

SUNLINK HEALTH SYSTEMS INC

Form SC 13D/A

January 22, 2008

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

SCHEDULE 13D

**Under the Securities Exchange Act of 1934
(Amendment No. 3)***

SunLink Health Systems, Inc.
(Name of Issuer)

Common Stock, without par value
(Title of Class of Securities)

86737U102

(CUSIP Number)

Jared S. Bluestein
Berggruen Holdings North America Ltd.
1114 Avenue of the Americas, 41st Floor
New York, New York 10036
(212) 380-2235

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

- with a copy to -

Clifford E. Neimeth, Esq.
Greenberg Traurig, LLP
The MetLife Building
200 Park Avenue
New York, NY 10166
(212) 801-9200

January 18, 2008

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. ☐

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 86737U102

NAMES OF REPORTING PERSONS

1

Berggruen Holdings North America Ltd.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a) ☐

(b) ☐

SEC USE ONLY

3

SOURCE OF FUNDS (SEE INSTRUCTIONS)

4

OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

5

☐

CITIZENSHIP OR PLACE OF ORGANIZATION

6

British Virgin Islands

SOLE VOTING POWER

7

NUMBER OF

-0- (See Item 5)

SHARES
BENEFICIALLY OWNED BY

8

SHARED VOTING POWER

704,039 (See Item 5)

EACH
REPORTING

9

SOLE DISPOSITIVE POWER

PERSON -0- (See Item 5)

WITH SHARED DISPOSITIVE POWER

10

704,039 (See Item 5)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

704,139 (see Item 5)

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

12

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

9.4%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

14

CO

CUSIP No. 86737U102

NAMES OF REPORTING PERSONS

1

Medici I Investments Corp.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a) ☐

(b) ☐

SEC USE ONLY

3

SOURCE OF FUNDS (SEE INSTRUCTIONS)

4

OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

5

☐

CITIZENSHIP OR PLACE OF ORGANIZATION

6

British Virgin Islands

SOLE VOTING POWER

7

NUMBER OF

-0- (See Item 5)

SHARES
BENEFICIALLY OWNED BY

8

SHARED VOTING POWER

704,039 (See Item 5)

EACH
REPORTING

9

SOLE DISPOSITIVE POWER

PERSON -0- (See Item 5)

WITH SHARED DISPOSITIVE POWER

10

704,039 (See Item 5)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

704,139 (See Item 5)

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

12

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

9.4%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

14

CO

CUSIP No. 86737U102

NAMES OF REPORTING PERSONS

1

Berggruen Holdings Ltd.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a) ☐ p

(b) ☐ o

SEC USE ONLY

3

SOURCE OF FUNDS (SEE INSTRUCTIONS)

4

OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

5

☐ o

CITIZENSHIP OR PLACE OF ORGANIZATION

6

British Virgin Islands

SOLE VOTING POWER

7

NUMBER OF

-0- (See Item 5)

SHARES
BENEFICIALLY OWNED BY

8

SHARED VOTING POWER

704,039 (See Item 5)

EACH
REPORTING

9

SOLE DISPOSITIVE POWER

PERSON -0- (See Item 5)

WITH SHARED DISPOSITIVE POWER

10

704,039 (See Item 5)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

704,139 (See Item 5)

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

12

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

9.4%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

14

CO

CUSIP No. 86737U102

NAMES OF REPORTING PERSONS

1

Tarragona Trust

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a) ☐

(b) ☐

SEC USE ONLY

3

SOURCE OF FUNDS (SEE INSTRUCTIONS)

4

OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

5

☐

CITIZENSHIP OR PLACE OF ORGANIZATION

6

British Virgin Islands

SOLE VOTING POWER

7

NUMBER OF

-0- (See Item 5)

SHARES
BENEFICIALLY OWNED BY

8

SHARED VOTING POWER

704,039 (See Item 5)

EACH
REPORTING

9

SOLE DISPOSITIVE POWER

PERSON -0- (See Item 5)

WITH SHARED DISPOSITIVE POWER

10

704,039 (See Item 5)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

704,139 (See Item 5)

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

12

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

9.4%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

14

OO

CUSIP No. 86737U102

NAMES OF REPORTING PERSONS

1

Nicolas Berggruen

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a) ☐

(b) ☐

SEC USE ONLY

3

SOURCE OF FUNDS (SEE INSTRUCTIONS)

4

OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

5

☐

CITIZENSHIP OR PLACE OF ORGANIZATION

6

United States

SOLE VOTING POWER

7

NUMBER OF

-0- (See Item 5)

SHARES
BENEFICIALLY OWNED BY

8

SHARED VOTING POWER

704,039 (See Item 5)

EACH
REPORTING

9

SOLE DISPOSITIVE POWER

PERSON -0- (See Item 5)

WITH SHARED DISPOSITIVE POWER

10

704,039 (See Item 5)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

704,139 (See Item 5)

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

12

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

9.4%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

14

IN

CUSIP No. 86737U102

NAMES OF REPORTING PERSONS

1

Resurgence Health Group, LLC

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a) ☐ p

(b) ☐ o

SEC USE ONLY

3

SOURCE OF FUNDS (SEE INSTRUCTIONS)

4

OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

5

☐ o

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Georgia, United States

SOLE VOTING POWER

7

NUMBER OF

-0- (See Item 5)

SHARES
BENEFICIALLY OWNED BY

8

SHARED VOTING POWER

-0- (See Item 5)

EACH
REPORTING

9

SOLE DISPOSITIVE POWER

PERSON -0- (See Item 5)

WITH SHARED DISPOSITIVE POWER

10

-0- (See Item 5)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

704,139 (See Item 5)

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

12

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

9.4%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

14

OO

CUSIP No. 86737U102

NAMES OF REPORTING PERSONS

1

Philip H. Eastman, III

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a) ☐

(b) ☐

SEC USE ONLY

3

SOURCE OF FUNDS (SEE INSTRUCTIONS)

4

OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

5

☐

CITIZENSHIP OR PLACE OF ORGANIZATION

6

United States

SOLE VOTING POWER

7

NUMBER OF 100 (See Item 5)

SHARES SHARED VOTING POWER

BENEFICIALLY 8

OWNED BY -0- (See Item 5)

SOLE DISPOSITIVE POWER

EACH REPORTING 9

PERSON 100 (See Item 5)

WITH SHARED DISPOSITIVE POWER

10

-0- (See Item 5)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

704,139 (See Item 5)

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

12

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

9.4%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

14

IN

CUSIP No. 86737U102

NAMES OF REPORTING PERSONS

1

Anne S. Thompson

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a) ☐

(b) ☐

SEC USE ONLY

3

SOURCE OF FUNDS (SEE INSTRUCTIONS)

4

OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2(d) OR 2(e)

5

☐

CITIZENSHIP OR PLACE OF ORGANIZATION

6

United States

SOLE VOTING POWER

7

NUMBER OF

-0- (See Item 5)

SHARES
BENEFICIALLY OWNED BY

8

SHARED VOTING POWER

-0- (See Item 5)

EACH
REPORTING

9

SOLE DISPOSITIVE POWER

PERSON -0- (See Item 5)

WITH SHARED DISPOSITIVE POWER

10

-0- (See Item 5)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

704,139 (See Item 5)

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

12

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

9.4%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

14

IN

Explanatory Note: This Amendment No. 3 relates to and amends the Statement of Beneficial Ownership on Schedule 13D of Berggruen Holdings North America Ltd., a British Virgin Islands (BVI) business company (Berggruen), Medici I Investments Corp., a BVI business company, Berggruen Holdings Ltd., a BVI business company, Tarragona Trust, a BVI trust, Nicolas Berggruen, a United States citizen, Resurgence Health Group, LLC, a Georgia limited liability company, Philip H. Eastman, III, a United States citizen, and Anne S. Thompson, a United States citizen (each, a Reporting Person and collectively, the Reporting Persons), initially filed jointly by the Reporting Persons with the Securities and Exchange Commission (the SEC) on November 7, 2007 and as amended by Amendment Nos. 1 and 2 thereto filed jointly by the Reporting Persons with the SEC on December 10, 2007 and January 14, 2008, respectively (as amended, the Statement), with respect to the Common Stock, without par value (the Common Stock), of SunLink Health Systems, Inc., an Ohio corporation (the Issuer).

Items 4 and 7 of the Statement are hereby amended to the extent hereinafter expressly set forth. All capitalized terms used and not expressly defined herein have the respective meanings ascribed to such terms in the Statement.

Item 4. Purpose of Transaction.

Item 4 of the Statement is hereby amended to add the following:

On January 18, 2008, Berggruen submitted to the Board a letter dated January 18, 2008, a copy of which is filed herewith as Exhibit 4 and is incorporated herein in its entirety by reference.

The Reporting Persons intend to review their investment in the Common Stock on a continuing basis and, from time to time, may engage in further discussions with the Issuer's senior executives and members of the Board concerning the foregoing. The Reporting Persons also intend to communicate with other shareholders of the Issuer, industry analysts and other constituents concerning the foregoing and to express their views of the Issuer, its management and the Board.

Depending on various factors including, without limitation, the Issuer's financial performance and strategic direction, the outcome of the discussions and actions referenced above, price levels of the Common Stock, developments affecting the Issuer and its prospects, conditions in the securities markets and general economic and industry conditions, the Reporting Persons may in the future consider and take various courses of action with respect to the Issuer, its Board and its management and their investment in the Issuer, and the Reporting Persons may exercise any and all of their respective rights as shareholders of the Issuer as they deem appropriate, including, without limitation, purchasing additional shares of Common Stock or selling some or all of their shares of Common Stock, engaging in short selling of or any hedging or similar transactions with respect to the Common Stock, encouraging the Issuer to take action to maximize shareholder value through one or more strategic transactions and/or otherwise changing its intention with respect to any and all matters referred to in Item 4 of Schedule 13D.

Except as set forth in the Statement and in this Amendment No. 3, none of the Reporting Persons has any present plans or proposals that relate to or would result in any of the matters referred to in clauses (a) through (j) of Item 4 of Schedule 13D.

Item 7. Materials to be Filed as Exhibits.

- Exhibit 1 Joint Filing Agreement among the Reporting Persons, dated November 7, 2007 (incorporated by reference to Exhibit 1 to the Statement filed by the Reporting Persons with respect to the Issuer on November 7, 2007).
- Exhibit 2 Limited Power of Attorney, dated June 23, 2006, given by Maitland Trustees Limited, as trustee of the Tarragona Trust, to Jared Bluestein (incorporated by reference to Exhibit 2 to the Statement filed by the Reporting Persons with respect to the Issuer on November 7, 2007).
- Exhibit 3 Limited Power of Attorney, dated August 10, 2007, given by Nicolas Berggruen to Jared Bluestein (incorporated by reference to Exhibit 3 to the Statement filed by the Reporting Persons with respect to the Issuer on November 7, 2007).
- Exhibit 4 Letter dated January 18, 2008 from Berggruen to the Board of Directors of the Issuer.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

Dated: January 18, 2008

Berggruen Holdings North America Ltd.

By: /s/ Jared S. Bluestein
Name: Jared S. Bluestein
Title: Director

Medici I Investments Corp.

By: /s/ Jared S. Bluestein
Name: Jared S. Bluestein
Title: Director

Berggruen Holdings Ltd.

By: /s/ Jared S. Bluestein
Name: Jared S. Bluestein
Title: Director

Tarragona Trust

By: Maitland Trustees Limited, as Trustee

By: /s/ Jared S. Bluestein
Name: Jared S. Bluestein
Title: Authorized Signatory

*

Nicolas Berggruen

Resurgence Health Group, LLC

By: /s/ Philip H. Eastman, III
Name: Philip H. Eastman, III
Title: Chief Executive Officer

/s/ Philip H. Eastman, III
Philip H. Eastman, III

/s/ Anne S. Thompson

Anne S. Thompson

* The undersigned, by signing his name hereto, does sign and execute this Statement pursuant to the Limited Power of Attorney executed by Nicolas Berggruen filed as Exhibit 3 to this Statement.

Dated: January 18, 2008

*By: /s/ Jared S. Bluestein, Attorney-in-Fact
Jared S. Bluestein

EXHIBIT 4
BERGGRUEN HOLDINGS NORTH AMERICA LTD.
1114 Avenue of the Americas, 41st Floor
New York, New York 10036
(212) 380-2235

January 18, 2008

BY FACSIMILE AND OVERNIGHT MAIL

The Board of Directors

SunLink Health Systems, Inc.

900 Circle 75 Parkway, Suite 1120

Atlanta, Georgia 30339

Ladies and Gentlemen:

We are in receipt of and have read the accompanying letter dated January 16, 2008 from Howard E. Turner, Esq. to Charles D. Ganz, Esq. Mr. Turner's letter attaches the press release of SunLink Health Systems, Inc. (the "Company") dated January 16, 2008, in which the Company announced that it has retained Stephens Inc. to advise the Board in connection with an evaluation of the Company's strategic alternatives, including the offer of Resurgence Health Group, LLC ("Resurgence") to acquire the Company for \$7.50 per share in cash.

While it took almost two-and-a-half months, we are pleased that you have retained Stephens Inc., and look forward to meeting with you and them to discuss our offer.

You have not, however, addressed our concerns about the members of your so-called "Special Committee" or how you determined their independence. We remain seriously concerned regarding the personal, business and other conflicting relationships on the Board and continue to question how Mr. Turner, a member of the Company's Board with close personal and professional ties to management, can remotely be considered an "independent" counsel to an independent committee.

Furthermore, you have not responded to the inspection demand made by Cede & Co. on our behalf on January 11, 2008, pursuant to Ohio Revised Code Section 17.01.37(C). We expect prompt access to all of the requested information described in the written demand. Please contact our legal counsel as described in the written demand as soon as possible to coordinate this examination.

We and Resurgence are offering maximum value to your shareholders and remain willing to meet with each of you, the Company's management and your legal and financial advisors at a mutually convenient time to discuss our offer.

We urge you to act in accordance with your fiduciary duties and act in the best interests of all your shareholders by contacting us and Resurgence as soon as possible to coordinate a meeting.

We look forward to hearing from you as soon as possible.

Very truly yours,

Berggruen Holdings North America Ltd.

By: /s/ Jared S. Bluestein

Name: Jared S. Bluestein

Title: Chief Operating Officer

cc: Philip H. Eastman, III, President
Resurgence Health Group, LLC

Clifford E. Neimeth, Esq.
Greenberg Traurig, LLP

Clifford A. Roe, Esq.
Dinsmore & Shohl, LLP

Charles D. Ganz, Esq.
Sutherland Asbill & Brennan LLP