

SELECT MEDICAL HOLDINGS CORP

Form S-8

October 09, 2009

As filed with the Securities and Exchange Commission on October 9, 2009

**Registration
No. 333-**

**SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

**Form S-8
REGISTRATION STATEMENT
Under
*THE SECURITIES ACT OF 1933***

**SELECT MEDICAL HOLDINGS CORPORATION
(Exact name of registrant as specified in its charter)**

Delaware **20-1764048**
(State of incorporation or organization) (I.R.S. Employer Identification No.)
4714 Gettysburg Road
Mechanicsburg, Pennsylvania 17055
(Address of principal executive offices) (Zip Code)

**Amended and Restated Select Medical Holdings Corporation 2005 Equity Incentive Plan
Amended and Restated Select Medical Holdings Corporation 2005 Equity Incentive Plan for Non-
Employee Directors
(Full title of the Plans)**

Michael E. Tarvin, Esq.
Executive Vice President, General Counsel and Secretary
Select Medical Holdings Corporation
4714 Gettysburg Road
P.O. Box 2034
Mechanicsburg, Pennsylvania 17055
(Name and address of agent for service)

(717) 972-1100
(Telephone number, including area code, of agent for service)

With a copy to:
Stephen M. Leitzell, Esq.
Dechert LLP
Cira Centre
2929 Arch Street
Philadelphia, Pennsylvania 19104
(215) 994-4000

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
 (Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

| Title of securities to be registered | Amount to be Registered (1) | Proposed Maximum Offering Price Per Share | Proposed Maximum Aggregate Offering Price | Amount of Registration Fee (6) |
|---|------------------------------------|--|--|---------------------------------------|
| Common Stock of Select Medical Holdings Corporation, par value \$0.001 per share (Common Stock) | 1,422,246 (2) | \$6.7071 (4) | \$ 9,539,146 (4) | \$ 532 |
| Common Stock | 24,171,856 (2) | \$ 9.45 (5) | \$228,424,039 (5) | \$ 12,746 |
| Common Stock | 63,000 (3) | \$7.6171 (4) | \$ 479,877 (4) | \$ 27 |
| Common Stock | 162,000 (3) | \$ 9.45 (5) | \$ 1,530,900 (5) | \$ 86 |
| Total | 25,819,102 | | \$239,973,962 | \$ 13,391 |

(1) Pursuant to Rule 416(a) of the Securities Act of 1933, as amended (the Securities Act), this Registration Statement shall also cover any additional shares of Common Stock which become issuable under the Plans (as defined below) by reason of any stock dividend, stock split, recapitalization or other similar transaction effected without the receipt of consideration which results in an increase in the

number of the
outstanding
shares of the
Registrant.

- (2) These shares of Common Stock are being registered for issuance under the Amended and Restated Select Medical Holdings Corporation 2005 Equity Incentive Plan (the Omnibus Plan).
- (3) These shares of Common Stock are being registered for issuance under the Amended and Restated Select Medical Holdings Corporation 2005 Equity Incentive Plan for Non-Employee Directors (the Non-Employee Directors Plan, and together with the Omnibus Plan, the Plans).
- (4) The registration fee for the shares of Common Stock to be issued pursuant to outstanding options already granted under the Plans was calculated in accordance with Rule 457(h) of the Securities Act, based upon

the weighted average price per share at which the options may be exercised.

(5) The registration fee for the shares of Common Stock to be issued pursuant to options reserved but not yet granted under the Plans was calculated in accordance with Rules 457(c) of the Securities Act, based upon the average of the high and low trading prices of our Common Stock as reported on the New York Stock Exchange on October 7, 2009.

(6) The Registrant previously paid (i) a fee of \$3,930 in connection with the initial filing of its Registration Statement on Form S-1 (File No. 333-152514) on July 24, 2008 to register shares at a proposed maximum aggregate offering price of \$100,000,000 and (ii) an additional fee of \$26,505 in connection with the filing of

Amendment
No. 4 to its
Registration
Statement on
Form S-1 (File
No. 333-152514)
on June 18, 2009
(collectively, and
as subsequently
amended, the S-1
Registration
Statement) to
register shares at
a proposed
maximum
aggregate
offering price of
\$575,000,000.
The Registrant
subsequently sold
30,000,000
shares at \$10.00
per share under
the S-1
Registration
Statement, and
4,500,000 shares
may be sold to
the underwriters
under the S-1
Registration
Statement to
cover
over-allotments.
As a result, upon
the effectiveness
of the S-1
Registration
Statement on
September 24,
2009, the
Registrant had a
registration fee
balance of
\$11,184 with the
Securities and
Exchange
Commission,
assuming the
underwriters
purchase

4,500,000 shares
to cover
over-allotments.

Pursuant to
Rule 457(p) of
the Securities
Act, the filing fee
of \$11,184
previously paid,
but not used, by
the Registrant in
connection with
the filing of the
S-1 Registration
Statement is to be
offset against the
registration fee
due in connection
with the filing of
this Registration
Statement on
Form S-8.

PART I
INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

Information required in Part I of Form S-8 to be contained in a prospectus meeting the requirements of Section 10(a) of the Securities Act, is not required to be filed with the Securities and Exchange Commission (the Commission) and is omitted from this Registration Statement in accordance with the explanatory note to Part I of Form S-8 and Rule 428 under the Securities Act.

PART II
INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The Registrant incorporates by reference into this Registration Statement the following documents:

- (a) The Registrant's Registration Statement on Form S-1 filed with the Commission on July 25, 2008 (Reg. No. 333-152514), as amended.
- (b) The description of the Registrant's Common Stock in the Registrant's Registration Statement on Form 8-A filed with the Commission on September 22, 2009 (Reg. No. 001-34465); and
- (c) All documents subsequently filed by the Registrant with the Commission pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act after the date of this Registration Statement, but prior to the filing of a post-effective amendment to this Registration Statement, which indicates that all securities offered by this Registration Statement have been sold or which deregisters all such securities then remaining unsold, shall be deemed to be incorporated by reference into this Registration Statement. Each document incorporated by reference into this Registration Statement shall be deemed to be a part of this Registration Statement from the date of the filing of such document with the Commission until the information contained therein is superseded or updated by any subsequently filed document which is incorporated by reference into this Registration Statement.

The above information is supplemented with the following section Selected Historical Consolidated Financial Data, which has been updated to give effect in the Successor Period to the reverse 1 to .30 common stock split that became effective on September 24, 2009:

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

You should read the following selected historical consolidated financial data in conjunction with our consolidated financial statements and the accompanying notes. You should also read Management's Discussion and Analysis of Financial Condition and Results of Operations, which is incorporated by reference in this Registration Statement. The historical financial data as of December 31, 2004, 2005, 2006, 2007 and 2008 and for the year ended December 31, 2004, for the period from January 1 through February 24, 2005 (Predecessor Period), for the period from February 25 through December 31, 2005 and for the years ended December 31, 2006, 2007 and 2008 (Successor Period) have been derived from consolidated financial statements audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm. The selected historical consolidated financial data as of December 31, 2007 and 2008, and for the years ended December 31, 2006, 2007 and 2008 have been derived from our consolidated financial information incorporated by reference in this Registration Statement. The selected historical consolidated financial data as of December 31, 2004, 2005 and 2006 and for the year ended December 31, 2004 and for the period from January 1 through February 24, 2005 (Predecessor Period), and for the period from February 25 through December 31, 2005 (Successor Period) have been derived from our audited consolidated financial information not contained in this Registration Statement. We derived the historical financial data as of June 30, 2009 and for the six months ended June 30, 2008 and 2009 from our unaudited interim consolidated financial statements, which are incorporated by reference in this Registration Statement.

Predecessor Period

Successor Period

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| | Year Ended December 31, 2004 ⁽¹⁾ | Period from January 1 through February 24, 2005 ⁽¹⁾ | Period from February 25 through December 31, 2005 ⁽¹⁾⁽²⁾ | Year Ended December 31, 2006 ⁽¹⁾⁽²⁾ 2007 ⁽¹⁾⁽²⁾ 2008 ⁽¹⁾⁽²⁾ | | |
|---|---|---|--|---|--------------|--------------|
| | (in thousands, except per share data) | | | (in thousands, except per share data) | | |
| Statement of Operations Data: | | | | | | |
| Net operating revenues | \$ 1,601,524 | \$ 277,736 | \$ 1,580,706 | \$ 1,851,498 | \$ 1,991,666 | \$ 2,153,362 |
| Operating expenses ⁽³⁾⁽⁴⁾ | 1,340,068 | 373,418 | 1,322,068 | 1,546,956 | 1,740,484 | 1,885,168 |
| Depreciation and amortization | 38,951 | 5,933 | 37,922 | 46,668 | 57,297 | 71,786 |
| Income (loss) from operations | 222,505 | (101,615) | 220,716 | 257,874 | 193,885 | 196,408 |
| Gain (loss) on early retirement of debt ⁽⁵⁾ | | (42,736) | | | | 912 |
| Merger related charges ⁽⁶⁾ | | (12,025) | | | | |
| Other income (expense) | 1,096 | 267 | 1,092 | | (167) | |
| Interest expense, net ⁽⁷⁾ | (30,716) | (4,128) | (101,441) | (130,538) | (138,052) | (145,423) |
| Income (loss) from continuing operations before income taxes | 192,885 | (160,237) | 120,367 | 127,336 | 55,666 | 51,897 |
| Income tax expense (benefit) | 76,551 | (59,794) | 49,336 | 43,521 | 18,699 | 26,063 |
| Income (loss) from continuing operations | 116,334 | (100,443) | 71,031 | 83,815 | 36,967 | 25,834 |
| Income from discontinued operations, net of tax | 4,458 | 522 | 3,072 | 12,818 | | |
| Net income (loss) | 120,792 | (99,921) | 74,103 | 96,633 | 36,967 | 25,834 |
| Less: Net income attributable to non-controlling interests ⁽⁸⁾ | 2,608 | 330 | 1,776 | 1,754 | 1,537 | 3,393 |
| Net income (loss) attributable to Select Medical Holdings Corporation | 118,184 | (100,251) | 72,327 | 94,879 | 35,430 | 22,441 |
| Less: Preferred dividends | | | 23,519 | 22,663 | 23,807 | 24,972 |
| Net income (loss) available to common and preferred | \$ 118,184 | \$ (100,251) | \$ 48,808 | \$ 72,216 | \$ 11,623 | \$ (2,531) |

stockholders

| | Predecessor Period | | | Successor Period | | |
|--|---|---|--|---|----------|-----------|
| | Year Ended December 31, 2004 ⁽¹⁾ | Period from January 1 through February 24, 2005 ⁽¹⁾ | Period from February 25 through December 31, 2005 ⁽¹⁾⁽²⁾ | Year Ended December 31, 2006 ⁽¹⁾⁽²⁾ 2007 ⁽¹⁾⁽²⁾ 2008 ⁽¹⁾⁽²⁾ | | |
| | (in thousands, except per share data) | | | (in thousands, except per share data) | | |
| Income (loss) per common share: | | | | | | |
| Basic: | | | | | | |
| Income (loss) from continuing operations | \$ 1.11 | \$ (0.99) | \$ 0.70 | \$ 0.88 | \$ 0.17 | \$ (0.04) |
| Income from discontinued operations, net of tax | 0.04 | 0.01 | 0.05 | 0.18 | | |
| Net income (loss) | \$ 1.15 | \$ (0.98) | \$ 0.75 | \$ 1.06 | \$ 0.17 | \$ (0.04) |
| Diluted: | | | | | | |
| Income (loss) from continuing operations | \$ 1.07 | \$ (0.99) | \$ 0.70 | \$ 0.88 | \$ 0.17 | \$ (0.04) |
| Income from discontinued operations, net of tax | 0.04 | 0.01 | 0.05 | 0.18 | | |
| Net income (loss) | \$ 1.11 | \$ (0.98) | \$ 0.75 | \$ 1.06 | \$ 0.17 | \$ (0.04) |
| Weighted average common shares outstanding: | | | | | | |
| Basic | 102,165 | 102,026 | 51,399 | 54,055 | 57,086 | 59,566 |
| Diluted | 106,529 | 102,026 | 51,399 | 54,055 | 57,086 | 59,566 |
| Balance Sheet Data (at end of period): | | | | | | |
| Cash and cash equivalents | \$ 247,476 | | \$ 35,861 | \$ 81,600 | \$ 4,529 | \$ 64,260 |
| Working capital | 313,715 | | 77,556 | 59,468 | 14,730 | 118,370 |

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| | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|
| Total assets | 1,113,721 | 2,168,385 | 2,182,524 | 2,495,046 | 2,579,469 |
| Total debt | 354,590 | 1,628,889 | 1,538,503 | 1,755,635 | 1,779,925 |
| Total Select Medical Holdings Corporation stockholders equity | 515,943 | (244,658) | (169,139) | (165,889) | (174,204) |

**Successor Period
For the Six Months Ended
June 30,
2008⁽¹⁾⁽²⁾ 2009
(in thousands, except per
share data)**

Statement of Operations Data:

| | | | |
|---|--|--------------|--------------|
| Net operating revenues | | \$ 1,087,084 | \$ 1,120,707 |
| Operating expenses ⁽³⁾⁽⁴⁾ | | 948,992 | 952,023 |
| Depreciation and amortization | | 35,327 | 35,670 |
| Income from operations | | 102,765 | 133,014 |
| Gain on early retirement of debt ⁽⁵⁾ | | | 15,316 |
| Interest expense, net ⁽⁷⁾ | | (73,268) | (68,250) |
| Income from operations before income taxes | | 29,497 | 80,080 |
| Income tax expense | | 13,973 | 33,880 |
| Net income | | 15,524 | 46,200 |
| Less: Net income attributable to non-controlling interests ⁽⁸⁾ | | 1,071 | 1,412 |
| Net income attributable to Select Medical Holdings Corporation | | 14,453 | 44,788 |
| Less: Preferred dividends | | 12,279 | 12,870 |
| Net income available to common and preferred stockholders | | \$ 2,174 | \$ 31,918 |
| Net income per common share: | | | |
| Basic | | \$ 0.03 | \$ 0.47 |
| Diluted | | 0.03 | 0.47 |
| Weighted average common shares outstanding: | | | |
| Basic | | 59,181 | 60,509 |
| Diluted | | 59,181 | 60,992 |
| Balance Sheet Data (at end of period): | | | |
| Cash and cash equivalents | | \$ 7,534 | \$ 27,689 |
| Working capital | | 105,745 | 103,831 |
| Total assets | | 2,544,037 | 2,532,682 |
| Total debt | | 1,805,462 | 1,697,134 |
| Total Select Medical Holdings Corporation stockholders equity | | (165,703) | (141,659) |

- (1) Adjusted for the adoption of SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements. See Note 1, Organization and Significant Accounting Policies Recent Accounting Pronouncements, in our audited consolidated financial statements and Note 2, Accounting Policies Recent Accounting Pronouncements, in our interim unaudited consolidated financial statements for additional information.
- (2) Adjusted for the adoption of FASB Staff Position EITF 03-6-1, Determining Whether Instruments Granted in Share-Based Payment Transactions are Participating Securities. See Note 14 in our audited consolidated financial statements and Note 8 in our interim unaudited consolidated financial statements for additional information.
- (3) Operating expenses include cost of services, general and administrative expenses, and bad debt expenses.
- (4) Includes stock compensation expense related to the repurchase of outstanding stock options in the Predecessor Period from January 1 through February 24, 2005, compensation expense related to restricted stock, stock options and long term incentive compensation in the Successor Periods from February 25 through December 31, 2005, and for the years ended December 31, 2006, 2007 and 2008 and for the six months ended June 30, 2008 and 2009.
- (5) The loss in the Predecessor Period of January 1 through February 24, 2005 consists of the tender premium cost of \$34.8 million and the remaining write-off of unamortized deferred financing costs of \$7.9 million related to the tender offers for all of Select's 9 1/2% senior subordinated notes due 2009 and all of Select's 7 1/2% senior subordinated notes due 2013 completed in connection with the Merger. In the year ended December 31, 2008, we paid approximately \$1.0 million to repurchase and retire a portion of Select's 7 5/8% senior subordinated notes. These notes had a carrying value of \$2.0 million. The gain on early retirement of debt recognized was net of the write-off of unamortized deferred financing costs related to the debt. During the six months ended June 30, 2009, we paid approximately \$30.1 million to repurchase and retire a portion of Select's 7 5/8% senior subordinated notes. These notes had a carrying value of \$46.5 million. The gain on early retirement of debt recognized was net of the write-off of unamortized deferred financing costs related to the debt.
- (6) As a result of the Merger, Select incurred costs in the Predecessor Period of January 1 through February 24, 2005 directly related to the Merger. This included the cost of the investment advisor hired by the special committee of Select's board of directors to evaluate the Merger, legal and accounting fees, costs associated with the Hart-Scott-Rodino filing relating to the Merger, the cost associated with purchasing a six year extended reporting period under our directors and officers liability insurance policy and other associated expenses.
- (7) Interest expense, net equals interest expense minus interest income.
- (8) Reflects interests held by other parties in subsidiaries, limited liability companies and limited partnerships owned and controlled by us.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law (the "DGCL") provides that a corporation may indemnify any person who is or was a director, officer, employee or agent of a corporation against expenses (including attorneys fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee of or agent to the corporation. The statute provides that it is not exclusive of other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise.

As permitted by the DGCL, our restated certificate of incorporation includes a provision that eliminates the personal liability of our directors for monetary damages for breach of fiduciary duty as a director, except for liability (1) for any breach of the director's duty of loyalty to us or our stockholders; (2) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the law; (3) under Section 174 of the DGCL regarding unlawful dividends and stock purchases; or (4) arising as a result of any transaction from which the director derived an improper personal benefit.

As permitted by the DGCL, our amended and restated bylaws provide that (i) we are required to indemnify our directors and officers to the fullest extent permitted by applicable law; (ii) we are permitted to indemnify our other employees to the extent permitted by applicable statutory law; (iii) we are required to advance expenses to our directors and officers in connection with any legal proceeding, subject to the provisions of applicable statutory law; and (iv) the rights conferred in our bylaws are not exclusive.

Section 145 of the DGCL also authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation against any liability asserted against and incurred by such person in any such capacity, or arising out of such person's status as such. The Registrant has purchased liability insurance covering our directors and officers for claims asserted against them or incurred by them in such capacity.

Reference is made to Item 9 for our undertakings with respect to indemnification for liabilities arising under the Securities Act of 1933, as amended.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

The following exhibits filed herewith are incorporated by reference as part of this Registration Statement:

- 3.1 Form of Restated Certificate of Incorporation of Select Medical Holdings Corporation, incorporated by reference to Exhibit 3.3 of Amendment No. 9 to Select Medical Holdings Form S-1 filed September 22, 2009 (Reg. No. 333-152514).
- 3.2 Form of Amended and Restated Bylaws of Select Medical Holdings Corporation, incorporated by reference to Exhibit 3.4 of Amendment No. 9 to Select Medical Holdings Corporation's Form S-1 filed September 22, 2009 (Reg. No. 333-152514).
- 4.1 Registration Rights Agreement, dated as of February 24, 2005, among Select Medical Holdings Corporation, Welsh, Carson, Anderson & Stowe IX, L.P., WCAS Capital Partners IV, L.P., each of the entities and individuals listed on Schedule I thereto and each of the other entities and individuals from time to time listed on Schedule II thereto, incorporated by reference to Exhibit 10.77 of Select Medical Holdings Corporation's Form S-4 filed April 13, 2006 (Reg. No. 333-133284).
- 5.1 Opinion of Dechert LLP as to the legality of the securities being registered.

23.1 Consent of PricewaterhouseCoopers LLP.

23.2 Consent of Dechert LLP (included in Exhibit 5.1).

24.1 Power of Attorney (included on signature pages to this Registration Statement and incorporated herein by reference).

Item 9. Undertakings.

(a) The undersigned registrant hereby undertakes:

1. To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - i. to include any prospectus required by section 10(a)(3) of the Securities Act of 1933;
 - ii. to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and
 - iii. to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) of this section do not apply if the registration statement is on Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement
2. That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
3. To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Mechanicsburg, Commonwealth of Pennsylvania, on the 9th day of October, 2009.

SELECT MEDICAL HOLDINGS
CORPORATION

By: /s/ Michael E. Tarvin
Michael E. Tarvin
Executive Vice President, General
Counsel and Secretary

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POWER OF ATTORNEY

KNOW BY ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Robert A. Ortenzio and Michael E. Tarvin, each his attorney-in-fact and agent, each with the power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any amendments (including post-effective amendments) to this Registration Statement, and to file with the Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that either of said attorneys-in-fact and agents, or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

| Signature | Title | Date |
|--|---|-----------------|
| /s/ Robert A. Ortenzio Robert A. Ortenzio | Chief Executive Officer and Director (principal executive officer) | October 9, 2009 |
| /s/ Martin F. Jackson Martin F. Jackson | Executive Vice President and Chief Financial Officer (principal financial officer) | October 9, 2009 |
| /s/ Scott A. Romberger Scott A. Romberger | Senior Vice President, Controller and Chief Accounting Officer (principal accounting officer) | October 9, 2009 |
| /s/ Rocco A. Ortenzio Rocco A. Ortenzio | Executive Chairman and Director | October 9, 2009 |
| /s/ Russell L. Carson Russell L. Carson | Director | October 9, 2009 |
| /s/ David S. Chernow David S. Chernow | Director | October 9, 2009 |
| /s/ Bryan C. Cressey Bryan C. Cressey | Director | October 9, 2009 |
| /s/ James E. Dalton, Jr. James E. Dalton, Jr. | Director | October 9, 2009 |
| /s/ James S. Ely III | Director | October 9, 2009 |

James S. Ely III

| Signature | Title | Date |
|--|--------------|-----------------|
| /s/ Thomas A. Scully Thomas A. Scully | Director | October 9, 2009 |
| /s/ Leopold Swergold Leopold Swergold | Director | October 9, 2009 |
| /s/ Sean M. Traynor Sean M. Traynor | Director | October 9, 2009 |