

WATER STREET HEALTHCARE PARTNERS, LLC

Form 4

March 12, 2019

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 *
**WATER STREET HEALTHCARE
PARTNERS II LP**

(Last) (First) (Middle)

444 WEST LAKE STREET, SUITE
1800

(Street)

CHICAGO, IL 60606

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
RTI SURGICAL, INC. [RTIX]

3. Date of Earliest Transaction
(Month/Day/Year)
03/08/2019

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

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

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 Beneficial Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

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

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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 Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)						
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Series A Preferred Stock	\$ 4.39 <u>(1)</u>	03/08/2019	J <u>(2)(3)</u>			50,000	<u>(1)</u>	<u>(1)</u>	Common Stock	15,152,761

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WATER STREET HEALTHCARE PARTNERS II LP 444 WEST LAKE STREET, SUITE 1800 CHICAGO, IL 60606		X		
WATER STREET HEALTHCARE MANAGEMENT II, LP 444 WEST LAKE STREET, SUITE 1800 CHICAGO, IL 60606		X		
WATER STREET HEALTHCARE PARTNERS, LLC 444 WEST LAKE STREET, SUITE 1800 CHICAGO, IL 60606		X		

Signatures

WSHP BIOLOGICS HOLDINGS, LLC , By: /s/ Jeffrey Holway, Name: Jeffrey Holway, Its:
Authorized Signatory

03/12/2019

****Signature of Reporting Person**

Date _____

WATER STREET HEALTHCARE PARTNERS II, L.P., By: Water Street Healthcare Management II, L.P., Its: GP, By: Water Street Healthcare Partners, LLC, Its: GP, By: /s/ Timothy Dugan, Name: Timothy Dugan, Its: Authorized Signatory

03/12/2019

****Signature of Reporting Person**

Date _____

WATER STREET HEALTHCARE MANAGEMENT II, L.P., By: Water Street Healthcare Partners, LLC, Its: General Partner, By: /s/ Timothy Dugan, Name: Timothy Dugan, Its: Authorized Signatory

03/12/2019

****Signature of Reporting Person**

Date _____

WATER STREET HEALTHCARE PARTNERS, LLC, By: /s/ Timothy Dugan, Name: Timothy Dugan, Its: Authorized Signatory

03/12/2019

****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).

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The Series A Preferred Stock was convertible into Common Stock at a price of \$4.39 per share, based on the aggregate liquidation value of the Series A Preferred Stock, which was approximately \$66,520,618 as of March 8, 2019. The Series A Preferred Stock was subject to

(1) the terms and conditions of that certain Investment Agreement by and between the Issuer and WSHP Biologics Holdings, LLC, dated as of June 12, 2013, and that certain Certificate of Designation governing the Series A Preferred Stock, dated as of July 16, 2013, as amended and restated on August 1, 2018.

On March 8, 2019, pursuant to the Master Transaction Agreement, by and among Bears Holding Sub, Inc. ("New RTI"), the Issuer, PS Spine Holdco, LLC, a Delaware limited liability company (the "Member"), and Bears Merger Sub, Inc., a Delaware corporation (the

(2) "Merger Sub"): (a) the Merger Sub merged with and into the Issuer, with the Issuer surviving as a wholly-owned subsidiary of New RTI (the "Merger"); (b) the Member contributed all of the issued and outstanding membership interests of Paradigm Spine, LLC, a Delaware limited liability company and wholly owned subsidiary of the Member, to New RTI; and (c) New RTI was renamed "RTI Surgical Holdings, Inc."

Pursuant to the Master Transaction Agreement, at the effective time of the Merger each issued and outstanding share of Series A

(3) Preferred Stock of the Issuer converted automatically into one share of New RTI's Series A Convertible Preferred Stock.

The Series A Preferred Stock was held directly by WSHP Biologics Holdings, LLC. The managing member of WSHP Biologics Holdings, LLC is Water Street Healthcare Partners II, L.P., whose sole general partner is Water Street Healthcare Management II, L.P.

(4) The sole general partner of Water Street Healthcare Management II, L.P. is Water Street Healthcare Partners, LLC. Each of Water Street Healthcare Partners II, L.P., Water Street Healthcare Management II, L.P. and Water Street Healthcare Partners, LLC has disclaimed beneficial ownership of such shares of Series A Preferred Stock, except to the extent of its pecuniary interest therein.

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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