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CLINTON GROUP INC
Form SC 13D/A
October 05, 2007

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO
RULE 13d-2(a)

Under the Securities Exchange Act of 1934
(Amendment No. 1)*

HealthSpring, Inc.

(Name of Issuer)

Common Stock, Par Value \$0.01 Per Share

(Title of Class of Securities)

42224N101

(CUSIP Number)

Marc Weingarten, Esq.
Schulte Roth & Zabel LLP
919 Third Avenue
New York, New York 10022
(212) 756-2000

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

October 4, 2007

(Date of Event which Requires
Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box. []

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

(Continued on following pages)

(Page 1 of 10 Pages)

* The remainder of this cover page shall be filled out for a reporting person's

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10 SHARED DISPOSITIVE POWER

2,828,404

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON

2,828,404

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

[]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.9%

14 TYPE OF REPORTING PERSON*

IA; CO

* SEE INSTRUCTIONS

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1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

CLINTON MULTISTRATEGY MASTER FUND, LTD.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) []

(b) []

3 SEC USE ONLY

4 SOURCE OF FUNDS*

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

[]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

CAYMAN ISLANDS

7 SOLE VOTING POWER

-0-

NUMBER OF

8 SHARED VOTING POWER

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SHARES
BENEFICIALLY OWNED BY

2,019,277

EACH REPORTING PERSON WITH

9 SOLE DISPOSITIVE POWER

-0-

10 SHARED DISPOSITIVE POWER

2,019,277

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON

2,019,277

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

[]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

3.5%

14 TYPE OF REPORTING PERSON*

CO

* SEE INSTRUCTIONS

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1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

CLINTON SPECIAL OPPORTUNITIES MASTER FUND, LTD.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) []
(b) []

3 SEC USE ONLY

4 SOURCE OF FUNDS*

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION

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CAYMAN ISLANDS

	7	SOLE VOTING POWER	
		-0-	
NUMBER OF SHARES BENEFICIALLY OWNED BY	8	SHARED VOTING POWER	
		809,127	
EACH REPORTING PERSON WITH	9	SOLE DISPOSITIVE POWER	
		-0-	
	10	SHARED DISPOSITIVE POWER	
		809,127	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON		
	809,127		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*		
			[]
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)		
	1.4%		
14	TYPE OF REPORTING PERSON*		
	CO		

* SEE INSTRUCTIONS

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1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)		
	GEORGE HALL		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a)	[]
		(b)	[]
3	SEC USE ONLY		
4	SOURCE OF FUNDS*		

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AF

5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)	[]
6	CITIZENSHIP OR PLACE OF ORGANIZATION	
	UNITED STATES	
	7	SOLE VOTING POWER
		5,000
NUMBER OF SHARES BENEFICIALLY OWNED BY	8	SHARED VOTING POWER
		2,828,404
EACH REPORTING PERSON WITH	9	SOLE DISPOSITIVE POWER
		5,000
	10	SHARED DISPOSITIVE POWER
		2,828,404
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON	
		2,833,404
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	[]
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
		4.9%
14	TYPE OF REPORTING PERSON*	
	IN	

* SEE INSTRUCTIONS

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SCHEDULE 13D

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The Schedule 13D filed on June 27, 2007 by the Clinton Group, Inc., a Delaware corporation ("CGI"), Clinton Multistrategy Master Fund, Ltd., a Cayman Islands company ("CMSF"), Clinton Special Opportunities Master Fund, Ltd., a Cayman Islands company ("CSO"), George Hall (collectively with CGI, CMSF and CSO, the "Reporting Persons") and Conrad Bringsjord with respect to the shares of Common Stock, \$0.01 par value per share (the "Shares"), of HealthSpring, Inc., a

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Delaware corporation (the "Issuer") is hereby amended by this Amendment No. 1 to the Schedule 13D. This is the final amendment to this Schedule 13D and an exit filing for the Reporting Persons.

ITEM 2. IDENTITY AND BACKGROUND.

Paragraphs (a)-(c) and (f) of Item 2 of the Schedule 13D is hereby amended and restated as follows:

(a) This statement is filed by Clinton Group, Inc., a Delaware corporation ("CGI"), Clinton Multistrategy Master Fund, Ltd., a Cayman Islands company ("CMSF"), Clinton Special Opportunities Master Fund, Ltd., a Cayman Islands company ("CSO"), and George Hall (collectively, the "Reporting Persons").

(b) The principal business address of CGI and George Hall is 9 West 57th Street, 26th Floor, New York, New York 10019. The principal business address of CMSF and CSO is c/o Fortis Fund Services (Cayman) Limited, P.O. Box 2003 GT, Grand Pavilion Commercial Centre, 802 West Bay Road, Grand Cayman, Cayman Islands.

(c) The principal business of CGI is investing for funds and accounts under its management. The principal business of CMSF and CSO is to invest in securities. George Hall is the Chief Investment Officer and President of CGI.

(f) George Hall is a citizen of the United States of America.

The name, citizenship, present principal occupation or employment and business address of each director and executive officer of CGI, CMSF and CSO is set forth in Schedule A to the Schedule 13D as previously filed on June 27, 2007, and is incorporated herein by reference. To the best of the Reporting Persons' knowledge, except as set forth in this statement on Schedule 13D, none of such individuals owns any Shares.

ITEM 4. PURPOSE OF TRANSACTION.

Item 4 of the Schedule 13D is hereby amended by adding the following at the end thereof:

On October 5, 2007, CGI sent a letter to Mr. Fritch noting the only modest recent appreciation in the Issuer's stock price notwithstanding significant positive developments at the Issuer. CGI reiterated its belief that the Issuer has additional debt capacity to repurchase shares, and that management should either (i) investigate upsizing its pending debt raise or adding another tranche to execute a Dutch Auction repurchase of the Issuer's shares or (ii) employ its unrestricted parent cash and \$100 mm undrawn revolver to aggressively execute open market purchases of the stock. Finally, CGI noted that it has reduced its position in the Issuer below 5% to further internal portfolio management objectives, but it continues to support the Issuer's management team. A copy of the letter is attached hereto as Exhibit D and is incorporated herein by reference.

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ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

Paragraphs (a), (b) and (e) of Item 5 of the Schedule 13D are hereby amended and restated as follows:

(a) As of the close of business on October 4, 2007, the Reporting Persons excepting George Hall may be deemed the beneficial owners of an aggregate of 2,828,404 Shares, constituting approximately 4.9% of the Shares outstanding. George Hall may be deemed the beneficial owner of an aggregate of 2,833,404 Shares, including 5,000 Shares beneficially owned individually, constituting approximately 4.9% of the Shares outstanding.

The aggregate percentage of Shares beneficially owned by the Reporting Persons is based upon 57,287,113 Shares outstanding, which is the total number of Shares outstanding as of August 1, 2007 as reported in the Issuer's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 14, 2007 for the period ended June 30, 2007.

(b) By virtue of investment management agreements with each of CMSF and CSO, CGI has the power to vote or direct the voting, and to dispose or direct the disposition, of all of the 2,019,277 Shares held by CMSF and the 809,127 Shares held by CSO. By virtue of his direct and indirect control of CGI, George Hall is deemed to have shared voting power and shared dispositive power with respect to all Shares as to which CGI has voting power or dispositive power, and he individually holds an additional 5,000 Shares. Accordingly, CGI and George Hall are deemed to have shared voting and shared dispositive power with respect to an aggregate of 2,828,404 Shares, and George Hall has sole voting and dispositive power with respect to an additional 5,000 Shares.

(e) The Reporting Persons ceased to be the beneficial owners of more than five percent of the Shares on October 4, 2007.

Item 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

Item 6 of the Schedule 13D is amended and restated as follows:

The Reporting Persons may, from time to time, enter into and dispose of cash-settled equity swap or other similar derivative transactions with one or more counterparties that are based upon the value of Shares, which transactions may be significant in amount. The profit, loss and/or return on such contracts may be wholly or partially dependent on the market value of the Shares, the relative value of Shares in comparison to one or more other financial instruments, indexes or securities, a basket or group of securities in which Shares may be included, or a combination of any of the foregoing. In addition to the Shares that they beneficially own without reference to these contracts, the Reporting Persons currently have short economic exposure to 1,131,114 Shares through such contracts. These contracts do not give the Reporting Persons direct or indirect voting, investment or dispositive control over any securities of the Issuer and do not require the counterparties thereto to acquire, hold, vote or dispose of any securities of the Issuer. Accordingly, the Reporting Persons disclaim any beneficial ownership in any securities that may be referenced in such contracts or that may be held from time to time by any counterparties to such contracts.

Except as otherwise set forth herein, the Reporting Persons do not have any contract, arrangement, understanding or relationship with any person with respect to the securities of the Issuer.

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Item 7. MATERIAL TO BE FILED AS EXHIBITS

Exhibit A - Joint Filing Agreement dated June 27, 2007 (previously filed)

Exhibit B - Letter to the Issuer's Chairman and CEO dated June 15, 2007
(previously filed)

Exhibit C - Letter to the Issuer's Board dated June 26, 2007 (previously filed)

Exhibit D - Letter to the Issuer's Chairman and CEO dated October 5, 2007

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SIGNATURES

After reasonable inquiry and to the best of his or its knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: October 5, 2007

CLINTON GROUP, INC.

By: /s/ Francis Ruchalski

Name: Francis Ruchalski
Title: Comptroller

CLINTON MULTISTRATEGY MASTER FUND, LTD.

By: Clinton Group, Inc. its investment
manager

By: /s/ Francis Ruchalski

Name: Francis Ruchalski
Title: Comptroller

CLINTON SPECIAL OPPORTUNITIES MASTER FUND, LTD.

By: Clinton Group, Inc. its investment
manager

By: /s/ Francis Ruchalski

Name: Francis Ruchalski
Title: Comptroller

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/s/ George Hall

George Hall

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SCHEDULE B

TRANSACTIONS IN THE SHARES BY THE REPORTING PERSONS DURING THE PAST 60 DAYS

Clinton Multistrategy Master Fund, Ltd.

Trade Date	Shares Purchased (Sold)	Price Per Share (\$)
10/04/07	(50,000)	20.33

Clinton Special Opportunities

Trade Date	Shares Purchased (Sold)	Price Per Share (\$)
09/14/07	10,000	18.01
10/04/07	(25,000)	20.33

George Hall

Trade Date	Shares Purchased (Sold)	Price Per Share (\$)
08/30/07	2,500	18.47
08/30/07	2,500	18.47