

HEALTHSOUTH CORP  
Form SC 13G/A  
February 14, 2008

SECURITIES & EXCHANGE COMMISSION  
Washington, D.C. 20549  
-----

SCHEDULE 13G/A\*  
(Rule 13d-2)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULES 13d-1(b), (c) AND (d) AND AMENDMENTS THERETO FILED  
PURSUANT TO 13d-2(b)

(Amendment No. 1)

HealthSouth Corporation  
(Name of Issuer)

Common Stock, par value \$.01  
(Title of Class of Securities)

421924309  
(CUSIP Number)

December 31, 2007  
(Date of event which requires filing of this statement)

Check the appropriate box to designate the rule pursuant to which this  
Schedule 13G is filed:

- Rule 13d-1(b)  
 Rule 13d-1(c)  
 Rule 13d-1(d)

(Page 1 of 21 Pages)

-----  
\*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 the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be  
deemed to be "filed" for purposes 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).

Edgar Filing: HEALTHSOUTH CORP - Form SC 13G/A

- (1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSONS (ENTITIES ONLY)

Arience Capital Master Fund, Ltd. ("Master Fund")

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

- (3) SEC USE ONLY

- (4) CITIZENSHIP OR PLACE OF ORGANIZATION  
Cayman Islands

NUMBER OF (5) SOLE VOTING POWER -0-  
SHARES

BENEFICIALLY (6) SHARED VOTING POWER 2,530,197  
OWNED BY

EACH (7) SOLE DISPOSITIVE POWER 0  
REPORTING

PERSON WITH (8) SHARED DISPOSITIVE POWER 2,530,197

- (9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON 2,530,197

- (10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]

- (11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9) 3.21%

- (12) TYPE OF REPORTING PERSON \*\* 00

\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 421924309 13G/A Page 3 of 21 Pages

- (1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO. OF  
ABOVE PERSONS (ENTITIES ONLY)

Arience Capital Concentrated Master Fund, Ltd. ("Concentrated Fund")

- (2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\*

Edgar Filing: HEALTHSOUTH CORP - Form SC 13G/A

(a)  [X]  
 (b)  [ ]

-----

(3) SEC USE ONLY

-----

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
 Cayman Islands

-----

NUMBER OF (5) SOLE VOTING POWER  
 SHARES -0-

-----

BENEFICIALLY (6) SHARED VOTING POWER  
 OWNED BY 416,285

-----

EACH (7) SOLE DISPOSITIVE POWER  
 REPORTING -0-

-----

PERSON WITH (8) SHARED DISPOSITIVE POWER  
 416,285

-----

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
 BY EACH REPORTING PERSON  
 416,285

-----

(10) CHECK BOX IF THE AGGREGATE AMOUNT  
 IN ROW (9) EXCLUDES CERTAIN SHARES \*\*  [ ]

-----

(11) PERCENT OF CLASS REPRESENTED  
 BY AMOUNT IN ROW (9)  
 0.53%

-----

(12) TYPE OF REPORTING PERSON \*\*  
 OO

-----

\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 421924309 13G/A Page 4 of 21 Pages

-----

(1) NAMES OF REPORTING PERSONS  
 I.R.S. IDENTIFICATION NO.  
 OF ABOVE PERSONS (ENTITIES ONLY)  
 Arience Capital Long Fund, L.P. ("Long Fund")

-----

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

-----

(3) SEC USE ONLY

-----

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
 Delaware

Edgar Filing: HEALTHSOUTH CORP - Form SC 13G/A

-----

NUMBER OF (5) SOLE VOTING POWER  
SHARES ----- -0-

BENEFICIALLY (6) SHARED VOTING POWER  
OWNED BY ----- 13,971

EACH (7) SOLE DISPOSITIVE POWER  
REPORTING ----- -0-

PERSON WITH (8) SHARED DISPOSITIVE POWER  
----- 13,971

-----

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON  
----- 13,971

-----

(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]

-----

(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9)  
----- 0.02%

-----

(12) TYPE OF REPORTING PERSON \*\*  
----- PN

-----

\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 421924309 13G/A Page 5 of 21 Pages

-----

(1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSONS (ENTITIES ONLY)  
  
Arience Capital Partners II, L.P. ("ACP II")

-----

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

-----

(3) SEC USE ONLY

-----

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

-----

NUMBER OF (5) SOLE VOTING POWER  
SHARES ----- -0-

BENEFICIALLY (6) SHARED VOTING POWER  
----- 22,121

Edgar Filing: HEALTHSOUTH CORP - Form SC 13G/A

OWNED BY -----  
 EACH (7) SOLE DISPOSITIVE POWER -0-  
 REPORTING -----  
 PERSON WITH (8) SHARED DISPOSITIVE POWER 22,121  
 -----  
 (9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
 BY EACH REPORTING PERSON 22,121  
 -----  
 (10) CHECK BOX IF THE AGGREGATE AMOUNT  
 IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]  
 -----  
 (11) PERCENT OF CLASS REPRESENTED  
 BY AMOUNT IN ROW (9) 0.03%  
 -----  
 (12) TYPE OF REPORTING PERSON \*\* PN  
 -----

\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 421924309 13G/A Page 6 of 21 Pages

-----  
 (1) NAMES OF REPORTING PERSONS  
 I.R.S. IDENTIFICATION NO.  
 OF ABOVE PERSONS (ENTITIES ONLY)  
 Arience Capital Partners III, L.P. ("ACPIII")  
 -----  
 (2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\*  
 (a) [X]  
 (b) [ ]  
 -----  
 (3) SEC USE ONLY  
 -----  
 (4) CITIZENSHIP OR PLACE OF ORGANIZATION  
 Delaware  
 -----  
 NUMBER OF (5) SOLE VOTING POWER -0-  
 SHARES -----  
 BENEFICIALLY (6) SHARED VOTING POWER 149,942  
 OWNED BY -----  
 EACH (7) SOLE DISPOSITIVE POWER -0-  
 REPORTING -----  
 PERSON WITH (8) SHARED DISPOSITIVE POWER

Edgar Filing: HEALTHSOUTH CORP - Form SC 13G/A

149,942

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON  
149,942

(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]

(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9)  
0.19%

(12) TYPE OF REPORTING PERSON \*\*  
PN

\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 421924309

13G/A

Page 7 of 21 Pages

(1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSONS (ENTITIES ONLY)

Arience Associates, L.L.C. ("Arience Associates")

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

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

NUMBER OF (5) SOLE VOTING POWER  
SHARES -0-

BENEFICIALLY (6) SHARED VOTING POWER  
OWNED BY 186,034

EACH (7) SOLE DISPOSITIVE POWER  
REPORTING -0-

PERSON WITH (8) SHARED DISPOSITIVE POWER  
186,034

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON  
186,034

Edgar Filing: HEALTHSOUTH CORP - Form SC 13G/A

(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]

(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9)  
0.24%

(12) TYPE OF REPORTING PERSON \*\*  
IA

\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 421924309

13G/A

Page 8 of 21 Pages

(1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSONS (ENTITIES ONLY)  
Arience Capital Management, L.P. ("Arience Capital")

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

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

NUMBER OF (5) SOLE VOTING POWER  
SHARES -0-

BENEFICIALLY (6) SHARED VOTING POWER  
OWNED BY 3,145,801

EACH (7) SOLE DISPOSITIVE POWER  
REPORTING -0-

PERSON WITH (8) SHARED DISPOSITIVE POWER  
3,145,801

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON  
3,145,801

(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]

(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9)  
3.99%

Edgar Filing: HEALTHSOUTH CORP - Form SC 13G/A

(12) TYPE OF REPORTING PERSON \*\*

IA

-----  
\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 421924309

13G/A

Page 9 of 21 Pages

-----  
(1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSONS (ENTITIES ONLY)

Arience GP, L.L.C. ("Arience GP")

-----  
(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\*

(a)

(b)

-----  
(3) SEC USE ONLY

-----  
(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
USA

-----  
NUMBER OF (5) SOLE VOTING POWER  
SHARES -0-

-----  
BENEFICIALLY (6) SHARED VOTING POWER  
OWNED BY 3,145,801

-----  
EACH (7) SOLE DISPOSITIVE POWER  
REPORTING -0-

-----  
PERSON WITH (8) SHARED DISPOSITIVE POWER  
3,145,801

-----  
(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON  
3,145,801

-----  
(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\*

-----  
(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9)  
3.99%

-----  
(12) TYPE OF REPORTING PERSON \*\*

IA

-----  
\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!



Edgar Filing: HEALTHSOUTH CORP - Form SC 13G/A

CUSIP No. 421924309

13G/A

Page 10 of 21 Pages

-----

(1) NAMES OF REPORTING PERSONS  
 I.R.S. IDENTIFICATION NO.  
 OF ABOVE PERSONS (ENTITIES ONLY)

Ms. Caryn Seidman-Becker ("Ms. Seidman Becker")

-----

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\*

(a)  [X]  
 (b)  [ ]

-----

(3) SEC USE ONLY

-----

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
 USA

-----

NUMBER OF (5) SOLE VOTING POWER

SHARES -0-

BENEFICIALLY (6) SHARED VOTING POWER

OWNED BY 3,145,801

EACH (7) SOLE DISPOSITIVE POWER

REPORTING -0-

PERSON WITH (8) SHARED DISPOSITIVE POWER

3,145,801

-----

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
 BY EACH REPORTING PERSON

3,145,801

-----

(10) CHECK BOX IF THE AGGREGATE AMOUNT  
 IN ROW (9) EXCLUDES CERTAIN SHARES \*\*

[ ]

-----

(11) PERCENT OF CLASS REPRESENTED  
 BY AMOUNT IN ROW (9)

3.99%

-----

(12) TYPE OF REPORTING PERSON \*\*

IN

-----

\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 421924309

13G/A

Page 11 of 21 Pages

Item 1(a). Name of Issuer:

## Edgar Filing: HEALTHSOUTH CORP - Form SC 13G/A

The name of the issuer is HealthSouth Corporation

Item 1(b). Address of Issuer's Principal Executive Offices:

One HealthSouth Pkwy Ste 224W, Birmingham, AL 35243

Item 2(a). Name of Person Filing:

This statement is filed by the entities and persons listed below, all of whom together are referred to herein as the "Reporting Persons":

- (i) Arience Capital Master Fund, Ltd. (the "Master Fund"), a Cayman Islands exempted company, with respect to the Shares reported in this Schedule 13G/A directly held by it.
- (ii) Arience Capital Concentrated Master Fund, Ltd. (the "Concentrated Fund"), a Cayman Islands exempted company, with respect to the Shares reported in this Schedule 13G/A directly held by it.
- (iii) Arience Capital Long Fund, L.P. (the "Long Fund"), a Delaware limited partnership, with respect to the Shares reported in this Schedule 13G/A directly held by it.
- (iv) Arience Capital Partners II, L.P. ("ACPII"), a Delaware limited partnership, with respect to the Shares reported in this Schedule 13G/A directly held by it.
- (v) Arience Capital Partners III, L.P. ("ACPIII"), a Delaware limited partnership, with respect to the Shares reported in this Schedule 13G/A directly held by it.
- (vi) Arience Capital Management, L.P. ("Arience Capital"), a Delaware limited partnership which serves as investment advisor to the Master Fund, the Concentrated Fund, the Long Fund, ACPII, ACPIII and certain other managed accounts, with respect to the Shares reported in this Schedule 13G/A held by the Master Fund, the Concentrated Fund, the Long Fund, ACPII, ACPIII and such other managed accounts managed by Arience Capital.
- (vii) Arience Associates, L.L.C. ("Arience Associates"), a Delaware limited liability company which serves as general partner to the Long Fund, ACPII and ACPIII, with respect to the Shares reported in this Schedule 13G/A held by the Long Fund, ACPII and ACPIII.
- (viii) Arience GP, L.L.C. ("Arience GP"), a Delaware limited liability company which serves as general partner to Arience Capital, with respect to the Shares reported in this Schedule 13G/A held by the Master Fund, the Concentrated Fund, the Long Fund, ACPII, ACPIII and certain managed accounts managed by Arience Capital.

CUSIP No. 421924309

13G/A

Page 12 of 21 Pages

- (ix) Ms. Caryn Seidman-Becker ("Ms. Seidman Becker"), an individual who serves as the managing member of Arience Associates and Arience GP, with respect to the Shares reported in this Schedule 13G managed by Arience Capital and Arience Associates and held by

Edgar Filing: HEALTHSOUTH CORP - Form SC 13G/A

the Master Fund, the Concentrated Fund, the Long Fund, ACPII, ACPIII and certain managed accounts managed by Arience Capital.

Item 2(b). Address of Principal Business Office or, if None, Residence:

The Master Fund:

Goldman Sachs (Cayman) Trust Limited  
P.O. Box 896 GT  
Harbour Centre, Second Floor  
North Church Street  
George Town, Grand Cayman, KY1-1103  
Cayman Islands

The Concentrated Fund:

Citi Hedge Fund Services (Cayman) Limited  
P.O. Box 10293  
Cayman Corporate Center, 27 Hospital Road  
George Town, Grand Cayman, KY1-1003  
Cayman Islands

The Long Fund, ACPII, ACPIII, Arience Capital, Arience Associates, Arience GP and Ms. Caryn Seidman-Becker:

745 Fifth Avenue  
7th Floor  
New York, New York 10151  
United States of America

Item 2(c). Citizenship:

Delaware: The Long Fund, ACPII, ACPIII, Arience Capital, Arience Associates and Arience GP.

Cayman Islands: The Master Fund and the Concentrated Fund.

Ms. Caryn Seidman-Becker is a United States citizen.

Item 2(d). Title of Class of Securities:

Common Stock, par value \$.01 (the "Common Stock")

Item 2(e). CUSIP Number:

421924309

CUSIP No. 421924309

13G/A

Page 13 of 21 Pages

Item 3. If this statement is filed pursuant to Rules 13d-1(b) or 13d-2(b) or (c), check whether the person filing is a:

(a)  Broker or dealer registered under Section 15 of the Act,

(b)  Bank as defined in Section 3(a)(6) of the Act,

Edgar Filing: HEALTHSOUTH CORP - Form SC 13G/A

- (c)  Insurance Company as defined in Section 3(a)(19) of the Act,
- (d)  Investment Company registered under Section 8 of the Investment Company Act of 1940,
- (e)  Investment Adviser in accordance with Rule 13d-1(b)(1)(ii)(E),
- (f)  Employee Benefit Plan or Endowment Fund in accordance with 13d-1(b)(1)(ii)(F),
- (g)  Parent Holding Company or control person in accordance with Rule 13d-1(b)(1)(ii)(G),
- (h)  Savings Association as defined in Section 3(b) of the Federal Deposit Insurance Act,
- (i)  Church Plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940,
- (j)  Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

If this statement is filed pursuant to 13d-1(c), check this box:

Item 4. Ownership.

Arience Capital, as investment advisor to the Master Fund, the Concentrated Fund, the Long Fund, ACPII, ACPIII and certain managed accounts, has the power to direct the disposition and voting of the Shares held by the Master Fund, the Concentrated Fund, the Long Fund, ACPII, ACPIII and certain managed accounts. Arience GP is the general partner of Arience Capital. Arience Associates is the general partner of the Long Fund, ACPII and ACPIII. Ms. Caryn Seidman-Becker is the managing member of Arience Associates and Arience GP, and in such capacity may be deemed to control Arience Associates and Arience Capital, and therefore may be deemed the beneficial owner of the securities held by the Master Fund, the Concentrated Fund, the Long Fund, ACPII, ACPIII and certain managed accounts managed by Arience Capital.

Each of the Master Fund, the Concentrated Fund, the Long Fund, ACPII, ACPIII, Arience Associates, Arience Capital and Arience GP, disclaims beneficial ownership of all of the Shares of Common Stock reported in this 13G/A.

CUSIP No. 421924309

13G/A

Page 14 of 21 Pages

A. Master Fund

(a) Amount beneficially owned: 2,530,197

(b) Percent of class: 3.21% (\*All percentages of beneficial ownership reported in this Schedule 13G/A are based on 78,832,382 shares of Common Stock issued and outstanding as of October 30, 2007, as reported by the Issuer in its Form 10-Q filed with the Securities and Exchange Commission for the period ending September 30, 2007.)

(c) Number of shares as to which the person has

(i) Sole power to vote or direct the vote: -0-

Edgar Filing: HEALTHSOUTH CORP - Form SC 13G/A

- (ii) Shared power to vote or direct the vote: 2,530,197
- (iii) Sole power to dispose or direct the disposition: -0-
- (iv) Shared power to dispose or direct the disposition: 2,530,197

B. Concentrated Fund

- (a) Amount beneficially owned: 416,285
- (b) Percent of class: 0.53%
- (c) Number of shares as to which the person has
  - (i) Sole power to vote or direct the vote: -0-
  - (ii) Shared power to vote or direct the vote: 416,285
  - (iii) Sole power to dispose or direct the disposition: -0-
  - (iv) Shared power to dispose or direct the disposition: 416,285

C. Long Fund

- (a) Amount beneficially owned: 13,971
- (b) Percent of class: 0.02%
- (c) Number of shares as to which the person has
  - (i) Sole power to vote or direct the vote: -0-
  - (ii) Shared power to vote or direct the vote: 13,971
  - (iii) Sole power to dispose or direct the disposition: -0-
  - (iv) Shared power to dispose or direct the disposition: 13,971

D. ACPII

- (a) Amount beneficially owned: 22,121
- (b) Percent of class: 0.03%
- (c) Number of shares as to which the person has
  - (i) Sole power to vote or direct the vote: -0-
  - (ii) Shared power to vote or direct the vote: 22,121
  - (iii) Sole power to dispose or direct the disposition: -0-
  - (iv) Shared power to dispose or direct the disposition: 22,121

E. ACPIII

- (a) Amount beneficially owned: 149,942
- (b) Percent of class: 0.19%
- (c) Number of shares as to which the person has
  - (i) Sole power to vote or direct the vote: -0-
  - (ii) Shared power to vote or direct the vote: 149,942
  - (iii) Sole power to dispose or direct the disposition: -0-

CUSIP No. 421924309

13G/A

Page 15 of 21 Pages

- (iv) Shared power to dispose or direct the disposition: 149,942

F. Arience Associates

- (a) Amount beneficially owned: 186,034
- (b) Percent of class: 0.24%
- (c) Number of shares as to which the person has
  - (i) Sole power to vote or direct the vote: -0-
  - (ii) Shared power to vote or direct the vote: 186,034
  - (iii) Sole power to dispose or direct the disposition: -0-
  - (iv) Shared power to dispose or direct the disposition: 186,034

G. Arience Capital

- (a) Amount beneficially owned: 3,145,801
- (b) Percent of class: 3.99%
- (c) Number of shares as to which the person has

Edgar Filing: HEALTHSOUTH CORP - Form SC 13G/A

- (i) Sole power to vote or direct the vote: -0-
- (ii) Shared power to vote or direct the vote: 3,145,801
- (iii) Sole power to dispose or direct the disposition: -0-
- (iv) Shared power to dispose or direct the disposition: 3,145,801

H. Arience GP

- (a) Amount beneficially owned: 3,145,801
- (b) Percent of class: 3.99%
- (c) Number of shares as to which the person has
  - (i) Sole power to vote or direct the vote: -0-
  - (ii) Shared power to vote or direct the vote: 3,145,801
  - (iii) Sole power to dispose or direct the disposition: -0-
  - (iv) Shared power to dispose or direct the disposition: 3,145,801

I. Ms. Seidman Becker

- (a) Amount beneficially owned: 3,145,801
- (b) Percent of class: 3.99%
- (c) Number of shares as to which the person has
  - (i) Sole power to vote or direct the vote: -0-
  - (ii) Shared power to vote or direct the vote: 3,145,801
  - (iii) Sole power to dispose or direct the disposition: -0-
  - (iv) Shared power to dispose or direct the disposition: 3,145,801

Item 5. Ownership of Five Percent or Less of a Class.

Not applicable

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

See Item 4.

CUSIP No. 421924309

13G/A

Page 16 of 21 Pages

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.

Not applicable.

Item 8. Identification and Classification of Members of the Group.

Not applicable.

Item 9. Notice of Dissolution of Group.

Not applicable.

Item 10. Certification.

Each of the Reporting Persons hereby makes the following certification:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURES

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

DATED: February 14, 2008

Arience Capital Master Fund, Ltd.

By: Ms. Caryn Seidman-Becker as Director

By: /s/ Ms. Caryn Seidman-Becker

-----  
Ms. Caryn Seidman-Becker  
Director

Arience Capital Concentrated Master Fund, Ltd.

By: Ms. Caryn Seidman-Becker as Director

By: /s/ Ms. Caryn Seidman-Becker

-----  
Ms. Caryn Seidman-Becker  
Director

Arience Capital Long Fund, L.P.

By: Arience Associates, L.L.C., general partner

By: /s/ Ms. Caryn Seidman-Becker

-----  
Ms. Caryn Seidman-Becker  
Managing Member

Arience Capital Partners II, L.P.

By: Arience Associates, L.L.C., general partner

By: /s/ Ms. Caryn Seidman-Becker

-----  
Ms. Caryn Seidman-Becker  
Managing Member

Arience Capital Partners III, L.P.

By: Arience Associates, L.L.C., general partner

By: /s/ Ms. Caryn Seidman-Becker

-----  
Ms. Caryn Seidman-Becker  
Managing Member

Edgar Filing: HEALTHSOUTH CORP - Form SC 13G/A

CUSIP No. 421924309

13G/A

Page 18 of 21 Pages

Arience Capital Management, L.P.  
By: Arience GP, L.L.C., general partner

By: /s/ Ms. Caryn Seidman-Becker

-----  
Ms. Caryn Seidman-Becker  
Managing Member

Arience Associates, L.L.C.

By: /s/ Ms. Caryn Seidman-Becker

-----  
Ms. Caryn Seidman-Becker  
Managing Member

Arience GP, L.L.C.

By: /s/ Ms. Caryn Seidman-Becker

-----  
Ms. Caryn Seidman-Becker  
Managing Member

CUSIP No. 421924309

13G/A

Page 19 of 21 Pages

LIST OF EXHIBITS  
TO SCHEDULE 13G/A

	Page
	----
1. Agreement to Make Joint Filing .....	20

CUSIP No. 421924309

13G/A

Page 20 of 21 Pages

EXHIBIT 1

AGREEMENT TO MAKE JOINT FILING

Each of the undersigned acknowledges and agrees that the foregoing statement on Schedule 13G/A is filed on behalf of each of the undersigned and



Edgar Filing: HEALTHSOUTH CORP - Form SC 13G/A

that all subsequent amendments to this statement on Schedule 13G/A shall be filed on behalf of each of the undersigned without the necessity of filing additional joint filing agreements.

Dated: February 14, 2008

Arience Capital Master Fund, Ltd.  
By: Ms. Caryn Seidman-Becker as Director

By: /s/ Ms. Caryn Seidman-Becker

-----  
Ms. Caryn Seidman-Becker  
Director

Arience Capital Concentrated Master Fund, Ltd.  
By: Ms. Caryn Seidman-Becker as Director

By: /s/ Ms. Caryn Seidman-Becker

-----  
Ms. Caryn Seidman-Becker  
Director

Arience Capital Long Fund, L.P.  
By: Arience Associates, L.L.C., general partner

By: /s/ Ms. Caryn Seidman-Becker

-----  
Ms. Caryn Seidman-Becker  
Managing Member

Arience Capital Partners II, L.P.  
By: Arience Associates, L.L.C., general partner

By: /s/ Ms. Caryn Seidman-Becker

-----  
Ms. Caryn Seidman-Becker  
Managing Member

CUSIP No. 421924309

13G/A

Page 21 of 21 Pages

Arience Capital Partners III, L.P.  
By: Arience Associates, L.L.C., general partner

By: /s/ Ms. Caryn Seidman-Becker

-----  
Ms. Caryn Seidman-Becker  
Managing Member

Arience Capital Management, L.P.

Edgar Filing: HEALTHSOUTH CORP - Form SC 13G/A

By: Arience GP, L.L.C., general partner

By: /s/ Ms. Caryn Seidman-Becker

-----  
Ms. Caryn Seidman-Becker  
Managing Member

Arience Associates, L.L.C.

By: /s/ Ms. Caryn Seidman-Becker

-----  
Ms. Caryn Seidman-Becker  
Managing Member

Arience GP, L.L.C.

By: /s/ Ms. Caryn Seidman-Becker

-----  
Ms. Caryn Seidman-Becker  
Managing Member