, 2010 reflects an increase of $2.0 million and $7.3 million, respectively for the estimated amortization of intangible assets. For the purposes of the Unaudited Pro Forma Condensed Combined Statements of Income, GEO applied an estimated amortizable life of 7 years to calculate the amortization expense which is partially offset by the reversal of amortization expense recognized by Cornell for the three-months ended March 31, 2010 and the year ended December 31, 2009. GEO determined that a 7-year useful life was appropriate based on its analysis of publicly available information and its expectation of the performance of these contracts. GEO will finalize its estimate during the valuation process. The table in note (B) provides a sensitivity analysis related to changes in depreciation and amortization expense should the final valuation be significantly different from initial estimates.

	Pro Forma Adjustments (in 000 s)	
	Thirteen Weeks Ended April 4, 2010	Fiscal Year Ended January 3, 2010
Elimination of Cornell s amortization expense	$ (132)	$ (1,135)
Incremental amortization related to approximately $59 million of identifiable intangible assets amortized over an estimated useful life of 7 years	2,109	8,479
Pro Forma Adjustments	$ 1,977	$ 7,344

(N) As indicated in the table below, pro forma interest expense reflects a net decrease in interest expense as a result of anticipated incremental interest savings to GEO after (i) the repayment of Cornell s debt using proceeds from GEO s

Senior Credit Facility, (ii) increases in GEO s interest expense incurred on the additional borrowings related to the cash payment for 20% of Cornell s common stock, and (iii) the amortization of the $3.8 million of financing fees which resulted from the merger. Refer to Note D. For debt that incurs interest at a variable rate, GEO used the average variable rate that its debt incurred over the thirteen weeks ended April 4, 2010 and the fiscal year ended January 3, 2010, respectively. The interest rate applied to the historical outstanding Revolver borrowings under GEO s Senior Credit Facility would have increased by 0.25% based on the outstanding pro forma borrowings and that rate increase has also been reflected in the pro forma expense. Refer to the table below for the estimated pro forma adjustment to interest expense:

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NOTES TO THE UNAUDITED PRO FORMA

CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

	Pro Forma Adjustments (in 000 s)	
	Thirteen Weeks Ended April 4, 2010	Fiscal Year Ended January 3, 2010
Elimination of the estimated interest expense incurred by Cornell:		
Interest on the outstanding borrowings relative to the $112.0 million 103/4% Senior Notes	$ (3,010)	$ (12,040)
Interest on the average outstanding Revolver borrowings of $68.7 million and $72.5 million, respectively at a weighted average interest rate of 3.17% and 3.55%, respectively	(545)	(2,574)
Increase in GEO s interest expense related to additional borrowings of $179.0 million and $181.5 million, respectively, for the repayment of Cornell s revolver, refinancing of Cornell s 103/4% Senior Notes and expense for $12.1 million in letters of credit using GEO s senior credit facility at aggregate weighted average interest rates of 3.60% and 4.51%, respectively for the periods presented	1,740	8,877
Increase in GEO s interest related to incremental debt of $82.9 million in cash consideration financed with GEO s senior credit facility at weighted average interest rates of 3.60% and 4.51%, respectively	755	3,802
Amortization of the $3.8 million in deferred financing fees associated with the borrowings using the $150.0 million in committed financing under GEO s senior credit facility	423	1,698
Pro Forma Adjustment Decrease in Interest Expense	$ (637)	$ (237)

(O) The Provision for income taxes has been adjusted for the impact of the recurring pro forma adjustments using GEO s domestic incremental tax rate of approximately 38%.

(P) GEO s basic and diluted EPS assumes shares of GEO common stock are exchanged for shares of Cornell common stock at a ratio of 1.3 shares of GEO common stock for each share of Cornell common stock for 80% of the total purchase price. The pro forma shares are calculated as follows:

	Historical			
Pro Forma Combined Weighted Average Shares for the Thirteen Weeks Ended April 4, 2010	**The GEO Group, Inc.**	**Cornell Companies Inc.**	**Pro Forma Adjustments**	**Pro Forma Combined**
		(In thousands)		
Weighted average shares outstanding	50,711	14,756	(14,756)	15,720 66,431

Effect of dilutive securities:				
Employee and director stock options and restricted stock	929	126	(126)	929
Weighted average shares assuming dilution	51,640	14,882	838	67,360

For the thirteen weeks ended April 4, 2010 and the three months ended March 31, 2009, 56,392 and 104,200 weighted average shares of common stock underlying options for GEO and Cornell, respectively, were excluded from the computation of dilutive EPS because their effect would have been anti-dilutive.

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NOTES TO THE UNAUDITED PRO FORMA

CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

Pro Forma Combined Weighted Average Shares for the Fiscal Year Ended January 3, 2010	Historical The GEO Group, Inc.	Cornell Companies Inc.	Pro Forma Adjustments	Pro Forma Combined
			(In thousands)	
Weighted average shares outstanding	50,879	14,881	(14,881) 15,720	66,599
Effect of dilutive securities:				
Employee and director stock options and restricted stock	1,043	105	(105)	1,043
Weighted average shares assuming dilution	51,922	14,986	734	67,642

For the fiscal year ended January 3, 2010 and the year ended December 31, 2009, 69,492 and 101,700 respectively, for GEO and Cornell, weighted average shares of common stock underlying options of GEO and Cornell, respectively, were excluded from the computation of dilutive EPS because their effect would have been anti-dilutive.

6. Selected Financial Statement Balances All-Stock Scenario

The Unaudited Pro Forma Condensed Combined Financial Statements are based on the assumption that 20% of the shares of Cornell common stock will be exchanged for the cash consideration. We refer to this assumption as the cash/stock scenario. The following tables below demonstrate the pro forma impact of the captions that would differ from the Unaudited Pro Forma Condensed Combined Balance Sheet and the Unaudited Pro Forma Condensed Combined Statements of Income in a scenario where no stockholders of Cornell elect to receive the cash consideration and that, accordingly, 100% of the shares of Cornell common stock are exchanged solely for the stock consideration. We refer to this as the all-stock scenario.

The following table provides the calculation for how we arrived at the value of the all-stock scenario.

Preliminary Estimated Acquisition Consideration:

	(in 000 s)
Common stock outstanding:	
Cornell shares of common stock outstanding	14,897
Cornell stock option awards calculated on a diluted basis	219
Total Cornell shares considered in the purchase price	15,116
Total GEO shares issued (15,115,849 multiplied by 1.3)	19,651

Preliminary estimated acquisition consideration assuming 100% of the consideration exchanged is GEO common stock valued at the closing price of GEO common stock on May 28, 2010 (15,115,849 multiplied by 1.3 multiplied by $21.10)	$ 414,628

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NOTES TO THE UNAUDITED PRO FORMA

CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

Selected balance sheet captions (in 000 s):	The GEO Group Inc. April 4, 2010	Cornell Companies March 31, 2010	Pro Forma Adjustments	Note	The GEO Group Inc. Combined (Unaudited)
Long-Term Debt, excluding Non-recourse debt and capital leases	$ 462,391	$ 178,986	$	(i)	$ 641,377
Total liabilities	795,152	386,100	49,097	(ii)	1,230,349
Common stock	492	16	197	(iv)	689
			(16)	(iii)	
Additional paid in capital	353,988	165,708	414,431	(iv)	768,419
			(165,708)	(iv)	
Total shareholders equity attributable to GEO	631,035	257,143	138,515	(v)	1,026,693
Total shareholders equity	$ 631,588	$ 257,665	$ 138,515		$ 1,027,768

Selected income statement captions (in 000 s):	The GEO Group Inc. April 4, 2010	Cornell Companies March 31, 2010	Pro Forma Adjustments	Note	The GEO Group Inc. Combined
Interest Expense	$ (7,814)	$ (6,314)	$ 1,509	(vi)	$ (12,619)
Income Before Income Taxes, Equity in Earnings of Affiliates and Discontinued Operations	27,889	6,680	(469)		34,100
Provision for Income Taxes	10,807	2,831	(179)	(vii)	13,459
Income from Continuing Operations Before Estimated Nonrecurring Charges Related to the Transaction Attributable to the Combined Company	17,672	3,280	(290)		20,662
Number of shares used to compute EPS:					
Basic	50,711	14,756	4,895	(viii)	70,362
Diluted	51,640	14,882	4,769	(viii)	71,291
Basic EPS Income from Continuing Operations Before Estimated Nonrecurring Charges Related to the Transaction Attributable to the Combined Company	$ 0.35	$ 0.22			$ 0.29
Diluted EPS Income from Continuing Operations Attributable to the Combined Company	$ 0.34	$ 0.22			$ 0.29

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NOTES TO THE UNAUDITED PRO FORMA

CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

Selected income statement captions (in 000 s):	The GEO Group Inc. January 3, 2010	Cornell Companies December 31, 2009	Pro Forma Adjustments	Note	The GEO Group Inc. Combined
Interest Expense	$ (28,518)	$ (25,830)	$ 4,481	(vi)	$ (49,867)
Income Before Income Taxes, Equity in Earnings of affiliates, and Discontinued Operations	104,774	44,528	(2,863)		146,439
Provision for Income Taxes	41,991	17,955	(1,092)	(vii)	58,854
Income from Continuing Operations Before Estimated Nonrecurring Charges Related to the Transaction Attributable to the Combined Company	66,300	24,626	(1,772)		89,154
Number of shares used to compute EPS:					
Basic	50,879	14,881	4,770	(viii)	70,530
Diluted	51,922	14,986	4,665	(viii)	71,573
Basic EPS Income from Continuing Operations Before Estimated Nonrecurring Charges Related to the Transaction Attributable to the Combined Company	$ 1.30	$ 1.65			$ 1.26
Diluted EPS Income from Continuing Operations Before Estimated Nonrecurring Charges Related to the Transaction Attributable to the Combined Company	$ 1.28	$ 1.64			$ 1.25

(i) In the all-stock scenario, GEO would not need to incur the $82.9 million in Long-Term Debt necessary to pay the cash portion of the merger consideration that would otherwise be payable in the cash/stock scenario.

(ii) Pro forma Total liabilities in the all-stock scenario includes $26.6 million related to the accrual for estimated transaction costs and change of control payments as well as $22.5 million for the deferred tax liability associated with the estimated identifiable intangible assets. The all-stock scenario does not include the $82.9 million as compared to the cash/stock scenario since GEO would not need to incur the $82.9 million in Long-term debt necessary to pay the cash portion of the merger consideration that would otherwise be payable in the cash/stock scenario.

(iii) This adjustment reflects pro forma common stock in the all-stock scenario as a result of the issuance of 19.7 million shares of GEO common stock in exchange for 100% of the outstanding shares of Cornell common stock offset by the elimination of Cornell s historical equity.

(iv) Additional paid-in-capital on a pro forma basis in the all-stock scenario reflects the exchange of 1.3 shares of GEO s common stock for each outstanding share of Cornell common stock (assuming an estimated 15.1 million shares of outstanding Cornell common stock). The aggregate value of the estimated 19.7 million shares of GEO common stock, using the closing price of GEO s common stock on May 28, 2010, was $414.6 million.

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CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

(v) This adjustment reflects pro forma total shareholder s equity in the all-stock scenario as a result of the issuance of 19.7 million shares of GEO common stock in exchange for 100% of the outstanding shares of Cornell common stock offset by the elimination of Cornell s historical equity and the estimated non-recurring transaction costs of $19.0 million which are assumed to have been incurred at transaction closing. A reconciliation of these adjustments is as follows:

	(in 000 s)
Elimination of Cornell s historical equity	$ (257,143)
Estimated Non-recurring transaction fees accrued	(18,970)
Common stock, $0.01 par value, 19,650,604 GEO shares of common stock exchanged for 14,897,068 Cornell shares of common stock and 218,781 stock options, on a diluted basis	197
Additional paid-in capital	414,431
Pro forma increase to shareholders equity	$ 138,515

(vi) As indicated in the table below, pro forma interest expense in the all-stock scenario reflects a net decrease in interest expense as compared to the cash/stock scenario. This is primarily a result of the elimination of $82.9 million in Long-Term Debt that GEO would not need to incur to pay the cash portion of the merger consideration that would otherwise be payable in the cash/stock scenario. This adjustment is partially offset by increases in interest expense related to the amortization of $1.7 million of deferred financing costs associated with the repayment of Cornell s 103/4% Senior Notes due 2012 and the higher interest rate which would have been realized since the outstanding borrowings on GEO s Senior Credit Facility would have been greater.

	Thirteen Weeks Ended April 4, 2010	**Fiscal Year Ended January 3, 2010**
	(in 000 s)	
Elimination of the estimated interest expense incurred by Cornell:		
Interest on the outstanding borrowings relative to the $112.0 million 103/4% Senior Notes	$ (3,010)	$ (12,040)
Interest on the average outstanding Revolver borrowings of $68.7 million and $72.5 million, respectively at weighted average interest rates of 3.17% and 3.55%, respectively	(545)	(2,574)
Increase in GEO s interest expense related to additional borrowings of $179.0 million and $181.5 million, respectively, for the repayment of Cornell s revolver, refinancing of Cornell s 103/4% Senior Notes and expense for $12.1 million in letters of credit at aggregate weighted average interest rates of 3.36% and 4.43%, respectively	1,623	8,435
	423	1,698

GEO s interest expense as a result of the amortization of deferred financing fees of $3.8 million incurred to borrow $150.0 million in committed financing under GEO s Senior Credit Facility		
Decrease in Interest Expense all-stock scenario	**$ (1,509)**	**$ (4,481)**

(vii) This adjustment to the Provision for income taxes in the all-stock scenario reflects the cumulative impact of the recurring pro forma adjustments using GEO s domestic incremental tax rate of approximately 38%.

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NOTES TO THE UNAUDITED PRO FORMA

CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

(viii) GEO s basic and diluted EPS assumes shares of GEO common stock are exchanged for shares of Cornell common stock at a ratio of 1.3 shares of GEO common stock for each share of Cornell common stock for 100% of the total purchase price. The pro forma shares in the all-stock scenario are calculated as follows:

Pro Forma Combined Weighted Average Shares for the Thirteen Weeks Ended April 4, 2010 (in 000 s)	Historical The GEO Group, Inc.	Historical Cornell Companies Inc.	Pro Forma Adjustments	Pro Forma Combined
		(In thousands)		
Weighted average shares outstanding	50,711	14,756	(14,756) 19,651	70,362
Effect of dilutive securities:				
Employee and director stock options and restricted stock	929	126	(126)	929
Weighted average shares assuming dilution	51,640	14,882	4,769	71,291

For the thirteen weeks ended April 4, 2010 and the three months ended March 31, 2009, 56,392 and 104,200 weighted average shares of common stock underlying options for GEO and Cornell, respectively, were excluded from the computation of dilutive EPS because their effect would have been anti-dilutive.

Pro Forma Combined Weighted Average Shares for the Fiscal Year Ended January 3, 2010 (in 000 s)	Historical The GEO Group, Inc.	Historical Cornell Companies Inc. (In thousands)	Pro Forma Adjustments	Pro Forma Combined
Weighted average shares outstanding	50,879	14,881	(14,881) 19,651	70,530
Effect of dilutive securities:				
Employee and director stock options and restricted stock	1,043	105	(105)	1,043
Weighted average shares assuming dilution	51,922	14,986	4,665	71,573

For the fiscal year ended January 3, 2010 and the year ended December 31, 2009, 69,492 and 101,700 weighted average shares of common stock underlying options for GEO and Cornell, respectively, were excluded from the computation of dilutive EPS because their effect would have been anti-dilutive.

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LEGAL MATTERS

Akerman Senterfitt will provide an opinion regarding the validity of the GEO common stock to be issued to Cornell stockholders in the merger. As a condition to consummation of the merger, GEO will have received an opinion from Akerman Senterfitt, and Cornell will have received an opinion from Hogan Lovells US LLP, in each case, dated as of the effective time of the merger, to the effect that, for U.S. federal income tax purposes, the merger will constitute a reorganization within the meaning of Section 368(a) of the Code.

EXPERTS

The consolidated financial statements at January 3, 2010 and December 28, 2008, and for each of the three year periods ended January 3, 2010, have been incorporated by reference into this joint proxy statement/prospectus and in this registration statement from GEO s Annual Report on Form 10-K filed with the SEC on February 22, 2010, have been incorporated by reference herein, in reliance upon the reports of Grant Thornton LLP, independent registered public accountants, and upon the authority of said firm as experts in accounting and auditing.

The financial statements and management s assessment of the effectiveness of internal control over financial reporting (which is included in Management s Annual Report on Internal Control over Financial Reporting) incorporated in this joint proxy statement/prospectus by reference to Cornell Companies, Inc. s Annual Report on Form 10-K for the year ended December 31, 2009 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

FUTURE STOCKHOLDER PROPOSALS

GEO

GEO will hold its 2010 annual meeting of shareholders on May 5, 2010. GEO shareholders who wish to present proposals for inclusion in the proxy statement relating to GEO s annual meeting of shareholders to be held in 2011 may do so by following the procedures prescribed in Rule 14a-8 under the Securities Exchange Act of 1934, which is referred to as the Exchange Act. To be eligible for inclusion in the proxy statement relating to GEO s annual meeting in 2011, shareholder proposals must be received by GEO s Secretary on or before the close of business on November 24, 2010.

If a GEO shareholder intends to present a proposal at GEO s annual meeting of shareholders to be held in 2011, but does not intend to have it included in GEO s proxy statement for such meeting, the proposal must be delivered to the Secretary of GEO at GEO s principal executive offices between February 4, 2011 nor later than March 4, 2011.

Cornell

If the merger is not consummated, Cornell intends to hold an annual meeting of stockholders as soon as practicable in accordance with the requirements of Delaware law and Cornell s bylaws, as amended. Stockholders interested in presenting a proposal for consideration at any such annual meeting of stockholders may do so by following the procedures prescribed in Rule 14a-8 under the Exchange Act and Cornell s bylaws, as amended. Cornell previously set January 8, 2010 as the deadline for submitting proposals for inclusion in Cornell s proxy statement relating to the 2010 annual meeting of stockholders. Stockholders who intended to present a proposal at the 2010 annual meeting without inclusion of such proposal in the proxy materials were required to notify the Secretary of Cornell in a writing

delivered to, or mailed and received at, the principal executive offices of Cornell by March 20, 2010. In the event the 2010 annual meeting is delayed more than 60 days after June 18, 2010, the anniversary date of the 2009 annual meeting, written notice by the stockholder, must be delivered to, or mailed and received by, the Secretary of Cornell at the principal executive offices of Cornell no later than the close of business on the tenth day following the day on which the date of the meeting is publicly disclosed to be considered timely. Such notice must include certain information required pursuant to Cornell s bylaws and applicable Delaware law. If the merger agreement is adopted by the requisite vote of the Cornell stockholders and the merger is completed, Cornell will become a wholly owned subsidiary of GEO and, consequently, will not hold an annual meeting of its

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stockholders in 2010 or in subsequent years. Cornell stockholders that receive GEO common stock will be entitled to participate, as stockholders of the combined company, in the 2011 annual meeting of stockholders of the combined company.

WHERE YOU CAN FIND MORE INFORMATION

GEO and Cornell file annual, quarterly and periodic reports, proxy statements and other information with the SEC. You may read and copy any of this information filed at the SEC s public reference rooms located at:

Public Reference Room
100 F Street, N.E.
Room 1024
Washington, DC 20549

You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. These SEC filings are also available to the public from commercial document retrieval services and at the website maintained by the SEC at http://www.sec.gov. GEO s and Cornell s SEC filings are also available at the office of the NYSE.

GEO has filed a registration statement on Form S-4 to register with the SEC the GEO common stock to be issued to Cornell stockholders upon completion of the merger. This joint proxy statement/prospectus is a part of that registration statement and constitutes a prospectus of GEO, in addition to being a proxy statement of GEO and Cornell for their respective special meetings. As allowed by SEC rules, this joint proxy statement/prospectus does not contain all the information you can find in the registration statement or the exhibits to the registration statement.

The SEC allows GEO and Cornell to incorporate by reference information into this joint proxy statement/prospectus, which means that the companies can disclose important information to you by referring you to other documents filed separately with the SEC. The information incorporated by reference is considered part of this joint proxy statement/prospectus, except for any information superseded by information contained directly in this joint proxy statement/prospectus or in later filed documents incorporated by reference into this joint proxy statement/prospectus.

This joint proxy statement/prospectus incorporates by reference the documents listed below that GEO and Cornell have previously filed with the SEC (excluding any current reports on Form 8-K, or portions thereof, to the extent disclosure is furnished and not filed pursuant to Item 2.02 or Item 7.01). These documents contain important business and financial information about GEO and Cornell that is not included in or delivered with this joint proxy statement/prospectus.

GEO SEC Filings (File No. 001-14260)	**Period**
Annual Report on Form 10-K	For the year ended January 3, 2010, filed with the SEC on February 22, 2010
Quarterly Report on Form 10-Q	For the quarter ended April 4, 2010, filed with the SEC on May 14, 2010
Current Reports on Form 8-K	February 5, 2010, February 26, 2010, April 20, 2010 and May 11, 2010
Proxy Statement on Schedule 14A	Filed on March 24, 2010

The description of GEO common stock set forth in its Registration Statement on Form 8-A	Filed on October 30, 2003, as amended on Form 8-A/A, filed with the SEC on October 30, 2003

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Cornell SEC Filings (File No. 001-14472)	**Period**
Annual Report on Form 10-K	For the year ended December 31, 2009, filed with the SEC on February 26, 2010, as amended by Amendment No. 1 and Amendment No. 2 on Form 10-K/A filed with the SEC on March 5, 2010 and April 30, 2010, respectively
Quarterly Report on Form 10-Q	For the quarter ended March 31, 2010, filed with the SEC on May 7, 2010
Current Reports on Form 8-K	February 24, 2010, March 5, 2010, March 26, 2010, April 19, 2010, April 22, 2010 and April 30, 2010
Proxy Statement on Schedule 14A	Filed on April 28, 2009

GEO and Cornell are also incorporating by reference additional documents that they file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act between the date of this joint proxy statement/prospectus and the later of the date of each of the special meetings or the date on which the offering of shares of GEO common stock is terminated.

GEO supplied all information contained or incorporated by reference into this joint proxy statement/prospectus relating to GEO, and Cornell supplied all such information relating to Cornell.

Documents incorporated by reference are available without charge from GEO and Cornell, as applicable, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference in this joint proxy statement/prospectus. You can obtain documents incorporated by reference into this joint proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses:

The GEO Group, Inc.

621 NW 53rd Street, Suite 700,
Boca Raton, Florida 33487
Attention: Investor Relations
Telephone: (866) 301-4436
Website: www.thegeogroupinc.com/

Cornell Companies, Inc.

1700 West Loop South, Suite 1500
Houston, Texas 77027
Attention: Investor Relations
Telephone: (888) 624-0816
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unless the information specifically indicates that another date applies.

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Annex A

AGREEMENT AND PLAN OF MERGER

Dated as of April 18, 2010
among
THE GEO GROUP, INC.,
GEO ACQUISITION III, INC.,
and
CORNELL COMPANIES, INC.

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AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER, dated as of April 18, 2010 (this Agreement), is among THE GEO GROUP, INC., a Florida corporation (Parent), GEO ACQUISITION III, INC., a Delaware corporation and a wholly owned subsidiary of Parent (Merger Sub), and CORNELL COMPANIES, INC., a Delaware corporation (Target). Certain terms used in this Agreement are used as defined in Section 8.11.

RECITALS:

WHEREAS, the Boards of Directors of Parent and Merger Sub and the Board of Directors of Target have approved and declared advisable this Agreement and the merger of Merger Sub into Target on the terms and subject to the conditions set forth in this Agreement (the Merger);

WHEREAS, the Board of Directors of Target has resolved to recommend to its stockholders adoption of this Agreement;

WHEREAS, as an inducement and a condition to Parent s willingness to enter into this Agreement, Parent and the Target Stockholders (as hereafter defined) listed on Schedule I hereto have entered into a voting agreement, dated as of the date hereof (the Target Voting Agreement), pursuant to which such Target Stockholders have agreed, among other things, to vote the shares of Target Common Stock (as hereafter defined) held by them, in favor of the Merger and the adoption of this Agreement;

WHEREAS, Parent, Merger Sub and Target desire to make certain representations, warranties, covenants and agreements in connection with the Merger and also to prescribe various conditions to the Merger; and

WHEREAS, for federal income tax purposes, the parties hereto intend that the Merger qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code), and the parties intend, by executing this Agreement, to adopt a plan of reorganization within the meaning of Section 368 of the Code.

AGREEMENT:

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, and intending to be legally bound hereby, Parent, Merger Sub and Target hereby agree as follows:

ARTICLE I

THE MERGER

Section 1.1 *The Merger*. On the terms and subject to the conditions set forth in this Agreement, and in accordance with the Delaware General Corporation Law (DGCL), Merger Sub shall be merged with and into Target at the Effective Time. At the Effective Time, the separate existence of Merger Sub shall cease and Target shall continue as the surviving company (the Surviving Company). The Merger, the payment of the Merger Consideration in connection with the Merger and the other transactions contemplated by this Agreement are referred to herein as the Transactions.

Section 1.2 *Closing*. The closing of the Merger (the Closing) shall take place at 10:00 a.m. (New York, New York time) on a date to be specified by the parties (the Closing Date), which date shall be no later than the second Business Day after the satisfaction or waiver of the conditions set forth in Article VI (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions at such time), at

the offices of Akerman Senterfitt, One Southeast Third Avenue, Miami, Florida 33131, unless another time, date or place is agreed to in writing by the parties hereto.

Section 1.3 *Effective Time*. Subject to the provisions of this Agreement, as soon as practicable on the Closing Date the Surviving Company shall file with the Secretary of State of the State of Delaware a certificate of merger, in substantially the form attached hereto as Exhibit A, executed in accordance with the relevant provisions

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of the DGCL (the Certificate of Merger). The Merger shall become effective upon the filing of the Certificate of Merger or at such later time as is agreed to by the parties hereto and specified in the Certificate of Merger (the time at which the Merger becomes effective is herein referred to as the Effective Time).

Section 1.4 *Effects of the Merger*. The Merger shall have the effects set forth in the DGCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all the properties, rights, privileges, powers and franchises of Target and Merger Sub shall vest in the Surviving Company, and all debts, liabilities and duties of Target and Merger Sub shall become the debts, liabilities and duties of the Surviving Company.

Section 1.5 *Organizational Documents of the Surviving Company*. At the Effective Time, and by virtue of the Merger, the certificate of incorporation and bylaws of Target shall be amended and restated to read in their entirety as set forth in Exhibits B and C hereto, respectively, and, as so amended and restated, shall be the certificate and bylaws of the Surviving Company, until thereafter amended as provided therein or by applicable Law.

Section 1.6 *Directors and Officers of the Surviving Company*.

(a) The directors of Merger Sub immediately prior to the Effective Time shall be the directors of the Surviving Company immediately following the Effective Time until the earlier of their resignation or removal or until their respective successors are duly elected and qualified, as the case may be. The Target shall not be entitled to designate any of the directors of the Surviving Company.

(b) The officers of Merger Sub immediately prior to the Effective Time shall be the officers of the Surviving Company until the earlier of their resignation or removal or until their respective successors are duly elected and qualified, as the case may be.

ARTICLE II

CONVERSION OF SECURITIES

Section 2.1 *Conversion of Securities*. At the Effective Time, by virtue of the Merger and without any action on the part of the holders of any securities of Merger Sub, Target or any other Person:

(a) *Equity of Merger Sub*. Each issued and outstanding share of common stock of Merger Sub shall be converted into and become one validly issued, fully paid and non-assessable share of common stock, par value $.001 per share, of the Surviving Company.

(b) *Cancellation of Treasury Shares and Parent-Owned Shares*. Any shares of Target Common Stock that are owned by Target as treasury stock and any shares of Target Common Stock owned by Parent or Merger Sub (collectively, Target Excluded Shares) shall be automatically canceled and shall cease to exist and no consideration shall be delivered in exchange therefor.

(c) *Conversion of Common Stock*. Each share of Target Common Stock issued and outstanding immediately prior to the Effective Time (which, for purposes of this Section 2.1 and Section 2.2 (other than Section 2.2(d)), shall include shares of Target Common Stock that a person has elected prior to the Effective Time to purchase or receive pursuant to any Target Option or ESPP Right, but excluding shares to be canceled in accordance with Section 2.1(b)) shall be converted into the right to receive the following consideration (subject to adjustment in accordance with Section 2.1(h) and together with any cash in lieu of fractional shares of Parent Common Stock to be paid pursuant to Section 2.1(g) the Merger Consideration):

(i) Each share of Target Common Stock with respect to which an election to receive stock consideration is properly made and not revoked pursuant to Section 2.1(d) (each, a Stock Election Share) and each share of Target Common Stock as to which no election is made in accordance with Section 2(d) (each, a Non-Election Share) shall be converted into the right to receive 1.30 (the Stock Election Exchange Ratio) validly issued, fully paid and non-assessable shares of Parent Common Stock (the Per Share Stock Election Consideration).

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(ii) Subject to paragraphs (iii) and (iv) below, each share of Target Common Stock with respect to which an election to receive cash is properly made and not revoked pursuant to Section 2.1(d) (each, a Cash Election Share) shall be converted into the right to receive an amount of cash (such amount, the Per Share Cash Election Consideration) equal to the greater of (x) the fair market value (as defined below) of one validly issued, fully paid and non-assessable share of Parent Common Stock plus $6.00 or (y) the fair market value of 1.30 validly issued, fully paid and non-assessable shares of Parent Common Stock.

(iii) Notwithstanding the foregoing, no more than 20% of the shares of Target Common Stock are permitted to be Cash Election Shares. In the event elections are made to treat more than 20% of the shares of Target Common Stock outstanding immediately before the Effective Time as Cash Election Shares, the excess over 20% shall be treated for all purposes hereunder as Stock Election Shares (and not as Cash Election Shares) which shall receive the Per Share Stock Election Consideration, such that only 20% of the shares of Target Common Stock outstanding immediately before the Effective Time are exchanged for the Per Share Cash Election Consideration. In such event, a pro rata portion (rounded up to the nearest whole share) of each holder s shares of Target Common Stock with respect to which an election was made to treat such shares as Cash Election Shares shall instead be treated as Stock Election Shares such that the reduction in Cash Election Shares is borne pro rata by each holder of Target Common Stock with respect to which such election was made.

(iv) If paragraph (ii) above, after application of paragraph (iii) above, would otherwise result in more than $100,000,000 of cash being paid to holders of Cash Election Shares, then Parent may elect, in its sole and absolute discretion, to reduce the amount of cash paid to each holder of Cash Election Shares pro rata based on the number of Cash Election Shares held so that the total cash paid with respect to all Cash Election Shares is $100,000,000. If the Per Share Cash Election Consideration otherwise payable to any holder is reduced under this paragraph (iv), such holder shall be entitled to receive validly issued, fully paid and non-assessable shares of Parent Common Stock at a fair market value (defined below) equal to the amount of the reduction.

(v) For purposes of this Section 2.1(c), the fair market value of Parent Common Stock shall mean the average of the daily closing prices per share of Parent Common Stock for the ten consecutive trading days on which shares of Parent Common Stock are actually traded (as reported on the New York Stock Exchange) ending on the last trading day immediately preceding tenth business day preceding the Closing Date.

(d) *Election Procedures*.

(i) Not less than thirty (30) days prior to the anticipated Effective Time, an election form and other appropriate and customary transmittal materials (which shall specify that delivery of issued and outstanding Target Common Stock shall be effected, and risk of loss and title to the certificates theretofore representing any such Target Common Stock (each, a Certificate) or non-certificated shares represented by book entry (Book Entry Shares) shall pass, only upon proper delivery of such Certificates or Book Entry Shares, respectively, to the Exchange Agent) in such form as Parent shall specify and as shall be reasonably acceptable to Target (the Election Form) shall be mailed at such time as Target and Parent may agree (the Mailing Date) to each holder of record of shares of Target Common Stock (including to holders of Target Options and ESPP Rights electing prior to the Effective Time to purchase or receive Target Common Stock), determined as of five (5) business days prior to the Mailing Date (the Election Form Record Date).

(ii) Each Election Form shall permit the holder (or the beneficial owner through appropriate and customary documentation and instructions), other than any holder of Target Excluded Shares, to specify (i) the number of shares of such holder s Target Common Stock (including shares issuable pursuant to any Target Option or ESPP Right) with respect to which such holder elects to receive the Per Share Cash Election Consideration, (ii) the number of shares of such holder s Target Common Stock with respect to which such holder elects to receive the Per Share Stock Election

Consideration, or (iii) that such holder makes no election with respect to such holder s Target Common Stock. Any Target Common Stock with respect to which the Exchange Agent has not received an effective, properly completed Election Form on or before 5:00 p.m.,

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New York time, on the twentieth (20th) day following the Mailing Date (or such other time and date as Target and Parent shall agree) (the Election Deadline) shall also be deemed to be Non-Election Shares.

(iii) Parent shall make available one or more Election Forms as may reasonably be requested from time to time by any persons who become holders (or beneficial owners) of Target Common Stock, between the Election Form Record Date and the close of business on the business day prior to the Election Deadline, and Target shall provide to the Exchange Agent all information reasonably necessary for it to perform as specified herein.

(iv) Any election shall have been properly made only if the Exchange Agent shall have received a properly completed Election Form by the Election Deadline. An Election Form shall be deemed properly completed only (i) if, in the case of issued and outstanding shares of Target Common Stock, accompanied by one or more Certificates (or customary affidavits), if applicable, and/or (ii) upon receipt of an agent s message by the Exchange Agent or such other evidence of transfer of Book Entry Shares to the Exchange Agent as the Exchange Agent may reasonably request, collectively rep