

Spurr Jack M.
Form 4
November 19, 2008

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

OMB APPROVAL

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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 *
Spurr Jack M.

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, SUITE 1120

(Street)

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

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
VP, Hospital Financial Ops.

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)		
				(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	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(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		15,000		<u>(1)</u>	02/17/2010	Common Stock	15,000
Employee Stock Option	\$ 9.63	11/17/2008	D		9,224		<u>(2)</u>	11/10/2015	Common Stock	9,224
Employee Stock Option	\$ 8	11/17/2008	D		8,000		<u>(3)</u>	09/23/2017	Common Stock	8,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Spurr Jack M. 900 CIRCLE 75 PARKWAY SUITE 1120 ATLANTA, GA 30339			VP, Hospital Financial Ops.	

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) Exercisable in three equal installments of 5,000 shares on 2/18/2006, 2/18/2007 and 2/18/2008, respectively.
- (2) Exercisable in four equal installments of 2,306 shares on 11/11/2006, 11/11/2007, 11/11/2008, and 11/11/2009, respectively.
- (3) Exercisable in four equal installments of 2,000 shares on 9/24/2008, 9/24/2009, 9/24/2010, and 9/24/2011, respectively.

- (4) 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 \$33,580, \$50,370, or \$67,160, if certain goals are achieved, based on discretionary criteria that revolve around the objective of increasing shareholder value.

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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