SUNLINK HEALTH SYSTEMS INC

Form 4 May 16, 2008

Check this box

if no longer

subject to

Section 16.

Form 4 or

obligations

may continue.

See Instruction

Form 5

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *

Shaunnessy George D.

2. Issuer Name and Ticker or Trading

Symbol

SUNLINK HEALTH SYSTEMS

INC [SSY]

(Last) (First) (Middle) 3. Date of Earliest Transaction

(Month/Day/Year) 05/13/2008

900 CIRCLE 75 PARKWAY, SUITE 1120

(Street)

Filed(Month/Day/Year)

4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

5. Relationship of Reporting Person(s) to

(Check all applicable)

Pres/CEO Sunlink Homecare Svcs

below)

10% Owner _X_ Other (specify

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

Issuer

below)

Director

Officer (give title

ATLANTA, GA 30339

Security

(Instr. 3)

(City) (Zip) 1. Title of 2. Transaction Date 2A. Deemed

(State)

3. 4. Securities (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Code Disposed of (D)

(Instr. 3, 4 and 5) (Month/Day/Year) (Instr. 8)

Securities Owned Following

Reported

Transaction(s)

(Instr. 3 and 4)

5. Amount of Beneficially

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (I)

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

(Instr. 4) (Instr. 4)

or Code V Amount (D) Price

(A)

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

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Conversion 3. Transaction Date 3A. Deemed

(Month/Day/Year) Execution Date, if

5. Number of TransactionDerivative

6. Date Exercisable and **Expiration Date**

7. Title and Amount Underlying Securities

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Security (Instr. 3)	or Exercise Price of Derivative Security		any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		ear)	(Instr. 3 and	4)
				Code V	(A) (D	Date Exercisable	Expiration Date	Title	Amoun Numbe Shares
Employee Stock Options (1)	\$ 5.5	05/13/2008		A	40,000	05/13/2008	05/12/2015	Common Stock	40,00
Employee Stock Options (1)	\$ 5.5	05/13/2008		A	60,000	<u>(2)</u>	05/12/2015	Common Stock	60,00
Employee Stock Options (1)	\$ 8	05/13/2008		A	100,000	(3)	05/12/2015	Common Stock	100,0

Reporting Owners

Reporting Owner Name / Address	Relationships
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Director 10% Owner Officer Other

Shaunnessy George D. 900 CIRCLE 75 PARKWAY SUITE 1120 ATLANTA, GA 30339

Pres/CEO Sunlink Homecare Svcs

Signatures

/s/M. Timothy Elder, pursuant to a power of attorney

05/16/2008

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Granted 5/13/2008 pursuant to the 2005 Equity Incentive Plan.
- (2) These options vest in three equal installments on 05/13/2009, 05/13/2010 and 05/13/2011, respectively.
- (3) These options vest in five equal installments on 05/13/2009, 05/13/2010, 05/13/2011, 05/13/2012 and 05/13/2013, respectively.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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