

SELECT MEDICAL HOLDINGS CORP

Form S-8

October 09, 2009

As filed with the Securities and Exchange Commission on October 9, 2009

**Registration
No. 333-**

**SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

**Form S-8
REGISTRATION STATEMENT
Under
*THE SECURITIES ACT OF 1933***

**SELECT MEDICAL HOLDINGS CORPORATION
(Exact name of registrant as specified in its charter)**

Delaware **20-1764048**
(State of incorporation or organization) (I.R.S. Employer Identification No.)
4714 Gettysburg Road
Mechanicsburg, Pennsylvania 17055
(Address of principal executive offices) (Zip Code)

**Amended and Restated Select Medical Holdings Corporation 2005 Equity Incentive Plan
Amended and Restated Select Medical Holdings Corporation 2005 Equity Incentive Plan for Non-
Employee Directors
(Full title of the Plans)**

Michael E. Tarvin, Esq.
Executive Vice President, General Counsel and Secretary
Select Medical Holdings Corporation
4714 Gettysburg Road
P.O. Box 2034
Mechanicsburg, Pennsylvania 17055
(Name and address of agent for service)

(717) 972-1100
(Telephone number, including area code, of agent for service)

With a copy to:
Stephen M. Leitzell, Esq.
Dechert LLP
Cira Centre
2929 Arch Street
Philadelphia, Pennsylvania 19104
(215) 994-4000

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
 (Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee (6)
Common Stock of Select Medical Holdings Corporation, par value \$0.001 per share (Common Stock)	1,422,246 (2)	\$6.7071 (4)	\$ 9,539,146 (4)	\$ 532
Common Stock	24,171,856 (2)	\$ 9.45 (5)	\$228,424,039 (5)	\$ 12,746
Common Stock	63,000 (3)	\$7.6171 (4)	\$ 479,877 (4)	\$ 27
Common Stock	162,000 (3)	\$ 9.45 (5)	\$ 1,530,900 (5)	\$ 86
Total	25,819,102		\$239,973,962	\$ 13,391

(1) Pursuant to Rule 416(a) of the Securities Act of 1933, as amended (the Securities Act), this Registration Statement shall also cover any additional shares of Common Stock which become issuable under the Plans (as defined below) by reason of any stock dividend, stock split, recapitalization or other similar transaction effected without the receipt of consideration which results in an increase in the

number of the
outstanding
shares of the
Registrant.

- (2) These shares of
Common Stock
are being
registered for
issuance under
the Amended and
Restated Select
Medical Holdings
Corporation 2005
Equity Incentive
Plan (the
Omnibus Plan).
- (3) These shares of
Common Stock
are being
registered for
issuance under
the Amended and
Restated Select
Medical Holdings
Corporation 2005
Equity Incentive
Plan for
Non-Employee
Directors (the
Non-Employee
Directors Plan,
and together with
the Omnibus
Plan, the Plans).
- (4) The registration
fee for the shares
of Common
Stock to be
issued pursuant to
outstanding
options already
granted under the
Plans was
calculated in
accordance with
Rule 457(h) of
the Securities
Act, based upon

the weighted average price per share at which the options may be exercised.

(5) The registration fee for the shares of Common Stock to be issued pursuant to options reserved but not yet granted under the Plans was calculated in accordance with Rules 457(c) of the Securities Act, based upon the average of the high and low trading prices of our Common Stock as reported on the New York Stock Exchange on October 7, 2009.

(6) The Registrant previously paid (i) a fee of \$3,930 in connection with the initial filing of its Registration Statement on Form S-1 (File No. 333-152514) on July 24, 2008 to register shares at a proposed maximum aggregate offering price of \$100,000,000 and (ii) an additional fee of \$26,505 in connection with the filing of

Amendment
No. 4 to its
Registration
Statement on
Form S-1 (File
No. 333-152514)
on June 18, 2009
(collectively, and
as subsequently
amended, the S-1
Registration
Statement) to
register shares at
a proposed
maximum
aggregate
offering price of
\$575,000,000.
The Registrant
subsequently sold
30,000,000
shares at \$10.00
per share under
the S-1
Registration
Statement, and
4,500,000 shares
may be sold to
the underwriters
under the S-1
Registration
Statement to
cover
over-allotments.
As a result, upon
the effectiveness
of the S-1
Registration
Statement on
September 24,
2009, the
Registrant had a
registration fee
balance of
\$11,184 with the
Securities and
Exchange
Commission,
assuming the
underwriters
purchase

4,500,000 shares
to cover
over-allotments.
Pursuant to
Rule 457(p) of
the Securities
Act, the filing fee
of \$11,184
previously paid,
but not used, by
the Registrant in
connection with
the filing of the
S-1 Registration
Statement is to be
offset against the
registration fee
due in connection
with the filing of
this Registration
Statement on
Form S-8.

PART I
INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

Information required in Part I of Form S-8 to be contained in a prospectus meeting the requirements of Section 10(a) of the Securities Act, is not required to be filed with the Securities and Exchange Commission (the Commission) and is omitted from this Registration Statement in accordance with the explanatory note to Part I of Form S-8 and Rule 428 under the Securities Act.

PART II
INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The Registrant incorporates by reference into this Registration Statement the following documents:

- (a) The Registrant's Registration Statement on Form S-1 filed with the Commission on July 25, 2008 (Reg. No. 333-152514), as amended.
- (b) The description of the Registrant's Common Stock in the Registrant's Registration Statement on Form 8-A filed with the Commission on September 22, 2009 (Reg. No. 001-34465); and
- (c) All documents subsequently filed by the Registrant with the Commission pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act after the date of this Registration Statement, but prior to the filing of a post-effective amendment to this Registration Statement, which indicates that all securities offered by this Registration Statement have been sold or which deregisters all such securities then remaining unsold, shall be deemed to be incorporated by reference into this Registration Statement. Each document incorporated by reference into this Registration Statement shall be deemed to be a part of this Registration Statement from the date of the filing of such document with the Commission until the information contained therein is superseded or updated by any subsequently filed document which is incorporated by reference into this Registration Statement.

The above information is supplemented with the following section Selected Historical Consolidated Financial Data, which has been updated to give effect in the Successor Period to the reverse 1 to .30 common stock split that became effective on September 24, 2009:

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

You should read the following selected historical consolidated financial data in conjunction with our consolidated financial statements and the accompanying notes. You should also read Management's Discussion and Analysis of Financial Condition and Results of Operations, which is incorporated by reference in this Registration Statement. The historical financial data as of December 31, 2004, 2005, 2006, 2007 and 2008 and for the year ended December 31, 2004, for the period from January 1 through February 24, 2005 (Predecessor Period), for the period from February 25 through December 31, 2005 and for the years ended December 31, 2006, 2007 and 2008 (Successor Period) have been derived from consolidated financial statements audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm. The selected historical consolidated financial data as of December 31, 2007 and 2008, and for the years ended December 31, 2006, 2007 and 2008 have been derived from our consolidated financial information incorporated by reference in this Registration Statement. The selected historical consolidated financial data as of December 31, 2004, 2005 and 2006 and for the year ended December 31, 2004 and for the period from January 1 through February 24, 2005 (Predecessor Period), and for the period from February 25 through December 31, 2005 (Successor Period) have been derived from our audited consolidated financial information not contained in this Registration Statement. We derived the historical financial data as of June 30, 2009 and for the six months ended June 30, 2008 and 2009 from our unaudited interim consolidated financial statements, which are incorporated by reference in this Registration Statement.

Predecessor Period

Successor Period

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	Year Ended December 31, 2004 ⁽¹⁾	Period from January 1 through February 24, 2005 ⁽¹⁾	Period from February 25 through December 31, 2005 ⁽¹⁾⁽²⁾	Year Ended December 31, 2006 ⁽¹⁾⁽²⁾ 2007 ⁽¹⁾⁽²⁾ 2008 ⁽¹⁾⁽²⁾		
	(in thousands, except per share data)			(in thousands, except per share data)		
Statement of Operations Data:						
Net operating revenues	\$ 1,601,524	\$ 277,736	\$ 1,580,706	\$ 1,851,498	\$ 1,991,666	\$ 2,153,362
Operating expenses ⁽³⁾⁽⁴⁾	1,340,068	373,418	1,322,068	1,546,956	1,740,484	1,885,168
Depreciation and amortization	38,951	5,933	37,922	46,668	57,297	71,786
Income (loss) from operations	222,505	(101,615)	220,716	257,874	193,885	196,408
Gain (loss) on early retirement of debt ⁽⁵⁾		(42,736)				912
Merger related charges ⁽⁶⁾		(12,025)				
Other income (expense)	1,096	267	1,092		(167)	
Interest expense, net ⁽⁷⁾	(30,716)	(4,128)	(101,441)	(130,538)	(138,052)	(145,423)
Income (loss) from continuing operations before income taxes	192,885	(160,237)	120,367	127,336	55,666	51,897
Income tax expense (benefit)	76,551	(59,794)	49,336	43,521	18,699	26,063
Income (loss) from continuing operations	116,334	(100,443)	71,031	83,815	36,967	25,834
Income from discontinued operations, net of tax	4,458	522	3,072	12,818		
Net income (loss)	120,792	(99,921)	74,103	96,633	36,967	25,834
Less: Net income attributable to non-controlling interests ⁽⁸⁾	2,608	330	1,776	1,754	1,537	3,393
Net income (loss) attributable to Select Medical Holdings Corporation	118,184	(100,251)	72,327	94,879	35,430	22,441
Less: Preferred dividends			23,519	22,663	23,807	24,972
Net income (loss) available to common and preferred	\$ 118,184	\$ (100,251)	\$ 48,808	\$ 72,216	\$ 11,623	\$ (2,531)

stockholders

	Predecessor Period			Successor Period		
	Year Ended December 31, 2004 ⁽¹⁾	Period from January 1 through February 24, 2005 ⁽¹⁾	Period from February 25 through December 31, 2005 ⁽¹⁾⁽²⁾	Year Ended December 31, 2006 ⁽¹⁾⁽²⁾ 2007 ⁽¹⁾⁽²⁾ 2008 ⁽¹⁾⁽²⁾		
	(in thousands, except per share data)			(in thousands, except per share data)		
Income (loss) per common share:						
Basic:						
Income (loss) from continuing operations	\$ 1.11	\$ (0.99)	\$ 0.70	\$ 0.88	\$ 0.17	\$ (0.04)
Income from discontinued operations, net of tax	0.04	0.01	0.05	0.18		
Net income (loss)	\$ 1.15	\$ (0.98)	\$ 0.75	\$ 1.06	\$ 0.17	\$ (0.04)
Diluted:						
Income (loss) from continuing operations	\$ 1.07	\$ (0.99)	\$ 0.70	\$ 0.88	\$ 0.17	\$ (0.04)
Income from discontinued operations, net of tax	0.04	0.01	0.05	0.18		
Net income (loss)	\$ 1.11	\$ (0.98)	\$ 0.75	\$ 1.06	\$ 0.17	\$ (0.04)
Weighted average common shares outstanding:						
Basic	102,165	102,026	51,399	54,055	57,086	59,566
Diluted	106,529	102,026	51,399	54,055	57,086	59,566
Balance Sheet Data (at end of period):						
Cash and cash equivalents	\$ 247,476		\$ 35,861	\$ 81,600	\$ 4,529	\$ 64,260
Working capital	313,715		77,556	59,468	14,730	118,370

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Total assets	1,113,721	2,168,385	2,182,524	2,495,046	2,579,469
Total debt	354,590	1,628,889	1,538,503	1,755,635	1,779,925
Total Select Medical Holdings Corporation stockholders equity	515,943	(244,658)	(169,139)	(165,889)	(174,204)

**Successor Period
For the Six Months Ended
June 30,
2008⁽¹⁾⁽²⁾ 2009
(in thousands, except per
share data)**

Statement of Operations Data:

Net operating revenues		\$ 1,087,084	\$ 1,120,707
Operating expenses ⁽³⁾⁽⁴⁾		948,992	952,023
Depreciation and amortization		35,327	35,670
Income from operations		102,765	133,014
Gain on early retirement of debt ⁽⁵⁾			15,316
Interest expense, net ⁽⁷⁾		(73,268)	(68,250)
Income from operations before income taxes		29,497	80,080
Income tax expense		13,973	33,880
Net income		15,524	46,200
Less: Net income attributable to non-controlling interests ⁽⁸⁾		1,071	1,412
Net income attributable to Select Medical Holdings Corporation		14,453	44,788
Less: Preferred dividends		12,279	12,870
Net income available to common and preferred stockholders		\$ 2,174	\$ 31,918

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