

Accretive Health, Inc.
Form SC 13D/A
September 13, 2016

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 2)*

ACCRETIVE HEALTH, INC.

(Name of Issuer)

Common Stock, par value \$0.01 per share

(Title of Class of Securities)

00438V103

(CUSIP Number)

Glenn Miller

c/o TowerBrook Capital Partners L.P.

Park Avenue Tower

65 East 55th Street, 27th Floor

New York, NY 10022

(212) 699-2200

Copy to:

Steven A. Cohen

Wachtell, Lipton, Rosen & Katz

51 West 52nd Street

New York, NY 10019

(212) 403-1000

Joseph R. Impicciche

c/o Ascension Health Alliance

101 S. Hanley Road, Suite 450

St. Louis, MO 63105

(314) 733-8000

Copy to:

Stephen A. Infante

Covington & Burling LLP

620 Eighth Avenue

New York, NY 10018

(212) 841-1000

(Name, Address and Telephone Number of Persons
Authorized to Receive Notices and Communications)

September 9, 2016

(Date of Event which Requires Filing of this Statement)

Edgar Filing: Accretive Health, Inc. - Form SC 13D/A

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. "

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See § 240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section of the Exchange Act but shall be subject to all other provisions of the Exchange Act (however, see the Notes).

CUSIP No. 00438V103

NAMES OF REPORTING PERSONS

1. **TCP-ASC ACHI Series LLLP**
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)

2.(a) x
(b) ..
SEC USE ONLY

3.
4. SOURCE OF FUNDS (see instructions)

5. ..
CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) ..
CITIZENSHIP OR PLACE OF ORGANIZATION

6. **Delaware**

NUMBER OF	7.	SOLE VOTING POWER
SHARES	0	SHARED VOTING POWER
BENEFICIALLY	8. 142,416,000 (1)	SOLE DISPOSITIVE POWER
OWNED BY	9.	SHARED DISPOSITIVE POWER
EACH	0	
REPORTING	10. 142,416,000 (1)	
PERSON WITH		

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11. **Common Stock: 142,416,000 (1)**
12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions) ..
13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

Common Stock: 57.0% (1) (2)

TYPE OF REPORTING PERSON (see instructions)

14.

PN

(1) Consists of 82,416,000 shares of Common Stock issuable upon conversion of 204,040 shares of the Issuer's 8.00% Series A Convertible Preferred Stock and 60,000,000 shares of Common Stock issuable upon exercise of the Warrant. 200,000 shares of the Issuer's 8.00% Series A Convertible Preferred Stock and the Warrant were issued by the Issuer to the Reporting Persons upon Closing of the Purchase (which occurred on February 16, 2016). The remaining 4,040 shares of the Issuer's 8.00% Series A Convertible Preferred Stock were issued by the Issuer to the Reporting Persons as a payment-in-kind dividend pursuant to the Series A CoD on July 8, 2016. See Items 2 and 6.

(2) For purposes of calculating beneficial ownership of the Reporting Person, the total number of shares of Common Stock outstanding is based on (1) 107,222,530 shares of Common Stock outstanding as of August 1, 2016 as reported by the Issuer in its quarterly report on Form 10-Q filed with the SEC on August 4, 2016 and (2) 142,416,000 shares of Common Stock (see Note 1).

CUSIP No. 00438V103

NAMES OF REPORTING PERSONS

1. **TCP-ASC GP, LLC**
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)
- 2.(a)
(b)
SEC USE ONLY
- 3.

4. SOURCE OF FUNDS (see instructions) **OO**
5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)
6. CITIZENSHIP OR PLACE OF ORGANIZATION **Delaware**

NUMBER OF	7.	SOLE VOTING POWER
SHARES	0	
BENEFICIALLY	8.	SHARED VOTING POWER
OWNED BY		142,416,000 (1)
EACH	9.	SOLE DISPOSITIVE POWER
REPORTING		
PERSON WITH	10.	SHARED DISPOSITIVE POWER
		142,416,000 (1)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11. **Common Stock: 142,416,000 (1)**
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
12. (see instructions)
13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

Common Stock: 57.0% (1) (2)

TYPE OF REPORTING PERSON (see instructions)

14.

OO

(1) Consists of 82,416,000 shares of Common Stock issuable upon conversion of 204,040 shares of the Issuer's 8.00% Series A Convertible Preferred Stock and 60,000,000 shares of Common Stock issuable upon exercise of the Warrant. 200,000 shares of the Issuer's 8.00% Series A Convertible Preferred Stock and the Warrant were issued by the Issuer to the Reporting Persons upon Closing of the Purchase (which occurred on February 16, 2016). The remaining 4,040 shares of the Issuer's 8.00% Series A Convertible Preferred Stock were issued by the Issuer to the Reporting Persons as a payment-in-kind dividend pursuant to the Series A CoD on July 8, 2016. See Items 2 and 6.

(2) For purposes of calculating beneficial ownership of the Reporting Person, the total number of shares of Common Stock outstanding is based on (1) 107,222,530 shares of Common Stock outstanding as of August 1, 2016 as reported by the Issuer in its quarterly report on Form 10-Q filed with the SEC on August 4, 2016 and (2) 142,416,000 shares of Common Stock (see Note 1).

CUSIP No. 00438V103

NAMES OF REPORTING PERSONS

1. **TI IV ACHI Holdings GP, LLC**
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)

2.(a)
(b)
SEC USE ONLY

3.
SOURCE OF FUNDS (see instructions)

4. **OO**
5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)
CITIZENSHIP OR PLACE OF ORGANIZATION

6. **Delaware**

NUMBER OF SOLE VOTING POWER
7. SHARES 0

BENEFICIALLY 8. **142,416,000 (1)**
OWNED BY SOLE DISPOSITIVE POWER

9. EACH 0

REPORTING SHARED DISPOSITIVE POWER
10. PERSON WITH **142,416,000 (1)**

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11. **Common Stock: 142,416,000 (1) (3)**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions)
PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13. **Common Stock: 57.0% (1) (2)**

TYPE OF REPORTING PERSON (see instructions)

14. **OO**

Edgar Filing: Accretive Health, Inc. - Form SC 13D/A

(1) Consists of 82,416,000 shares of Common Stock issuable upon conversion of 204,040 shares of the Issuer's 8.00% Series A Convertible Preferred Stock and 60,000,000 shares of Common Stock issuable upon exercise of the Warrant. 200,000 shares of the Issuer's 8.00% Series A Convertible Preferred Stock and the Warrant were issued by the Issuer to the Reporting Persons upon Closing of the Purchase (which occurred on February 16, 2016). The remaining 4,040 shares of the Issuer's 8.00% Series A Convertible Preferred Stock were issued by the Issuer to the Reporting Persons as a payment-in-kind dividend pursuant to the Series A CoD on July 8, 2016. See Items 2 and 6.

(2) For purposes of calculating beneficial ownership of the Reporting Person, the total number of shares of Common Stock outstanding is based on (1) 107,222,530 shares of Common Stock outstanding as of August 1, 2016 as reported by the Issuer in its quarterly report on Form 10-Q filed with the SEC on August 4, 2016 and (2) 142,416,000 shares of Common Stock (see Note 1).

(3) TI IV ACHI Holdings GP, LLC disclaims beneficial ownership of 64,087,200 shares of Common Stock held directly by Series AS (as defined in Item 6 herein).

CUSIP No. 00438V103

NAMES OF REPORTING PERSONS

1. **TI IV ACHI Holdings, LP**
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)

2.(a)
(b)
SEC USE ONLY

3.
4. SOURCE OF FUNDS (see instructions)

5.
CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)
CITIZENSHIP OR PLACE OF ORGANIZATION

6. **Delaware**

NUMBER OF SOLE VOTING POWER
7.
SHARES 0

BENEFICIALLY 8.
142,416,000 (1)
OWNED BY SOLE DISPOSITIVE POWER

9.
EACH 0

REPORTING SHARED DISPOSITIVE POWER
10.
PERSON WITH **142,416,000 (1)**

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11. **Common Stock: 142,416,000 (1) (3)**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions)
PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13. **Common Stock: 57.0% (1) (2)**
TYPE OF REPORTING PERSON (see instructions)

14. **PN**

Edgar Filing: Accretive Health, Inc. - Form SC 13D/A

(1) Consists of 82,416,000 shares of Common Stock issuable upon conversion of 204,040 shares of the Issuer's 8.00% Series A Convertible Preferred Stock and 60,000,000 shares of Common Stock issuable upon exercise of the Warrant. 200,000 shares of the Issuer's 8.00% Series A Convertible Preferred Stock and the Warrant were issued by the Issuer to the Reporting Persons upon Closing of the Purchase (which occurred on February 16, 2016). The remaining 4,040 shares of the Issuer's 8.00% Series A Convertible Preferred Stock were issued by the Issuer to the Reporting Persons as a payment-in-kind dividend pursuant to the Series A CoD on July 8, 2016. See Items 2 and 6.

(2) For purposes of calculating beneficial ownership of the Reporting Person, the total number of shares of Common Stock outstanding is based on (1) 107,222,530 shares of Common Stock outstanding as of August 1, 2016 as reported by the Issuer in its quarterly report on Form 10-Q filed with the SEC on August 4, 2016 and (2) 142,416,000 shares of Common Stock (see Note 1).

(3) TI IV ACHI Holdings, LP disclaims beneficial ownership of 64,087,200 shares of Common Stock held directly by Series AS (as defined in Item 6 herein).

CUSIP No. 00438V103

NAMES OF REPORTING PERSONS

1. **TowerBrook Investors Ltd.**
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)

2.(a)
(b)
SEC USE ONLY

3.
4. SOURCE OF FUNDS (see instructions)
OO

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)
CITIZENSHIP OR PLACE OF ORGANIZATION

6. **Cayman Islands**

NUMBER OF SOLE VOTING POWER
7. 0

SHARES SHARED VOTING POWER
BENEFICIALLY 8. **142,416,000 (1)**

OWNED BY SOLE DISPOSITIVE POWER
9. 0

EACH SHARED DISPOSITIVE POWER
REPORTING 10. **142,416,000 (1)**

PERSON WITH

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11. **Common Stock: 142,416,000 (1) (3)**
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

12. (see instructions)

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

Common Stock: 57.0% (1) (2)

TYPE OF REPORTING PERSON (see instructions)

14

OO

(1) Consists of 82,416,000 shares of Common Stock issuable upon conversion of 204,040 shares of the Issuer's 8.00% Series A Convertible Preferred Stock and 60,000,000 shares of Common Stock issuable upon exercise of the Warrant. 200,000 shares of the Issuer's 8.00% Series A Convertible Preferred Stock and the Warrant were issued by the Issuer to the Reporting Persons upon Closing of the Purchase (which occurred on February 16, 2016). The remaining 4,040 shares of the Issuer's 8.00% Series A Convertible Preferred Stock were issued by the Issuer to the Reporting Persons as a payment-in-kind dividend pursuant to the Series A CoD on July 8, 2016. See Items 2 and 6.

(2) For purposes of calculating beneficial ownership of the Reporting Person, the total number of shares of Common Stock outstanding is based on (1) 107,222,530 shares of Common Stock outstanding as of August 1, 2016 as reported by the Issuer in its quarterly report on Form 10-Q filed with the SEC on August 4, 2016 and (2) 142,416,000 shares of Common Stock (see Note 1).

(3) TowerBrook Investors Ltd. disclaims beneficial ownership of 64,087,200 shares of Common Stock held directly by Series AS (as defined in Item 6 herein).

CUSIP No. 00438V103

NAMES OF REPORTING PERSONS

1. **Neal Moszkowski**
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)

2.(a)
(b)
SEC USE ONLY

3.
4. SOURCE OF FUNDS (see instructions)
OO

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)
CITIZENSHIP OR PLACE OF ORGANIZATION

6. **U.S.A.**

NUMBER OF SOLE VOTING POWER
7. SHARES 0

BENEFICIALLY 8. **142,416,000 (1)**
OWNED BY SOLE DISPOSITIVE POWER

9. EACH 0

REPORTING SHARED DISPOSITIVE POWER
10. PERSON WITH **142,416,000 (1)**

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11. **Common Stock: 142,416,000 (1) (3)**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions)
PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13. **Common Stock: 57.0% (1) (2)**
TYPE OF REPORTING PERSON (see instructions)

14. **IN**

Edgar Filing: Accretive Health, Inc. - Form SC 13D/A

(1) Consists of 82,416,000 shares of Common Stock issuable upon conversion of 204,040 shares of the Issuer's 8.00% Series A Convertible Preferred Stock and 60,000,000 shares of Common Stock issuable upon exercise of the Warrant. 200,000 shares of the Issuer's 8.00% Series A Convertible Preferred Stock and the Warrant were issued by the Issuer to the Reporting Persons upon Closing of the Purchase (which occurred on February 16, 2016). The remaining 4,040 shares of the Issuer's 8.00% Series A Convertible Preferred Stock were issued by the Issuer to the Reporting Persons as a payment-in-kind dividend pursuant to the Series A CoD on July 8, 2016. See Items 2 and 6.

(2) For purposes of calculating beneficial ownership of the Reporting Person, the total number of shares of Common Stock outstanding is based on (1) 107,222,530 shares of Common Stock outstanding as of August 1, 2016 as reported by the Issuer in its quarterly report on Form 10-Q filed with the SEC on August 4, 2016 and (2) 142,416,000 shares of Common Stock (see Note 1).

(3) Neal Moszkowski disclaims beneficial ownership of 64,087,200 shares of Common Stock held directly by Series AS (as defined in Item 6 herein).

CUSIP No. 00438V103

NAMES OF REPORTING PERSONS

1. **Ramez Sousou**
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)
- 2.(a)
(b)
SEC USE ONLY
- 3.

4. SOURCE OF FUNDS (see instructions)
OO
5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)
6. CITIZENSHIP OR PLACE OF ORGANIZATION
U.K.

NUMBER OF	7.	SOLE VOTING POWER
SHARES	0	
BENEFICIALLY	8.	SHARED VOTING POWER
OWNED BY	142,416,000 (1)	
EACH	9.	SOLE DISPOSITIVE POWER
REPORTING	0	
PERSON WITH	10.	SHARED DISPOSITIVE POWER
	142,416,000 (1)	

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
Common Stock: 142,416,000 (1) (3)
12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions)
13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
Common Stock: 57.0% (1) (2)
14. TYPE OF REPORTING PERSON (see instructions)
IN

Edgar Filing: Accretive Health, Inc. - Form SC 13D/A

(1) Consists of 82,416,000 shares of Common Stock issuable upon conversion of 204,040 shares of the Issuer's 8.00% Series A Convertible Preferred Stock and 60,000,000 shares of Common Stock issuable upon exercise of the Warrant. 200,000 shares of the Issuer's 8.00% Series A Convertible Preferred Stock and the Warrant were issued by the Issuer to the Reporting Persons upon Closing of the Purchase (which occurred on February 16, 2016). The remaining 4,040 shares of the Issuer's 8.00% Series A Convertible Preferred Stock were issued by the Issuer to the Reporting Persons as a payment-in-kind dividend pursuant to the Series A CoD on July 8, 2016. See Items 2 and 6.

(2) For purposes of calculating beneficial ownership of the Reporting Person, the total number of shares of Common Stock outstanding is based on (1) 107,222,530 shares of Common Stock outstanding as of August 1, 2016 as reported by the Issuer in its quarterly report on Form 10-Q filed with the SEC on August 4, 2016 and (2) 142,416,000 shares of Common Stock (see Note 1).

(3) Ramez Sousou disclaims beneficial ownership of 64,087,200 shares of Common Stock held directly by Series AS (as defined in Item 6 herein).

CUSIP No. 00438V103

NAMES OF REPORTING PERSONS

1. **ASCENSION HEALTH ALLIANCE**
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)
- 2.(a)
(b)
- SEC USE ONLY
- 3.

4. SOURCE OF FUNDS (see instructions)

OO

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)
- CITIZENSHIP OR PLACE OF ORGANIZATION

6. **Missouri**

NUMBER OF	7.	SOLE VOTING POWER
SHARES	0	SHARED VOTING POWER
BENEFICIALLY	8.	SOLE DISPOSITIVE POWER
OWNED BY	142,416,000 (1)	
EACH	9.	SHARED DISPOSITIVE POWER
REPORTING	0	
PERSON WITH	10.	
	142,416,000 (1)	

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11. **Common Stock: 142,416,000 (1) (3)**
12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions)
- PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
13. **Common Stock: 57.0% (1) (2)**
- TYPE OF REPORTING PERSON (see instructions)
14. **CO**

Edgar Filing: Accretive Health, Inc. - Form SC 13D/A

(1) Consists of 82,416,000 shares of Common Stock issuable upon conversion of 204,040 shares of the Issuer's 8.00% Series A Convertible Preferred Stock and 60,000,000 shares of Common Stock issuable upon exercise of the Warrant. 200,000 shares of the Issuer's 8.00% Series A Convertible Preferred Stock and the Warrant were issued by the Issuer to the Reporting Persons upon Closing of the Purchase (which occurred on February 16, 2016). The remaining 4,040 shares of the Issuer's 8.00% Series A Convertible Preferred Stock were issued by the Issuer to the Reporting Persons as a payment-in-kind dividend pursuant to the Series A CoD on July 8, 2016. See Items 2 and 6.

(2) For purposes of calculating beneficial ownership of the Reporting Person, the total number of shares of Common Stock outstanding is based on (1) 107,222,530 shares of Common Stock outstanding as of August 1, 2016 as reported by the Issuer in its quarterly report on Form 10-Q filed with the SEC on August 4, 2016 and (2) 142,416,000 shares of Common Stock (see Note 1).

(3) Ascension Health Alliance disclaims beneficial ownership of 78,328,800 shares of Common Stock held directly by Series TB (as defined in Item 6 herein).

This Amendment No. 2 to Schedule 13D (this “Amendment No. 2”) amends and supplements the statement on Schedule 13D jointly filed by TCP-ASC ACHI Series LLLP (the “Partnership”), TCP-ASC GP, LLC , TI IV ACHI Holdings GP, LLC, TI IV ACHI Holdings, LP, TowerBrook Investors Ltd. , Neal Moszkowski, Ramez Sousou and Ascension Health Alliance d/b/a Ascension (together, the “Reporting Persons”) with the Securities Exchange Commission (the “Commission”) on February 16, 2016, as amended on July 11, 2016 (as it may be amended from time to time, this “Statement”), relating to the common stock, \$0.01 par value per share (the “Common Stock”), of Accretive Health, Inc. (the “Issuer”). Initially capitalized terms used in this Amendment No. 2 that are not otherwise defined herein shall have the same meanings attributed to them in the Statement. Except as expressly provided herein, all Items of the Statement remain unchanged.

ITEM 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Item 6 is hereby amended and restated in its entirety as follows:

The information set forth in Item 2 of this Statement is hereby incorporated by reference in this Item 6.

Background of the Transaction

On July 16, 2015, Accretive issued a press release announcing, among other things, that its Board of Directors had resolved to undertake a review of strategic alternatives to enhance stockholder value. As part of this process, Ascension and TowerBrook Capital Partners L.P. submitted a joint proposal, in which Ascension and Accretive would enter into a long-term strategic partnership and would amend and restate their Master Professional Services Agreement (“MPSA”) for a 10-year term to cover all of Ascension’s net patient revenue (“NPR”). In addition, a newly formed investment vehicle owned by Ascension and the TowerBrook Funds, the Partnership, would make a \$200 million growth investment in Accretive as more fully described herein. At the Closing, Ascension and Accretive would amend and restate their existing MPSA, and Ascension would transition more than \$8 billion in new NPR to Accretive over the next several years. The new NPR would represent an increase of approximately 47% over Accretive’s existing NPR base under management. Ascension and Accretive anticipated transitioning the new NPR beginning in the middle of 2016. Additionally, as part of the amended MPSA, Ascension would transition all PAS needs of its hospitals to Accretive’s PAS business.

Concurrently with the Closing, Accretive and Ascension amended and restated the MPSA to reflect (i) new terms for the addition of new Ascension hospital systems and (ii) modification of existing terms for existing Ascension hospital systems currently receiving revenue cycle management services from Accretive. The amended and restated MPSA provides for, among other things: (a) the transition to Accretive of Ascension’s PAS needs over a period of

approximately two years, (b) the standardization of revenue cycle management services across all of the Ascension hospital systems managed by Accretive, (c) a reset of the existing baseline regarding incentive fees for the Ascension hospital systems currently managed by Accretive, as well as the periodic assessment and possible re-set of baselines for the determination of incentive

fees, (d) the periodic assessment and potential re-set of baselines for the determination of incentive fees (with a frequency not to exceed once every two years) for the Ascension hospital systems not currently managed by Accretive, (e) the implementation of comprehensive re-badging of existing revenue cycle operation employees in connection with the transition to Accretive of the revenue cycle management operations of new hospital systems, as well as such operations currently managed by Accretive for the currently in-scope hospital systems, (f) the deletion and/or modification of certain of Ascension's termination rights and (g) the addition of service levels related to patient and employee satisfaction.

The following is a summary of the material terms of the Purchase, which occurred on February 16, 2016. The following descriptions do not purport to cover all of the provisions of the documents described below and are qualified in their entirety by reference to the full text of the agreements, which have been filed as Exhibits hereto and are incorporated herein by reference.

Securities Purchase Agreement

On December 7, 2015, Accretive entered into the Purchase Agreement to sell to the Partnership, in private placements under the Securities Act of 1933, as amended, 200,000 shares of the Series A Preferred Stock for an aggregate price of \$200 million and the Warrant. The Series A Preferred Stock issued to the Partnership pursuant to the Purchase Agreement is immediately convertible into shares of the Common Stock. In connection with entry into the Purchase Agreement, the Issuer agreed to pay the Partnership, upon the closing of the transactions contemplated by the Purchase Agreement, a funding fee of \$4 million and reimburse the Partnership for up to a maximum of \$10 million to cover reasonable out-of-pocket expenses. The Reporting Persons completed the purchase and sale of the Series A Preferred Stock and the Warrant (the "Closing") on February 16, 2016. The Closing was conditioned upon the negotiation and execution of the MPSA on terms more fully described herein and the satisfaction of customary closing conditions.

The Purchase Agreement is filed as Exhibit 7.1 to this Statement and the foregoing summary of the Purchase Agreement is qualified in its entirety by reference to Exhibit 7.1.

Warrant

Concurrently with the Closing, Accretive executed and delivered the Warrant to acquire up to a total of 60,000,000 shares of Common Stock at an initial exercise price equal to \$3.50 per share, at any time during the period commencing on the date of Closing and terminating at 5:00 p.m., New York time, on the 10th anniversary of the Closing.

The Warrant is filed as Exhibit 7.5 to this Statement and the foregoing summary of the Form of Warrant is qualified in its entirety by reference to Exhibit 7.5.

Series A Preferred Stock

The terms, rights, obligations and preferences of the Series A Preferred Stock are set forth in the Certificate of Designations of the 8.00% Series A Convertible Preferred Stock (the

“Series A CoD”). Dividends on the Series A Preferred Stock are due on January 1, April 1, July 1 and October 1 of each year (each, a “Series A Dividend Payment Date”). The Series A Preferred Stock will also participate in dividends declared and paid on the Common Stock. Dividends are payable at the per annum dividend rate of 8.00% of the liquidation preference, which is initially \$1,000 per share. Until the seventh anniversary of the Closing, the Preferred Dividend will be payable in kind through the issuance of additional shares of Series A Preferred Stock. Following the seventh anniversary of the Closing, the Preferred Dividend will be paid in cash to the extent that Accretive has funds legally available for such payment and the Board declares a cash dividend payable. In the event Accretive does not declare and pay a dividend in cash on any Series A Dividend Payment Date, an amount equal to the cash dividend due on such Series A Dividend Payment Date will be added to the liquidation preference.

Each share of Series A Preferred Stock is immediately convertible, at the option of the holder, into the number of shares of Common Stock equal to the “Conversion Price” (as that term is defined in the Series A CoD) *multiplied* by the then applicable “Conversion Rate” (as that term is defined in the Series A CoD). Each share of Series A Preferred Stock is initially convertible into 400 shares of Common Stock, representing an initial “conversion price” of \$2.50. The Conversion Rate is subject to weighted average anti-dilution adjustments.

The Series A Preferred Stock is redeemable at the option of the holder in the event of a “Change of Control” (as that term is defined in the Series A CoD) of Accretive, or if Accretive commences a voluntary bankruptcy, consents to the entry of an order against it in an involuntary bankruptcy, consents to the appointment of a custodian for all or substantially all of its property, makes a general assignment for the benefit of creditors or changes its primary business, or if the Common Stock fails to be listed on any of the Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market, the New York Stock Exchange or any other United States national securities exchange without the simultaneous listing on another of such exchanges at any time after the first anniversary of the Closing and ceases to be listed at any time thereafter. On September 9, 2016, the Partnership entered into an agreement with the Issuer (the “September 9, 2016 Agreement”) pursuant to which, among other things, the Partnership waived its right, until July 27, 2017, to require the Issuer to repurchase any of its shares of the Issuer’s Series A Preferred Stock in the event the Common Stock is not relisted by the one-year anniversary of the Closing. See “—September 9, 2016 Agreement” in this Item 6 for more information.

The holders of the Series A Preferred Stock are entitled to vote with the holders of the Common Stock on an as-converted basis. For so long as the Partnership or their affiliates collectively own any shares of the Series A Preferred Stock, then the affirmative vote or consent of the Investor Majority (as such term is defined in the Series A CoD) is required for (i) the declaration or payment of any dividend or distribution on the Common Stock or any other stock that ranks junior to or equally with the Series A Preferred Stock, other than, if dividends on the Series A Preferred Stock have not been paid in full in cash, a dividend payable solely in junior stock or dividends or distributions paid exclusively in cash to the extent the Series A Preferred Stock participates on an as-converted basis with the Common Stock; (ii) the purchase, redemption or other acquisition by Accretive of any Common Stock or other stock ranking junior

to or equal with the Series A Preferred Stock except, if dividends on the Series A Preferred Stock have not been paid in full in cash, then as necessary to effect a reclassification of junior stock into other junior stock, a reclassification of parity stock into other parity stock, a reclassification of parity stock into junior stock, the exchange or conversion of junior stock into other junior stock or of parity stock into other parity stock or of parity stock into junior stock; (iii) any amendment of Accretive's Certificate of Incorporation or the Series A CoD so as to adversely affect the relative rights, preferences, privileges or voting powers of the Series A Preferred Stock; or (iv) the authorization or issuance of, or reclassification into, any capital stock that would rank senior to or equal with the Series A Preferred Stock (including additional shares of Series A Preferred Stock).

The Series A CoD is filed as Exhibit 7.3 to this Statement and the foregoing summary of the Series A CoD is qualified in its entirety by reference to Exhibit 7.3.

Investor Rights Agreement

Concurrently with the Closing, Accretive and the Partnership entered into an Investor Rights Agreement (the "Investor Rights Agreement"). Under the terms of the Investor Rights Agreement, for so long as the Partnership's "Ownership Threshold" (as that term is defined in the Investor Rights Agreement) is met, the Partnership shall be entitled to nominate such number of individuals to the Board constituting a majority of the Board (collectively, the "Investor Designees") and entitled to designate the chairman of the Board. For so long as the Ownership Threshold is not met but the Partnership's "Ownership Percentage" (as that term is defined in the Investor Rights Agreement) exceeds 10% of the Common Stock on an as-converted basis, then the Partnership shall be entitled to nominate the greater of (x) such number of individuals to the Board in relative proportion to the Ownership Percentage (rounded down) and (y) two directors, and for so long as the Partnership's Ownership Percentage is in the aggregate at least 5% but less than 10% of the Common Stock on an as-converted basis, then the Partnership shall be entitled to nominate the greater of (x) such number of individuals to the Board in relative proportion to the Ownership Percentage (rounded down) and (y) one director. Additionally, subject to applicable law and the listing standards of the Nasdaq Global Select Market (or other United States national securities exchange that the Common Stock is listed upon, if any), Accretive will offer the Investor Designees an opportunity to, at the Partnership's option, either sit on each regular committee of the Board in relative proportion to the number of Investor Designees on the Board or attend (but not vote) at the meetings of such committee as an observer.

Under the terms of the Investor Rights Agreement, the Partnership must cause all of its Common Stock and Preferred Stock entitled to vote at any meeting of Accretive's shareholders to be present at such meeting and to vote all such shares in favor of any nominee or director nominated by Accretive's Nominating and Corporate Governance Committee and against the removal of any director nominated by Accretive's Nominating and Corporate Governance Committee.

Edgar Filing: Accretive Health, Inc. - Form SC 13D/A

For so long as the Ownership Threshold is met, the following matters will require the approval of the holders of a majority of the Series A Preferred Stock (on an as-converted basis, including any shares of Common Stock issued upon the conversion thereof) that is held by the

Partnership or any Investor Affiliate (as defined in the Investor Rights Agreement) to proceed (excluding any such transaction between Accretive and its wholly owned subsidiaries or among Accretive's wholly owned subsidiaries): (i) the amendment or modification of Accretive's Certificate of Incorporation, Bylaws or Certificate of Designations for the Series A Preferred Stock in any manner that materially and adversely affects the rights, preferences or privileges of the holders of Series A Preferred Stock; (ii) the making of any distribution, declaring of any dividend on equity securities of Accretive or any of its Subsidiaries (as that term is defined in the Investor Rights Agreement) ranking equally or junior to the Series A Preferred Stock; (iii) the repurchase or redemption of any equity securities of Accretive or any of its Subsidiaries ranking equally or junior to the Series A Preferred Stock if at the time of such repurchase or redemption, any accrued dividends on the Series A Preferred Stock are unpaid; (iv) the creation, authorization or issuance of any equity securities of Accretive or any of its Subsidiaries that would rank senior to the Series A Preferred Stock; (v) any amendment of the MPSA; (vi) the incurrence of any Indebtedness (as that term is defined in the Investor Rights Agreement) in excess of \$25 million in the aggregate during any fiscal year (other than refinancings of existing Indebtedness); (vii) the sale, transfer or other disposition of assets or businesses of Accretive or its Subsidiaries with a value in excess of \$10 million in the aggregate during any fiscal year (other than sales of inventory or supplies in the ordinary course of business, sales of obsolete assets (excluding real estate), sale-leaseback transactions and accounts receivable factoring transactions); (viii) the acquisition of any assets or properties (in one or more related transactions) for cash or otherwise for an amount in excess of \$10 million in the aggregate during any fiscal year (other than acquisitions of inventory and equipment in the ordinary course of business); (ix) capital expenditures in excess of \$10 million individually (or in the aggregate if related to an integrated program of activities) or in excess of \$10 million in the aggregate during any fiscal year; (x) the approval of Accretive's annual budget; (xi) the hiring or termination of Accretive's chief executive officer; (xii) the appointment or removal of the chairman of the Issuer's board of directors; and (xiii) making, or permitting any Subsidiary to make, loans to, investments in, or purchasing, or permitting any Subsidiary to purchase, any stock or other securities in another corporation, joint venture, partnership or other entity in excess of \$5.0 million in the aggregate during any fiscal year.

The Partnership is subject to certain transfer restrictions pursuant to the terms of the Investor Rights Agreement. Prior to the first anniversary of the Closing, neither the Partnership nor any Investor Affiliate (as such term is defined in the Investor Rights Agreement) may directly or indirectly transfer the Warrant, any shares of Series A Preferred Stock, any shares of Series A Preferred Stock issued as PIK Dividends, or any shares of Common Stock issued upon a conversion of the Preferred Shares or exercise of the Warrant to any person without the prior written consent of Accretive other than any "Permitted Transfer" (as such term is defined in the Investor Rights Agreement). Following the first anniversary of the Closing, neither the Partnership nor any of its affiliates may transfer any shares of Series A Preferred Stock to any Person without the prior written consent of Accretive other than (i) any Permitted Transfer or (ii) at any such time when the Current Market Price (as such term is defined in the Series A CoD) is less than the quotient of \$1,000 divided by the Conversion Rate in effect from time to time (as such term is defined in the Series A CoD). The Partnership and Investor Affiliates are also prohibited from transferring to any competitor of Accretive, as well as from making certain block transfers, subject to certain exceptions.

The Partnership is subject to customary standstill provisions, which are applicable to purchases of debt as well as equity securities and include prohibitions on hedging activities, until the later of (i) three years after the Closing and (ii) such time as the Partnership owns less than 25% of the outstanding Common Stock on an as-converted basis.

The Investor Rights Agreement requires that if Accretive proposes to offer any equity or equity-linked security to any person, then Accretive must first offer the Partnership the right to purchase a portion of such securities equal to the Partnership's Ownership Percentage. If the Partnership does not exercise this purchase right within 30 days of receiving notice of the proposed offering, then Accretive has 120 days to complete the offering on terms no more favorable than those offered to the Partnership.

The Investor Rights Agreement is filed as Exhibit 7.4 to this Statement and the foregoing summary of the Investor Rights Agreement is qualified in its entirety by reference to Exhibit 7.4.

Registration Rights Agreement

Concurrently with the Closing, Accretive and the Partnership entered into a Registration Rights Agreement (the "Registration Rights Agreement"), pursuant to which the Partnership is entitled to certain registration rights. Under the terms of the Registration Rights Agreement, the Partnership is entitled to (i) six demand registrations, with no more than two demand registrations in any single calendar year and provided that such demand must include at least 10% of the then-outstanding Common Stock and (ii) unlimited piggyback registration rights for a period of five years with respect to primary issuances and for an unlimited period of time with respect to all other issuances.

The Registration Rights Agreement is filed as Exhibit 7.6 to this Statement and the foregoing summary of the Registration Rights Agreement is qualified in its entirety by reference to Exhibit 7.6.

Limited Liability Limited Partnership Agreement

The Limited Liability Limited Partnership Agreement of the Partnership (the "Partnership Agreement") was entered into by the Partnership GP, as general partner of the Partnership, and the limited partners named therein (the "Limited Partners"), on December 7, 2015. The Partnership Agreement provides that the purpose of the Partnership is, among other things, to purchase, own, convert, exercise any rights attached to, and dispose of, the Securities on behalf of the Limited Partners. Pursuant to the Partnership Agreement, the Partnership Board (comprised of designees of both Limited Partners, with a majority of the directors designated by the Aggregator) has the power and authority to

manage and control the business and affairs of the Partnership and each separate series. The Partnership Agreement contains several restrictions on the transfer of the Securities held by the Partnership, as well as provisions relating to the voting of such Securities. Pursuant to the Partnership Agreement, the Partnership Board established a series of partnership interests in the Partnership to hold the Securities purchased using the initial capital contributions of the Aggregator ("Series TB") and a series of partnership

interests in the Partnership to hold the Securities purchased using the initial capital contributions of Ascension (“Series AS”). The Partnership Agreement is filed as Exhibit 7.7 to this Statement and the foregoing summary of the Partnership Agreement qualified in its entirety by reference to Exhibit 7.7.

September 9, 2016 Agreement

On September 9, 2016, the Partnership entered into an agreement with the Issuer (the “September 9, 2016 Agreement”) pursuant to which the Partnership waived its rights to (i) require the Issuer to repurchase any of its shares of the Issuer’s Series A Preferred Stock in the event the Common Stock is not relisted by the one year anniversary of the closing date of sale of the Series A Preferred Stock to the Partnership (the “Redemption Right”) and (ii) enforce the Issuer’s covenant to use its reasonable best efforts to take all actions necessary to have the Common Stock relisted (the “Re-Listing Covenant Right”). The September 9, 2016 Agreement, filed herewith, provides that the Partnership may not exercise its Redemption Right and its Re-Listing Covenant Right until July 27, 2017, and may only exercise such rights in the event the Common Stock is not listed on a national securities exchange on or prior to such date, subject to certain additional extensions as set forth in the September 9, 2016 Agreement. As part of the September 9, 2016 Agreement, the Issuer also agreed to reimburse the Partnership for certain reasonable, documented and out-of-pocket expenses in connection with the Partnership’s performance of its obligations under the Investor Rights Agreement, or otherwise relating to the management and oversight of the Partnership’s investment in the Issuer, which reimbursement is not obligated to exceed \$100,000 per fiscal year.

The September 9, 2016 Agreement is filed as Exhibit 7.8 to this Statement and the foregoing summary of the September 9, 2016 Agreement is qualified in its entirety by reference to Exhibit 7.8.

Other than as described in this Item 6, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the persons named in Item 2 and between such person and any person with respect to any securities of the Issuer, including, but not limited to, transfer or voting of any of the securities, finder’s fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

ITEM 7. Material to Be Filed as Exhibits.

Item 7 is hereby amended to add the following:

Exhibit Number	Description
7.8	Agreement, dated as of September 9, 2016, by and between the Partnership and the Issuer (incorporated by reference to Exhibit 10.1 to the Issuer's Current Report on Form 8-K, filed with the Securities and Exchange Commission on September 9, 2016).

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: September 13,
2016

TCP-ASC ACHI
SERIES LLLP

By: TCP-ASC GP,
LLC, its General
Partner

By: /s/ Glenn F. Miller
Name: Glenn F.
Miller
Title: Vice President

TCP-ASC GP, LLC

By: /s/ Glenn F. Miller
Name: Glenn F.
Miller
Title: Vice President

TI IV ACHI Holdings
GP, LLC

By: /s/ Glenn F. Miller
Name: Glenn F.
Miller
Title: Vice President

[Signature Page to 13D Amendment]

TI IV ACHI HOLDINGS,
LP

By: TI IV ACHI Holdings
GP, LLC, its General
Partner

By: /s/ Glenn F. Miller
Name: Glenn F. Miller
Title: Vice President

TOWERBROOK
INVESTORS LTD.

By: /s/ Neal Moszkowski
Name: Neal Moszkowski
Title: Director

NEAL MOSZKOWSKI

/s/ Neal Moszkowski
Neal Moszkowski

RAMEZ SOUSOU

/s/ Ramez Sousou
Ramez Sousou

ASCENSION HEALTH
ALLIANCE

By: /s/ Anthony J. Speranzo
Name: Anthony J.
Speranzo
Title: Executive Vice
President & Chief Financial
Officer

[Signature Page to 13D Amendment]

EXHIBIT INDEX

Exhibit Number	Description
7.8	Agreement, dated as of September 9, 2016, by and between the Partnership and the Issuer (incorporated by reference to Exhibit 10.1 to the Issuer's Current Report on Form 8-K, filed with the Securities and Exchange Commission on September 9, 2016).