

SUNLINK HEALTH SYSTEMS INC
 Form 4
 February 29, 2008

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
 ORTH JEROME

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.
 1300
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 02/27/2008

____ Director
 Officer (give title below)
 ____ 10% Owner
 ____ Other (specify below)
 VP Technical & Compliance Svcs

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 Ownership (Instr. 4)		
			Code	V	Amount	(A) or (D)	Price		
Common Stock	02/27/2008		M		10,000	A	\$ 1.5	21,990	D
Common Stock	02/27/2008		M		1,000	A	\$ 3	22,990	D
Common Stock ⁽¹⁾	01/24/2005		S		8	D	\$ 5.5	992 ⁽¹⁾	I By IRA

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

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SEC 1474 (9-02)

displays a currently valid OMB control number.

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	\$ 1.5	02/27/2008		M	10,000	03/05/2003	03/04/2008	Common Stock	10,000
Employee Stock Option	\$ 3	02/27/2008		M	1,000	08/25/2004	<u>(3)</u>	Common Stock	1,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ORTH JEROME 900 CIRCLE 75 PARKWAY STE. 1300 ATLANTA, GA 30339			VP Technical & Compliance Svcs	

Signatures

/s/M. Timothy Elder, pursuant to a Power of Attorney

02/29/2008

**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) This row reflects indirect ownership which has not changed as a result of the other transactions reported on this form.
- (2) 20,000 exercisable at \$1.50; 1,000 exercisable at \$3.00; 8,468 exercisable at \$9.63; and 2,000 exercisable at \$8.00.
- (3) These options would have expired at a rate of 250 per year on each of 8/24/2008, 8/24/2009, 8/24/2010, and 8/24/2011.
- (4) 20,000 exercisable at \$1.50; 8,468 exercisable at \$9.63; and 2,000 exercisable at \$8.00.

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.