

SUNLINK HEALTH SYSTEMS INC
 Form 4/A
 October 02, 2008

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
 BAILEYS STEVEN J

2. Issuer Name and Ticker or Trading Symbol
 SUNLINK HEALTH SYSTEMS INC [SSY]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 30691 HUNT CLUB DRIVE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 09/17/2007

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

SAN JUAN
 CAPISTRANO, CA 92675

4. If Amendment, Date Original Filed(Month/Day/Year)
 09/21/2007

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

(City) (State) (Zip)

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

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Amount | | |
| | | | | Code | V | | Price |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

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

| 1. Title of Derivative | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction of Derivative | 5. Number of Derivative | 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) | (Month/Day/Year) | (Instr. 3 and 4) | | | Title | Amount or Number of Shares |
|---------------------------|--|----------------------|-----------------|---|------------------|---------------------------|---------------------------|---------|--------------|----------------------------|
| | | | | | | | Code V | (A) (D) | | |
| Director Stock Option (1) | \$ 8 | 09/17/2007 | 09/24/2007 | A | 4,857 | 09/24/2007 ⁽²⁾ | 09/23/2017 ⁽³⁾ | | Common Stock | 4,857 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| BAILEYS STEVEN J 30691 HUNT CLUB DRIVE SAN JUAN CAPISTRANO, CA 92675 | X | | | |

Signatures

/s/M. Timothy Elder, pursuant to a power of attorney
10/02/2008
**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 pursuant to the 2005 Equity Incentive Plan.
- (2) Originally reported as vesting in three equal installments.
- (3) Originally reported as expiring 9/16/2017.
- (4) Originally reflected all beneficially owned derivative securities rather than just this class of derivative securities.

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.