

QUALITY SYSTEMS, INC

FORM 8-K (Current report filing)

Filed 08/17/17 for the Period Ending 08/16/17

Address	18111 VON KARMAN AVENUE SUITE 700 IRVINE, CA 92612
Telephone	949-255-2600
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Symbol	QSII
SIC Code	7373 - Computer Integrated Systems Design
Industry	IT Services & Consulting
Sector	Technology
Fiscal Year	03/31

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 16, 2017

QUALITY SYSTEMS, INC.
(Exact name of registrant as specified in its charter)

CALIFORNIA
(State or other jurisdiction
of incorporation)

001-12537
(Commission
File Number)

95-2888568
(IRS Employer
Identification Number)

18111 Von Karman, Suite 800
Irvine, California 92612
(Address of Principal Executive Offices)

(949) 255-2600
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On August 16, 2017, Quality Systems, Inc. (the “Company”) issued a press release, a copy of which is attached hereto as Exhibit 99.1, announcing the closing of its acquisition of EagleDream Health Inc. (“EDH”), pursuant to that certain Agreement and Plan of Merger (the “Agreement”), dated as of July 31, 2017, by and among the Company, Peacock Merger Sub, Inc., a wholly owned subsidiary of the Company (“Merger Sub”), EDH and Algimantas K. Chesonis, in the capacity of Securityholders’ Representative (as defined in the Agreement).

The information contained in this Item 7.01 of Form 8-K (including Exhibit 99.1 attached hereto) is being furnished and shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section and shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 8.01 Other Events.

On August 16, 2017, the Company completed its acquisition of EDH pursuant to the Agreement. In accordance with the Agreement, the Company purchased all of the issued and outstanding equity interests in EDH for an aggregate purchase price of \$26 million in cash, subject to certain adjustments in accordance with the terms of the Agreement.

The foregoing description of the Agreement does not purport to be complete and is qualified in its entirety by reference to, and should be read in conjunction with, the full text of the Agreement, a copy of which is filed as Exhibit 2.1 to the Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on August 1, 2017, and is incorporated herein by reference. The Agreement and the foregoing description of the Agreement have been included to provide investors and shareholders with information regarding the terms of the Agreement. They are not intended to provide any other factual information about the Company, Merger Sub or EDH. The representations, warranties and covenants contained in the Agreement were made only as of specified dates for the purposes of the Agreement, were solely for the benefit of the parties to the Agreement, and may be subject to qualifications and limitations agreed upon by such parties. In particular, in reviewing the representations, warranties and covenants contained in the Agreement, it is important to bear in mind that such representations, warranties and covenants were negotiated with the principal purpose of allocating risk between the parties to the Agreement, rather than establishing matters as facts. Such representations, warranties and covenants may also be subject to a contractual standard of materiality different from those generally applicable to shareholders and reports and documents filed with the U.S. Securities and Exchange Commission, and are also qualified in important part by a confidential disclosure schedule delivered by EDH to the Company in connection with the Agreement. Investors and shareholders should not rely on such representations, warranties and covenants as characterizations of the actual state of facts or circumstances described therein. Information concerning the subject matter of such representations, warranties and covenants may change after the date of the Agreement, which subsequent information may or may not be fully reflected in the Company’s public disclosures.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated August 16, 2017.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 16, 2017

QUALITY SYSTEMS, INC.

By: /s/ James R. Arnold
James R. Arnold
Chief Financial Officer

EXHIBITS ATTACHED TO THIS REPORT ON FORM 8-K

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated August 16, 2017.



FOR IMMEDIATE RELEASE

NEXTGEN HEALTHCARE COMPLETES ACQUISITION OF EAGLEDREAM HEALTH INC.

Irvine, Calif. – August 16, 2017 – NextGen Healthcare Information Systems, LLC, a wholly owned subsidiary of Quality Systems, Inc. (NASDAQ: QSII), announced today the completion of the previously announced acquisition of EagleDream Health Inc., a software analytics solutions company. Headquartered in Rochester, N.Y., EagleDream Health is a cloud-based analytics company that drives meaningful insight across clinical, financial and administrative data to optimize practice performance.

“We’re very excited to conclude our acquisition of EagleDream Health, which represents a significant milestone toward achieving our goal of becoming a complete value-based care solution platform,” said Rusty Frantz, NextGen Healthcare President and CEO. “The addition of EagleDream Health’s sophisticated, vendor-agnostic platform will help ensure our clients’ success and support the quadruple aim of enhancing both the patient and provider experience, improving clinical outcomes, and lowering the cost of care.”

About Quality Systems, Inc.

Quality Systems, Inc., known to our clients as NextGen Healthcare, provides software, services, and analytic solutions to the ambulatory care market. We are a healthcare information technology and services company that delivers foundational capabilities to organizations that want to promote healthy communities. Our technology provides a customizable platform that empowers physician success, enriches the patient care experience and lowers the cost of healthcare. Visit www.qsii.com and www.nextgen.com for additional information.

SAFE HARBOR PROVISIONS FOR FORWARD-LOOKING STATEMENTS

Certain statements in this news release are forward-looking statements within the meaning of federal securities laws, including but not limited to statements regarding the anticipated impact of the EagleDream Health Inc. acquisition. These forward-looking statements may contain the words “believe,” “anticipate,” “continue,” “expect,” “plan,” “potential,” “predict,” “estimate,” “outlook,” “project,” “will be,” “will continue,” “will likely result,” or other similar words and phrases. The Company cautions

investors not to place undue reliance on any such forward-looking statements, which are based on information available at the time those statements are made or management's good faith belief as of that time with regard to future events, and should not be read as a guarantee of future performance or results. Risks and uncertainties exist that may cause results to differ materially from those set forth in these forward-looking statements. Factors that could cause the anticipated results to differ from those described in the forward-looking statements include, but are not limited to, the potential that the expected benefits and opportunities of the acquisition of EagleDream Health Inc. may not be realized or may take longer to realize than expected; potential delays, inefficiencies or failures in integrating EagleDream Health Inc.'s personnel, systems and business with the Company; and market and financial conditions which may impact the performance of EagleDream Health Inc. The foregoing factors are in addition to the risks set forth in the Company's public filings with the U.S. Securities and Exchange Commission, including the discussion under the heading "Risk Factors" in the Company's most recent Annual Report on Form 10-K and any subsequently filed Quarterly Reports on Form 10-Q. These forward-looking statements speak only as of the date hereof. The Company expressly disclaims any intent or obligation to update these forward-looking statements except as required by law.

For Investor Relations Inquiries:

Quality Systems, Inc.: Jamie Arnold, Chief Financial Officer 949-255-2600; JArnold@nextgen.com

For Media and Public Relations Inquiries:

Finn Partners: Agata Porter (212) 715-1595; agata.porter@finnpartners.com