

ALVIS HARRY R  
Form 4  
November 19, 2008

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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 \*  
ALVIS HARRY R

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)  
900 CIRCLE 75 PARKWAY STE.  
1120

3. Date of Earliest Transaction (Month/Day/Year)  
11/17/2008

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
Chief Operating Officer

(Street)  
ATLANTA, GA 30339

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

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 Indirect Beneficial Ownership (Instr. 4)
				(A) or (D)	Price		
				Code V	Amount		
Common Stock	11/18/2008		P	800 A	\$ 1,1487	82,550	D
Common Stock	11/18/2008		P	4,200 A	\$ 1.15	86,750	D

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

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SEC 1474 (9-02)

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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 Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock Option	\$ 6.57	11/17/2008		D	20,000	<u>(1)</u> 02/17/2010	Common Stock 20,000
Employee Stock Option	\$ 9.63	11/17/2008		D	17,500	<u>(2)</u> 11/10/2015	Common Stock 17,500
Employee Stock Option	\$ 8	11/17/2008		D	40,000	<u>(3)</u> 09/23/2017	Common Stock 40,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ALVIS HARRY R 900 CIRCLE 75 PARKWAY STE. 1120 ATLANTA, GA 30339			Chief Operating Officer	

## Signatures

/s/M. Timothy Elder, pursuant to a power of attorney  
11/19/2008  
\*\*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) 6,667 exercisable 2/18/2006; 6,667 exercisable 2/18/2007; and 6,666 exercisable 2/18/2008.
- (2) 5,833 exercisable 11/11/2006; 5,833 exercisable 11/11/2007; and 5,834 exercisable 11/11/2008.
- (3) Exercisable in four equal installments of 10,000 shares on 9/24/2008, 9/24/2009, 9/24/2010, and 9/24/2011, respectively.

These options were cancelled by mutual agreement of the reporting person and SunLink Health Systems, Inc. The reporting person agreed to cancel these options for the right to participate in the 2009 Executive Bonus Plan (the "Plan"). Under the Plan, the reporting person may receive \$75,030, \$112,545, or \$150,060, if certain goals are achieved, based on discretionary criteria that revolve around the objective of increasing shareholder value.

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Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.  
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