
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): May 18, 2017

Surgery Partners, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-37576
(Commission
File Number)

47-3620923
(IRS Employer
Identification No.)

40 Burton Hills Boulevard, Suite 500
Nashville, Tennessee 37215

(Address of Principal Executive Offices) (Zip Code)

(615) 234-5900
(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, If Changed Since Last Report)

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 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 May 18, 2017, Surgery Partners, Inc. (the “Company”) announced that it is soliciting consents pursuant to a consent solicitation statement from holders of its 8.875% Senior Notes due 2021 (the “Consent Solicitation Statement”). The Consent Solicitation Statement includes certain financial information related to the previously announced transactions pursuant to which the Company (i) agreed to acquire NSH Holdco, Inc., a Delaware corporation (“NSH”), through a merger of SP Merger Sub, Inc., a wholly owned subsidiary of the Company (“Merger Sub”), with and into NSH (the “Merger”), pursuant to an Agreement and Plan of Merger, by and among the Company, Merger Sub, NSH, and IPC / NSH, L.P., solely in its capacity as sellers’ representative, (ii) agreed to issue to BCPE Seminole Holdings LP, a Delaware limited partnership (“Bain Capital”), an affiliate of Bain Capital Private Equity, up to 320,000 shares of preferred stock, par value \$0.01 per share, of the Company, to be created out of the authorized and unissued shares of preferred stock of the Company and designated as 10.00% Series A Convertible Perpetual Participating Preferred Stock at a purchase price per share of \$1,000 (the “Preferred Private Placement”) and (iii) in connection with the Merger and the Preferred Private Placement, entered into a Stock Purchase Agreement, by and among the Company, H.I.G. Surgery Centers, LLC (“H.I.G.”), H.I.G. Bayside Debt & LBO Fund II L.P. (for the purposes stated therein) and Bain Capital, pursuant to which H.I.G. has agreed to sell 26,455,651 shares of common stock, par value \$0.01 per share, of the Company, to Bain Capital at a purchase price per share of \$19.00 in cash.

A copy of the applicable portion of the Consent Solicitation Statement is furnished as Exhibit 99.1 to this Current Report on Form 8-K. The information contained in this Item 7.01 and in the accompanying exhibit shall not be deemed filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 8.01. Other Events.

On May 18, 2017, Surgery Partners, Inc. (the “Company”) announced that it is soliciting consents pursuant to a consent solicitation statement from holders of its 8.875% Senior Notes due 2021 (the “Consent Solicitation Statement”). The Consent Solicitation Statement includes certain financial information related to the previously announced transactions pursuant to which the Company (i) agreed to acquire NSH Holdco, Inc., a Delaware corporation (“NSH”), through a merger of SP Merger Sub, Inc., a wholly owned subsidiary of the Company (“Merger Sub”), with and into NSH (the “Merger”), pursuant to an Agreement and Plan of Merger, by and among the Company, Merger Sub, NSH, and IPC / NSH, L.P., solely in its capacity as sellers’ representative, (ii) agreed to issue to BCPE Seminole Holdings LP, a Delaware limited partnership (“Bain Capital”), an affiliate of Bain Capital Private Equity, up to 320,000 shares of preferred stock, par value \$0.01 per share, of the Company, to be created out of the authorized and unissued shares of preferred stock of the Company and designated as 10.00% Series A Convertible Perpetual Participating Preferred Stock at a purchase price per share of \$1,000 (the “Preferred Private Placement”) and (iii) in connection with the Merger and the Preferred Private Placement, entered into a Stock Purchase Agreement, by and among the Company, H.I.G. Surgery Centers, LLC (“H.I.G.”), H.I.G. Bayside Debt & LBO Fund II L.P. (for the purposes stated therein) and Bain Capital, pursuant to which H.I.G. has agreed to sell 26,455,651 shares of common stock, par value \$0.01 per share, of the Company, to Bain Capital at a purchase price per share of \$19.00 in cash.

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Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Excerpts from the Consent Solicitation Statement dated May 18, 2017
99.2	Press Release dated May 18, 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.

Surgery Partners, Inc.

By: /s/ Michael T. Doyle

Michael T. Doyle
Chief Executive Officer

Date: May 18, 2017

EXHIBIT INDEX

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CONSENT SOLICITATION STATEMENT

SURGERY CENTER HOLDINGS, INC.

**Solicitation of Consents Relating to the Proposed Amendments of the Indenture Relating to
the**

8.875% Senior Notes due 2021 (CUSIP Nos. 86881WAA0, 86881WAB8 (AI) and U86786AA5 and ISIN Nos. US86881WAA09, US86881WAB81 and USU86786AA59)

THIS CONSENT SOLICITATION (AS DEFINED BELOW) WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON MAY 25, 2017, UNLESS EXTENDED OR EARLIER TERMINATED (SUCH TIME AND DATE, AS THE SAME MAY BE EXTENDED OR EARLIER TERMINATED, THE “EXPIRATION DATE”). HOLDERS (AS DEFINED BELOW) OF NOTES (AS DEFINED BELOW) WILL BE ENTITLED TO RECEIVE THE CONSENT CONSIDERATION (AS DEFINED BELOW) FOR THEIR NOTES ONLY IF THEY VALIDLY DELIVER CONSENTS (AS DEFINED BELOW) PRIOR TO THE EXPIRATION DATE AND DO NOT REVOKE SUCH CONSENTS, AND PAYMENT OF THE CONSENT CONSIDERATION SHALL BE SUBJECT TO THE RECEIPT OF THE REQUISITE CONSENT (AS DEFINED BELOW) AND THE SATISFACTION OF THE OTHER CONDITIONS SPECIFIED HEREIN. HOLDERS WHO DELIVER THEIR CONSENTS AFTER THE EXPIRATION DATE WILL NOT RECEIVE THE CONSENT CONSIDERATION.

Security	CUSIP Nos.	ISIN Nos.	Maturity	Consent Consideration	Amount Outstanding As of the Record Date
8.875% Senior Notes due 2021	86881WAA0, 86881WAB8 (AI) and U86786AA5	US86881WAA09, US86881WAB81 and USU86786AA59	April 15, 2021	\$2.50 per \$1,000 principal amount of the Notes	\$400.0 million

In connection with the proposed Transactions (as defined below), Surgery Center Holdings, Inc., a Delaware corporation (the “*Issuer*”), hereby solicits (the “*Consent Solicitation*”) consents (the “*Consents*”) of the holders of record (each, a “*Holder*” and, collectively, the “*Holders*”) as of 5:00 p.m., New York City time, on May 17, 2017 (such time and date, the “*Record Date*”) of its 8.875% Senior Notes due 2021 (the “*Notes*”), issued under an Indenture, dated as of March 31, 2016 (as supplemented or amended, the “*Indenture*”), by and among the Issuer, various subsidiaries of the Issuer, as guarantors (the “*Guarantors*”), and Wilmington Trust, National Association, as trustee (the “*Trustee*”), upon the terms and subject to the conditions set forth in this Consent Solicitation Statement (as the same may be amended or supplemented from time to time, the “*Consent Solicitation Statement*”) and in the accompanying form of consent (as the same may be amended or supplemented from time to time, the “*Consent Form*”) and, together with the Consent Solicitation Statement and the other documents relating to the Consent Solicitation delivered in connection herewith, the “*Solicitation Documents*”), to (i) amend the Change of Control definition relating to the Notes (as set forth in the Indenture) such that the Issuer will not be required to make a Change of Control Offer (as defined in the Indenture) and (ii) modify the definition of Sponsor (as defined below) such that Bain (as defined herein) shall constitute a Permitted Holder (as defined in the Indenture) and, effective immediately following the consummation of the Transactions, H.I.G. Cap (as defined herein) is removed from the definition of Sponsor, each as more fully detailed herein under “Proposed Amendments to the Notes.” All capitalized terms used herein but not defined in this Consent Solicitation Statement have the meaning ascribed to them in the Indenture, unless otherwise specified.

On May 9, 2017, Surgery Partners, Inc., a Delaware corporation (“*Surgery Partners*,” the “*Company*,” “*we*” or “*us*”), the parent of the Issuer, entered into an Agreement and Plan of Merger (the “*Merger Agreement*”) with NSH Holdco, Inc., a Delaware corporation (“*NSH*”), IPC / NSH, L.P., solely in its capacity as sellers’ representative, and SP Merger Sub, Inc., a wholly owned subsidiary of the Company (“*Merger Sub*”). Upon the terms and conditions set forth in the Merger Agreement, Merger Sub will merge with and into NSH (the “*Merger*”) with NSH continuing as the surviving corporation (the “*Surviving Corporation*”) and an indirect wholly-owned subsidiary of the Company and a direct or indirect wholly-owned subsidiary of the Issuer.

In order to finance the Merger, the Issuer intends to issue new senior unsecured notes and raise additional senior secured term loan financing and the Company intends to issue shares of a new series of preferred stock designated as 10.00% Series A Convertible Perpetual Participating Preferred Stock (the “*Series A Preferred Stock*”). The Issuer has entered into customary commitment and engagement letters in connection with such new debt financing, all of which would rank pari passu in right of payment with the Notes, and, in the case of any senior secured financing, rank effectively senior in right of payment to the Notes, to the extent of the value of the collateral securing obligations under the senior secured financing.

The Issuer expects that, upon the closing of the Transactions and the Merger and the issuance of new senior unsecured notes and incurrence of additional or replacement senior secured term loans, outstanding total indebtedness of the Issuer and its restricted subsidiaries will be up to approximately \$2,100 million (excluding the portion of indebtedness of non-wholly owned restricted subsidiaries that corresponds to the equity interest share of third parties in such non-wholly owned subsidiaries) and outstanding secured indebtedness of the Issuer and its restricted subsidiaries that are guarantors under the Indenture will be up to approximately \$1,300 million (in each case without giving effect to any undrawn revolving credit facilities).

The preferred stock financing will be issued pursuant to a Securities Purchase Agreement (the “*Preferred Stock Purchase Agreement*”) dated May 9, 2017, by and among the Company and BCPE Seminole Holdings LP, a Delaware limited partnership (the “*Stock Purchaser*”), an affiliate of Bain Capital Private Equity, LP, pursuant to which, on the terms and subject to the conditions set forth therein, the Stock Purchaser, or any of its designees, will acquire and the Company will issue, up to 320,000 shares of preferred stock of the Company’s Series A Preferred Stock, at a price per share of \$1,000.00 (the “*Preferred Private Placement*”).

Additionally, on May 9, 2017, the Company entered into a Stock Purchase Agreement (the “*SPA*”) with H.I.G. Surgery Centers, LLC (“*H.I.G.*”), H.I.G. Bayside Debt & LBO Fund II L.P. and the Stock Purchaser, pursuant to which the Stock Purchaser (or any of its designees) agreed to purchase all of the 26,455,651 shares of Common Stock beneficially owned by H.I.G. and its affiliates at a purchase price per share of \$19.00 (the “*Private Sale*”). Upon the closing of the Private Sale and the Preferred Private Placement, assuming an issuance of 320,000 shares of Series A Preferred Stock and calculated based on the number of shares of Common Stock of the Company outstanding on May 10, 2017, the Series A Preferred Stock and the Common Stock acquired by the Stock Purchaser and its affiliates in the Transactions will represent approximately 66% of the voting power of all classes of capital stock of Surgery Partners. The Private Sale and Preferred Private Placement are herein referred to as the “*Transactions*” and the Preferred Stock Purchase Agreement and the SPA are herein referred to as the “*Transaction Agreements*.”

The effectiveness of the Proposed Amendments (as defined below) is not a condition to the completion of the Transactions or the other transactions contemplated by the Transaction Agreements. Therefore, the Transactions or the other transactions contemplated by the Transaction Agreements may be consummated regardless of whether or not the Requisite Consent is received.

The Solicitation Agent for this Consent Solicitation is:

Jefferies

May 18, 2017



Surgery Partners, Inc. Announces Consent Solicitation Relating to its Senior Notes

NEW YORK - May 18, 2017 - Surgery Partners, Inc. ("Surgery Partners") announced today that, in connection with the previously announced proposed Transactions (as defined below), Surgery Center Holdings, Inc., a Delaware corporation (the "Issuer"), is soliciting consents pursuant to a consent solicitation statement dated May 18, 2017 (the "Consent Solicitation") from holders of its 8.875% Senior Notes due 2021 (the "Notes") to approve amendments (the "Proposed Amendments") to certain provisions of the indenture (the "Indenture") governing the Notes.

The adoption of the Proposed Amendments requires the consent (which has not been revoked) of holders of at least a majority in aggregate principal amount of the then outstanding Notes voting as a single class (the "Requisite Consent").

On May 10, 2017, Surgery Partners, the parent of the Issuer, and National Surgical Healthcare ("NSH"), an owner and operator of surgical facilities in partnership with local physicians, announced that they entered into a definitive merger agreement pursuant to which Surgery Partners will acquire NSH from Irving Place Capital for approximately \$760 million (the "Merger").

Funding for Surgery Partners' acquisition of NSH will be provided in part by an affiliate of Bain Capital Private Equity, a leading global private investment firm, which as part of the transaction is injecting capital in exchange for preferred stock in the Company (the "Preferred Private Placement"). Further, in conjunction with the Merger and the Preferred Private Placement, an affiliate of Bain Capital Private Equity will acquire H.I.G. Capital's existing equity stake in Surgery Partners (the "Private Sale" and, together with the Preferred Private Placement, the "Transactions").

The supplemental indenture which includes the Proposed Amendments (the "Supplemental Indenture") will become effective at such time as the Requisite Consent has been obtained prior to the Expiration Date (as such term is defined in the Consent Solicitation) and the Supplemental Indenture has been executed. However, neither the Supplemental Indenture nor the Proposed Amendments will become operative until the Issuer has paid the Consent Consideration (as defined below) to Ipreo LLC, who is acting as the paying agent for the solicitation, which is expected to occur immediately prior to the closing of the Transactions.

Under the Indenture, the completion of the Transactions constitutes a "Change of Control." The anticipated Change of Control would require the Issuer to make a "Change of Control Offer," in the manner contemplated by the Indenture, to each holder to purchase all or any part of such holder's Notes at a purchase price equal to 101% of the aggregate principal amount of Notes purchased, plus accrued and unpaid interest, if any, to, but excluding, the date of purchase. The Issuer is seeking consents from the holders to amend the Indenture such that the Transactions would not constitute a Change of Control and that, as a result, a Change of Control Offer would not be required in connection with the completion of the Transactions, and holders would not be entitled to receive any "Change of Control Payment" in connection with the Transactions. "Change of Control," "Change of Control Offer," and "Change of Control Payment" as used herein have the meaning given to such terms in the Indenture.

The Proposed Amendments will (i) amend the Change of Control definition relating to the Notes (as set forth in the Indenture) such that the Issuer will not be required to make a Change of Control Offer with respect to the Notes in connection with the Transactions and (ii) amend the definition of Sponsor (as defined in the Indenture) to add Bain Capital Private Equity, LP, its affiliates and certain related parties thereto (collectively, "Bain") as a Sponsor and, effective immediately following the consummation of the Transactions, remove H.I.G. Capital, LLC, its affiliates and certain related parties thereto as a Sponsor, such that Bain shall thereafter constitute a Permitted Holder (as defined in the Indenture). The effectiveness of the Proposed Amendments is not a condition to the completion of the Transactions and Surgery Partners is able to complete the Transactions without the Proposed Amendments becoming effective by making a Change of Control Offer.

Subject to the satisfaction or waiver of the Conditions (as defined in the Consent Solicitation Statement), the Issuer will pay, immediately prior to the closing of Transactions, to Ipreo LLC, who is acting as the Information and Tabulation Agent, a cash payment equal to \$2.50 per \$1,000 principal amount of the Notes (the "Consent Consideration"), to be distributed to each holder of the Notes who validly delivers (and does not revoke) their consent prior to the Expiration Date.

If the Proposed Amendments are approved by Requisite Consent, and the Supplemental Indenture with respect to the Notes is executed and becomes effective, the Supplemental Indenture will bind all holders of the Notes, including those that did not give consent or who gave consent and then revoked, but such non-consenting holders or holders who gave consent and then revoked prior to the effectiveness of the Supplemental Indenture will not receive the Consent Consideration. The consent solicitation is subject to the satisfaction of certain customary conditions, including, but not limited to, that the Issuer reasonably expects that one or both of the Transactions will close immediately following the payment of the Consent Consideration.

The consent solicitation is being made solely to holders of record of the Notes as of 5:00 p.m., New York City time, on May 17, 2017 and on the terms and subject to the conditions set forth in the Consent Solicitation Statement. The solicitation will expire at 5:00 p.m. New York City time, on May 25, 2017. The Issuer may, in its sole discretion, terminate, withdraw, extend or amend the consent solicitation at any time as described in the Consent Solicitation Statement.

Copies of the Consent Solicitation Statement and other related documents may be obtained from Ipreo LLC by calling, for banks and brokers (212) 849-3880, or toll free in the US at (888) 593-9546, or by email at consentoffer@ipreo.com. Holders of the Notes are urged to review the Consent Solicitation Statement for the detailed terms of the consent solicitation and the procedures for consenting to the Proposed Amendments. Jefferies LLC is acting as the Solicitation Agent. Any persons with questions regarding the consent solicitations should contact Jefferies LLC collect at (203) 363-8273 or toll free in the US at (888) 708-5831.

This announcement is for information purposes only and is neither an offer to sell nor a solicitation of an offer to buy any security. No recommendation is being made by any of the Issuer, Surgery Partners, the guarantors, the trustee, the Information and Tabulation Agent or the Solicitation Agent as to whether holders of Notes should consent to the Proposed Amendments. The solicitation of consents is not being made in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such solicitation under applicable state or foreign securities or "blue sky" laws.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the success of the solicitation, whether the Supplemental Indenture will be executed, whether the Transactions will be completed, the anticipated consequences and benefits of the Transactions, the timing of the payment of the Consent Consideration, and other information and statements that are not historical fact. These forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. These risks and uncertainties include the receipt and timing of necessary consents from bondholders and the receipt and timing of necessary regulatory approval, as well as other factors. These forward-looking statements speak only as of the date of this release. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

About Surgery Partners

Headquartered in Nashville, Tennessee, Surgery Partners is a leading healthcare services company with a differentiated outpatient delivery model focused on providing high quality, cost effective solutions for surgical and related ancillary care in support of both patients and physicians. Founded in 2004, Surgery Partners is one of the largest and fastest growing surgical services businesses in the country, with more than 150 locations in 29 states, including ambulatory surgical facilities, surgical hospitals, a diagnostic laboratory, multi-specialty physician practices and urgent care facilities.

Contacts:

Surgery Partners, Inc.
Teresa Sparks, Chief Financial Officer
(615) 234-8940
IR@surgerypartners.com