

HEALTHSOUTH CORP

FORM 8-K

(Current report filing)

Filed 01/13/95 for the Period Ending 12/29/94

Address	ONE HEALTHSOUTH PKWY STE 224W BIRMINGHAM, AL 35243
Telephone	2059677116
CIK	0000785161
Symbol	HLS
SIC Code	8093 - Specialty Outpatient Facilities, Not Elsewhere Classified
Industry	Healthcare Facilities
Sector	Healthcare
Fiscal Year	12/31

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: December 29, 1994

HEALTHSOUTH Corporation

formerly named HEALTHSOUTH Rehabilitation Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware	1-10315	63-0860407
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(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

Two Perimeter Park South Birmingham, Alabama	35243
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(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, (205) 967-7116
Including Area Code:

Item 2. ACQUISITION OR DISPOSITION OF ASSETS

Effective December 29, 1994, HEALTHSOUTH Corporation, a Delaware corporation formerly known as HEALTHSOUTH Rehabilitation Corporation (the "Company"), and its wholly-owned subsidiary, RRS Acquisitions Company, Inc., a Delaware corporation ("RRS"), completed the acquisition of ReLife, Inc., a Delaware corporation ("ReLife"), through a merger of RRS into ReLife. As contemplated by the terms of the Amended and Restated Plan and Agreement of Merger by and among the parties, ReLife is the surviving corporation in the merger, and is wholly-owned by the Company. ReLife stockholders received .7053 shares of the Common Stock, par value \$.01 per share, of the Company for each share of the Class A Common Stock, par value \$.01 per share, or Class B Common Stock, par value \$.01 per share, of ReLife held by them. The exchange ratio represents a value of \$24.00 per share to ReLife's stockholders, resulting in an approximate value of the transaction of \$180,000,000.

ReLife provides a comprehensive system of rehabilitation services for disabled and injured individuals. As of September 30, 1994, ReLife operated 31 inpatient facilities with an aggregate of 1,102 licensed beds, including nine free-standing rehabilitation hospitals, nine acute rehabilitation units, five sub-acute rehabilitation units, seven transitional living units and one residential facility, and provided outpatient rehabilitation services at twelve outpatient centers. ReLife also provides other services and programs, including contract staffing of rehabilitation therapists and specialized programs for spinal cord injury, brain injury and industrial rehabilitation.

Item 5. OTHER EVENTS

At a Special Meeting of Stockholders of the Company held December 6, 1994, the stockholders of the Company approved proposals to change the name of the Company to HEALTHSOUTH Corporation and to increase the number of authorized shares of Common Stock, par value \$.01 per share, to 100,000,000 shares. On December 30, 1994, the Company filed a Restated Certificate of Incorporation with the Secretary of State of the State of Delaware to effect such amendments.

Item 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements of Businesses Acquired.

It is impracticable to provide the required financial statements for the acquired business at the time this Current Report on Form 8-K is filed because no audited financial statements for such business prepared pursuant to Regulation S-X are available. Such required financial statements will be filed under cover of Form 8-K/A as soon as practicable, but not later than 60 days after January 13, 1995.

(b) Pro Forma Financial Information.

It is impracticable to provide the required pro forma financial statements for the acquired business at the time this Current Report on Form 8-K is filed because no audited financial statements prepared pursuant to Regulation S-X are available for such business. Such required pro forma financial statements will be filed under cover of Form 8-K/A as soon as practicable, but not later than 60 days after January 13, 1995.

(c) Exhibits.

- (2) Amended and Restated Plan and Agreement of Merger, dated as of September 18, 1994, by and among HEALTHSOUTH Rehabilitation Corporation, RRS Acquisitions Company, Inc. and ReLife, Inc., incorporated herein by reference to Annex A to the Prospectus forming a part of Amendment No. 1 to the Company's Registration Statement on Form S-4 (Reg. No. 33-55929), as filed with the Commission on November 10, 1994.
- (3) Restated Certificate of Incorporation of HEALTHSOUTH Rehabilitation Corporation, as filed on December 30, 1994, with the Secretary of State of the State of Delaware.

The Registrant undertakes to furnish supplementally to the Commission upon request a copy of any Exhibit to the Amended and Restated Plan and Agreement of Merger, incorporated by reference herein as Exhibit (2).

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: January 13, 1995.

HEALTHSOUTH Corporation

By /s/ RICHARD M. SCRUSHY

 Richard M. Scrushy,
 Chairman of the Board, President
 and Chief Executive Officer

EXHIBIT (3)

RESTATED

CERTIFICATE OF INCORPORATION

OF

HEALTHSOUTH REHABILITATION CORPORATION

HEALTHSOUTH Rehabilitation Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies as follows:

1. The name of the Corporation, prior to the amendments made herein, is HEALTHSOUTH Rehabilitation Corporation.

The Corporation was originally incorporated under the name AMCARE, Inc. The date of filing its original Certificate of Incorporation with the Secretary of State was February 22, 1984.

2. This Restated Certificate of Incorporation further amends and restates the Restated Certificate of Incorporation of the Corporation by inserting therein a new Article FIRST and a new first paragraph in Article FOURTH.

3. The text of the Certificate of Incorporation, as amended or supplemented heretofore, is further amended hereby to read as herein set forth in full:

"FIRST: The name of the Corporation is HEALTHSOUTH Corporation.

SECOND: The address of its registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The nature of the business or purposes to be conducted or promoted are:

(a) To engage in the business of providing comprehensive rehabilitation and clinical healthcare services on an ambulatory and inpatient basis in rehabilitation clinics and hospitals to the general public through the provision of physician services, physical therapy, social and/or psychological, respiratory therapy, cardiac rehabilitation, pulmonary rehabilitation, occupational therapy, speech pathology, prosthetic and orthotic devices, nursing care, drugs and biologicals, supplies, appliances and equipment and other services and to do any and all things necessary and appropriate to carry out such business effectively, including, without limitation, the owning, leasing, management and operation of medical facilities and other physical properties, either directly or indirectly, or in concert with others.

(b) To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is One Hundred One Million Five Hundred Thousand (101,500,000) shares, consisting of One Hundred Million (100,000,000) shares of Common Stock, par value One Cent (\$.01) per share, and One Million Five Hundred Thousand (1,500,000) shares of Preferred Stock, par value Ten Cents (\$.10) per share.

Shares of Preferred Stock may be issued from time-to-time in one or more series, each such series to have such distinctive designation or title as may be stated and expressed in this Article FOURTH or as may be fixed by the Board of Directors prior to the issuance of any shares thereof. Each such series of Preferred Stock shall have such voting powers, full or limited, or no voting powers, and such preferences and such relative, participating, optional or other special rights (including, without limitation, the right to convert the shares of such Preferred Stock into shares of the Corporation's Common Stock at such rate and upon such terms and conditions as may be fixed by the Corporation's Board of Directors), with such qualifications, limitations or restrictions of such preferences or rights as shall be stated and expressed in this Article FOURTH or in the resolution or resolutions providing for the issue of such series of Preferred Stock as may be adopted from time-to-time by the Board of Directors prior to the issuance of any shares thereof, in accordance with the laws of the State of Delaware.

Except as may be otherwise provided in this Article FOURTH or in the resolution or resolutions providing for the issue of a particular series, the Board of Directors may from time-to-time increase the number of shares of any series already created by providing that any unissued shares of Preferred Stock shall constitute part of such series, or may decrease (but not below the number of shares thereof then outstanding) the number of shares of any series already created by providing that any unissued shares previously assigned to such series shall no longer constitute part thereof.

FIFTH: The Board of Directors shall have the power to make, alter or repeal the Bylaws of the Corporation at any meeting at which a quorum is present by the affirmative vote of a majority of the whole Board of Directors. Election of Directors need not be by written ballot.

SIXTH: Special Meetings of the stockholders of the Corporation may be called only by the Board of Directors of the Corporation by resolution adopted by a majority of the whole Board of Directors or in writing by the holders of at least 20% of the outstanding shares of the Corporation entitled to vote in elections of Directors.

SEVENTH: (a) Unless the conditions set forth in clauses (1) through (4) of this Article SEVENTH, Section (a) are satisfied, the affirmative vote of the holders of Sixty-Six and Two-Thirds Percent (66-2/3%) of all shares of the Corporation entitled to vote in elections of Directors, considered for the purposes of this Article SEVENTH as one class, shall be required for the adoption or authorization of a business combination (as hereinafter defined) with any other entity (as hereinafter defined) if, as of the record date for the determination of stockholders entitled to notice thereof and to vote thereon, the other entity is the beneficial owner, directly or indirectly, of more than Twenty Percent (20%) of the outstanding shares of the Corporation entitled to vote in elections of Directors, considered for the purposes of this Article SEVENTH as one class. The Sixty-Six and Two-Thirds Percent (66-2/3%) voting requirement set forth in the foregoing sentence shall not be applicable if:

(1) The cash, or fair market value of other consideration, to be received per share by holders of the Corporation's Common Stock in the business combination is at least an amount equal to (A) the highest per share price paid by the other entity in acquiring any of its holdings of the Corporation's Common Stock plus (B) the aggregate amount, if any, by which Five Percent (5%) per annum of that per share price exceeds the aggregate amount of all dividends paid in cash, in each case since the date on which the other entity acquired the Twenty Percent (20%) interest;

(2) After the other entity has acquired a Twenty Percent (20%) interest and prior to the consummation of the business combination: (A) the other entity shall have taken steps to ensure that the Corporation's Board of Directors included at all times representation by continuing Director(s) (as hereinafter defined) proportionate to the stockholders of the public holders of the Corporation's Common Stock not affiliated with the other entity (with a continuing Director to occupy any resulting fractional board position); (B) the other entity shall not have acquired any newly issued shares, directly or indirectly, from the Corporation (except upon conversion of convertible securities acquired by it prior to obtaining a Twenty Percent (20%) interest or as a result of a pro rata share dividend or share split); and (C) the other entity shall not have acquired any additional outstanding shares of the Corporation's Common Stock or securities convertible into shares of the Corporation's Common Stock except as a part of the transaction that resulted in the other entity's acquiring its Twenty Percent (20%) interest;

(3) The other entity shall not have (A) received the benefit, directly or indirectly (except proportionately as a stockholder), of any loans, advances, guarantees, pledges or other financial assistance or tax credits provided by the Corporation or (B) made any major change in the Corporation's business or equity capital structure without in either case the approval of at least a majority of all the Directors and at least two-thirds of the continuing Directors prior to the consummation of the business combination; and

(4) A proxy statement responsive to the requirements of the Securities Exchange Act of 1934 shall have been mailed to public stockholders of the Corporation for the purpose of soliciting stockholder approval of the business combination and shall have contained at the front thereof, in a prominent place, any recommendations as to the advisability (or inadvisability) of the business combination that the continuing Directors, or any of them, may choose to state and, if deemed advisable by a majority of the continuing Directors, an opinion of a reputable investment banking firm as to the fairness of the terms of the business combination, from the point of view of the remaining public stockholders of the Corporation (the investment banking firm to be selected by a majority of the continuing Directors and to be paid a reasonable fee for its services by the Corporation upon receipt of the opinion).

The provisions of this Article SEVENTH shall also apply to a business combination with any other entity that at any time has been the beneficial owner, directly or indirectly, of more than Twenty Percent (20%) of the outstanding shares of the Corporation entitled to vote in elections of Directors, considered for the purposes of this Article SEVENTH as one class, notwithstanding the fact that the other entity has EXHIBIT (3) reduced its shareholders below Twenty Percent (20%) if, as of the record date for the determination of stockholders entitled to notice of and to vote on the business combination, the other entity is an "affiliate" (as hereinafter defined) of the Corporation.

(b) As used in this Article SEVENTH, (1) the term "other entity" shall include any corporation, person or other entity and any other entity with which it or its "affiliate" or "associate" (as defined below) has any agreement, arrangement, or understanding, directly or indirectly, for the purpose of acquiring, holding, voting, or disposing of shares of the Corporation, or that is its "affiliate" or "associate" as those terms are defined in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934 as in effect on September 1, 1986, together with the successors and assigns of those persons in any transaction or series of transactions not involving a public offering of the Corporation's shares within the meaning of the Securities Act of 1933; (2) an other entity shall be deemed to be the beneficial owner of any shares of the Corporation that the other entity (as defined above) has the right to acquire pursuant to any agreement or upon exercise of conversion rights, warrants or options, or otherwise; (3) the outstanding shares of any class of the Corporation shall include shares deemed owned through application of clause (2) above but shall not include any other shares that may be issuable pursuant to any agreement or upon exercise of conversion rights, warrants or options, or otherwise; (4) the term "business combination" shall include (A) the sale, exchange, lease, transfer or other disposition by the Corporation of all, or substantially all, of its assets or business to any other entity, (B) the consolidation of the Corporation with or its merger into any other entity, (C) the merger into the Corporation of any other entity, or (D) a combination or major EXHIBIT (3) its share acquisition in which the Corporation is the acquiring corporation and its voting shares are issued or transferred to any other entity or to stockholders of any other entity, and the term "business combination" shall also include any agreement, contract or other arrangement with an other entity providing for any of the transactions described in (A) through (D) of this clause (4); (5) the term "continuing Director" shall mean either a person who was a member of the Corporation's Board of Directors on August 15, 1986, or a person who was elected to the Corporation's Board of Directors by the public stockholders of the Corporation prior to the time when the other entity acquired in excess of five percent (5%) of the shares of the Corporation entitled to vote in the election of Directors, considered for the purposes of this Article SEVENTH as one class, or a person recommended to succeed a continuing Director by a majority of the continuing Directors; and (6) for the purposes of Article SEVENTH, Section (a), clause (1), the term "other consideration to be received" shall mean shares of the

Corporation's Common Stock retained by its existing public stockholders in the event of a business combination with the other entity in which the Corporation is the surviving corporation.

(c) A majority of the continuing Directors shall have the power and duty to determine for the purposes of this Article SEVENTH, on the basis of information known to them, whether (1) the other entity beneficially owns more than Twenty Percent (20%) of the outstanding shares of the Corporation entitled to vote in elections of Directors, (2) an other entity is an "affiliate" or "associate" (as defined above) of another, or (3) an other entity has an agreement, arrangement or understanding with another.

(d) Nothing contained in this Article SEVENTH shall be construed to relieve any other entity from any fiduciary obligation imposed by law.

EIGHTH: Subject to the last sentence of this Article EIGHTH, the Corporation reserves the right to amend and repeal any provision contained in this Certificate of Incorporation including, without limiting the generality of the foregoing, the addition of a provision requiring a supermajority vote of stockholders to remove Directors. The provisions set forth in Articles SIXTH, SEVENTH and this Article EIGHTH of this Certificate of Incorporation may not be repealed or amended in any respect, unless such action is approved by the affirmative vote of the holders of Sixty-Six and TwoThirds Percent (66-2/3%) of all shares of the Corporation entitled to vote in elections of Directors, considered for purposes of this Article EIGHTH as one class.

NINTH: No Director of this Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a Director; provided, however, that this Article NINTH shall not eliminate the liability of a Director (a) for any breach of the Director's duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the General Corporation Law of Delaware, or (d) for any transaction from which the Director derived an improper personal benefit.

(4) In accordance with the applicable provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware, this Restated Certificate of Incorporation has been duly adopted by the Directors of the Corporation and by vote of the stockholders.

IN WITNESS WHEREOF, said HEALTHSOUTH Rehabilitation Corporation has caused its corporate seal to be hereunto affixed and this Certificate to be signed by Anthony J. Tanner, its Executive Vice President, and attested by William W. Horton, its Assistant Secretary, this 29th day of December, 1994.

HEALTHSOUTH Rehabilitation Corporation

By /s/ ANTHONY J. TANNER

Anthony J. Tanner
Executive Vice President

[CORPORATE SEAL]

ATTEST:

By /s/ WILLIAM W. HORTON

William W. Horton
Assistant Secretary

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