

MAGELLAN HEALTH SERVICES INC  
Form SC 13G  
January 08, 2004

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13G

Information Statement Pursuant to Rules 13d-1 and 13d-2  
Under the Securities Exchange Act of 1934  
(Amendment No. )\*

Magellan Health Services, Inc.  
(Name of Issuer)

Ordinary Common Stock  
(Title of Class of Securities)

559079207  
(CUSIP Number)

January 5, 2004  
(Date of Event Which Requires Filing of This Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

/ / Rule 13d-1(b)  
/ X / Rule 13d-1(c)  
/ / Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

\*\*The total number of shares of the Stock reported herein is 2,459,431, which constitutes approximately 9.1% of the total number of shares outstanding. All ownership percentages set forth herein assume that there are 26,940,957 shares outstanding.

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CUSIP No. 559079207

1. Name of Reporting Person:

Amalgamated Gadget, L.P.

2. Check the Appropriate Box if a Member of a Group:

(a) / /

(b) / /

3. SEC Use Only

4. Citizenship or Place of Organization: Texas

5. Sole Voting Power: 2,459,431 (1)

Number of  
Shares

Beneficially  
Owned By  
Each

6. Shared Voting Power: -0-

Reporting  
Person  
With

7. Sole Dispositive Power: 2,459,431 (1)

8. Shared Dispositive Power: -0-

9. Aggregate Amount Beneficially Owned by Each Reporting Person:

2,459,431 (1)

10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares:

/ /

11. Percent of Class Represented by Amount in Row (9): 9.1%

12. Type of Reporting Person: PN

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(1) The shares were acquired by Amalgamated Gadget, L.P. ("Amalgamated") for and on behalf of R<sup>2</sup> Investments, LDC ("R<sup>2</sup>") pursuant to an Investment Management Agreement. Pursuant to such Agreement, Amalgamated has sole voting and dispositive power over such shares and R<sup>2</sup> has no beneficial ownership of such shares. Such shares will be issued to Amalgamated for and on behalf of R<sup>2</sup> in connection with the consummation of the Issuer's Third Amended Joint Plan of Reorganization, dated August 18, 2003 (as amended, supplemented or modified, the "Plan"), which was confirmed by the United States Bankruptcy Court for the Southern District of New York in *In re Magellan Health Services, Inc. (Case No. 03-40515(PCB))* and consummated on January 5, 2004. In connection with the consummation of the Plan, Amalgamated, for and on behalf of R<sup>2</sup>, is entitled to receive (a) 459,620 shares (after giving effect to a prior sale) in satisfaction of claims related to R<sup>2</sup>'s ownership of \$14 million principal amount of the Issuer's 9% Senior Subordinated Notes due 2008 and (b) 1,999,811 shares purchased in an equity offering conducted by the Issuer.

Item 1(a). Name of Issuer.

The name of the issuer is Magellan Health Services, Inc. (the "Issuer").

Item 1(b). Address of Issuer's Principal Executive Offices.

The principal executive offices of the Issuer are located at 6950 Columbia Gateway Drive, Suite 400, Columbia, Maryland 21046.

Item 2(a). Names of Persons Filing.

Pursuant to Regulation 13D-G of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "Act"), the undersigned hereby files this Schedule 13G Statement on behalf of Amalgamated Gadget, L.P., a Texas limited partnership ("Amalgamated"), the "Reporting Person." Additionally, information is included herein with respect to the following persons (collectively, the "Controlling Persons"): Scepter Holdings, Inc., a Texas corporation ("Scepter"), and Geoffrey Raynor ("Raynor"). The Reporting Person and the Controlling Persons are sometimes hereinafter collectively referred to as the "Item 2 Persons." The Item 2 Persons are making this single, joint filing because they may be deemed to constitute a "group" within the meaning of Section 13(d)(3) of the Act, although neither the fact of this filing nor anything contained herein shall be deemed to be an admission by the Item 2 Persons that such a group exists.

Item 2(b). Address of Principal Business Office, or if None, Residence.

The address of the principal business office or residence of each of the Item 2 Persons is 301 Commerce Street, Suite 2975, Fort Worth, Texas 76102.

Item 2(c). Citizenship.

All of the natural persons listed in Item 2(a) are citizens of the United States of America.

Item 2(d). Title of Class of Securities.

This Schedule 13G Statement relates to the Ordinary Common Stock of the Issuer (the "Stock").

Item 2(e). CUSIP Number.

The CUSIP number of the Stock is 559079207.

Item 3. Filing Pursuant to Rules 13d-1(b) or 13d-2(b).

This Schedule 13G Statement is not being filed pursuant to Rule 13d-1(b) or Rule 13d-2(b).

Item 4. Ownership.

(a) - (b)

Reporting Person

Amalgamated

Pursuant to an Investment Management Agreement with R<sup>2</sup>, Amalgamated may, pursuant to Rule 13d-3 of the Act, be deemed to be the beneficial owner of 2,459,431 shares of the Stock, which constitutes approximately 9.1% of the outstanding shares of the Stock.

Controlling Persons

Scepter

Because of its position as the sole general partner of Amalgamated, Scepter may, pursuant to Rule 13d-3 of the Act, be deemed to be the beneficial owner of 2,459,431 shares of the Stock, which constitutes approximately 9.1% of the outstanding shares of the Stock.

Raynor

Because of his position as the President and sole shareholder of Scepter, which is the sole general partner of Amalgamated, Raynor may, pursuant to Rule 13d-3 of the Act, be deemed to be the beneficial owner of 2,459,431 shares of the Stock, which constitutes approximately 9.1% of the outstanding shares of the Stock.

To the best of the knowledge of the Reporting Person, other than as set forth above, none of the persons named in Item 2 herein is the beneficial owner of any shares of the Stock.

(c)

Reporting Person

Amalgamated

Acting through its general partner, Amalgamated has the sole power to vote or to direct the vote and to dispose or to direct the disposition of an aggregate of 2,459,431 shares of the Stock.

Controlling Persons

Scepter

As the sole general partner of Amalgamated, Scepter has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 2,459,431 shares of the Stock.

Raynor

As the President and sole shareholder of Scepter, which is the sole general partner of Amalgamated, Raynor has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 2,459,431 shares of the Stock.

Item 5. Ownership of Five Percent or Less of a Class.

Not Applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Not Applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company.

Not Applicable.

Item 8. Identification and Classification of Members of the Group.

This Schedule 13G Statement is being filed on behalf of each of the Item 2 Persons pursuant to Rules 13d-1(c) and 13d-1(k)(1)(iii). The identity of each of the Item 2 Persons is set forth in Item 2(a) hereof.

Item 9. Notice of Dissolution of Group.

Not Applicable.

Item 10. Certification.

By signing below I certify that to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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

DATED: January 7, 2004

AMALGAMATED GADGET, L.P.

By: Scepter Holdings, Inc.,  
its general partner

By: /s/ William Holloway  
William Holloway, Authorized Signatory