Allegiant Travel CO
Form 424B5
September 13, 2016

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-196738

This preliminary prospectus supplement relates to an effective registration statement under the Securities Act of 1933, as amended, but it is not complete and may be changed. This preliminary prospectus supplement is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION. DATED , 2016.
PROSPECTUS SUPPLEMENT TO PROSPECTUS, DATED JUNE 13, 2014

$300,000,000
Allegiant Travel Company
% SENIOR NOTES DUE 2023

Allegiant Travel Company (“Allegiant,” the “Company,” “we” or “us”) will pay interest on the notes on and of each year. The first such payment will be made on , 2017. The notes will be issued only in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof. Our obligations under the notes will be fully and unconditionally guaranteed by our wholly-owned domestic subsidiaries (the “Guarantors”).

We may redeem all or part of the notes at a redemption price equal to 100% of the principal amount of the notes plus an applicable make-whole premium and accrued and unpaid interest. See “Description of the Notes-Optional Redemption.” Prior to , 2019, we may also redeem up to 35% of the aggregate principal amount of the notes, plus accrued and unpaid interest, if any, using the net proceeds from certain equity offerings. If we undergo certain change of control transactions, we must offer to repurchase the notes at a price equal to 101% of the principal amount of notes, plus accrued and unpaid interest, if any. See “Description of the Notes-Certain Covenants-Change of Control Offer to Purchase.”

The notes will be our senior unsecured obligations and the note guarantees will be the senior unsecured obligation of the Guarantors. The notes and the note guarantees will rank pari passu in right of payment with all of our and the Guarantors’ respective existing and future senior indebtedness and senior in right of payment to all of our and the Guarantors’ respective future senior subordinated and subordinated indebtedness. The notes and the note guarantees will be effectively subordinated to all of our and the Guarantors’ respective existing and future secured indebtedness to the extent of the value of the assets pledged to secure those obligations. The notes will also be structurally subordinated to all existing and future indebtedness of our non-guarantor subsidiaries.

Prior to this offering, there is no public market for these notes. The notes will not be listed on any securities exchange or quoted on any automated quotation system.

Investing in the notes involves risks. See “Risk Factors” beginning on page S-17 of this prospectus supplement.

	Price to Public (1)	Underwriting Discount	Proceeds, Before

	Expenses, To Us
Per Note	
Total	

(1) Plus accrued interest, if any, from , 2016 if settlement occurs after that date.

The underwriter expects to deliver the notes through the facilities of The Depository Trust Company against payment in New York, New York on , 2016.

Neither the Securities and Exchange Commission nor any state or other securities commission or other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

MORGAN STANLEY

The date of this prospectus supplement is , 2016.

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement is a supplement to the accompanying base prospectus that is also a part of this document. This prospectus supplement and the accompanying base prospectus are part of a "shelf" registration statement that we filed with the Securities and Exchange Commission (the "Commission"). The shelf registration statement was declared effective by the Commission upon filing. By using a shelf registration statement, we may sell any combination of the securities described in the base prospectus from time to time in one or more offerings. In this prospectus supplement, we provide you with specific information about the terms of this offering. You should rely only on the information or representations incorporated by reference or provided in this prospectus supplement and the accompanying prospectus or in any free writing prospectus filed by us with the Commission. Neither we nor the underwriter has authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in or incorporated by reference in this prospectus supplement. You may obtain copies of the shelf registration statement, or any document which we have filed as an exhibit to the shelf registration statement or to any other Commission filing, either from the Commission or from the Secretary of Allegiant Travel Company as described under ‘‘Where You Can Find More Information’’ in this prospectus supplement. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information in this prospectus supplement and the accompanying base prospectus is accurate as of any date other than the date printed on their respective covers.

MARKET DATA

Market, industry and competitive position data presented throughout this prospectus supplement has been obtained from a combination of our own internal company surveys, the good faith estimates of management and various trade associations and publications. While we believe our internal surveys, third-party information, industry data, estimates of management and data from trade associations are reliable, neither we nor the underwriter have verified this data with any independent sources. This information may prove to be inaccurate because of the method by which we obtained some of the data for our estimates or because this information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. These estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under “Risk Factors” and “Forward-Looking Statements.” As a result, you should be aware that such market, industry and competitive position data presented in this prospectus supplement, and estimates and beliefs based on that data, may not be reliable. Accordingly, neither we nor the underwriter makes any representations as to the accuracy or completeness of that data.

NON-GAAP FINANCIAL MEASURES

EBITDA and EBITDAR, as presented in this prospectus supplement, and certain other financial information, are supplemental measures of our performance that are not required by, or presented in accordance with, accounting principles generally accepted in the United States (‘‘GAAP’’). They are not measurements of our financial performance under GAAP and should not be considered in isolation or as an alternative to net income or any other performance measures derived in accordance with GAAP or as an alternative to cash flows from operating activities as a measure of our liquidity.

We define ‘‘EBITDA’’ as earnings before interest, taxes, depreciation and amortization and “EBITDAR” as EBITDA plus aircraft lease rentals. We caution investors that amounts presented in accordance with these definitions may not be comparable to similar measures disclosed by other issuers, because not all issuers and analysts calculate EBITDA and EBITDAR in the same manner.

We use EBITDA and EBITDAR to evaluate our operating performance and liquidity and they are among the primary measures used by management for planning and forecasting of future periods. We believe the presentation of these measures is relevant and useful for investors because it allows investors to view results in a manner similar to the method used by management and makes it easier to compare our results with other companies that have different financing and capital structures.

EBITDA and EBITDAR have important limitations as analytical tools. These limitations include the following:

- EBITDA and EBITDAR do not reflect our capital expenditures, future requirements for capital expenditures or contractual commitments to purchase capital equipment;
- EBITDAR does not reflect amounts paid to lease aircraft;
- EBITDA and EBITDAR do not reflect interest expense or the cash requirements necessary to service principal or interest payments on our debt;

- although depreciation and amortization are non-cash charges, the assets that we currently depreciate and amortize will likely have to be replaced in the future, and EBITDA and EBITDAR do not reflect the cash required to fund such replacements;
- other companies in our industry may calculate EBITDA and EBITDAR differently than we do, limiting their usefulness as comparative measures.

See "Summary Financial and Operating Data" for a quantitative reconciliation of EBITDA and EBITDAR to the most directly comparable GAAP financial performance measure, which we believe is net income.

FORWARD-LOOKING STATEMENTS

We have made forward-looking statements in this prospectus supplement and in the documents incorporated by reference that are based on our management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, fleet plan, financing plans, competitive position, industry environment, potential growth opportunities, future service to be provided and the effects of future regulation and competition. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "believe," "expect," "anticipate," "intend," "plan," "estimate," "project" or sim expressions.

Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in the forward-looking statements. Important risk factors that could cause our results to differ materially from those expressed in the forward-looking statements may be found in the section entitled "Risk Factors". These risk factors include, without limitation, an accident involving or problems with our aircraft, our reliance on automation systems, volatility of fuel costs, labor issues and costs, the ability to obtain regulatory approvals as needed, the effect of economic conditions on leisure travel, debt balances and covenants, terrorist attacks, risks inherent to airlines, demand for air services to our leisure destinations from the markets served by us, our dependence on our leisure destination markets, the competitive environment, constraints on our ability to grow as we retire our MD-80 aircraft, our reliance on third parties who provide facilities or services to us, the possible loss of key personnel, economic and other conditions in markets in which we operate, aging aircraft and other governmental regulation, increases in maintenance costs and cyclical and seasonal fluctuations in our operating results.

Any forward-looking statements are based on information available to us today and we undertake no obligation to update publicly any forward-looking statements, whether as a result of future events, new information or otherwise.

TABLE OF CONTENTS

Prospectus Supplement

Base Prospectus

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights certain information contained elsewhere or incorporated by reference in this prospectus supplement. Because this is only a summary, it does not contain all the information that you may consider important in making your investment decision to purchase the notes. The following summary should be read together with the more detailed information, including our consolidated financial statements and the related notes, appearing elsewhere or incorporated by reference in this prospectus supplement. References to ''Allegiant,'' ''we,'' ''us,'' and ''our'' refer to Alleg Travel Company and its subsidiaries on a consolidated basis.

Business Overview

We are a leisure travel company that provides low-fare air travel and travel related services. We focus on leisure travelers in under-served small and medium-sized cities in the United States. For the twelve months ended June 30, 2016, we had operating revenues of $1.30 billion, EBITDA of $495.5 million, net income of $234.0 million and carried 10.3 million passengers across 342 routes covering 114 cities. Our focus on the leisure customer allows us to eliminate the significant costs associated with serving a wide variety of customers and to concentrate our product appeal on a customer base which is under-served by traditional airlines. We have consciously developed a business model which distinguishes us from the traditional airline approach:

Traditional Airline Approach	Allegiant Approach
Focus on business and leisure customers	Focus on leisure traveler
Provide high frequency service from big cities	Provide low frequency service from small and medium-sized cities
Use smaller aircraft to provide connecting service from smaller markets through hubs	Use larger jet aircraft to provide non-stop service from small cities direct to leisure destinations
Bundled pricing	Unbundled pricing of air-related services and products
Sell through various intermediaries	Sell only directly to travelers
Offer flight connections	No connecting flights offered
Use code-share arrangements to increase passenger traffic	Do not use code-share arrangements

By unbundling our air-related services and products such as baggage fees, advance seat assignments, travel protection, change fees, priority boarding, and food and beverage purchases, which have typically been bundled by many traditional airlines, we are able to significantly lower our airfares and target leisure travelers who are more concerned with price and the ability to customize their experience with us by only purchasing the additional conveniences they value. This strategy allows us to generate significant additional ancillary revenues. Our ancillary revenues have grown from $210.0 million in 2011, to $474.5 million in 2015 and we have already recorded $272.9 million of ancillary revenues during the first half of 2016 compared to $240.3 million in the first half of 2015.

Our route network has a national footprint and, as of September 1, 2016, we are selling 362 routes (including seasonal routes) serving 98 small and medium-sized cities and 20 leisure destinations, in 43 states and the territory of Puerto Rico. In most of these small and medium-sized cities, we provide service to more than one of our leisure destinations. We currently provide service to the popular leisure destinations of: Las Vegas, NV; Orlando, FL; Phoenix, AZ; Tampa/St. Petersburg, FL; Los Angeles, CA; Ft. Lauderdale, FL; Punta Gorda, FL; the San Francisco Bay Area, CA; Honolulu, HI; Palm Springs, CA; Austin, TX; New Orleans, LA; Jacksonville, FL; Savannah/Hilton Head, GA; Baltimore/Washington, DC; Destin, FL; San Diego, CA, and Myrtle Beach, SC (seasonal), and will soon commence service to Newark, NJ (providing service to New York City, NY) and San Juan, Puerto Rico.

Our Competitive Strengths

We believe the following strengths allow us to maintain a competitive advantage in the markets we serve:

Focus on Leisure Traffic from Small and Medium-Sized Cities. We believe small and medium-sized cities represent an under-served market for leisure travel. Prior to the initiation of our service in many of these markets, leisure travelers had few desirable options to reach leisure destinations because existing carriers are generally focused on connecting business customers through their hub-and-spoke networks. Based on published schedules as of September 1, 2016, we are the only carrier offering non-stop service on approximately 82 percent of our 362 routes. We believe our low fare, non-stop service makes it attractive for leisure travelers to purchase airfare and other travel related products from us. Further, our broad and thin network mitigates our exposure to regional variations in the economy and helps insulate us from competitors, as it would be difficult for a competitor to materially impact our business by targeting one city or region. Our routes typically have less than daily service which makes them less attractive to serve efficiently by any other mainline carrier.

Low Operating Costs. Our operating expense per available seat mile ("CASM") was 7.57¢ for the first half of 2016 compared to 8.64¢ for the first half of 2015, and 8.45¢ for the full year 2015 compared to 10.47¢ for the full year 2014 (excluding a one-time impairment charge in 2014 taken on our six Boeing 757 aircraft, engines and related assets). Excluding the cost of fuel, our operating CASM was 5.73¢ for the first half of 2016 compared to 5.79¢ for the first half of 2015, and 5.81¢ for the full year 2015 compared to 6.13¢ for the full year 2014 (excluding the impairment charge). Our low operating costs allow us to profitably offer our customers lower airfares and are the result of the following:

- Low Aircraft Ownership Costs. We achieve low aircraft ownership costs by purchasing primarily used aircraft with meaningful remaining useful lives at reduced prices. As of September 1, 2016, our operating fleet consisted of 48 MD-80 series aircraft, 31 Airbus A320 series aircraft and four Boeing 757-200 aircraft. We currently have commitments to purchase 34 additional Airbus A320 series aircraft, including 12 newly manufactured Airbus A320s and currently expect that by 2019 our operating fleet will consist exclusively of 99 Airbus A320 series aircraft. Of these aircraft, we expect a substantial majority of them will have been purchased used, thereby maintaining low aircraft ownership costs. Further, we own all of our aircraft which allows us to effectively manage maintenance value, a substantial component of used aircraft values. Our fleet ownership expense (aircraft depreciation plus interest expense on debt secured by aircraft) was $114 thousand per aircraft per month over the last twelve months ending June 30, 2016, which we believe is substantially below market lease rates of newly delivered A320s.
- Highly Productive Workforce. We believe we have one of the most productive workforces in the U.S. airline industry with approximately 38.0 full-time equivalent employees per operating aircraft as of June 30, 2016. Our high level of employee productivity is due to our cost-driven scheduling, fewer unproductive labor work rules, and the effective use of automation and part-time employees. We outsource heavy maintenance, stations and other functions to reliable third-party service providers in an effort to reduce costs.
- Simple Product. We believe offering a simple product is critical to achieving low operating costs. As such, we sell only nonstop flights; we do not code-share or interline with other carriers; we have a single class cabin; we do not overbook our flights; we do not provide cargo or mail services; and we do not offer other perks such as airport lounges.
- Low Distribution Costs. We sell our products directly to our customers through our website which lowers our distribution costs. We do not sell our product through external sales channels, which allows us to avoid the fees charged by travel web sites (such as Expedia, Orbitz or Travelocity) and the traditional global distribution systems ("GDS") (such as Sabre or Worldspan).
- Cost Effective Airports: Most of the airports we serve are in small cities or are the secondary airport in a major city. These airports give us scheduling flexibility and offer lower costs. These lower costs are driven by less expensive passenger facilities, landing and ground service charges. In addition to inexpensive airport costs, many of the cities we serve provide marketing support which results in lower marketing costs.
- Cost-Driven Schedule. We build our schedule so that our crews and aircraft return to base each night. This allows us to maximize crew efficiency, and more cost-effectively manage maintenance, spare aircraft and spare parts. Additionally, this structure allows us to add or subtract markets served by a base without incremental costs.

Capacity Management. We actively manage our seat capacity to match leisure demand patterns. Our ability to quickly adjust capacity helps us maintain our profitability in the dynamic travel industry. During 2015, our system average block hours per aircraft per day, was 5.9 system block hours. During our peak demand period in March 2016 we averaged 7.1 system block hours per aircraft per day while in September 2015, our lowest month for demand, we averaged 4.2 system block hours per aircraft per day. Because of our low fixed costs, our low unit costs are not dependent on high utilization. This allows us to tailor our capacity to the demand level specific to a market, a season, a day of week, or even a time of day. For example, we concentrate our flights on high demand leisure travel days and fly a smaller portion of our schedule on low demand days such as Tuesdays and Wednesdays.

Innovative Ancillary Revenues. We believe most leisure travelers are concerned primarily with purchasing air travel for the least expensive price. As such, we successfully unbundled the air transportation product by charging fees for services many traditional airlines historically bundled in their product offering. This pricing structure allows us to target travelers who are most concerned with low fare travel while also allowing travelers to customize their experience with us by purchasing only the additional conveniences they value. Our ancillary revenues have grown 126% from 2011 to 2015. Further, our third-party product offerings allow our customers the opportunity to purchase hotel rooms, rental cars, show tickets and other attractions.

Ancillary revenue will continue to be a key component in our total average fare as we believe leisure travelers are less sensitive to ancillary fees than the base fare.

Strong Financial Position. On June 30, 2016, we had $434.0 million of unrestricted cash, cash equivalents and investment securities. As adjusted for the Third Quarter Finance Transactions, the notes offered hereby and the use of proceeds therefrom, we will have $714.3 million of unrestricted cash, cash equivalents and investment securities and $911.0 million of total debt, net of related costs (other than costs related to the Third Quarter Finance Transactions and the notes offered hereby), as well as adjusted net debt / EBITDA ratio of 0.4x (net debt being total debt in excess of cash, cash equivalents and investment securities). See "Capitalization". We generated $390.7 million of cash flow from operations over the last twelve months ended June 30, 2016. We have a history of growing profitably and, notwithstanding periods of high fuel prices and the recession of 2008, as of June 30, 2016 we have been consistently profitable and reported our 54th consecutive quarter with both positive pre-tax earnings[1] and EBITDA, the only publicly traded U.S passenger airline to have done so during this period. Our strong financial position and discipline regarding use of capital allows us to have greater financial flexibility to grow the business and efficiently and effectively adapt to changing economic conditions.

Proven Management Team. We have a strong management team comprised of experienced and motivated individuals. Our management team is led by Maurice J. Gallagher, Jr., Jude I. Bricker and Scott D. Sheldon. Mr. Gallagher was the president of WestAir Holdings, Inc. and built WestAir into one of the largest regional airlines in the U.S. prior to its sale in 1992 to Mesa Air Group. He was also one of the founders of ValuJet, Inc., which later became AirTran. Mr. Bricker was a former manager at American Airlines and joined Allegiant in 2006 where he quickly advanced into roles of increasing responsibility. Mr. Sheldon joined Allegiant in 2004 and has served as our chief financial officer since 2010.

Our Business Strategy

We intend to consistently grow our profitability by expanding our network to additional small and medium-sized cities while continuing to offer our low-fare air travel and travel related services. The following are key elements of our strategy:

Expand our Customer Base. We plan to continue to focus on leisure travelers in small and medium-sized cities, having grown from 65 cities as of December 31, 2011 to 95 cities as of September 1, 2016. As other carriers have reduced service in our medium-sized cities by providing either limited or no direct service on each route, we have expanded our service to provide many of these cities with non-stop access to our leisure destinations. We intend to continue to add additional flights in the cities we currently serve, expand into more source markets, and add additional destination markets. We believe our addressable market, consisting of connecting small and medium-sized cities to leisure destinations on routes capable of supporting at least twice weekly but less-than-daily service, could be as many as 400 additional routes.

Develop New Sources of Revenue. We have identified three key areas where we intend to grow our ancillary revenues:

- Further Unbundling of Traditional Airline Product. By offering a simple base product at an attractive low fare we can drive demand and generate supplemental revenue as customers pay additional fees for conveniences they value. We aim to continue to increase supplemental revenue by providing additional customizable travel options for our customers.
- Expand Our Third-Party Leisure Product Offering. We currently work with many premier leisure companies in our leisure destinations that provide additional products and services which we sell to our customers. As of September 1, 2016, we offer for sale rooms at more than 400 hotel and casino properties. In addition, we have an exclusive

agreement through 2020 with Enterprise Holdings, Inc., the parent company of car rental companies Enterprise Rent-A-Car, National Car Rental and Alamo Rent a Car, for the sale of rental cars packaged with air travel. During 2015, we generated revenue from the sale of 1,204,982 rental car days and we generated revenue from the sale of 768,685 rental car days in the first half of 2016. During the third quarter of 2016, we launched our first co-branded credit card product. As this product matures over the next several years, we expect it to have a material impact on third party revenue in 2017 and beyond.

- Leverage Direct Relationships with Our Customers. Approximately 95% (during 2015 and the first half of 2016) of our scheduled service revenue was purchased directly through our website which has allowed us to establish direct contact with our customers. This relationship provides us with additional opportunities to market products and services to each customer at the time of purchase as well as both pre-and post-travel. We intend to continue to market to our existing customers to encourage repeat business. We expect the continuous improvement to our

[1] Excluding non-cash mark to market hedge adjustments prior to 2008

website and other automation enhancements will allow us to create a satisfying user experience and thereby capitalize on customer loyalty.

Focus on Reducing Our Operating Costs even at Low Utilization Levels. We intend to continue to focus on reducing our operating costs to remain one of the most efficient airlines in the world. We have identified four key areas for continued cost improvement:

- Fleet Transition to a Single Fleet Type. We expect to complete a transition to an all Airbus A320 series fleet by the end of 2019. This will allow us to drive greater efficiency with crews, sparing and other operational overhead.
- Fleet Renewal. We expect that our planned transition to an all Airbus fleet and the retirement of older model aircraft will result in more efficient fuel burn and higher reliability.
- Increased Density. The Airbus A320 series aircraft we expect to introduce to our fleet over the next several years will be outfitted with more seats than our existing MD80s, which will contribute to lower unit costs.
- Crew Efficiencies from Our New Contract. Our new contract with our pilots also allows us to maintain our scheduling philosophy with flexible work rules and we expect it will help to stabilize staffing levels with lower attrition and better hiring metrics.

Recent Developments

For the combined months of July and August 2016, Allegiant flew 2.2 billion scheduled service available seat miles ("ASMs"). Our scheduled service ASMs increased by 14.8 percent over the same period in 2015 on a 17.8 percent increase in scheduled service departures and a 2.0 percent decrease in scheduled service average stage length. Scheduled service ASMs are on track to grow between 17 percent and 19 percent for the third quarter 2016 versus the third quarter 2015. As a result of our scheduled service ASM growth and additional off-peak flying, our scheduled service load factor was down slightly, at 88.3 percent during the first two months of the third quarter 2016 compared to 88.6 percent during the same period in 2015. In addition, July total revenue per available seat mile (“TRASM”) declined 7.3 percent versus the same period last year while August TRASM declined 8.1 percent versus August 2015. Third quarter TRASM is expected to decline between 8.5 percent and 7.5 percent versus the third quarter 2015. Allegiant also paid, on average, $1.61 per gallon of fuel in July 2016 and $1.49 per gallon in August 2016.

In July 2016, we executed a purchase agreement for 12 new Airbus A320 aircraft for which delivery is expected in 2017 and 2018. Configured with 186 seats, we expect these new aircraft will have a lower fuel cost than used A320s as they are approximately five to seven percent more fuel efficient, will have similar monthly depreciation to the used A320s given their longer useful life and will have limited maintenance costs in their first years. This purchase will expedite the retirement of our MD-80 fleet, and we do not anticipate any change to our business model as a result of this aircraft order. We expect to have an all Airbus fleet by the end of 2019.

In July 2016, we drew down $50.4 million against our existing senior secured revolving credit facility entered into in December 2015. Notes under this facility bear interest at a floating rate based on LIBOR plus 1.85% and are due in December 2017. Also in July 2016, we borrowed $42.0 million secured by three Airbus A320 series aircraft. The notes bear interest at a floating rate based on LIBOR plus 1.70% and are payable in quarterly installments through July 2021. We refer to these financing transactions as the “Third Quarter Finance Transactions.” See “Capitalization” for further detail of the effect of the Third Quarter Finance Transactions.

In August 2016, we reached an agreement in principle with the Transport Workers Union ("TWU") on behalf of our flight attendants for a tentative agreement, subject to ratification.

Corporate Structure

The chart below illustrates the structure of Allegiant Travel Company as the parent company and sets forth information concerning the subsidiaries that will guarantee the notes offered hereby, along with certain financial information as of June 30, 2016.

*Net of related costs.

General Information

Our principal executive offices are located at 1201 N. Town Center Drive, Las Vegas, Nevada 89144. Our telephone number is (702) 851-7300. Our website address is http://www.allegiant.com. We have not incorporated by reference into this prospectus supplement the information on or accessible through our website and you should not consider it to be a part of this document. Our website address is included in this document for reference only.

THE OFFERING

The summary below describes the principal terms of the notes and the note guarantees. Certain of the terms and conditions described below are subject to important limitations and exceptions. The "Description of the Notes" section of this prospectus supplement contains a more detailed description of the terms and conditions of the notes.

Issuer	Allegiant Travel Company, a Nevada corporation.
Notes Offered	$ aggregate principal amount of % Senior Notes due 2023.
Maturity Date	, 2023.
Issue Price	% plus accrued and unpaid interest, if any from , 2016.
Interest and Payment Dates	Interest on the notes will accrue at a rate of % per annum on the principal amount from the date of original issuance of the notes, payable semi-annually in arrears on and of each year, beginning on , 2016.
Guarantors	The notes will be fully and unconditionally guaranteed by the Guarantors.
Ranking	The notes and the note guarantees will rank pari passu in right of payment with all of our and the Guarantors' respective existing and future senior indebtedness and senior in right of payment to all of our and the Guarantors' respective future senior subordinated and subordinated indebtedness. The notes and the note guarantees will be effectively subordinated to all of our and the Guarantors' respective existing and future secured indebtedness to the extent of the value of the assets pledged to secure those obligations. The notes and the note guarantees will also be structurally subordinated to all existing and future indebtedness of our non-guarantor subsidiaries.

As of June 30, 2016, on an as adjusted basis after giving effect to the Third Quarter Finance Transactions, the offering and sale of notes herein and the use of net proceeds from this offering, we and the Guarantors would have had approximately $807.9 million of indebtedness outstanding, the non-guarantor subsidiaries would have had approximately $103.1 million of indebtedness outstanding to which the notes are structurally subordinated, the Guarantors would have had approximately $209.7 million of secured indebtedness outstanding to which the notes would have been effectively subordinated and the Guarantors would have approximately $298.2 million of indebtedness ranking pari passu with the notes. The above numbers are net of related costs (other than costs related to the Third Quarter Finance Transactions and the notes offered hereby). For the six months ended June 30, 2016, our non-guarantor subsidiaries generated 2.3 percent of our operating revenues and as of June 30, 2016 our non-guarantor subsidiaries held 15.0 percent of our total assets (excluding intercompany receivables) and had 10.4 percent of our total liabilities (including trade payables but excluding intercompany liabilities), all of which would have been structurally senior to the notes. As of June 30, 2016, on a pro forma basis after giving effect to the Third Quarter Finance Transactions and this offering, our non-guarantor subsidiaries would have held 12.5 percent of our total assets (excluding intercompany receivables) and would have had 8.2 percent of our total liabilities (including trade payables but excluding intercompany liabilities), all of which would have been structurally senior to the notes.

Optional Redemption	On or after , 2019, we may redeem some or all of the notes at any time at the redemption prices listed in the ''Description of the Notes'' section under the heading ''Optional Redemption,'' plus accrued and unpaid interest, if any, to but excluding the redemption date. In addition, we may redeem up to 35% of the aggregate principal amount of the notes before , 2019 with the proceeds of certain equity offerings at a redemption price of %, plus accrued and unpaid interest, if any, to but excluding the redemption date.

We may also redeem some or all of the notes before , 2019 at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest, if any, to but excluding the redemption date, plus a "make whole" premium. For more details, see "Description of the Notes-Optional Redemption."

Change of Control Offer	In the event of a specified Change of Control, each holder of notes may require us to repurchase its notes in whole or in part at a repurchase price of 101% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to (but not including) the repurchase date. See “Description of the Notes-Certain Covenants-Change of Control Offer to Purchase” and “Risk Factors-Risks Related to the Notes-We may be unable to purchase the notes upon the occurrence of certain change of control transactions.”
Certain Covenants	The notes will be issued under an indenture containing covenants that, among other things, will restrict the ability of Allegiant and the ability of its restricted subsidiaries to:

- pay dividends, redeem or repurchase stock or make other distributions or restricted payments;
- repay subordinated indebtedness;
- make certain loans and investments;
- incur indebtedness or issue preferred stock;
- incur or permit to exist certain liens;
- merge, consolidate or sell all or substantially all assets; and
- designate subsidiaries as unrestricted.

These covenants will be subject to a number of important exceptions and qualifications. For more details regarding these exceptions and qualifications, see “Description of the Notes-Certain Covenants.”

The notes lack a restriction on asset sales, “cross-default” event of default, or “judgment default” event of default and some covenants typically found in other comparably rated debt securities. See “Risk Factors-Risks Related to the Notes."

Use of Proceeds	We estimate that we will receive net proceeds of approximately $ million from this offering, after underwriting discounts and commissions and estimated offering expenses. We intend to use these net proceeds for general corporate purposes including financing of capital expenditures such as aircraft acquisitions, pre-delivery deposits, purchase prices of 12 newly manufactured CFM powered A320 aircraft expected to be delivered in 2017 and 2018, share repurchases and repayment of indebtedness.
Risk Factors	You should consider carefully all of the information set forth in this prospectus supplement and, in particular, you should evaluate the specific factors under ‘‘Risk Factors.’’
Book-Entry Form	The notes will be issued in book-entry form and will be represented by global certificates deposited with, or on behalf of, The Depository Trust Company, which we refer to as DTC, and registered in the name of a nominee of DTC. Beneficial interests in any of the notes will be shown on, and transfers will be effected only through, records maintained by DTC, and any such interest may not be exchanged for certificated securities, except in limited circumstances described herein. See “Description of the Notes-Form and Settlement; Book-Entry System.”
Absence of a Public Market for the Notes	The notes are new securities, and there is currently no established market for the notes. Accordingly, we cannot assure you as to the development or liquidity of any market for the notes. The underwriter has advised us that they currently intend to make a market in the notes. However, they are not obligated to do so, and they may discontinue any market making with respect to the notes without notice.

S - 7

We do not intend to apply for a listing of the notes on any securities exchange or to have the notes quoted on any automated quotation system.

U.S. Federal Income Tax Considerations	Holders are urged to consult their own tax advisors with respect to the federal, state, local and foreign tax consequences of purchasing, owning and disposing of the notes. See "Certain Material United States Federal Income Tax Considerations."
Trustee	U.S. Bank National Association.
Governing Law	The indenture and the notes will be governed by the laws of the State of New York.

You should refer to the section entitled "Risk Factors" and other information included or incorporated by reference in this prospectus supplement for an explanation of certain risks of investing in the notes.

SUMMARY FINANCIAL AND OPERATING DATA

The following tables set forth our summary consolidated financial and other information for the periods ended and as of the dates indicated. The summary consolidated statement of income data for each of the three years ended December 31, 2013, 2014, and 2015 and the summary consolidated balance sheet data as of December 31, 2014 and 2015 were derived from our audited consolidated financial statements prepared in accordance with US generally accepted accounting principles ("U.S. GAAP") incorporated by reference in this prospectus supplement. The summary consolidated statement of income data for the six months ended June 30, 2015 and 2016 and summary consolidated balance sheet data as of June 30, 2016, was derived from our unaudited consolidated financial statements incorporated by reference in this prospectus supplement. Such interim data includes, in the opinion of management, all adjustments, which are of a normal recurring nature (other than non-recurring adjustments which have been separately disclosed), necessary for a fair presentation of the results for the interim periods presented. The summary consolidated financial and other information for the twelve months ended June 30, 2016 was derived from the unaudited financial statements for the six months ended December 31, 2015 not included in or incorporated by reference into this prospectus supplement and the six months ended June 30, 2016 referenced above. Historical results are not necessarily indicative of future results. Operating results for the six months ended June 30, 2016 are not necessarily indicative of the results that may be expected for the year ending December 31, 2016. You should read the data presented below in conjunction with "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and our financial statements and related notes included in our Form 10-K and Form 10-Q incorporated by reference in this prospectus supplement.

	Year ended December 31,			Twelve months ended June 30,	Six months ended June 30,	
	2013	2014	2015	2016	2015	2016
STATEMENT OF INCOME DATA (in thousands)				(unaudited)	(unaudited)	
OPERATING REVENUE						
Scheduled service revenue	651,318	732,020	735,563	739,451	386,840	390,728
Fixed-fee contract revenue	17,462	17,403	19,747	25,901	7,353	13,507
Ancillary revenue:						
Air-related charges	287,857	331,689	434,317	465,459	218,501	249,643
Third party products	37,030	36,587	40,177	41,627	21,773	23,223
Total ancillary revenue	324,887	368,276	474,494	507,086	240,274	272,866
Other revenue	2,483	19,347	32,384	31,876	16,874	16,366
Total operating revenue	996,150	1,137,046	1,262,188	1,304,314	651,341	693,467
OPERATING EXPENSES						
Aircraft fuel	385,558	388,216	278,394	243,344	148,713	113,663
Salary and benefits	158,627	193,345	229,802	255,412	112,151	137,761
Station operations	78,231	84,667	102,294	118,041	48,314	64,061
Maintenance and repairs	72,818	86,781	92,575	103,209	45,119	55,753
Sales and marketing	21,678	28,492	21,349	19,620	12,854	11,125
Aircraft lease rentals	9,227	15,945	2,326	1,380	1,398	452
Depreciation and amortization	69,264	83,409	98,097	98,927	49,251	50,081
Other	46,010	55,566	65,649	67,930	32,687	34,968
Special charge	—	43,280	—	—	—	—
Total operating expenses	841,413	979,701	890,486	907,863	450,487	467,864
OPERATING INCOME	154,737	157,345	371,702	396,451	200,854	225,603
As a percent of total operating revenue	15.5 %	13.8 %	29.4 %	30.4 %	30.8 %	32.5 %
OTHER (INCOME) EXPENSE:						
Other expense (income)	(393)	(217)	(136)	(166)	(51)	(81)
Interest income	(1,043)	(774)	(1,391)	(2,647)	(647)	(1,903)
Interest expense	9,493	21,205	26,510	27,296	13,843	14,629
Total other expense (income)	8,057	20,214	24,983	24,483	13,145	12,645
INCOME BEFORE INCOME TAXES	146,680	137,131	346,719	371,968	187,709	212,958
PROVISION FOR INCOME TAXES						
Tax provision	54,901	50,828	126,389	137,972	68,548	80,131
NET INCOME	91,779	86,303	220,330	233,996	119,161	132,827
Net loss attributable to noncontrolling interest	(494)	(386)	(44)	—	(44)	—
NET INCOME ATTRIBUTABLE TO COMPANY	92,273	86,689	220,374	233,996	119,205	132,827

	Year ended December 31,			Twelve months ended June 30,	Six months ended June 30,	
	2013	2014	2015	2016	2015	2016
STATEMENT OF CASH FLOW DATA (in thousands)						
Net cash provided by (used in):						
Operating activities	196,888	269,781	365,367	390,721	230,745	256,099
Investing activities	(192,832)	(315,248)	(234,218)	(226,328)	(126,827)	(118,937)
Financing activities	4,098	37,366	(133,647)	(152,181)	(100,057)	(118,591)
Capital Expenditures (aircraft acquisitions)	134,413	370,359	212,231	178,750	111,817	78,336
Capital Expenditures (total)	177,516	279,418	252,686	225,374	132,489	105,177
BALANCE SHEET DATA (AT END OF PERIOD)						
Unrestricted cash, cash equivalents and investments (1)	387,126	416,817	397,447	433,989	414,943	433,989
Property, plant and equipment, net	451,584	738,783	885,942	937,125	818,961	937,125
Total assets	930,191	1,235,080	1,351,662	1,446,965	1,317,481	1,446,965
Total debt, including current maturities and net of related costs	232,075	588,794	641,678	630,721	627,616	630,721
Shareholder's equity	377,317	294,065	350,005	406,742	326,181	406,742
OTHER FINANCIAL DATA						
EBITDAR (2)	234,115	257,302	472,305	496,924	251,598	276,217
EBITDA (2)	224,888	241,357	469,979	495,544	250,200	275,765
Total Lease Adjusted Debt (3)	296,664	700,409	657,960	640,381	669,693	640,381
As Adjusted Cash, Cash Equivalents and Investments (excl restricted cash) (4)						714,307
As Adjusted Total Debt (4)						911,039
As Adjusted Lease Adjusted Debt (3) (4)						920,699
Ratio of As Adjusted Total Debt / EBITDA (2) (4)						1.8
Ratio of As Adjusted Net Debt / EBITDA (2) (4) (5)						0.4

	For the year ended December 31,			Six months Ended June 30,	
	2013	2014	2015	2015	2016
Operating statistics (unaudited): (6)					
Total system statistics:					
Passengers	7,241,063	8,154,357	9,500,611	4,719,055	5,471,367
Revenue passenger miles (RPMs) (thousands)	7,129,416	7,825,962	8,944,952	4,498,535	5,185,903
Available seat miles (ASMs) (thousands)	8,146,135	8,945,616	10,526,610	5,216,486	6,180,289
Load factor	87.5 %	87.5 %	85.0 %	86.2 %	83.9 %
Operating expense per ASM (CASM) (cents)	10.33	10.95	8.45	8.64	7.57
Fuel expense per ASM (cents)	4.73	4.34	2.64	2.85	1.84
Operating CASM, excluding fuel (cents)	5.60	6.61	5.81	5.79	5.73
ASMs per gallon of fuel	67.62	69.38	70.20	70.16	72.14
Departures	51,083	56,961	68,653	33,646	39,887
Block hours	125,449	135,572	160,431	79,652	94,776
Average stage length (miles)	933	918	900	912	913
Average number of operating aircraft during period	62.9	68.8	74.3	73.0	83.0
Average block hours per aircraft per day	5.5	5.4	5.9	6.0	6.3
Full-time equivalent employees at end of period	2,065	2,411	2,846	2,557	3,228
Fuel gallons consumed (thousands)	120,476	128,933	149,951	74,363	85,676
Average fuel cost per gallon	$3.20	$ 3.01	$ 1.86	$2.00	$ 1.33
Scheduled service statistics:					
Passengers	7,103,375	8,017,442	9,355,097	4,650,688	5,417,421
Revenue passenger miles (RPMs) (thousands)	7,015,108	7,711,696	8,821,908	4,443,218	5,110,323
Available seat miles (ASMs) (thousands)	7,892,896	8,693,631	10,236,075	5,085,910	5,970,086
Load factor	88.9 %	88.7 %	86.2 %	87.4 %	85.6 %
Departures	48,389	54,440	65,683	32,270	38,346
Block hours	120,620	131,210	155,403	77,340	91,326
Total scheduled service revenue per ASM (TRASM)* (cents)	12.37	12.66	11.82	12.33	11.11
Average fare - scheduled service	$91.69	$91.30	$78.63	$83.18	$72.12
Average fare - ancillary air-related charges	$40.52	$41.37	$46.43	$46.98	$46.08
Average fare - ancillary third party products	$5.21	$4.56	$4.29	$4.68	$4.29
Average fare - total	$137.42	$137.23	$129.35	$134.84	$122.49
Average stage length (miles)	952	934	915	926	917
Fuel gallons consumed (thousands)	116,370	125,173	145,654	72,379	82,852
Average fuel cost per gallon	$3.25	$3.05	$1.87	$2.02	$1.33
Percent of sales through website during period	92.0 %	93.8 %	95.1 %	95.2 %	94.1 %

*Various components of this measure do not have a direct correlation to ASMs. These figures are provided on a per ASM basis so as to facilitate comparisons with airlines reporting revenues on a per ASM basis.

(1) Includes investment securities classified as long-term on our balance sheet

(2) "EBITDA" represents earnings before interest expense, income taxes, depreciation and amortization. "EBITDAR" represents EBITDA plus aircraft lease rentals. EBITDA and EBITDAR are not calculations based on generally accepted accounting principles and should not be considered as alternatives to net income (loss) or operating income (loss) as indicators of our financial performance or to cash flow as measures of liquidity. In addition, our calculation may not be comparable to other similarly titled measures of other companies. EBITDA and EBITDAR are included as supplemental disclosures because we believe they are useful indicators of our operating performance. We use EBITDA and EBITDAR to evaluate our operating performance and liquidity and they are

among the primary measures used by management for planning and forecasting of future periods. We believe the presentation of these measures is relevant and useful for investors because it allows investors to view results in a manner similar to the method used by management and makes it easier to compare our results with other companies that have different financing and capital structures.

EBITDA and EBITDAR have important limitations as analytical tools. These limitations include the following:

- EBITDA and EBITDAR do not reflect our capital expenditures, future requirements for capital expenditures or contractual commitments to purchase capital equipment;
- EBITDAR does not reflect amounts paid to lease aircraft;
- EBITDA and EBITDAR do not reflect interest expense or the cash requirements necessary to service principal or interest payments on our debt;
- although depreciation and amortization are non-cash charges, the assets that we currently depreciate and amortize will likely have to be replaced in the future, and EBITDA and EBITDAR do not reflect the cash required to fund such replacements; and
- other companies in our industry may calculate EBITDA and EBITDAR differently than we do, limiting their usefulness as comparative measures.

The following represents the reconciliation of net income to EBITDA and EBITDAR for the periods indicated below.

	Year ended December 31,			Twelve months ended June 30,	Six months ended June 30,	
	2013	2014	2015	2016	2015	2016
STATEMENT OF INCOME (in thousands)				(unaudited)	(unaudited)	
NET INCOME	91,779	86,303	220,330	233,996	119,161	132,827
Net loss attributable to noncontrolling interest	(494)	(386)	(44)	—	(44)	—
NET INCOME ATTRIBUTABLE TO COMPANY	92,273	86,689	220,374	233,996	119,205	132,827
Interest income	(1,043)	(774)	(1,391)	(2,647)	(647)	(1,903)
Interest expense	9,493	21,205	26,510	27,296	13,843	14,629
Interest	8,450	20,431	25,119	24,649	13,196	12,726
Tax provision	54,901	50,828	126,389	137,972	68,548	80,131
Depreciation and amortization	69,264	83,409	98,097	98,927	49,251	50,081
EBITDA	224,888	241,357	469,979	495,544	250,200	275,765
Aircraft lease rentals	9,227	15,945	2,326	1,380	1,398	452
Sub Service	4,199	14,794	2,082	1,136	1,398	452
Net lease rentals	5,028	1,151	244	244	—	—
EBITDAR	234,115	257,302	472,305	496,924	251,598	276,217

(3) Lease adjusted debt equals the amount of total debt as of the end of the period plus seven times the amount of annual aircraft lease rental expense during the period. We use lease adjusted debt to illustrate the amount of debt we would have had if aircraft lease rental expense were considered to be debt based on a multiple of seven times the amount of aircraft lease rental expense in the applicable period. The following is a reconciliation of lease adjusted debt to the most directly comparable GAAP measure, which we believe is total debt. The as adjusted lease adjusted debt gives effect to the Third Quarter Finance Transactions and the issuance and sale of the notes offered hereby as if all of such debt had been incurred on June 30, 2016.

S - 13

	As of December 31,			As of June 30,
	2013	2014	2015	2016
(in thousands)				(unaudited)
Total debt, including current maturities and net of related costs	232,075	588,794	641,678	630,721
Aircraft lease rental expense (TTM) x7	64,589	111,615	16,282	9,660
Lease adjusted debt	296,664	700,409	657,960	640,381
Increase in principal amount of debt from Third Quarter Finance Transactions, notes offered hereby and the use of proceeds therefrom				280,318
As adjusted lease adjusted debt				920,699

(4) Unless otherwise stated, all adjusted data gives effect to the Third Quarter Finance Transactions and the issuance and sale of the notes offered hereby and the use of net proceeds therefrom as if they had occurred on June 30, 2016. The as adjusted financial data included in this prospectus supplement is for illustrative purposes only and does not purport to represent or be indicative of what our financial results or financial condition would have been had the Third Quarter Finance Transactions and the notes been issued on the dates indicated.

We use "as adjusted cash, cash equivalents and investments," "as adjusted total debt," and "as adjusted lease adjusted debt" to illustrate how each of these measures would have been calculated based on our actual performance during the twelve months ended June 30, 2016 and giving pro forma effect to the Third Quarter Finance Transactions and the issuance and sale of the notes offered hereby and the use of net proceeds therefrom as indicated above. A reconciliation of net income to "EBITDA" and " EBITDAR" for the twelve months ended June 30, 2016 is included in footnote 2 above. The reconciliation of "as adjusted cash, cash equivalents and investments" and "as adjusted debt" is reflected in the capitalization table. See "Capitalization." The reconciliation of "as adjusted lease adjusted debt" is included in footnote 3 above.

(5) Net debt is equal to our total debt, including current maturities, less cash, cash equivalents and investments (excluding restricted cash) as of June 30, 2016.

(6) The following terms used in this section and elsewhere in this prospectus supplement have the meanings indicated below:

"Available seat miles" or "ASMs" represents the number of seats available for passengers multiplied by the number of miles the seats are flown.
"Average fuel cost per gallon" represents total aircraft fuel expense divided by the total number of fuel gallons consumed.
"Load factor" represents the percentage of aircraft seating capacity that is actually utilized (revenue passenger miles divided by available seat miles).
"Operating expense per ASM" or "CASM" represents operating expenses divided by available seat miles.
"Operating CASM, excluding fuel" represents operating expenses, less aircraft fuel, divided by available seat miles. Although operating CASM, excluding fuel, is not a calculation based on generally accepted accounting principles and should not be considered as an alternative to Operating Expenses as an indicator of our financial performance, this statistic provides management and investors the ability to measure and monitor our cost performance absent fuel price volatility. Both the cost and availability of fuel are subject to many economic and political factors and therefore are beyond our control.
"Operating revenue per ASM" or "RASM" represents operating revenue divided by available seat miles.
"Revenue passengers" represents the total number of passengers flown on all flight segments.
"Revenue passenger miles" or "RPMs" represents the number of miles flown by revenue passengers.

RISK FACTORS

Investing in the notes involves a high degree of risk. In addition, our business faces significant risks. The risks described below may not be the only risks we face. Additional risks that we do not yet know of or that we currently think are immaterial may also impair our business operations. You should carefully consider the following risk factors and all other information contained and incorporated by reference in this prospectus supplement before making an investment decision. If any of the events or circumstances described in the following risks actually occur, our business, financial condition or results of operations could suffer, our ability to pay interest on the notes when due or to repay the notes at maturity could be materially adversely affected, and the trading price of the notes could decline substantially.

Risks Related to Allegiant

Our reputation and financial results could be harmed in the event of an accident or restrictions affecting aircraft in our fleet.

As of September 1, 2016, our operating fleet consists of 48 MD-80 series aircraft, 31 A320 series aircraft, and four Boeing 757-200 aircraft. All of our aircraft were acquired used and range from 10 to 30 years from their manufacture date at September 1, 2016.

An accident involving one of our aircraft, even if fully insured, could cause a public perception that we are less safe or reliable than other airlines, which would harm our business. Further, there is no assurance that the amount of insurance we carry would be sufficient to protect us from material loss. Because we are smaller than most airlines, an accident would likely adversely affect us to a greater degree than a larger, more established airline.

In-flight emergencies affecting our aircraft, and resulting media attention, could also contribute to a public perception regarding safety concerns and a loss of business.

The FAA could suspend or restrict the use of our aircraft in the event of actual or perceived mechanical problems or safety issues, whether involving our aircraft or another U.S. or foreign airline’s aircraft, while it conducts its own investigation. Our business could also be significantly harmed if the public avoids flying our aircraft due to an adverse perception of the aircraft we utilize because of safety concerns or other problems, whether real or perceived, or in the event of an accident involving these aircraft.

We rely heavily on automated systems to operate our business and any failure of these systems could harm our business.

We depend on automated systems to operate our business, including our air reservation system, telecommunication systems, our website, and other automated systems. Our continuing work on enhancing the capabilities of our automated systems could increase the risk of automation failures. Any failure by us to handle our automation needs could negatively affect our internet sales (on which we rely heavily) and customer service, and result in lost revenues and increased costs.

Our website and reservation system must be able to accommodate a high volume of traffic and deliver necessary functionality to support our operations. Our automated systems cannot be completely protected against events that are beyond our control, such as natural disasters, telecommunications failures, computer viruses, security breaches or hacking attacks. Although we have implemented security measures (including redundant systems) and have disaster recovery plans in place, we cannot assure investors that these measures are adequate to prevent disruptions. Substantial or repeated website, reservations system, or telecommunication system failures could decrease the attractiveness of our services. Any disruption to these systems could result in the loss of important data and revenue, increase in expenses, and harm to our business.

We receive, retain, and transmit certain personal information about our customers. Our on-line operations also rely on the secure transmission of this customer data. We use third-party systems, software, and tools in order to protect the customer data we obtain through the course of our business. Although we use these security measures to protect this customer information, a compromise of our physical or network security systems through a cyber-security attack would create the risk that our customers' personal information might be obtained by unauthorized persons. A compromise in our security systems could adversely affect our reputation, disrupt operations, and could also result in litigation or the imposition of penalties. In addition, it could be costly to remediate.

The way businesses handle customer data is increasingly subject to legislation and regulation typically intended to protect the privacy of customer data received, retained, and transmitted. We could be adversely affected if we fail to comply with existing rules or practices, or if legislation or regulations are expanded to require changes in our business practices. These privacy developments are difficult to anticipate and could adversely affect our business, financial condition, and results of operations.

Increases in fuel prices or unavailability of fuel would harm our business and profitability.

Fuel costs constitute a significant portion of our total operating expenses, representing approximately 31.3 percent, 39.6 percent and 45.8 percent during 2015, 2014 and 2013, respectively. Significant increases in fuel costs have negatively affected our operating results in the past, and future fuel cost volatility could materially affect our financial condition and results of operations.

Both the cost and availability of aircraft fuel are subject to many economic and political factors and events occurring throughout the world over which we have no control. Meteorological events may also result in short-term disruptions in the fuel supply. Aircraft fuel availability is also subject to periods of market surplus and shortage, and is affected by demand for heating oil, gasoline, and other petroleum products. Due to the effect of these events on the price and availability of aircraft fuel, our ability to control this cost is limited, and the price and future availability of fuel cannot be predicted with any degree of certainty. Due to the high percentage of our operating costs represented by fuel, a relatively small increase in the price of fuel could have a significantly negative impact on our operating costs. A fuel supply shortage or higher fuel prices could possibly result in reduction of our service during the period affected.

We have made a business decision not to purchase financial derivatives to hedge against increases in the cost of fuel. This decision may make our operating results more vulnerable to the impact of fuel price increases.

Increased labor costs could result from industry conditions and could be impacted by labor-related disruptions.

Labor costs constitute a significant percentage of our total operating costs and are our largest non-fuel cost. Industry demand for pilots and the supply of available pilots will impact our labor costs as we seek to retain our employees and compete against other airlines for qualified personnel.

Further, we have two employee groups (pilots and flight attendants) which have elected union representation. These groups represent approximately half of our employees. We recently reached a collective bargaining agreement with the International Brotherhood of Teamsters which was ratified by our pilots in July 2016. The agreement provides for enhancements to pay scales, benefits, and limited work rules. Estimated expenses over the five-year agreement term are expected to have a significant impact on our results of operations.

We have also reached a tentative agreement with the Transport Workers Union for the flight attendant group. That agreement remains subject to ratification by the flight attendant work group, which is expected to be put to a vote before the end of third quarter 2016. The agreement if ratified would also increase our costs over the term of the agreement.

FAA limitations could impact our ability to grow in the future.

As with all airlines, the FAA must approve all aircraft and cities to be added to our operation specifications. In 2015, we received notice from our local FAA office indicating we were under heightened surveillance as a result of what they referred to as labor unrest. For a period of time, the FAA discontinued approvals of additional aircraft and cities. Although these restrictions are not in place at the current time, future limitations from the FAA could potentially hinder our growth.

Unfavorable economic conditions may adversely affect travel from our markets to our leisure destinations.

The airline industry is particularly sensitive to changes in economic conditions. Unfavorable U.S. economic conditions have historically driven changes in travel patterns and have resulted in reduced discretionary spending for leisure travel. Unfavorable economic conditions could impact demand for airline travel in our small and medium-sized cities to our leisure destinations. During difficult economic times,