

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**July 7, 2017**

Date of report (date of earliest event reported)

**Surgery Partners, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdictions of  
incorporation or organization)

**001-37576**

(Commission  
File Number)

**47-3620923**

(I.R.S. Employer  
Identification Nos.)

**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)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrants 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 1.01 Entry into a Material Definitive Agreement.**

As previously announced, Surgery Partners, Inc., a Delaware corporation (the "Company"), entered into an Agreement and Plan of Merger, dated May 9, 2017 (the "Original Agreement") by and among the Company, SP Merger Sub, Inc., a wholly owned subsidiary of the Company ("Merger Sub"), NSH Holdco, Inc., a Delaware corporation ("NSH"), and IPC / NSH, L.P., solely in its capacity as sellers' representative, pursuant to which, among other things, Merger Sub will merge with and into NSH (the "Merger"). Pursuant to the Original Agreement, the Company agreed to acquire NSH for a \$760 million enterprise value, subject to certain adjustments as specified in the Original Agreement.

On July 7, 2017, the parties thereto entered into a Letter Amendment to Merger Agreement (the "Merger Agreement Amendment," and the Original Agreement as amended thereby, the "Merger Agreement"), in order to modify certain of the adjustments to enterprise value contained in the Original Agreement. Under the Merger Agreement Amendment, the parties agreed that, among other things, (i) cash spent by NSH after signing of the Original Agreement on certain professional services expenses and capital expenditures that have been or are approved by the Company (and for capital expenditures,

currently capped at a maximum spend of \$10 million) shall be included as a positive number in the adjustment to enterprise value for cash of NSH and accordingly treated as if it had not been spent for purposes of that adjustment, (ii) current assets and current liabilities, if any, related to such professional services expenses and capital expenditures shall be excluded from the calculations of current assets and current liabilities of NSH for purposes of the adjustment to enterprise value for working capital, and (iii) any amounts owed related to such professional services expenses and capital expenditures shall be excluded from the adjustment to enterprise value for indebtedness of NSH, in each case as further described in the Merger Agreement.

The foregoing summary of the Merger Agreement Amendment, the Merger Agreement and the Merger does not purport to be complete and is subject to, and qualified in its entirety by the full text of the Merger Agreement Amendment, a copy of which is filed as Exhibit 2.1 to this Current Report on Form 8-K and the full text of the Original Agreement, a copy of which is filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed May 11, 2017, both of which are incorporated into this Item 1.01 by reference herein.

The Merger Agreement Amendment has been included to provide investors with information regarding its terms. It is not intended to provide any other factual information about the Company. The representations, warranties and covenants contained in the Merger Agreement were made only for purposes of the Merger Agreement as of the specific dates therein, were solely for the benefit of the parties to the Merger Agreement, may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the Merger Agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors are not third-party beneficiaries under the Merger Agreement and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of the parties thereto or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of representations and warranties may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in the Company's public disclosures.

### Forward-Looking Statements

This report may contain "forward-looking" statements as defined by the Private Securities Litigation Reform Act of 1995 or by the U.S. Securities and Exchange Commission (the "SEC") in its rules, regulations and releases. These statements include, but are not limited to, the Company's expectations regarding the Merger, including statements regarding the benefits of the Merger, the anticipated timing of the Merger and the expected closing of the Merger, and the performance of its business and the other non-historical statements. These statements can be identified by the use of words such as "believes," "anticipates," "expects," "intends," "plans," "continues," "estimates," "predicts," "projects," "forecasts," and similar expressions. All forward looking statements are based on management's current expectations and beliefs only as of the date of this report and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those discussed in, or implied by, the forward-looking statements, including but not limited to, the risk that the parties are unable to obtain required regulatory approvals, the risk that the parties are unable to satisfy other conditions to the consummation of the Merger, the occurrence of any event, change or other circumstance that could give rise to the termination of the Merger Agreement, the risk that the Merger may involve unexpected costs, liabilities or delays, and such other risks identified and discussed from time to time in the Company's reports filed with the SEC, including the Company's most recent Annual Report on Form 10-K. Readers are strongly encouraged to review carefully the full cautionary statements described in these reports. Except as required by law, the Company undertakes no obligation to revise or update publicly any forward-looking statements to reflect events or circumstances after the date of this report, or to reflect the occurrence of unanticipated events or circumstances.

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### Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
2.1	Letter Amendment to Merger Agreement, by and among Surgery Partners, Inc., SP Merger Sub, Inc., NSH Holdco, Inc. and IPC / NSH, L.P., dated as of July 7, 2017.*
2.2	Agreement and Plan of Merger by and among Surgery Partners, Inc., SP Merger Sub, Inc., NSH Holdco, Inc. and IPC / NSH, L.P., dated as of May 9, 2017 (incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed May 11, 2017).*

\*Schedules and/or Exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company agrees to furnish a supplemental copy of any omitted schedule to the SEC upon request.

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### 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: July 11, 2017

[Signature Page]

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**EXHIBIT INDEX**

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July 7, 2017

Surgery Partners, Inc.  
 40 Burton Hills Blvd.  
 Nashville, TN 37215  
 Attention: General Counsel

with copies as set forth in Section 11.7 of the Merger Agreement.

**Letter Amendment to Merger Agreement**

Reference is made to that certain Agreement and Plan of Merger, dated as of May 9, 2017 (as it may be amended from time to time, the "Merger Agreement"), by and among Surgery Partners, Inc., a Delaware corporation ("Purchaser"), SP Merger Sub, Inc., a Delaware corporation and a wholly owned Subsidiary (as defined in the Merger Agreement) of Purchaser ("Merger Sub"), NSH Holdco, Inc., a Delaware corporation (the "Company"), and IPC / NSH, L.P., a Delaware limited partnership, solely in its capacity as the Sellers' Representative (as defined in the Merger Agreement). Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Merger Agreement. This letter amendment (this "Amendment") constitutes an amendment to the Merger Agreement.

**A. Definition of Cash and Cash Equivalents**

The definition of "Cash and Cash Equivalents" in the Merger Agreement shall be amended in its entirety to read as follows:

"Cash and Cash Equivalents" means, as of any date at any time, without duplication, the sum of (a) the aggregate amount of all cash and cash equivalents (including marketable securities, short-term investments and other liquid investments), plus (b) all checks and drafts deposited to the extent such checks or drafts have not been credited by the applicable bank prior to such time, minus (c) all checks and drafts issued to the extent such checks and drafts have not cleared prior to such time, plus (d) all costs, expenses and expenditures (including, without duplication, all fees and disbursements of attorneys, investment bankers, accountants and other professional advisors, including all brokers and finders fees) that were paid in cash after May 9, 2017 in connection with Approved Professional Services Expenses or Approved CapEx, in each case, of or by the Company, its Wholly-Owned Subsidiaries and the Joint Ventures, calculated in accordance with the Accounting Policies; provided, however, that with respect to the Joint Ventures, "Cash and Cash Equivalents" shall only include a portion of the Cash and Cash Equivalents at each Joint Venture equal to the product of (a) the total amount of Cash and Cash Equivalents at such Joint Venture and (b) the percentage ownership of such Joint Venture held directly or indirectly by the Company and its Wholly-Owned Subsidiaries.

**B. Definition of Current Assets**

The definition of "Current Assets" in the Merger Agreement shall be amended in its entirety to read as follows:

"Current Assets" means, without duplication, the total consolidated current assets of the Company and the Consolidated Subsidiaries (including, without limitation, any assets related to the settlement of open cost reports, and excluding (i) any Tax assets, (ii) any assets included in the calculation of Cash and Cash Equivalents, (iii) any assets that constitute meaningful use receivables and (iv) any assets related to Approved Professional Services Expenses or Approved CapEx).

**C. Definition of Current Liabilities**

The definition of "Current Liabilities" in the Merger Agreement shall be amended in its entirety to read as follows:

"Current Liabilities" means, without duplication, the total consolidated current liabilities of the Company and the Consolidated Subsidiaries (including, without limitation, any liabilities related to the settlement of open cost reports and liabilities incurred in connection with the Interim Restructuring (regardless of when incurred), and excluding (i) any liabilities included in the calculation of Indebtedness, (ii) any liabilities included in the calculation of Seller Expenses, (iii) any Tax liabilities, (iv) any liabilities related to unclaimed property and (v) any liabilities related to Approved Professional Services Expenses or Approved CapEx).

**D. Definition of Indebtedness**

The definition of "Indebtedness" in the Merger Agreement shall be amended in its entirety to read as follows:

"Indebtedness" means, with respect to any Person, the aggregate amount (including the current portions thereof), without duplication, of (i) indebtedness for borrowed money and all other obligations evidenced by notes, bonds, debentures or other similar instruments (other than trade payables to the extent included in Working Capital); (ii) all obligations relating to any interest rate hedging Contracts and any other hedging type instruments; (iii) all obligations of such Person or any of its Subsidiaries as lessee under leases that would be recorded as capital leases in such Person's financial statements under GAAP; (iv) any obligation of such Person to reimburse any bank or any other Person for any drawn letters of credit; and (v) indebtedness of the type described in clause (i)-(iv) above guaranteed directly or indirectly, in any manner by such Person or any of its Subsidiaries (excluding such indebtedness that is guaranteed by the Coastal Guaranty Agreement). The term "Indebtedness" shall (x) include the amount required to retire or repay such Indebtedness on the Closing Date and includes all principal, interest, fees, expenses, prepayment penalties, premiums, breakage costs and other similar obligations owed in respect of any outstanding Indebtedness, and (y) exclude (A) any intercompany obligations among such Person and its Wholly-Owned Subsidiaries or among any of such Person's Wholly-Owned Subsidiaries, (B) any obligations to pay rent under any operating lease, (C) undrawn portion of any letters of credit, (D) amounts included in Seller Expenses or (E) any amounts owed related to Approved Professional Services Expenses or Approved CapEx; provided, that Indebtedness shall exclude any amounts owed between or among the Company and any Wholly-Owned Subsidiaries that would otherwise constitute any of the foregoing items (i), (ii), (iii), (iv), and/or (v).

**E. New Defined Terms**

The following terms shall be added to §1.1 in appropriate alphabetical order:

“Approved Professional Services Expenses” means (i) costs and expenses related to the engagement of Crowe Horwath LLP and (ii) any costs and expenses related to any other professional services firms as may be engaged by the Company or its Subsidiaries and approved in writing by Purchaser (which approval may, for the avoidance of doubt, be subject to a cap on such costs and expenses), in each case in connection with the Transaction to the extent required as a result of Purchaser’s accounting, regulatory or Financing requirements.

“Approved CapEx” means (i) those capital expenditures described on Annex I, subject to the cap on such capital expenditures set forth thereon (unless otherwise approved in writing by Purchaser), and (ii) any other capital expenditures approved in writing by Purchaser (which approval may, for the avoidance of doubt, be subject to a cap on such capital expenditures), in each case made by the Company or its Subsidiaries.

**F. Miscellaneous**

Except to the extent expressly set forth herein, the Merger Agreement shall remain in full force and effect in accordance with its terms. This Amendment, and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this Amendment, shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice of law principles that would require or permit the application of the laws of another jurisdiction. This Amendment may be executed in two (2) or more counterparts (including by electronic transmission), each of which shall constitute an original, and all of which taken together shall constitute one instrument.

\* \* \*

Please indicate your agreement with the foregoing by countersigning below.

Very truly yours,

**NSH HOLDCO, INC.**

By: /s/ Robert Juneja  
Name: Robert Juneja  
Title: President

**IPC / NSH, L.P. (solely in its capacity as the Sellers’ Representative)**

By: IPC III GP, LLC, its General Partner

By: IPC Partners III SPV, L.P., its Sole Member

By: IPC Advisors III SPV, L.P., its General Partner

By: IPCM GP, LLC, its General Partner

By: /s/ Robert Juneja  
Name: Robert Juneja  
Title: Authorized Officer

[Signature Page to Letter Amendment to Merger Agreement]

Acknowledged and agreed:

**SURGERY PARTNERS INC.**

By: /s/ Jennifer Baldock  
Name: Jennifer Baldock  
Title: SVP & General Counsel

**SP MERGER SUB, INC.**

By: /s/ Jennifer Baldock  
Name: Jennifer Baldock  
Title: SVP & General Counsel

