

BAILEYS STEVEN J
 Form 4
 July 21, 2009

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 *
 BAILEYS STEVEN J

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)
 30691 HUNT CLUB DRIVE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 07/21/2009

Director 10% Owner
 Officer (give title below) Other (specify below)

SAN JUAN
 CAPISTRANO, CA 92675

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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	07/21/2009		P	V 4,428 A	\$ 2.24 235,366	D	
Common Stock ⁽¹⁾	07/01/2009 ⁽¹⁾		P	0 ⁽¹⁾ A	⁽¹⁾ 7,500 ⁽¹⁾	I	As Trustee, Baileys Grandchildren's Trust FBO Jeremy Baileys
Common Stock ⁽¹⁾	07/01/2009 ⁽¹⁾		P	0 ⁽¹⁾ A	⁽¹⁾ 500 ⁽¹⁾	I	As Trustee, Baileys Grandchildren's Trust FBO

Common Stock ⁽¹⁾	05/14/2009 ⁽¹⁾	P	0 ⁽¹⁾	A	<u>1</u>	346,249 ⁽¹⁾	I	Alison Baileys As Managing Member of Beilihis Investments LLC
Common Stock ⁽¹⁾	05/14/2009 ⁽¹⁾	P	0 ⁽¹⁾	A	<u>1</u>	5,000 ⁽¹⁾	I	By Partnership
Common Stock ⁽¹⁾	05/14/2009 ⁽¹⁾	P	0 ⁽¹⁾	A	<u>1</u>	7,000 ⁽¹⁾	I	Custodian for Child
Common Stock ⁽¹⁾	05/14/2009 ⁽¹⁾	P	0 ⁽¹⁾	A	<u>1</u>	1,500 ⁽¹⁾	I	By IRA
Common Stock ⁽¹⁾	05/14/2009 ⁽¹⁾	P	0 ⁽¹⁾	A	<u>1</u>	1,500 ⁽¹⁾	I	By Spouse

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Reporting Transaction (Instr. 6)
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V	(A)	(D)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BAILEYS STEVEN J 30691 HUNT CLUB DRIVE SAN JUAN CAPISTRANO, CA 92675		X		

Signatures

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

07/21/2009

__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 transaction reported on this form.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.