

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

PHYSICIANS HEALTH SERVICES INC

CIK: **867098** | IRS No.: **061116976** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-21098** | Film No.: **96620595**
SIC: **8000** Health services

Business Address
120 HAWLEY LANE
1243 BROADRICK DRIVE
TRUMBULL CT 06611
2033816400

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) August 7, 1996

Physicians Health Services, Inc.

(Exact name of registrant as specified in its charter)

Delaware

0-21098

06-1116976

(State or other
jurisdiction of
incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

120 Hawley Lane, Trumbull, Connecticut

06611

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (203) 381-6400

Not Applicable

(Former name or former address, if changed since last report)

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Item 5. Other Events

On August 7, 1996, Physicians Health Services, Inc. ("PHS") and The Guardian Life Insurance Company of America ("Guardian") agreed to amend the Confidentiality Agreement between them dated June 28, 1995, which limited

Guardian's ability to acquire more than five per cent (5%) of the issued and outstanding shares of PHS Class A Common Stock by agreeing to permit Guardian to make open market purchases of PHS Class A Common Stock from August 5, 1996 through December 30, 1996. Guardian presently holds a warrant which entitles it to acquire up to one million shares of PHS Class A Common Stock at a price of \$32.43 a share (the "Warrant Price"). Guardian has agreed that the amount of shares it may acquire under the warrant shall be reduced on a pro rata basis by

the amount of any shares it acquired through such open market purchases. If, on December 30, 1996, PHS Class A Common Stock is still below the Warrant Price, PHS will offer to sell to Guardian sufficient shares of its Class A Common Stock to enable Guardian to purchase at the Warrant Price a number of shares equal to such number of shares as then could be purchased pursuant to the warrant (as reduced pursuant to the terms of the agreement dated August 7, 1996). Such purchase will be at the sole option of Guardian. The remaining portion of the Guardian Warrant, whether exercised or not, will be extinguished as of December 31, 1996. If PHS Common Stock is above the Warrant Price on December 31, 1996, Guardian's rights under the warrant to purchase up to one million shares, as reduced by any open market purchases as described above, will continue in full force subject to the original terms and conditions of the Warrant Agreement dated November 28, 1995.

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Item 7. Financial Statements and Exhibits

Exhibit Number -----	Description of Exhibit -----
5.1	Agreement dated August 7, 1996 between Physicians Health Services, Inc. and The Guardian Life Insurance Company of America.

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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.

By: /s/ Regina M. Campbell

Regina M. Campbell
Senior Vice President and
Chief Administrative Officer

Date: August 26, 1996

EXHIBIT INDEX

EXHIBIT NUMBER -----	DESCRIPTION OF EXHIBIT -----	SEQUENTIAL PAGE -----
5.1	Agreement dated August 7, 1996 between Physicians Health Services Inc., and The Guardian Life Insurance Company of America.	

AGREEMENT

This Agreement Dated August 7, 1996 is made by and between Physicians Health Services, Inc., with offices at 120 Hawley Lane, Turnbull, Connecticut ("PHS") and The Guardian Life Insurance Company of America with offices at 201 Park Avenue South, New York, New York (the "Guardian"):

In consideration of the mutual premises and agreements set forth herein and the receipt of due consideration the sufficiency and receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. PHS agrees to remove the 5% limit imposed by the present standstill agreement between PHS and the Guardian and to permit the Guardian to make open market purchases from August 5, 1996 through December 30, 1996.

2. The Guardian's presently held Warrant will be reduced pro rata as open market purchases are executed.

3. If, on December 30, 1996, PHS common stock is still below the warrant price, PHS will make available sufficient shares to complete the Guardian's purchase program of one million (1,000,000) shares at the warrant price of \$32.43 per share. Such purchase will be at the option of the Guardian. The remaining portion of the Guardian warrant whether exercised or not will be extinguished as of December 31, 1996.

4. If PHS common stock is above the \$32.43 warrant price on December 31, 1996, the remaining portion of the Guardian warrant will continue in force and outstanding subject to the original terms and conditions as originally contained in the agreement.

IN WITNESS WHEREOF. the parties hereto have set their hand as of the date and year first above written.

PHYSICIANS HEALTH SERVICES, INC.

By: /s/ Regina M. Campbell

Name: Regina M. Campbell
Title: Senior Vice President,
Chief Administrative Officer

THE GUARDIAN LIFE INSURANCE COMPANY
OF AMERICA

By: /s/ Edward K. Kane

Name: Edward K. Kane
Title: Senior Vice President,
and General Council