

Edgar Filing: MAGELLAN HOLDINGS LP - Form SC 13D/A

MAGELLAN HOLDINGS LP
Form SC 13D/A
May 11, 2005

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D
UNDER THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No. 1)

MAGELLAN HEALTH SERVICES, INC.
(Name of Issuer)

ORDINARY COMMON SHARES
(Title of Class of Securities)

CUSIP No. 559079207
(CUSIP Number)

ONEX CORPORATION
CANADA TRUST TOWER
161 BAY STREET - 49TH FLOOR
TORONTO, CANADA M5J 2S1 CANADA
ATTENTION: EWOUT R. HEERSINK
(416) 362-7711

COPIES TO:

JOEL I. GREENBERG, ESQ.
KAYE SCHOLER LLP
425 PARK AVENUE
NEW YORK, NEW YORK 10022
(212) 836-8000

MAY 9, 2005

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(b)(3) or (4), check the following box [].

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) 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 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

Edgar Filing: MAGELLAN HOLDINGS LP - Form SC 13D/A

CUSIP NO. 559079207

PAGE 2 OF 16 PAGES

NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

1. Magellan Holdings LP

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) []
(b) []

2. -----

3. SEC USE ONLY

SOURCE OF FUNDS*

4. WC

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) OR 2(e) []

5. -----

CITIZENSHIP OR PLACE OF ORGANIZATION

6. Delaware

SOLE VOTING POWER

7. -0-

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

8. 8,509,213 shares of Ordinary Common Stock issuable upon conversion of shares of Multiple and Variable Vote Restricted Convertible Common Stock ("MV Common Stock") of the Issuer. See Row 13 below for a description of the voting power of such shares.

SOLE DISPOSITIVE POWER

9. -0-

SHARED DISPOSITIVE POWER

10. 8,509,213 shares of Ordinary Common Stock issuable upon conversion of shares of MV Common Stock of the Issuer.

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11. 8,509,213 shares of Ordinary Common Stock issuable upon conversion of shares of MV Common Stock of the Issuer.

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* []

12. -----

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

24.0% of the Issuer's shares of Ordinary Common Stock, assuming conversion of all of the Reporting Person's shares of MV Common Stock into Ordinary Common Stock (assuming 26,920,233 additional shares of Ordinary Common Stock

Edgar Filing: MAGELLAN HOLDINGS LP - Form SC 13D/A

13. outstanding). Such shares of MV Common Stock entitle the Reporting Person to elect four (4) of nine (9) members of the Issuer's Board of Directors (of the remaining five (5) directors, two (2) are elected by the MV Common Stock and Ordinary Common Stock voting together and three (3) are elected by the Ordinary Common Stock) and to 50% of the voting power of the MV Common Stock and Ordinary Common Stock voting together as a single class.

TYPE OF REPORTING PERSON*

14. PN

*SEE INSTRUCTIONS BEFORE FILLING OUT
INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

Page 2 of 16 Pages

SCHEDULE 13D

CUSIP NO. 559079207

PAGE 3 OF 16 PAGES

NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

1. Onex Partners LP

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

2. (a) []
(b) []

3. SEC USE ONLY

SOURCE OF FUNDS*

4. AF

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2 (d) OR 2 (e) []

CITIZENSHIP OR PLACE OF ORGANIZATION

6. Delaware

SOLE VOTING POWER

7. -0-

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

SHARED VOTING POWER
8. 8,509,213 shares of Ordinary Common Stock issuable upon conversion of shares of MV Common Stock of the Issuer. See Row 13 below for a description of the voting power of such shares.

SOLE DISPOSITIVE POWER

9.

Edgar Filing: MAGELLAN HOLDINGS LP - Form SC 13D/A

-0-

SHARED DISPOSITIVE POWER

10. 8,509,213 shares of Ordinary Common Stock issuable upon conversion of shares of MV Common Stock of the Issuer.

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11. 8,509,213 shares of Ordinary Common Stock issuable upon conversion of shares of MV Common Stock of the Issuer.

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* []

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13. 24.0% of the Issuer's shares of Ordinary Common Stock, assuming conversion of all of the Reporting Person's shares of MV Common Stock into Ordinary Common Stock (assuming 26,920,233 additional shares of Ordinary Common Stock outstanding). Such shares of MV Common Stock entitle the Reporting Person to elect four (4) of nine (9) members of the Issuer's Board of Directors (of the remaining five (5) directors, two (2) are elected by the MV Common Stock and Ordinary Common Stock voting together and three (3) are elected by the Ordinary Common Stock) and to 50% of the voting power of the MV Common Stock and Ordinary Common Stock voting together as a single class.

TYPE OF REPORTING PERSON*

14. PN

*SEE INSTRUCTIONS BEFORE FILLING OUT
INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

Page 3 of 16 Pages

SCHEDULE 13D

CUSIP NO. 559079207

PAGE 4 OF 16 PAGES

NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

1. Onex Partners GP LP

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
2. (a) []
(b) []

3. SEC USE ONLY

4. SOURCE OF FUNDS*

Edgar Filing: MAGELLAN HOLDINGS LP - Form SC 13D/A

AF

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

7. SOLE VOTING POWER
-0-

NUMBER OF
SHARES
BENEFICIALLY 8. SHARED VOTING POWER
OWNED BY 8,509,213 shares of Ordinary Common Stock issuable upon
EACH conversion of shares of MV Common Stock of the Issuer. See
REPORTING PERSON Row 13 below for a description of the voting power of such
WITH shares.

9. SOLE DISPOSITIVE POWER
-0-

10. SHARED DISPOSITIVE POWER
8,509,213 shares of Ordinary Common Stock issuable upon
conversion of shares of MV Common Stock of the Issuer.

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
8,509,213 shares of Ordinary Common Stock issuable upon
conversion of shares of MV Common Stock of the Issuer.

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES* []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
24.0% of the Issuer's shares of Ordinary Common Stock,
assuming conversion of all of the Reporting Person's shares
of MV Common Stock into Ordinary Common Stock (assuming
26,920,233 additional shares of Ordinary Common Stock
outstanding). Such shares of MV Common Stock entitle the
Reporting Person to elect four (4) of nine (9) members of the
Issuer's Board of Directors (of the remaining five (5)
directors, two (2) are elected by the MV Common Stock and
Ordinary Common Stock voting together and three (3) are
elected by the Ordinary Common Stock) and to 50% of the
voting power of the MV Common Stock and Ordinary Common Stock
voting together as a single class.

14. TYPE OF REPORTING PERSON*
PN

*SEE INSTRUCTIONS BEFORE FILLING OUT
INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

Edgar Filing: MAGELLAN HOLDINGS LP - Form SC 13D/A

Page 4 of 16 Pages

SCHEDULE 13D

CUSIP NO. 559079207

PAGE 5 OF 16 PAGES

1. NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Onex Partners Inc.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a) []
(b) []

3. SEC USE ONLY

4. SOURCE OF FUNDS*
AF

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

7. SOLE VOTING POWER
-0-

8. NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH SHARED VOTING POWER
8,509,213 shares of Ordinary Common Stock issuable upon conversion of shares of MV Common Stock of the Issuer. See Row 13 below for a description of the voting power of such shares.

9. SOLE DISPOSITIVE POWER
-0-

10. SHARED DISPOSITIVE POWER
8,509,213 shares of Ordinary Common Stock issuable upon conversion of shares of MV Common Stock of the Issuer.

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
8,509,213 shares of Ordinary Common Stock issuable upon conversion of shares of MV Common Stock of the Issuer.

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* []

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

Edgar Filing: MAGELLAN HOLDINGS LP - Form SC 13D/A

13. 24.0% of the Issuer's shares of Ordinary Common Stock, assuming conversion of all of the Reporting Person's shares of MV Common Stock into Ordinary Common Stock (assuming 26,920,233 additional shares of Ordinary Common Stock outstanding). Such shares of MV Common Stock entitle the Reporting Person to elect four (4) of nine (9) members of the Issuer's Board of Directors (of the remaining five (5) directors, two (2) are elected by the MV Common Stock and Ordinary Common Stock voting together and three (3) are elected by the Ordinary Common Stock) and to 50% of the voting power of the MV Common Stock and Ordinary Common Stock voting together as a single class.

14. TYPE OF REPORTING PERSON*
CO

*SEE INSTRUCTIONS BEFORE FILLING OUT
INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

Page 5 of 16 Pages

SCHEDULE 13D

CUSIP NO. 559079207

PAGE 6 OF 16 PAGES

1. NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Onex Corporation

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a) []
(b) []

3. SEC USE ONLY

4. SOURCE OF FUNDS*
AF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2 (d) OR 2 (e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION
Ontario, Canada

7. SOLE VOTING POWER
-0-

8. NUMBER OF SHARES BENEFICIALLY OWNED BY 8. 8,509,213 shares of Ordinary Common Stock issuable upon conversion of shares of MV Common Stock of the Issuer. See

Edgar Filing: MAGELLAN HOLDINGS LP - Form SC 13D/A

EACH REPORTING PERSON WITH

Row 13 below for a description of the voting power of such shares.

9. SOLE DISPOSITIVE POWER

-0-

10. 8,509,213 shares of Ordinary Common Stock issuable upon conversion of shares of MV Common Stock of the Issuer.

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11. 8,509,213 shares of Ordinary Common Stock issuable upon conversion of shares of MV Common Stock of the Issuer.

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* []

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

24.0% of the Issuer's shares of Ordinary Common Stock, assuming conversion of all of the Reporting Person's shares of MV Common Stock into Ordinary Common Stock (assuming 26,920,233 additional shares of Ordinary Common Stock outstanding). Such shares of MV Common Stock entitle the Reporting Person to elect four (4) of nine (9) members of the Issuer's Board of Directors (of the remaining five (5) directors, two (2) are elected by the MV Common Stock and Ordinary Common Stock voting together and three (3) are elected by the Ordinary Common Stock) and to 50% of the voting power of the MV Common Stock and Ordinary Common Stock voting together as a single class.

14. TYPE OF REPORTING PERSON*

CO

*SEE INSTRUCTIONS BEFORE FILLING OUT
INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

Page 6 of 16 Pages

SCHEDULE 13D

CUSIP NO. 559079207

PAGE 7 OF 16 PAGES

NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

1. Gerald W. Schwartz

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) []

2. (b) []

3. SEC USE ONLY

Edgar Filing: MAGELLAN HOLDINGS LP - Form SC 13D/A

4. SOURCE OF FUNDS*

AF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2 (d) OR 2 (e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Canada

7. SOLE VOTING POWER

-0-

8. NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH SHARED VOTING POWER

8,509,213 shares of Ordinary Common Stock issuable upon conversion of shares of MV Common Stock of the Issuer. See Row 13 below for a description of the voting power of such shares.

9. SOLE DISPOSITIVE POWER

-0-

10. SHARED DISPOSITIVE POWER

8,509,213 shares of Ordinary Common Stock issuable upon conversion of shares of MV Common Stock of the Issuer.

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

8,509,213 shares of Ordinary Common Stock issuable upon conversion of shares of MV Common Stock of the Issuer.**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* [X]

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

24.0% of the Issuer's shares of Ordinary Common Stock, assuming conversion of all of the Reporting Person's shares of MV Common Stock into Ordinary Common Stock (assuming 26,920,233 additional shares of Ordinary Common Stock outstanding). Such shares of MV Common Stock entitle the Reporting Person to elect four (4) of nine (9) members of the Issuer's Board of Directors (of the remaining five (5) directors, two (2) are elected by the MV Common Stock and Ordinary Common Stock voting together and three (3) are elected by the Ordinary Common Stock) and to 50% of the voting power of the MV Common Stock and Ordinary Common Stock voting together as a single class.

14. TYPE OF REPORTING PERSON*

IN

Edgar Filing: MAGELLAN HOLDINGS LP - Form SC 13D/A

*SEE INSTRUCTIONS BEFORE FILLING OUT
INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

** Gerald W. Schwartz expressly disclaims beneficial ownership of the shares of Magellan Health Services, Inc. beneficially owned by Magellan Holdings LP, Onex Partners LP, Onex Partners GP LP, Onex Partners GP Inc. and Onex Corporation.

Page 7 of 16 Pages

This Amendment Number 1 (the "First Amendment") amends and supplements the Statement on Schedule 13D (the "Schedule 13D") filed on January 16, 2004, relating to the shares of Ordinary Common Stock, par value \$.01 per share ("Ordinary Common Stock"), of Magellan Health Services, Inc., a Delaware corporation (the "Issuer") previously filed by Magellan Holdings LP, a Delaware limited partnership ("Holdings"), Onex Partners LP, a Delaware limited partnership ("Partners"), Onex Partners GP LP, a Delaware limited partnership ("Partners GP LP"), Onex Partners GP Inc., a Delaware corporation ("Partners GP"), Onex Corporation, an Ontario corporation ("Onex"), and Mr. Gerald W. Schwartz ("Mr. Schwartz"). Rights to such Ordinary Common Stock were acquired pursuant to a stock purchase agreement dated as of December 18, 2003, between the Issuer and Holdings (the "Stock Purchase Agreement"), whereby Holdings purchased 8,415,580 shares of Multiple and Variable Vote Restricted Convertible Common Stock, par value \$0.01 per share ("MV Common Stock") of the Issuer, which are convertible at any time at the option of the holder into the same number of shares of Ordinary Common stock.

Except as specifically provided herein, this First Amendment does not modify any of the information previously reported on the Schedule 13D.

Item 2. Identity and Background.

(a), (b), (c) and (f). This Statement on Schedule 13D is being filed by Holdings, Partners, Partners GP LP, Partners GP, Onex and Mr. Schwartz.

Holdings

Holdings is a Delaware limited partnership. Holdings is a holding company through which the other Reporting Persons hold securities of the Issuer. The address of the principal business and principal offices of Holdings is c/o 421 Leader Street, Marion, Ohio 43302. The general partner of Holdings is Partners GP LP.

Partners

Partners is a Delaware limited partnership. Partners' principal business is investing in securities. The address of the principal business and principal offices of Partners is c/o Onex Investment Corp., 712 Fifth Avenue, New York, NY 10019. The general partner of Partners is Partners GP LP.

Partners GP LP

Partners GP LP is a Delaware limited partnership. Partners GP LP's principal business is being the general partner of Partners. The address of the principal business and principal offices of Partners GP LP is c/o Onex Investment Corp., 712 Fifth Avenue, New York, NY 10019. The general partner of Partners GP LP is Partners GP.

Partners GP

Edgar Filing: MAGELLAN HOLDINGS LP - Form SC 13D/A

Partners GP is a Delaware corporation. Partners GP's principal business is being the general partner of Partners GP LP. The address of the principal business and principal offices of Partners GP is c/o Onex Investment Corp., 712 Fifth Avenue, New York, NY 10019. Information relating to the directors and executive officers of Partners GP is set forth on Schedule A hereto which is incorporated by reference.

Onex

Onex is an Ontario, Canada corporation. It is a diversified company that operates through autonomous subsidiaries, associated companies and strategic partnerships. The address of the principal business and principal offices of Onex is 161 Bay Street, P.O. Box 700, Toronto, Ontario, Canada M5J 2S1. Information relating to the directors and executive

Page 8 of 16 Pages

officers of Onex is set forth on Schedule B hereto which is incorporated herein by reference. Onex indirectly owns 100% of the equity of Partners GP.

Mr. Schwartz

The principal occupation of Mr. Schwartz is the Chairman of the Board and Chief Executive Officer of Onex. The business address of Mr. Schwartz is c/o Onex Corporation, 161 Bay Street, P.O. Box 700, Toronto, Ontario, M5J 2S1. Mr. Schwartz is a citizen of Canada. Mr. Schwartz is the indirect holder of all the issued and outstanding shares of Multiple Voting Shares of Onex, ownership which entitles Mr. Schwartz to elect sixty percent (60%) of the members of Onex's Board of Directors.

Item 4. Purpose of Transaction.

Holdings proposes to offer for sale 4,209,000 MV Common Stock pursuant to an underwritten offering. In addition, Holdings has granted the underwriters in such underwritten offering, an option to purchase up to an additional 637,500 shares to cover over-allotments. If 4,209,000 MV Common Stock are sold, Holdings' interest in the Issuer's outstanding MV Common Stock will fall below the minimum threshold used to determine eligibility for special rights or privileges relating to such MV Common Stock ownership. Accordingly, Holdings will lose its special voting rights and will generally vote with Ordinary Common Stock on a one vote per share basis.

Pursuant to the Stock Purchase Agreement and the terms of the Third Amended Joint Plan of Reorganization of the Issuer and certain of its subsidiaries under Chapter 11 of the United States Bankruptcy Code dated August 18, 2003, as amended (the "Plan of Reorganization"), Holdings has an outstanding commitment to purchase up to an additional 12,781 shares of MV Common Stock at a price of \$9.78 per share, upon settlement of disputed claims of certain of the Issuer's creditors. This does not include 3,613 shares that Holdings is expected and required to acquire from the Issuer under the Issuer's Plan of Reorganization in connection with the most recent quarterly resolution of disputed claims. In addition, Reporting Persons may from time to time acquire shares of Ordinary Common Stock in the open market or in privately negotiated transactions, subject to the availability of such shares at prices deemed favorable, the Issuer's business or financial condition and to other factors and conditions the Reporting Persons deem appropriate. In the event the Reporting Persons acquire shares of Ordinary Common Stock, such shares will automatically be converted into the same number of shares of MV Common Stock and will not entitle the Reporting Persons to additional voting rights. See Exhibit 2. Alternatively, the Reporting Persons may sell all or a portion of their shares of MV Common Stock,

Edgar Filing: MAGELLAN HOLDINGS LP - Form SC 13D/A

or shares of Ordinary Common Stock obtained upon conversion of such shares of MV Common Stock, in the open market or in privately negotiated transactions. Holdings has registration rights with respect to the shares of Ordinary Common Stock underlying its shares of MV Common Stock. See Exhibit 3. Holdings has no present intention of disposing of the shares it will continue to hold following the offering.

Except as set forth above in the two immediately preceding paragraphs, no Reporting Person has any present plans or proposals that relate to or would result in: (a) the acquisition by any person of additional securities of the Issuer, or the disposition of securities of the Issuer; (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Issuer or any of its subsidiaries; (c) a sale or transfer of a material amount of assets of the Issuer or of any of its subsidiaries; (d) any change in the present board of directors or management of the Issuer, including any plans or proposals to change the number or term of such directors or to fill any existing vacancies on such board; (e) any material change in the present capitalization or dividend policy of the Issuer; (f) any other material change in the Issuer's business or corporate structure; (g) changes in the Issuer's charter, by-laws or instruments corresponding thereto or other actions that may impede the acquisition of control of the Issuer by any person; (h) causing a class of securities of the Issuer to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association; (i) a class of equity securities of the Issuer becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934; or (j) any action similar to any of those enumerated above.

Page 9 of 16 Pages

Item 5. Interest in Securities of the Issuer.

(a) and (b). As of the date hereof, Holdings beneficially owns 8,509,213 shares of Ordinary Common Stock (which may be obtained at any time by conversion of shares of MV Common Stock held by Holdings), which constitute 24.0% of the Issuer's shares of Ordinary Common Stock (assuming 26,920,233 additional shares of Ordinary Common Stock outstanding). This includes 3,613 additional shares that Holdings is expected and required to acquire from the Issuer under the Issuer's Plan of Reorganization in connection with the most recent quarterly resolution of disputed claims, of which it may be considered to have beneficial ownership as determined pursuant to Rule 13d-3(d)(1)(i) under the Securities Exchange Act of 1934, as amended. The shares of MV Common Stock beneficially owned by Holdings entitle Holdings to 50% of the voting power of the MV Common Stock and Ordinary Common Stock voting together as a single class and the power to vote for the election of directors as described in Item 4.

All of the shares beneficially owned by Holdings may be deemed as beneficially owned by each of Partners, Partners GP LP, Partners GP and Onex. As discussed above, such shares constitute 24.0% of the Issuer's shares of Ordinary Common Stock (assuming 26,920,233 additional shares of Ordinary Common Stock outstanding). The shares of MV Common Stock beneficially owned by such Reporting Persons entitle such Reporting Persons to 50% of the voting power of the MV Common Stock and Ordinary Common Stock voting together as a single class and the power to vote for the election of directors as described in Item 4. Mr. Schwartz may be deemed a beneficial owner of the shares of Ordinary Common Stock beneficially owned by the other Reporting Persons but disclaims beneficial ownership of such shares.

(c) On March 23, 2005, Holdings purchased 17,850 shares of MV Common Stock, from the Issuer that it was required to purchase under the Issuer's Plan of Reorganization in connection with the prior quarterly resolution of disputed

Edgar Filing: MAGELLAN HOLDINGS LP - Form SC 13D/A

claims of certain of Issuer's creditors for a price of \$9.78 per share, in a private transaction. Except as described herein, no Reporting Person has effected any transaction in shares of Ordinary Common Stock during the preceding 60 days.

(d) To the best knowledge of the Reporting Persons, no person other than the Reporting Persons has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, shares of Ordinary Common Stock or MV Common Stock, except that limited partners of the Reporting Persons may receive distributions including a portion of such dividends or proceeds.

(e) Not applicable.

Item 7. Material to Be Filed as Exhibits.

1. Joint Filing Agreement incorporated by reference to the Statement on Schedule 13D of Magellan Health Services Inc. filed with the Securities and Exchange Commission by Magellan Holdings LP, Onex Partners LP, Onex Partners GP LP, Onex Partners GP Inc., Onex Corporation and Mr. Gerald W. Schwartz on January 16, 2004.
2. Amended and Restated Certificate of Incorporation of Magellan Health Services, Inc., as in effect on January 5, 2004, (incorporated by reference to Exhibit 2.9 to the Form 8-K filed with the Securities and Exchange Commission by the Issuer on January 6, 2004).
3. Registration Rights Agreement, dated as of January 5, 2004, among Magellan Health Services, Inc., Magellan Holdings LP and Aetna, Inc. (incorporated by reference to Exhibit 2.15 to the Form 8-K filed with the Securities and Exchange Commission by the Issuer on January 6, 2004).
4. Power of Attorney incorporated by reference to the Amendment to Form 4 for Dura Automotive Systems, Inc. filed with the Securities and Exchange Commission by Gerald W. Schwartz on September 10, 1996.

Page 10 of 16 Pages

SIGNATURE

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

Dated: May 11, 2005

MAGELLAN HOLDINGS LP

By: ONEX PARTNERS GP LP, its General Partner

By: ONEX PARTNERS GP INC., its General Partner

By: /s/ Robert Le Blanc

Name: Robert Le Blanc

Title: President

ONEX PARTNERS LP

By: ONEX PARTNERS PARTNERS GP LP, its General Partner

Edgar Filing: MAGELLAN HOLDINGS LP - Form SC 13D/A

By: ONEX PARTNERS GP INC., its General Partner

By: /s/ Robert Le Blanc

Name: Robert Le Blanc
Title: President

ONEX PARTNERS GP LP

By: ONEX PARTNERS GP INC., its General Partner

By: /s/ Robert Le Blanc

Name: Robert Le Blanc
Title: President

ONEX PARTNERS GP INC.

By: /s/ Robert Le Blanc

Name: Robert Le Blanc
Title: President

ONEX CORPORATION

By: /s/ Donald Lewtas

Name: Donald Lewtas

Page 11 of 16 Pages

Title: Authorized Signatory

GERALD W. SCHWARTZ

By: /s/ Donald Lewtas

Name: Donald Lewtas
Title: Authorized Signatory for GERALD W. SCHWARTZ

Page 12 of 16 Pages

INDEX TO EXHIBITS

Exhibit

Page No.in Sequential
Numbering System

1. Joint Filing Agreement incorporated by reference to the Statement on Schedule 13D of Magellan Health Services Inc. filed with the Securities and Exchange Commission by Magellan Holdings LP, Onex Partners LP, Onex Partners GP LP, Onex Partners GP Inc., Onex Corporation and Mr. Gerald W. Schwartz on January 16, 2004.
2. Amended and Restated Certificate of

Edgar Filing: MAGELLAN HOLDINGS LP - Form SC 13D/A

Incorporation of Magellan Health Services, Inc., as in effect on January 5, 2004, (incorporated by reference to Exhibit 2.9 to the Form 8-K filed with the Securities and Exchange Commission by the Issuer on January 6, 2004).

3. Registration Rights Agreement, dated as of January 5, 2004, among Magellan Health Services, Inc., Magellan Holdings LP and Aetna, Inc. (incorporated by reference to Exhibit 2.15 to the Form 8-K filed with the Securities and Exchange Commission by the Issuer on January 6, 2004).
4. Power of Attorney incorporated by reference to the Amendment to Form 4 for Dura Automotive Systems, Inc. filed with the Securities and Exchange Commission by Gerald W. Schwartz on September 10, 1996.

Page 13 of 16 Pages

SCHEDULE A

Directors and Executive Officers of Onex Partners GP Inc. ("Partners GP")

The name, business address, present principal occupation of each director and executive officer of Partners GP are set forth below. All executive officers and directors listed on this Schedule B are United States citizens, except as specifically indicated below.

Name	Business Address	Present Principal Occupation or Employment
Robert Le Blanc	c/o Onex Investment Corp. 712 Fifth Avenue New York, NY 10019	President and Director; Managing Director of Onex Investment Corp.
Anthony Munk	c/o Onex Investment Corp. 712 Fifth Avenue New York, NY 10019	Vice President and Director; Managing Director of Onex Investment Corp.
Donald F. West	c/o OMI Management U.S. Limited Partnership 421 Leader Street Marion, OH 43302	Vice President; Director of OMI Management U.S. Limited Partnership

Page 14 of 16 Pages

SCHEDULE B

Directors and Executive Officers of Onex Corporation ("Onex")

The name, business address, present principal occupation of each director and executive officer of Onex are set forth below. All executive officers and

Edgar Filing: MAGELLAN HOLDINGS LP - Form SC 13D/A

directors listed on this Schedule B are Canadian citizens, except as specifically indicated below.

Name -----	Business Address -----	Present Principal Occupation or Employment -----
Gerald W. Schwartz	161 Bay Street P.O. Box 700 Toronto, Ontario Canada M5J 2S1	Chairman of the Board and Chief Executive Officer and Director
Ewout R. Heersink (Netherlands Citizen)	161 Bay Street P.O. Box 700 Toronto, Ontario Canada M5J 2S1	Managing Director and Chief Financial Officer
Mark L. Hilson	161 Bay Street P.O. Box 700 Toronto, Ontario Canada M5J 2S1	Managing Director
Donald W. Lewtas	161 Bay Street P.O. Box 700 Toronto, Ontario Canada M5J 2S1	Managing Director Finance
Anthony R. Melman	161 Bay Street P.O. Box 700 Toronto, Ontario Canada M5J 2S1	Managing Director
Seth M. Mersky (U.S. Citizen)	161 Bay Street P.O. Box 700 Toronto, Ontario Canada M5J 2S1	Managing Director
Andrew J. Sheiner	161 Bay Street P.O. Box 700 Toronto, Ontario Canada M5J 2S1	Managing Director
Nigel S. Wright	161 Bay Street P.O. Box 700 Toronto, Ontario Canada M5J 2S1	Managing Director

Page 15 of 16 Pages

Name -----	Business Address -----	Present Principal Occupation or Employment -----
Christopher A. Govan	161 Bay Street P.O. Box 700 Toronto, Ontario Canada M5J 2S1	Managing Director Taxation

Edgar Filing: MAGELLAN HOLDINGS LP - Form SC 13D/A

Andrea Daly

161 Bay Street
P.O. Box 700
Toronto, Ontario
Canada M5J 2S1

General Counsel

Page 16 of 16 Pages