

SUNLINK HEALTH SYSTEMS INC  
 Form 4  
 October 09, 2008

**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 \*  
 THORNTON ROBERT M JR

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)  
 10/07/2008

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 CEO, Chairman and President

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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	10/07/2008		M		26,000	A	\$ 1.5
Common Stock <sup>(1)</sup>	12/22/2004 <sup>(1)</sup>		A <sup>(1)</sup>		11,111 <sup>(1)</sup>	A	\$ 1.5
					160,584 <sup>(1)</sup>	I	

See footnote 2 <sup>(2)</sup>

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

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SEC 1474 (9-02)

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**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	10/07/2008		M	26,000	03/05/2004	03/04/2009	Common Stock	26,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
THORNTON ROBERT M JR 900 CIRCLE 75 PARKWAY SUITE 1120 ATLANTA, GA 30339	X		CEO, Chairman and President	

## Signatures

/s/M. Timothy Elder, pursuant to a power of attorney

10/09/2008

\_\_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) Owned by CareVest Capital, L.L.C. ("CareVest"). Mr. Thornton owns 100% of the outstanding voting shares of CareVest and is reporting CareVest's total direct holdings of SunLink common shares.

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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