

Edgar Filing: TRIAD HOSPITALS INC - Form SC 13D/A

TRIAD HOSPITALS INC  
Form SC 13D/A  
March 20, 2002

CUSIP No. 89579K 10 9

Page 1 of 6 Pages

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D  
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO  
RULE 13d-2(a)

(Amendment No. 3)1

Triad Hospitals, Inc.

-----  
(Name of Issuer)

Common Stock, \$.01 par value

-----  
(Title of Class of Securities)

89579K 10 9

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(CUSIP Number)

Welsh, Carson, Anderson  
& Stowe  
320 Park Avenue, Suite 2500  
New York, New York 10022  
Attention: Jonathan M. Rather  
Tel. (212) 893-9500

William J. Hewitt, Esq.  
Reboul, MacMurray, Hewitt,  
Maynard & Kristol  
45 Rockefeller Plaza  
New York, New York 10111  
Tel. (212) 841-5700

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

March 15, 2002

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(Date of Event Which Requires Filing of This Statement)

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

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1The 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 or otherwise

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subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

CUSIP No. 89579K 10 9

Page 2 of 6 Pages

1)	Name of Reporting Person and I.R.S. Identification No. of Above Person, if an Entity (Voluntary)		Welsh, Carson, Anderson & Stowe VIII, L.P.
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2)	Check the Appropriate Box if a Member of a Group	(a) [ ] (b) [ ]	
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3)	SEC Use Only		
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4)	Source of Funds		
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5)	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)		Not Applicable
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6)	Citizenship or Place of Organization		Delaware
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	Number of Shares Beneficially Owned by Each Reporting Person	7) Sole Voting Power	5,762,726 shares of Common Stock
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		8) Shared Voting Power	-0-
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		9) Sole Disposi- tive Power	5,762,726 shares of Common Stock
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		10) Shared Dis- positive Power	-0-
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11)	Aggregate Amount Beneficially Owned by Each Reporting Person		5,762,726 shares of Common Stock
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12)	Check if the Aggregate Amount in Row (11) Excludes Certain Shares		
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13)	Percent of Class Represented by Amount in Row (11)		8.2%
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14)	Type of Reporting Person		PN

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CUSIP No. 89579K 10 9

Page 3 of 6 Pages

Amendment No. 3 to Schedule 13D  
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Reference is hereby made to the statement on Schedule 13D filed with the Commission on May 3, 2001, Amendment No. 1 thereto filed on September 5, 2001 and Amendment No. 2 thereto filed on January 9, 2002 (as so amended, the "Schedule 13D"). Terms defined in the Schedule 13D are used herein as so defined.

Item 4. Purpose of Transaction.  
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Item 4 is hereby amended by adding the following:

WCAS VIII entered into a PEACS Agreement and a Pledge Agreement (together, the "PEACS Agreements") on March 15, 2002 with Bank of America ("BofA") with respect to 1,000,000 shares of Common Stock, as described in the letter agreement of confirmation dated as of March 15, 2002 (the "Confirmation").

Pursuant to the Confirmation, WCAS VIII has agreed to sell to BofA commencing on May 20, 2002 up to an aggregate 1,000,000 shares of Common Stock over the course of the year ending May 31, 2003 at a per share sale price of \$41.7905. The actual number of shares of Common Stock to be delivered by WCAS VIII will be determined pursuant to a formula described in Item 6 below.

Item 5. Interest in Securities of the Issuer.  
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Item 5 is hereby amended and restated to read in its entirety as follows:

The following information is based on a total of 69,933,105 shares of Common Stock outstanding as of December 31, 2001, as indicated in the Issuer's Press Release dated February 19, 2002 included in the Issuer's Current Report on Form 8-K filed with the Commission on February 20, 2002:

(a)

WCAS VIII and VIII Associates  
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Subject to the terms of the PEACS Agreements, WCAS VIII may be deemed to own 5,762,726 shares of Common Stock, or approximately 8.2% of the Common Stock outstanding. VIII Associates, as the general partner of WCAS VIII, may be deemed to beneficially own the securities owned by WCAS VIII.

Managing Members of VIII Associates  
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(i) Patrick J. Welsh directly beneficially owns 87,784 shares of Common Stock and indirectly beneficially owns (through a family foundation) 30,803 shares of Common Stock, or in the aggregate approximately 0.2% of the Common Stock outstanding.

CUSIP No. 89579K 10 9

Page 4 of 6 Pages

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(ii) Russell L. Carson directly beneficially owns 640,966 shares of Common Stock (including 13,475 shares issuable upon exercise of stock options) and indirectly beneficially owns (through a trust for the benefit of his children) 1,232 shares of Common Stock, or in the aggregate approximately 0.9% of the Common Stock outstanding.

(iii) Bruce K. Anderson owns 378,715 shares of Common Stock, or approximately 0.5% of the Common Stock outstanding.

(iv) Thomas E. McInerney owns 117,868 shares of Common Stock, or approximately 0.2% of the Common Stock outstanding.

(v) Robert A. Minicucci owns 33,727 shares of Common Stock, or less than 0.1% of the Common Stock outstanding.

(vi) Anthony J. deNicola owns 2,739 shares of Common Stock, or less than 0.1% of the Common Stock outstanding.

(vii) Paul B. Queally owns 2,618 shares of Common Stock, or less than 0.1% of the Common Stock outstanding.

(viii) Lawrence B. Sorrel owns 4,657 shares of Common Stock, or less than 0.1% of the Common Stock outstanding.

(ix) Jonathan M. Rather owns 932 shares of Common Stock, or less than 0.1% of the Common Stock outstanding.

(b) The managing members of VIII Associates may be deemed to share the power to vote or direct the voting of and to dispose or direct the disposition of the Common Stock owned by WCAS VIII. Each of the managing members of VIII Associates disclaims beneficial ownership of all Common Stock other than what he owns directly or by virtue of his indirect pro rata interest, as a managing member of VIII Associates, in the Common Stock owned by WCAS VIII.

(c) Except as described in this statement, there were no transactions by WCAS VIII, during the past 60 days.

(d) Except as described in this statement, no person has the power to direct the receipt of dividends on or the proceeds of sales of the Common Stock owned by WCAS VIII.

(e) Not Applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships With  
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Respect to Securities of the Issuer.  
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Item 6 is hereby amended and restated to read in its entirety as follows:

Pursuant to the Confirmation, WCAS VIII and BofA entered into the PEACS Agreements with respect to 1,000,000 shares of Common Stock. On the third business day following the Friday of each week commencing May 24, 2002 through May 31, 2003 (each a "Settlement Date")

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WCAS VIII will sell to BofA up to the number of shares of Common Stock (the "Delivered Shares") representing the product of (i) 4,000 and (ii) the number of trading days in the period from the preceding Settlement Date up to and including the current Settlement Date upon which the closing price per share of Common Stock equaled or exceeded \$34.2278. As payment for such Delivered Shares, on each Settlement Date BofA will pay to WCAS VIII a purchase price of \$41.7905 for each Delivered Share. In addition, as collateral for its obligation to deliver the "Delivered Shares," on March 15, 2002, WCAS VIII and BofA entered into the Pledge Agreement whereby WCAS VIII granted to BofA a security interest in the 1,000,000 shares of Common Stock.

Item 7. Materials to be Filed as Exhibits.  
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Item 7 is hereby amended by adding the following:

Exhibit A - Letter Agreement of Confirmation between Welsh Carson Anderson & Stowe VIII, L.P. and Bank of America, dated March 15, 2002.

Exhibit B - Pledge Agreement between Welsh Carson Anderson & Stowe VIII, L.P. and Bank of America, dated March 15, 2002.

CUSIP No. 89579K 10 9

Page 6 of 6 Pages

Signature  
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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.

WELSH, CARSON, ANDERSON & STOWE VIII, L.P.  
By: WCAS VIII Associates, LLC,  
General Partner

By: /s/ Jonathan M. Rather  
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Managing Member

Dated: March 19, 2002