

SUNLINK HEALTH SYSTEMS INC

Form 4

February 29, 2008

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

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

OMB APPROVAL

OMB
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(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**

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

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

(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)	
			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.

**Persons who respond to the collection of
information contained in this form are not
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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.

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