

MAGELLAN HEALTH SERVICES INC  
Form SC 13G/A  
August 23, 2004

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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OMB APPROVAL  
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OMB Number: 3235-0145  
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Expires: December 31, 2005  
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Estimated average burden  
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hours per response. . . 11  
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SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. 1)\*

Magellan Health Services, Inc.

-----  
(Name of Issuer)

Ordinary Common Stock, par value \$0.01 per share

-----  
(Title of Class of Securities)

559079207

-----  
(CUSIP Number)

July 29, 2004

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(Date of Event Which Requires Filing of this Statement)

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

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

\*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 the purpose of Section 18 of the Securities Exchange Act of

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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).

CUSIP No. 559079207

SCHEDULE 13G

Page 2 of 5 Pages

1 NAME OF REPORTING PERSONS./I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS  
(Entities Only).

North Sound Capital LLC (1)

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

(b)  [ ]

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5. SOLE VOTING POWER	0
	6. SHARED VOTING POWER	1,200,000
	7. SOLE DISPOSITIVE POWER	0
	8. SHARED DISPOSITIVE POWER	1,200,000

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,200,000

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

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

4.5%

12 TYPE OF REPORTING PERSON\*

OO

\*SEE INSTRUCTIONS BEFORE FILLING OUT

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- (1) The ultimate managing member of North Sound Capital LLC is Thomas McAuley. The Reporting Person may be deemed the beneficial owner of the shares in its capacity as the managing member of North Sound Legacy Fund LLC, North Sound Legacy Institutional Fund LLC and North Sound Legacy International Ltd. (the "Funds"), who are the holders of such shares. As the managing member of the Funds, the Reporting Person has voting and investment control with respect to the shares of common stock held by the Funds.

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CUSIP No. 559079207

SCHEDULE 13G

Page 3 of 5 Pages  
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Item 1(a). Name of Issuer:

Magellan Health Services, Inc.

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

16 Munson Road  
Farmington, Connecticut 06032

Item 2(a). Name of Person Filing.

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

Item 2(c). Citizenship.

North Sound Capital LLC  
53 Forest Avenue, Suite 202  
Old Greenwich, CT 06870  
Delaware limited liability company

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

Ordinary Common Stock, par value \$0.01 per share

Item 2(e). CUSIP Number:

559079207

Item 3. If this statement is filed pursuant to ss.240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

Not Applicable

Item 4. Ownership.

The following is information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1 as of July 29, 2004:

(a) Amount beneficially owned: 1,200,000 shares of Ordinary Common Stock

(b) Percent of Class: 4.5%

(c) Number of shares as to which such person has:

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- (i) sole power to vote or direct the vote: 0
- (ii) shared power to vote or direct the vote:  
1,200,000

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CUSIP No. 559079207

SCHEDULE 13G

Page 4 of 5 Pages

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- (iii) sole power to dispose or direct the disposition of: 0
- (iv) shared power to dispose or direct the disposition of: 1,200,000

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

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [X].

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

Not Applicable

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.

Certification pursuant to ss.240.13d-1(c):

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.

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CUSIP No. 559079207

SCHEDULE 13G

Page 5 of 5 Pages

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SIGNATURE

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

Dated: August 23, 2004

NORTH SOUND CAPITAL LLC

By: /s/ Thomas McAuley

-----  
Name: Thomas McAuley  
Title: Chief Investment Officer