IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TENNESSEE
KNOXVILLE DIVISION

STEPHEN J. MARTIN, Individually and On Behalf of All Others Similarly Situated, Plaintiff, v. TEAM HEALTH HOLDINGS, INC., H. LYNN MASSINGALE, JAMES L. BIERMAN, LEIF M. MURPHY, EDWIN M. CRAWFORD, GLENN A. DAVENPORT, PATRICK E. FRY, MARY R. GREALY, VICKY B. GREGG, NEIL KURTZ, SCOTT OSTFELD, KENNETH H. PAULUS, THE BLACKSTONE GROUP L.P., TENNESSEE PARENT, INC., and TENNESSEE MERGER SUB, INC., Defendants.	)	Case No. _____ JURY TRIAL DEMANDED CLASS ACTION

CLASS ACTION COMPLAINT FOR VIOLATION OF THE SECURITIES EXCHANGE ACT OF 1934

Plaintiff, by his undersigned attorneys, for this complaint against defendants, alleges upon personal knowledge with respect to himself, and upon information and belief based upon, *inter alia*, the investigation of counsel as to all other allegations herein, as follows:

NATURE OF THE ACTION

1. This action stems from a proposed transaction announced on October 31, 2016 (the "Proposed Transaction"), pursuant to which Team Health Holdings, Inc. ("Team Health" or the "Company") will be acquired by funds affiliated with The Blackstone Group L.P.

2. On October 30, 2016, Team Health's Board of Directors (the "Board" or "Individual Defendants") caused the Company to enter into an agreement and plan of merger

(the "Merger Agreement") with Tennessee Parent, Inc. ("Parent") and Tennessee Merger Sub, Inc. ("Merger Sub," and together with Parent and The Blackstone Group L.P., "Blackstone"). Pursuant to the terms of the Merger Agreement, shareholders of Team Health will receive $43.50 in cash for each share of Team Health common stock.

3. On November 23, 2016, defendants filed a Preliminary Proxy Statement (the "Proxy Statement") with the United States Securities and Exchange Commission ("SEC") in connection with the Proposed Transaction.

4. As set forth herein, the Proxy Statement omits material information with respect to the Proposed Transaction, which renders the Proxy Statement false and misleading. Accordingly, plaintiff alleges that defendants violated Sections 14(a) and 20(a) of the Securities Exchange Act of 1934 (the "1934 Act") in connection with the Proxy Statement.

JURISDICTION AND VENUE

5. This Court has jurisdiction over the claims asserted herein pursuant to Section 27 of the 1934 Act because the claims asserted herein arise under Sections 14(a) and 20(a) of the 1934 Act and Rule 14a-9.

6. This Court has jurisdiction over defendants because each defendant is either a corporation that conducts business in and maintains operations within this District, or is an individual with sufficient minimum contacts with this District so as to make the exercise of jurisdiction by this Court permissible under traditional notions of fair play and substantial justice.

7. Venue is proper under 28 U.S.C. § 1391(b) because a substantial portion of the transactions and wrongs complained of herein occurred in this District.

PARTIES

8. Plaintiff is, and has been continuously throughout all times relevant hereto, the owner of Team Health common stock.

9. Defendant Team Health is a Delaware corporation and maintains its principal executive offices at 265 Brookview Centre Way, Suite 400, Knoxville, Tennessee 37919. Team Health's common stock is traded on the NYSE under the ticker symbol "TMH."

10. Defendant H. Lynn Massingale ("Massingale") is a director of Team Health and has served as Executive Chairman since 2008.

11. Defendant James L. Bierman ("Bierman") has served as a director of Team Health since August 2010. According to the Company's website, Bierman is Lead Director, Chair of the Audit Committee, and a member of the Nominating and Governance Committee.

12. Defendant Leif M. Murphy ("Murphy") is a director of Team Health and has served as President and Chief Executive Officer ("CEO") since September 2016. According to the Company's website, Murphy is a member of the Compliance Committee.

13. Defendant Edwin M. Crawford ("Crawford") has served as a director of Team Health since March 2016. According to the Company's website, Crawford is a member of the Audit Committee.

14. Defendant Glenn A. Davenport ("Davenport") has served as a director of Team Health since December 2001. According to the Company's website, Davenport is a member of the Compensation Committee and the Nominating and Governance Committee.

15. Defendant Patrick E. Fry ("Fry") has served as a director of Team Health since July 2015. According to the Company's website, Fry is a member of the Compensation Committee.

16. Defendant Mary R. Grealy ("Grealy") has served as a director of Team Health since October 2012. According to the Company's website, Grealy is Chair of the Compliance Committee and a member of the Audit Committee.

17. Defendant Vicky B. Gregg ("Gregg") has served as a director of Team Health since January 2013. According to the Company's website, Gregg is Chair of the Compensation Committee and a member of the Nominating and Governance Committee.

18. Defendant Neil Kurtz ("Kurtz") has served as a director of Team Health since November 2013. According to the Company's website, Kurtz is Chair of the Nominating and Governance Committee and a member of the Compliance Committee.

19. Defendant Scott Ostfeld ("Ostfeld") has served as a director of Team Health since March 2016. According to the Company's website, Ostfeld is a member of the Compensation Committee.

20. Defendant Kenneth H. Paulus ("Paulus") has served as a director of Team Health since July 2015. According to the Company's website, Paulus is a member of the Compliance Committee.

21. The defendants identified in paragraphs 10 through 20 are collectively referred to herein as the "Individual Defendants."

22. Defendant The Blackstone Group L.P. is a Delaware limited partnership and an investment firm.

23. Defendant Parent is a Delaware corporation, an affiliate of The Blackstone Group L.P., and a party to the Merger Agreement.

24. Defendant Merger Sub is a Delaware corporation, a wholly-owned subsidiary of Parent, and a party to the Merger Agreement.

CLASS ACTION ALLEGATIONS

25. Plaintiff brings this action as a class action on behalf of himself and the other public stockholders of Team Health (the "Class"). Excluded from the Class are defendants herein and any person, firm, trust, corporation, or other entity related to or affiliated with any defendant.

26. This action is properly maintainable as a class action.

27. The Class is so numerous that joinder of all members is impracticable. As of October 21, 2016, there were approximately 74,462,038 shares of Team Health common stock outstanding, held by hundreds, if not thousands, of individuals and entities scattered throughout the country.

28. Questions of law and fact are common to the Class, including, among others, whether defendants violated the 1934 Act, and whether defendants will irreparably harm plaintiff and the other members of the Class if defendants' conduct complained of herein continues.

29. Plaintiff is committed to prosecuting this action and has retained competent counsel experienced in litigation of this nature. Plaintiff's claims are typical of the claims of the other members of the Class and plaintiff has the same interests as the other members of the Class. Accordingly, plaintiff is an adequate representative of the Class and will fairly and adequately protect the interests of the Class.

30. The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications that would establish incompatible standards of conduct for defendants, or adjudications that would, as a practical matter, be dispositive of the interests of individual members of the Class who are not parties to the adjudications or would substantially impair or impede those non-party Class members' ability to

protect their interests.

31. Defendants have acted, or refused to act, on grounds generally applicable to the Class as a whole, and are causing injury to the entire Class. Therefore, final injunctive relief on behalf of the Class is appropriate.

SUBSTANTIVE ALLEGATIONS

Background of the Company

32. Team Health, through its over 19,000 affiliated physicians and advanced practice clinicians, offers outsourced emergency medicine, hospital medicine, critical care, anesthesiology, orthopedic hospitalist, acute care surgery, obstetrics and gynecology hospitalist, ambulatory care, post-acute care, and medical call center solutions to approximately 3,400 acute and post-acute facilities and physician groups nationwide.

33. On May 9, 2016, Team Health issued a press release wherein it reported its first quarter 2016 financial results. The Company reported that net revenue increased 35.1% to $1.14 billion from $840.5 million in the first quarter of 2015. Same contract revenue increased $50.0 million, or 6.6%, to $804.3 million from $754.3 million in the first quarter of 2015. Adjusted EBITDA for the quarter increased 27.4% to $113.8 million from $89.3 million in the first quarter of 2015. With respect to the financial results, Mike Snow ("Snow"), Team Health's then-President and CEO, commented:

> We are pleased with our financial results in the first quarter with double digit growth in both net revenue and Adjusted EBITDA and a significant improvement in operating cash flow. We benefited from solid performance in our core operations in addition to benefiting from the growth associated with the IPC transaction[.]
>
> First quarter consolidated revenue growth was driven by positive contributions from IPC,[1] same contract performance, acquisitions from the core TeamHealth

[1] Team Health successfully completed its acquisition of IPC Healthcare, Inc., a national acute

> business, and net new contract sales. IPC provided the largest contribution to revenue growth during the quarter and its operational integration is progressing well. We continue to focus on integrating the business to provide for future growth and realizing the synergies as initially targeted. Same contract was the second largest contributor to revenue during the quarter as we experienced an increase in patient volumes late in the quarter from the emergence of a delayed flu season and also benefited from an increase in estimated collections per visit. In addition, the Company continued to benefit from legacy acquisitions, driven by both traditional acquisitions and hybrid acquisition opportunities while net new contracts provided a modest contribution to revenue growth during the quarter.

34. On August 2, 2016, Team Health issued a press release wherein it reported its second quarter 2016 financial results. The Company reported that net revenue increased 27.9% to $1.12 billion from $878.0 million in the second quarter of 2015. Same contract revenue increased $21.0 million, or 2.6%, to $826.9 million from $805.9 million in the second quarter of 2015. Adjusted EBITDA for the quarter increased 19.9% to $119.2 million from $99.4 million in the second quarter of 2015. With respect to the financial results, Snow commented:

> In the second quarter, the largest contributor to revenue growth was the impact of the IPC acquisition. We continue to focus on integrating IPC to provide for future growth and remain on target to achieve the cost and revenue synergies as initially targeted. Our legacy acquisitions, same contract, and net new contract sales also contributed to positive revenue growth between quarters although at a lower rate than we have realized in prior quarters. Same contract revenue was impacted by a reduced contribution from same contract pricing, and while our acquisition pipeline remains active and robust, the contribution from acquisitions in our second quarter results was slightly lower than expected due to the timing of a few near term opportunities. However, as we look ahead, we continue to see significant growth opportunities in the market and remain enthusiastic about our prospects, strategic plan and the ability to drive long term value for our shareholders.

Background of the Proposed Transaction

35. As set forth in the Proxy Statement, the Proposed Transaction is the result of a flawed process tiled in favor of Blackstone, which owned Team Health from 2005 through 2009. Indeed, the Individual Defendants repeatedly rejected proposals from another bidder, AmSurg

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hospitalist and post-acute provider organization, in November 2015.

Corp. ("AmSurg"), which submitted a proposal to acquire the Company valued at nearly *$28.00 more per share than the consideration being offered in the Proposed Transaction with Blackstone.* Moreover, the Board was assisted and advised by conflicted financial and legal advisors. The Company's financial advisor, Goldman, Sachs & Co. ("Goldman"), has received approximately *$165 million* for past services it has provided to Blackstone and its affiliates in the past two years. Additionally, Team Health's legal advisor represented Blackstone in connection with its ownership of the Company from 2005 through the Company's IPO in 2009, and also *currently* represents Blackstone and its affiliates in other matters.

36. In September 2015, AmSurg contacted Team Health regarding exploring a potential strategic business combination.

37. On October 12, 2015, AmSurg submitted a proposal to acquire Team Health in a cash and stock transaction. While the value of the proposal is undisclosed in the Proxy Statement, according to an October 20, 2015 press release issued by AmSurg, the proposal was valued at $71.47 per Team Health share, nearly **$28.00** more per share than the Proposed Transaction consideration. Nevertheless, on October 14, 2015, the Board "concluded that the AmSurg proposal did not present a transaction that was in the best interests of TeamHealth's stockholders," and rejected the proposal.

38. On October 29, 2015, AmSurg indicated that it "could be willing to increase the cash portion of its proposed consideration by $4 per share," and indeed did revise its proposal upwardly by $4.00 per share in cash.

39. Nevertheless, on October 30, 2015, the Board again rejected AmSurg's proposal.

40. On February 2, February 11, and March 18, 2016, AmSurg expressed its continued interest in the potential merger with Team Health, now in an all-stock transaction.

The Board continued to rebuff AmSurg, and in early April 2016, AmSurg informed the Board that it "had decided not to continue exploring a transaction with TeamHealth." Two months later, AmSurg announced that it had entered into a definitive merger agreement to acquire another company.

41. On April 4, 2016, the Board contacted "Party A," with whom Team Health had previous discussions regarding a potential transaction, and proposed "an all-stock combination resulting in pro forma ownership of the combined company of 60% by Party A's existing stockholders and 40% by TeamHealth's existing stockholders." The Proxy Statement fails to disclose the value of this proposal.

42. On June 3, 2016, "Party B" submitted a proposal to acquire Team Health for $52.00 to $56.00 per share in cash.

43. On August 9, 2016, Team Health's representatives contacted Blackstone, which apparently had contacted Team Health in late July regarding a potential transaction.

44. On August 24, 2016, Blackstone submitted a proposal to acquire Team Health for $48.00 to $50.00 per share in cash, "noting its familiarity with the business given its prior ownership of TeamHealth."

45. On September 19, 2016, Blackstone submitted a "revised" proposal of $50.00 per share in cash, and threatened that it would not proceed with further discussions unless it was granted exclusivity.

46. Several days later, on September 22, Team Health agreed to exclusivity with Blackstone. That same day, Team Health informed Party B that the Company "would not be pursuing a transaction with them at that time."

47. On September 27, 2016, Party B submitted a letter to the Board and indicated its continued interest in the Company. However, Team Health was precluded from responding to Party B under the terms of its exclusivity agreement with Blackstone.

48. On October 4, 2016, *The Wall Street Journal* reported that the Company was exploring a sale to a private equity firm. AmSurg, Party A, and an undisclosed number of "certain private equity firms" subsequently inquired regarding a potential transaction with Team Health. However, again, the Company was precluded from responding to such interested parties under the terms of its exclusivity agreement with Blackstone.

49. On October 22, 2016, Blackstone lowered its proposal *$7.00 per share* to $43.00 per share in cash, which it revised to only $43.50 per share – the ultimate Proposed Transaction consideration.

50. On October 28, 2016, Party B submitted another letter indicating that it remained interested in re-engaging in discussions regarding a potential transaction.

51. Nevertheless, two days later, on October 30, 2016, the Board approved the Proposed Transaction with Blackstone, and the parties executed the Merger Agreement.

The Proposed Transaction

52. The Board caused the Company to enter into the Merger Agreement, pursuant to which Team Health will be acquired by Blackstone for inadequate consideration.

53. Despite a limited and inadequate go-shop period, the Individual Defendants have all but ensured that another entity will not emerge with a competing proposal by agreeing to a "no solicitation" provision in the Merger Agreement that prohibits the Individual Defendants from soliciting alternative proposals and severely constrains their ability to communicate and

negotiate with potential buyers who wish to submit or have submitted unsolicited alternative proposals. Section 6.1(b) of the Merger Agreement states, in relevant part:

> (b) Except as expressly permitted by this Section 6.1, including the last sentence of Section 6.1(b), from the No-Shop Period Start Date until the Effective Time or, if earlier, the valid termination of this Agreement in accordance with Section 8.1, the Company shall not, shall cause its subsidiaries and Affiliated Entities not to and shall direct its and their Representatives not to, (i) initiate, solicit or knowingly encourage or knowingly facilitate any inquiries, proposals or offers with respect to, or the making of, or that could reasonably be expected to lead to, any Acquisition Proposal, (ii) enter into, continue or otherwise participate or engage in, knowingly facilitate or knowingly encourage any negotiations or discussions concerning, or that could reasonably be expected to lead to, an Acquisition Proposal or provide access to its properties, books and records or any confidential information or data to, any Person relating to the Company, its subsidiaries and its Affiliated Entities in connection with the foregoing, (iii) approve, endorse or recommend, or propose publicly to approve, endorse or recommend, any Acquisition Proposal, (iv) take any action to make the provisions of any Takeover Law or any restrictive provision of any applicable anti-takeover provision in the Certificate of Incorporation or Bylaws inapplicable to any transactions contemplated by any Acquisition Proposal, (v) execute or enter into, any merger agreement, acquisition agreement or other similar definitive agreement for any Acquisition Proposal or (vi) authorize any of, or commit to or agree to do any of the foregoing. Except as it may relate to any Excluded Party (but only for so long as such Person or group of Persons is an Excluded Party), the Company also agrees that immediately following the No-Shop Period Start Date it shall, and shall cause each of its subsidiaries and Affiliated Entities and its and their Representatives to, immediately (1) cease any solicitations, discussions, communications or negotiations with any Person (other than the Parties and their respective Representatives) in connection with an Acquisition Proposal or any potential Acquisition Proposal, and (2) terminate access to any physical or electronic data rooms relating to any potential Acquisition Proposal. Except as it may relate to an Excluded Party (but only for so long as such Person or group of Persons is an Excluded Party), the Company also agrees that following the No-Shop Period Start Date it will promptly (and in any event within two (2) Business Days thereof) deliver a written notice to each such Person to the effect that the Company is ending all solicitations, discussions, communications and negotiations with such Person effective as of the No-Shop Period Start Date which written notice shall also request each Person (other than the Parties and their respective Representatives) that has prior to the date hereof executed a confidentiality agreement in connection with its consideration of acquiring the Company to promptly return or destroy all confidential information furnished to such Person by or on behalf of it or any of its subsidiaries prior to the date hereof.

54. Further, the Company must advise Blackstone, within one business day, of any proposals or inquiries received from other parties. Section 6.1(b) of the Merger Agreement states, in relevant part:

> After the No-Shop Period Start Date or, with respect to an Excluded Party, the Cut-Off Date, the Company shall promptly (and in any event within one Business Day after the Company's knowledge of any such event) notify Parent of the receipt of (1) any Acquisition Proposal, (2) any inquiry, proposal, offer or request for information with respect to, or that could reasonably be expected to result in, an Acquisition Proposal, or (3) any discussions or negotiations sought to be initiated or continued with the Company, any of its subsidiaries or Affiliated Entities or its or their Representatives concerning an Acquisition Proposal, which notice shall include a summary of the material terms of, and the identity of the Person or group of Persons making, such Acquisition Proposal, inquiry, offer, proposal or request for information and a copy of any Acquisition Proposal, inquiry, offer, proposal or request for information made in writing and a summary of terms and conditions of any Acquisition Proposal, inquiry, offer, proposal or request for information not made in writing.

55. Moreover, the Merger Agreement contains a highly restrictive "fiduciary out" provision permitting the Board to withdraw its approval of the Proposed Transaction under extremely limited circumstances, and grants Blackstone a "matching right" with respect to any "Superior Proposal" made to the Company. Section 6.1(d) of the Merger Agreement provides:

> (d) Notwithstanding anything in this Section 6.1 to the contrary, if, at any time prior to obtaining the Company Requisite Vote, the Company's Board of Directors determines in good faith, after consultation with its financial advisor and outside legal counsel, in response to an unsolicited bona fide Acquisition Proposal that did not otherwise result from a material breach of Section 6.1, that such proposal would, if consummated, result in a Superior Proposal, the Company or its Board of Directors may (1) make a Change of Recommendation or (2) terminate this Agreement pursuant to Section 8.1(d)(ii) to enter into a definitive agreement with respect to such Superior Proposal concurrently with such termination; provided that, concurrently with or prior to such termination, the Company pays to Parent any Company Termination Payment required to be paid pursuant to Section 8.2(b)(i); provided further that the Company will not be entitled to make a Change of Recommendation, terminate this Agreement in accordance with Section 8.1(d)(ii) or enter into any letter of intent, memorandum of understanding or agreement relating to or providing for the consummation of a transaction contemplated by any Acquisition Proposal (other than an Acceptable Confidentiality Agreement entered into in accordance with this Section 6.1)

> unless (w) the Company has complied in all material respects with this Section 6.1, (x) the Company delivers to Parent a written notice (a "Company Notice") advising Parent that the Company's Board of Directors proposes to take such action and containing a copy of the agreement in respect of the Superior Proposal that is the basis of the proposed action of the Board of Directors of the Company (or, if there is no such agreement, a written summary of the material terms and conditions of the Superior Proposal) and the identity of the party making such Superior Proposal), (y) at or after 5:00 p.m., New York City time, on the third Business Day immediately following the day on which the Company delivered a Company Notice (such period from the time a Company Notice is provided until 5:00 p.m. New York City time on the third Business Day immediately following the day on which the Company delivered the Company Notice (it being understood that any material revision, amendment, update or supplement to the terms and conditions of such Superior Proposal shall be deemed to constitute a new Superior Proposal and shall require a new notice but with an additional two Business Days (instead of three Business Day) period from the date of such notice), (any such notice period, the "Notice Period"), the Board of Directors of the Company reaffirms in good faith (after consultation with its outside counsel and financial advisor) that (I) such Acquisition Proposal continues to constitute a Superior Proposal and (II) failure to take such action would be reasonably likely to be inconsistent with its fiduciary duties under applicable Law and (z) if requested by Parent, the Company will, and will cause its subsidiaries, Affiliated Entities and use its reasonable best efforts to cause its and their Representatives to, during the Notice Period, engage in good faith negotiations with Parent and its Representatives to make such adjustments in the terms and conditions of this Agreement so that such Acquisition Proposal would cease to constitute a Superior Proposal.

56. Further locking up control of the Company in favor of Blackstone, the Merger Agreement provides for a "termination fee" of up to $100.8 million, payable by the Company to Blackstone if the Individual Defendants cause the Company to terminate the Merger Agreement.

57. By agreeing to all of the deal protection devices, the Individual Defendants have locked up the Proposed Transaction and have precluded other bidders from making successful competing offers for the Company.

58. Additionally, JANA Partners LLC ("JANA") entered into a voting agreement, pursuant to which JANA has agreed to vote its Company shares in favor of the Proposed

Transaction. Accordingly, approximately 8% of the Company's shares are already locked up in favor of the Proposed Transaction.

59. The consideration to be provided to plaintiff and the Class in the Proposed Transaction is inadequate.

60. Among other things, the intrinsic value of the Company is materially in excess of the amount offered in the Proposed Transaction.

61. The financial analyses performed by the Company's own financial advisor, Goldman Sachs, confirm the inadequacy of the merger consideration. For example, Goldman Sachs' *Illustrative Discounted Cash Flow Analyses* yielded a present value per share of Team Health common stock as high as *$74.65*, substantially above the merger consideration of $43.50 per share. Indeed, the very low end of Goldman Sachs' *Illustrative Discounted Cash Flow Analyses* was $43.20.

62. Accordingly, the Proposed Transaction will deny Class members their right to share proportionately and equitably in the true value of the Company's valuable and profitable business, and future growth in profits and earnings.

The Proxy Statement Omits Material Information, Rendering It False and Misleading

63. Defendants filed the Proxy Statement with the SEC in connection with the Proposed Transaction.

64. The Proxy Statement omits material information regarding the Proposed Transaction, which renders the Proxy Statement false and misleading.

65. *First*, the Proxy Statement omits material information regarding potential conflicts of interest of the Company's officers and directors.

66. For example, the Proxy Statement fails to disclose the timing and nature of all communications regarding future employment and/or directorship of Team Health's officers and directors, including who participated in all such communications.

67. This information is necessary for stockholders to understand potential conflicts of interest of management and the Board, as that information provides illumination concerning motivations that would prevent fiduciaries from acting solely in the best interests of the Company's stockholders.

68. The omission of this material information renders the Proxy Statement false and misleading, including, *inter alia*, the following sections of the Proxy Statement: (i) "Background of the Merger"; (ii) "Recommendation of the TeamHealth Board and Reasons for the Merger"; and (iii) "Interests of TeamHealth's Executive Officers and Directors in the Merger."

69. *Second*, the Proxy Statement omits material information regarding Team Health's projected financial information.

70. For example, with respect to the August Projections, the Proxy Statement fails to disclose the individual line items used to calculate unlevered free cash flow, including, *inter alia*: net earnings before interest expense, depreciation and amortization, contingent purchase expense, "other expense," taxes, capital expenditures, acquisition spend, changes in net working capital, and "other investing cash flow." The Proxy Statement also fails to disclose the individual line items for Adjusted EBITDA, as well as estimated net debt and shares outstanding for each of the years.

71. With respect to the Management Projections, the Proxy Statement fails to disclose the individual line items used to calculate unlevered free cash flow, including, *inter alia*: net earnings before interest expense, depreciation and amortization, contingent purchase expense,

"other expense," taxes, capital expenditures, acquisition spend, changes in operating assets/liabilities and impact of contingent payment/liability, and "other investing cash flow." The Proxy Statement also fails disclose the individual line items for Adjusted EBITDA, as well as the estimated net debt and shares outstanding for each of the years.

72. With respect to the July Projections, the Proxy Statement fails to disclose projected unlevered free cash flow for years 2016 through 2021, the associated definition of unlevered free cash flow, and the items used in the calculation of unlevered free cash flow, such as, *inter alia*, net earnings before interest expense, depreciation and amortization, contingent purchase expense, "other expense," taxes, capital expenditures, acquisition spend, changes in net working capital, and "other investing cash flow." The Proxy Statement also fails disclose the individual line items for Adjusted EBITDA, the associated definition of Adjusted EBITDA, as well as the estimated net debt and shares outstanding for each of the years.

73. The Proxy Statement further fails to disclose the basis for different definitions of unlevered free cash flow for the August Projections and the Management Projections.

74. The disclosure of projected financial information is material because it provides stockholders with a basis to project the future financial performance of a company, and allows stockholders to better understand the financial analyses performed by the company's financial advisors in support of their fairness opinions.

75. The omission of this material information renders the Proxy Statement false and misleading, including, *inter alia*, the following sections of the Proxy Statement: (i) "Background of the Merger"; (ii) "Recommendation of the TeamHealth Board and Reasons for the Merger"; (iii) "Opinion of TeamHealth's Financial Advisor"; and (iv) "Certain Financial Projections."

76. *Third*, the Proxy Statement omits material information regarding the financial analyses performed by Goldman Sachs in support of its so-called fairness opinion.

77. For example, with respect to Goldman Sachs' *Illustrative Discounted Cash Flow Analysis*, the Proxy Statement fails to disclose, *inter alia*: (i) the inputs and assumptions underlying the weighted average cost of capital analysis; (ii) Goldman Sachs' basis for selecting perpetuity growth rates ranging from 2.0% to 3.0%; (iii) the net debt of Team Health as of June 30, 2016; and (iv) the debt incurred by Team Health for its acquisition of Florida Emergency Physicians.

78. With respect to Goldman Sachs' *Selected Precedent Transactions Analysis*, the Proxy Statement fails to disclose the amount and description of the "certain one-time expenses as provided by TeamHealth management," which were used to adjust the net debt amount.

79. With respect to Goldman Sachs' *Selected Publicly Traded Companies Analysis*, the Proxy Statement fails to disclose the resulting range of implied values per share of Team Health common stock that were derived from the analysis.

80. With respect to Goldman Sachs' *Implied Premia and Multiple Analysis*, the Proxy Statement fails to disclose the multiples or share price ranges that were utilized to compare the implied transaction enterprise value multiples.

81. When a banker's endorsement of the fairness of a transaction is touted to shareholders, the valuation methods used to arrive at that opinion as well as the key inputs and range of ultimate values generated by those analyses must also be fairly disclosed.

82. The omission of this material information renders the Proxy Statement false and misleading, including, *inter alia*, the following sections of the Proxy Statement: (i) "Background

of the Merger"; (ii) "Recommendation of the TeamHealth Board and Reasons for the Merger"; (iii) "Opinion of TeamHealth's Financial Advisor"; and (iv) "Certain Financial Projections."

83. *Fourth*, the Proxy Statement omits material information regarding potential conflicts of interest of Goldman Sachs.

84. Specifically, the Proxy Statement fails to disclose that Goldman Sachs and/or its affiliates own nearly 5.8 million shares of The Blackstone Group L.P.

85. Full disclosure of all potential conflicts of investment bankers is required due to the central role played by investment banks in the evaluation, exploration, selection, and implementation of strategic alternatives.

86. The omission of this material information renders the Proxy Statement false and misleading, including, *inter alia*, the following sections of the Proxy Statement: (i) "Background of the Merger"; (ii) "Recommendation of the TeamHealth Board and Reasons for the Merger"; and (iii) "Opinion of TeamHealth's Financial Advisor."

87. *Fifth*, the Proxy Statement omits material information regarding the background of the Proposed Transaction. The Company's stockholders are entitled to an accurate description of the "process" the directors used in coming to their decision to support the Proposed Transaction.

88. For example, the Proxy Statement fails to disclose the value of AmSurg's October 12, 2015 proposal.

89. The Proxy Statement fails to disclose the value of Party A's April 4, 2016 proposal.

90. The Proxy Statement fails to disclose the circumstances surrounding the expression of interest submitted by "Party C" regarding the acquisition a division of Team Health.

91. The Proxy Statement further fails to disclose the number of private equity firms that inquired regarding a potential transaction with Team Health following the October 4, 2016 *Wall Street Journal* article.

92. The omission of this material information renders the Proxy Statement false and misleading, including, *inter alia*, the following sections of the Proxy Statement: (i) "Background of the Merger"; and (ii) "Recommendation of the TeamHealth Board and Reasons for the Merger."

93. The above-referenced omitted information, if disclosed, would significantly alter the total mix of information available to the Company's stockholders.

COUNT I

Claim for Violation of Section 14(a) of the 1934 Act and Rule 14a-9 Promulgated Thereunder Against the Individual Defendants and Team Health

94. Plaintiff repeats and realleges the preceding paragraphs as if fully set forth herein.

95. The Individual Defendants disseminated the false and misleading Proxy Statement, which contained statements that, in violation of Section 14(a) of the 1934 Act and Rule 14a-9, in light of the circumstances under which they were made, omitted to state material facts necessary to make the statements therein not materially false or misleading. Team Health is liable as the issuer of these statements.

96. The Proxy Statement was prepared, reviewed, approved, and/or disseminated by the Individual Defendants. By virtue of their positions within the Company, the Individual

Defendants were aware of this information and their duty to disclose this information in the Proxy Statement.

97. The Individual Defendants were at least negligent in filing the Proxy Statement with these materially false and misleading statements.

98. The omissions and false and misleading statements in the Proxy Statement are material in that a reasonable stockholder will consider them important in deciding how to vote on the Proposed Transaction. In addition, a reasonable investor will view a full and accurate disclosure as significantly altering the total mix of information made available in the Proxy Statement and in other information reasonably available to stockholders.

99. The Proxy Statement is an essential link in causing plaintiff and the Company's stockholders to approve the Proposed Transaction.

100. By reason of the foregoing, defendants violated Section 14(a) of the 1934 Act and Rule 14a-9 promulgated thereunder.

101. Because of the false and misleading statements in the Proxy Statement, plaintiff and the Class are threatened with irreparable harm.

COUNT II

Claim for Violation of Section 20(a) of the 1934 Act Against the Individual Defendants and Blackstone

102. Plaintiff repeats and realleges the preceding paragraphs as if fully set forth herein.

103. The Individual Defendants and Blackstone acted as controlling persons of Team Health within the meaning of Section 20(a) of the 1934 Act as alleged herein. By virtue of their positions as officers and/or directors of Team Health and participation in and/or awareness of the Company's operations and/or intimate knowledge of the false statements contained in the Proxy Statement, they had the power to influence and control and did influence and control, directly or

indirectly, the decision making of the Company, including the content and dissemination of the various statements that plaintiff contends are false and misleading.

104. Each of the Individual Defendants and Blackstone was provided with or had unlimited access to copies of the Proxy Statement alleged by plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause them to be corrected.

105. In particular, each of the Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company, and, therefore, is presumed to have had the power to control and influence the particular transactions giving rise to the violations as alleged herein, and exercised the same. The Proxy Statement contains the unanimous recommendation of the Individual Defendants to approve the Proposed Transaction. They were thus directly in the making of the Proxy Statement.

106. Blackstone also had direct supervisory control over the composition of the Proxy Statement and the information disclosed therein, as well as the information that was omitted and/or misrepresented in the Proxy Statement.

107. By virtue of the foregoing, the Individual Defendants and Blackstone violated Section 20(a) of the 1934 Act.

108. As set forth above, the Individual Defendants and Blackstone had the ability to exercise control over and did control a person or persons who have each violated Section 14(a) of the 1934 Act and Rule 14a-9, by their acts and omissions as alleged herein. By virtue of their positions as controlling persons, these defendants are liable pursuant to Section 20(a) of the 1934 Act. As a direct and proximate result of defendants' conduct, plaintiff and the Class are threatened with irreparable harm.

PRAYER FOR RELIEF

WHEREFORE, plaintiff prays for judgment and relief as follows:

A. Ordering that this action may be maintained as a class action and certifying plaintiff as the Class representative and plaintiff's counsel as Class counsel;

B. Preliminarily and permanently enjoining defendants and all persons acting in concert with them from proceeding with, consummating, or closing the Proposed Transaction;

C. In the event defendants consummate the Proposed Transaction, rescinding it and setting it aside or awarding rescissory damages;

D. Directing the Individual Defendants to disseminate a Proxy Statement that does not contain any untrue statements of material fact and that states all material facts required in it or necessary to make the statements contained therein not misleading;

E. Declaring that defendants violated Sections 14(a) and/or 20(a) of the 1934 Act, as well as Rule 14a-9 promulgated thereunder;

F. Awarding plaintiff the costs of this action, including reasonable allowance for plaintiff's attorneys' and experts' fees; and

G. Granting such other and further relief as this Court may deem just and proper.

JURY DEMAND

Plaintiff respectfully requests a trial by jury on all issues so triable.

Dated: December 13, 2016

s/***Paul Kent Bramlett***
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