

Townsell Donna
Form 4
July 23, 2018

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Townsell Donna

2. Issuer Name and Ticker or Trading Symbol
HOME BANCSHARES INC
[HOMB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
P.O. BOX 966
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
07/19/2018

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Senior Exec VP

CONWAY, AR 72033
(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock - Performance Based	07/19/2018		A	25,000	A \$ 0 45,000 ⁽¹⁾ ⁽²⁾	D	
Common Stock - Restricted					20,000 ⁽³⁾	D	
Common Stock					12,208	D	
Common Stock					7,792.2281 ⁽⁴⁾	I	Custodian for

daughter

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount Number Shares
Performance Stock Option	\$ 23.32	07/19/2018		A	50,000	(5) 07/19/2018	Common Stock	50,000
Stock Option	\$ 21.25					(6) 04/20/2026	Common Stock	20,000
Stock Option	\$ 6.56					(7) 01/19/2022	Common Stock	40,000
Performance Stock Option	\$ 18.46					(8) 08/23/2015	Common Stock	100,000
Stock Option	\$ 22.22					(9) 04/19/2028	Common Stock	10,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Townsell Donna P.O. BOX 966 CONWAY, AR 72033			Senior Exec VP	

Signatures

/s/ Donna Townsell by Micah Osborne 07/23/2018

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The Performance Stock awarded on July 19, 2018 will vest in 33 1/3% installments over three years beginning on the third annual anniversary of the date that the performance goal is met.

(2) The Performance Stock awarded on August 24, 2015 will vest in 33 1/3% installments over three years beginning on the third annual anniversary of the date that the performance goal is met. The performance goal was met on December 31, 2016 and will therefore begin vesting in 33 1/3% installments on December 31, 2019.

(3) Restricted Stock granted on August 24, 2015 will vest in 33 1/3% installments over three years beginning on the third anniversary of the award date.

(4) Includes 28,228.1 shares acquired through the dividend reinvestment plan since the last filing.

(5) The Performance Stock Option awarded on July 19, 2018 is exercisable in five equal annual installments beginning on the first annual anniversary of the date that the performance goal is met.

(6) The option is exercisable in five equal annual installments. The first installment became exercisable on April 21, 2017.

(7) The option is exercisable in five equal annual installments. The first installment became exercisable on January 20, 2013.

(8) Once the performance goal has been met, the Performance Stock Option awarded on August 24, 2015 is exercisable in seven equal annual installments beginning on the first annual anniversary of the award date. The performance goal was met on December 31, 2016. Therefore, the first installment became exercisable on August 24, 2016.

(9) The option is exercisable in five equal annual installments. The first installment becomes exercisable on April 20, 2019.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. d consolidated leverage ratio. Proceeds from the Amended Credit Agreement may be used for working capital, acquisitions, purchases of the Company's common stock, dividend payments to the Company's common shareholders, capital expenditures and other corporate purposes. The pricing grid is based on the Company's consolidated leverage ratio with the applicable spread over LIBOR ranging from 1.5% to 2.5% or the applicable spread over the Base Rate ranging from 0.1% to 1%. Fees under the Amended Credit Agreement include an unused commitment fee ranging from 0.1% to 0.25% depending on the Company's consolidated leverage ratio and the amount of funds outstanding under the Amended Credit Agreement.

Effective January 11, 2016, the Company entered into an amendment to the Credit Agreement to increase the cash and noncash consideration that the Company could pay with respect to acquisitions permitted under the Amended Credit Agreement to \$50,000,000 for any fiscal year and increased the amount the Company may pay in cash dividends to its shareholders in an aggregate amount not to exceed \$10,000,000 in any fiscal year.

On March 31, 2016, \$52.5 million was outstanding on the Amended Credit Agreement resulting in \$72.5 million of availability. As of March 31, 2016, the Company was in compliance with all of the covenants thereunder.

The Company generally enters into various notes payable as a means of financing a portion of its acquisitions and purchases of non-controlling interests. In conjunction with the acquisitions in 2016 and the purchases of a non-controlling interest, the Company entered into notes payable in the aggregate amount of \$1.0 million of which an aggregate principal payment of \$444,000 is due in 2017; \$570,000 in 2018. Interest accrues 3.5% per annum and is payable with each principal installment. In conjunction with the acquisitions in 2015 and the purchases of a non-controlling interest, the Company entered into notes payable in the aggregate amount of \$4.9 million of which an aggregate principal payment of \$575,000 was due in 2016; \$525,000 in 2017; \$1.9 million in 2018; and \$1.9 million in 2019. Interest accrues in the range of 3.25% to 3.5% per annum and is payable with each principal installment.

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Aggregate annual payments of principal required pursuant to the Amended Credit Agreement and the above notes payable subsequent to March 31, 2016 are as follows (in thousands):

During the twelve months ended March 31, 2017	\$ 1,253
During the twelve months ended March 31, 2018	844
During the twelve months ended March 31, 2019	56,277
	\$58,374

10. COMMON STOCK

From September 2001 through December 31, 2008, the Board authorized the Company to purchase, in the open market or in privately negotiated transactions, up to 2,250,000 shares of the Company's common stock. In March 2009, the Board authorized the repurchase of up to 10% or approximately 1,200,000 shares of its common stock ("March 2009 Authorization"). In connection with the March 2009 Authorization, the Company amended the Credit Agreement to permit share repurchases of up to \$15,000,000. The Company is required to retire shares purchased under the March 2009 Authorization.

Under the March 2009 Authorization, the Company has purchased a total of 859,499 shares. There is no expiration date for the share repurchase program. The credit agreement was further amended to permit the Company to purchase, commencing on October 24, 2012 and at all times thereafter, up to \$15,000,000 of its common stock subject to compliance with covenants. There are currently an additional estimated 301,628 shares (based on the closing price of \$49.73 on March 31, 2016) that may be purchased from time to time in the open market or private transactions depending on price, availability and the Company's cash position. The Company did not purchase any shares of its common stock during the three months ended March 31, 2016.

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ITEM MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following is a discussion of our historical consolidated financial condition and results of operations, and should be read in conjunction with (i) our historical consolidated financial statements and accompanying notes thereto included elsewhere in this Quarterly Report on Form 10-Q; (ii) our Annual Report on Form 10-K for the year ended December 31, 2015 filed with the Securities and Exchange Commission (the "SEC") on March 4, 2016; and (iii) our management's discussion and analysis of financial condition and results of operations included in our 2015 Form 10-K. This discussion includes forward-looking statements that are subject to risk and uncertainties. Actual results may differ substantially from the statements we make in this section due to a number of factors that are discussed in "Forward-Looking Statements" herein and "Part I – Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2015

References to "we," "us," "our" and the "Company" shall mean U.S. Physical Therapy, Inc. and its subsidiaries.

EXECUTIVE SUMMARY

Our Business

We operate outpatient physical therapy clinics that provide preventive and post-operative care for a variety of orthopedic-related disorders and sports-related injuries, treatment for neurologically-related injuries and rehabilitation of injured workers. As of March 31, 2016, we operated 512 clinics in 42 states.

We also manage physical therapy facilities for third parties, primarily physicians, with 22 third-party facilities under management as of March 31, 2016.

During the first three months of 2016 and the year ended 2015, we acquired the following clinic groups:

	Date	% Interest Acquired	Number of Clinics
	2016		
February 2016 Acquisition	February 29	55%	8
	2015		
January 2015 Acquisition	January 31	60%	9
April 2015 Acquisition	April 30	70%	3
June 2015 Acquisition	June 30	70%	4
December 2015 Acquisition	December 31	59%	4

On February 29, 2016, we acquired a 55% interest in an eight-clinic physical therapy practice. The purchase price for the 55% interest was \$13.2 million in cash and \$0.5 million in a seller note that is payable in two principal installments totaling \$250,000 each, plus accrued interest, in February 2017 and 2018.

On January 31, 2015, we acquired a 60% interest in a nine-clinic physical therapy practice. The purchase price for the 60% interest was \$6.7 million in cash and \$0.5 million in a seller note that is payable in two principal installments totaling \$250,000 each, plus accrued interest, one of which was paid in January 2016 and the other is due January 2017. On April 30, 2015, we acquired a 70% interest in a three-clinic physical therapy practice. The purchase price was \$4.7 million in cash and \$150,000 in a seller note that is payable in two principal installments of \$75,000 each, plus accrued interest, one of which was paid in April 2016 and the other due in April 2017. On June 30, 2015, we acquired a 70% interest in a four-clinic physical therapy practice. The purchase price was \$3.6 million in cash and

\$0.7 million in seller notes that are payable plus accrued interest, in June 2018. On December 31, 2015, we acquired a 59% interest in a four-clinic physical therapy practice. The purchase price was \$4.6 million in cash and \$400,000 in seller notes payable that are payable in two principal installments of an aggregate of \$200,000 each, plus accrued interest, in December 2016 and 2017. In addition to the multi-clinic acquisitions, on August 31, 2015, we acquired a 60% interest in a single physical therapy clinic for \$150,000 in cash and \$50,000 in a seller note payable that is payable plus accrued interest in August 2016. The results of operations of the acquired clinics have been included in our consolidated financial statements since the date of their acquisition.

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Selected Operating and Financial Data

The following table presents selected operating and financial data that we believe are key indicators of our operating performance.

	For the Three Months Ended	
	March 31,	
	2016	March 31, 2015
Number of clinics, at the end of period	512	494
Working Days	64	63
Average visits per day per clinic	24.7	22.9
Total patient visits	808,281	712,855
Net patient revenue per visit	\$ 105.22	\$ 106.34

RESULTS OF OPERATIONS

Three Months Ended March 31, 2016 Compared to the Three Months Ended March 31, 2015

Net revenues increased to \$86.9 million for the three months ended March 31, 2016 (“2016 First Quarter”) from \$77.2 million for the three months ended March 31, 2015 (“2015 First Quarter”) primarily due to an increase in visits of 95,400 from 712,900 for the 2015 First Quarter to 808,300 for the 2016 First Quarter and a decrease in the average net patient revenue per visit for the 2016 First Quarter to \$105.22 from \$106.34 in the 2015 First Quarter.

Net income attributable to our common shareholders for the 2016 First Quarter was \$5.3 million versus \$4.2 million for the 2015 First Quarter. Net income was \$0.43 per diluted share for the 2016 period and \$0.34 for the 2015 period. Total diluted shares were 12.4 million for the 2016 First Quarter and 12.3 million for the 2015 First Quarter.

Net Patient Revenues

Net patient revenues increased to \$85.0 million for the 2016 First Quarter from \$75.8 million for the 2015 First Quarter, an increase of \$9.2 million, or 12.2%, due to visits of 50,600 from clinics opened or acquired between April 1, 2015 and March 31, 2016 (“New Clinics”) and an increase in visits of 44,800 from clinics opened or acquired prior to April 1, 2015 (“Mature Clinics”) offset by a decrease in the net patient revenue per visit of \$1.12.

Net patient revenues related to New Clinics amounted to \$5.8 million for the 2016 First Quarter and net patient revenues for Mature Clinics increased by \$3.4 million for the 2016 First Quarter as compared to the 2015 First Quarter.

Net patient revenues are based on established billing rates less allowances and discounts for patients covered by contractual programs and workers’ compensation. Net patient revenues are determined after contractual and other adjustments relating to patient discounts from certain payors. Payments received under these programs are based on predetermined rates and are generally less than the established billing rates.

Other Revenues

Other revenues increased \$425,000 in the 2016 First Quarter to \$1,859,000 from \$1,434,000 in the 2015 First Quarter due to an increase in the number of physical therapy facilities managed for third parties.

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Clinic Operating Costs

Clinic operating costs were \$66.4 million, or 76.4% of net revenues, for the 2016 First Quarter and \$60.4 million, or 78.2% of net revenues, for the 2015 First Quarter. The increase was primarily attributable to \$4.9 million in operating costs of New Clinics and by an increase in operating costs of \$1.1 million for Mature Clinics. Components of clinic operating costs is discussed below:

Clinic Operating Costs—Salaries and Related Costs

Salaries and related costs increased to \$47.8 million for the 2016 First Quarter from \$43.0 million for the 2015 First Quarter, an increase of \$4.8 million, or 11.0%. Salaries and related costs for New Clinics amounted to \$3.5 million for the 2016 First Quarter. Salaries and related costs for Mature Clinics increased by \$1.3 million for the 2016 First Quarter as compared to the 2015 First Quarter. Salaries and related costs as a percentage of net revenues were 55.0% for the 2016 First Quarter and 55.7% for the 2015 First Quarter.

Clinic Operating Costs—Rent, Clinic Supplies, Contract Labor and Other

Rent, clinic supplies, contract labor and other were \$17.5 million for the 2016 First Quarter and \$16.3 million for the 2015 First Quarter. For New Clinics, rent, clinic supplies, contract labor and other amounted to \$1.4 million for the 2016 First Quarter. For Mature Clinics, rent, clinic supplies, contract labor and other decreased by \$0.2 million in the 2016 First Quarter compared to the 2015 First Quarter. Rent, clinic supplies, contract labor and other as a percentage of net revenues was 20.1% for the 2016 First Quarter and 21.1% for the 2015 First Quarter.

Clinic Operating Costs—Provision for Doubtful Accounts

The provision for doubtful accounts was \$1.1 million for the 2016 First Quarter and \$1.0 million for the 2015 First Quarter. The provision for doubtful accounts for patient accounts receivable as a percentage of net patient revenues was 1.3% for the 2016 First Quarter and for the 2015 First Quarter.

Our provision for doubtful accounts for patient accounts receivable as a percentage of total patient accounts receivable was 3.9% at March 31, 2016, as compared to 3.8% at December 31, 2015. Our day's sales outstanding were 38 days at March 31, 2016 and 36 days at December 31, 2015.

Corporate Office Costs

Corporate office costs, consisting primarily of salaries and benefits of corporate office personnel, rent, insurance costs, depreciation and amortization, travel, legal, accounting, professional, and recruiting fees, were \$9.0 million for the 2016 First Quarter and \$7.7 million for the 2015 First Quarter. As a percentage of net revenues, corporate office costs were 10.4% for the 2016 First Quarter and 9.9% for the 2015 First Quarter.

Interest Expense

Interest expense increased to \$300,000 in the 2016 First Quarter compared to \$265,000 in the 2015 First Quarter due to a higher average balance outstanding under our Amended Credit Agreement. At March 31, 2016, \$52.5 million was outstanding under our Amended Credit Agreement. See "Liquidity and Capital Resources" below for a discussion of the terms of our Amended Credit Agreement.

Provision for Income Taxes

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The provision for income taxes was \$3.5 million for the 2016 First Quarter and \$2.8 million for the 2015 First Quarter. During the 2016 and 2015 First Quarters, we accrued state and federal income taxes at an effective tax rate (provision for taxes divided by the difference between income before taxes and net income attributable to non-controlling interests) of 39.8% and 40.0%, respectively.

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Non-controlling Interests

Net income attributable to non-controlling interests was \$2.4 million for the 2016 First Quarter and \$2.0 million for the 2015 First Quarter. As a percentage of operating income before corporate office costs, net income attributable to non-controlling interests was 11.5% for the 2016 First Quarter and 11.8% for the 2015 First Quarter.

LIQUIDITY AND CAPITAL RESOURCES

We believe that our business is generating sufficient cash flow from operations to allow us to meet our short-term and long-term cash requirements, other than those with respect to future acquisitions. At March 31, 2016 and December 31, 2015, we had \$19.2 million and \$15.8 million, respectively, in cash. Although the start-up costs associated with opening new clinics and our planned capital expenditures are significant, we believe that our cash and unused availability under our revolving credit agreement are sufficient to fund the working capital needs of our operating subsidiaries, future clinic development and acquisitions and investments through at least March 2017. Significant acquisitions would likely require financing under our Amended Credit Agreement.

Effective December 5, 2013, we entered into an Amended and Restated Credit Agreement with a commitment for a \$125.0 million revolving credit facility with a maturity date of November 30, 2018. This agreement was amended in August 2015 and January 2016, hereinafter referred to as “Amended Credit Agreement”. The Amended Credit Agreement is unsecured and has loan covenants, including requirements that we comply with a consolidated fixed charge coverage ratio and consolidated leverage ratio. Proceeds from the Amended Credit Agreement may be used for working capital, acquisitions, purchases of our common stock, dividend payments to our common shareholders, capital expenditures and other corporate purposes. The pricing grid is based on our consolidated leverage ratio with the applicable spread over LIBOR ranging from 1.5% to 2.5% or the applicable spread over the Base Rate ranging from 0.1% to 1%. Fees under the Amended Credit Agreement include an unused commitment fee ranging from 0.1% to 0.25% depending on our consolidated leverage ratio and the amount of funds outstanding under the Amended Credit Agreement. On March 31, 2016, \$52.5 million was outstanding on the revolving credit facility resulting in \$72.5 million of availability, and we were in compliance with all of the covenants thereunder.

The increase in cash and cash equivalents of \$3.4 million from December 31, 2015 to March 31, 2016 was due primarily to \$14.7 million provided by operations and \$8.5 million of net proceeds from our Amended Credit Agreement. The major uses of cash for investing and financing activities included: purchase of business (\$12.9 million), funding of cash dividends to our shareholders (\$2.1 million), purchases of fixed assets (\$1.7 million), distributions to non-controlling interests (\$1.6 million), acquisitions of non-controlling interests (\$1.5 million), and payments on notes payable (\$0.3 million).

On February 29, 2016, we acquired a 55% interest in an eight-clinic physical therapy practice. The purchase price for the 55% interest was \$13.2 million in cash and \$0.5 million in a seller note that is payable in two principal installments totaling \$250,000 each, plus accrued interest, in February 2017 and 2018.

On December 31, 2015, we acquired a 59% interest in a four-clinic physical therapy practice. The purchase price was \$4.6 million in cash and \$400,000 in seller notes payable that are payable in two principal installments of an aggregate of \$200,000 each, plus accrued interest, in December 2016 and 2017. On June 30, 2015, we acquired a 70% interest in a four-clinic physical therapy practice. The purchase price was \$3.6 million in cash and \$0.7 million in seller notes that are payable plus accrued interest, in June 2018. On April 30, 2015, we acquired a 70% interest in a three-clinic physical therapy practice. The purchase price was \$4.7 million in cash and \$150,000 in a seller note that is payable in two principal installments of \$75,000 each, plus accrued interest, one of which was paid in April 2016 and the other one due in April 2017. On January 31, 2015, we acquired a 60% interest in a nine-clinic physical therapy practice. The purchase price for the 60% interest was \$6.7 million in cash and \$0.5 million in a seller note that is payable in two principal installments of \$250,000 each, plus accrued interest, one of which was paid in January 2016 and the other

one due in January 2017. In addition to the multi-clinic acquisitions, on August 31, 2015, we acquired a 60% interest in a single physical therapy clinic for \$150,000 in cash and \$50,000 in a seller note payable that is payable plus accrued interest in August 2016.

Historically, we have generated sufficient cash from operations to fund our development activities and to cover operational needs. We plan to continue developing new clinics and making additional acquisitions. We also from time to time purchase the non-controlling interests in our Clinic Partnerships. Generally, any acquisition or purchase of non-controlling interests is expected to be accomplished using a combination of cash and financing. Any large acquisition would likely require financing.

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We make reasonable and appropriate efforts to collect accounts receivable, including applicable deductible and co-payment amounts, in a consistent manner for all payor types. Claims are submitted to payors daily, weekly or monthly in accordance with our policy or payor's requirements. When possible, we submit our claims electronically. The collection process is time consuming and typically involves the submission of claims to multiple payors whose payment of claims may be dependent upon the payment of another payor. Claims under litigation and vehicular incidents can take a year or longer to collect. Medicare and other payor claims relating to new clinics awaiting Medicare Rehab Agency status approval initially may not be submitted for six months or more. When all reasonable internal collection efforts have been exhausted, accounts are written off prior to sending them to outside collection firms. With managed care, commercial health plans and self-pay payor type receivables, the write-off generally occurs after the account receivable has been outstanding for at least 120 days.

We generally enter into various notes payable as a means of financing our acquisitions. Our present outstanding notes payable relate to certain of the acquisitions of businesses and purchases of non-controlling interests that occurred in 2014 through March 2016. For those acquisitions, we entered into several notes payables aggregating \$6.4 million. Typically, the notes are payable in equal annual installments of principal over two years plus any accrued and unpaid interest. Interest accrues at various interest rates ranging from 3.25% to 3.5% per annum, subject to adjustment. In addition, we assumed leases with remaining terms of 1 month to 6 years for the operating facilities. At March 31, 2016, the balance on these notes payable was \$5.9 million.

In conjunction with the above mentioned acquisitions, in the event that a limited minority partner's employment ceases at any time after three years from the acquisition date, we have agreed to repurchase that individual's non-controlling interest at a predetermined multiple of earnings before interest and taxes.

As of March 31, 2016, we have accrued \$1.4 million related to credit balances due to patients and payors. This amount is expected to be paid in the next twelve months.

From September 2001 through December 31, 2008, our Board of Directors ("Board") authorized us to purchase, in the open market or in privately negotiated transactions, up to 2,250,000 shares of our common stock. In March 2009, the Board authorized the repurchase of up to 10% or approximately 1,200,000 shares of our common stock ("March 2009 Authorization"). In connection with the March 2009 Authorization, we amended our bank credit agreement to permit share repurchases of up to \$15,000,000. We are required to retire shares purchased under the March 2009 Authorization. Effective October 24, 2012, we amended our credit agreement to permit us to purchase, commencing on October 24, 2012 and at all times thereafter, up to \$15,000,000 of our common stock subject to compliance with covenants.

There is no expiration date for the share repurchase program. As of March 31, 2016, there are currently an additional estimated 301,628 shares (based on the closing price of \$49.73 on March 31, 2016) that may be purchased from time to time in the open market or private transactions depending on price, availability and our cash position. We did not purchase any shares of our common stock during the three months ended March 31, 2016.

FACTORS AFFECTING FUTURE RESULTS

The risks related to our business and operations include:

- changes as the result of government enacted national healthcare reform;
- changes in Medicare guidelines and reimbursement or failure of our clinics to maintain their Medicare certification status;
- revenue we receive from Medicare and Medicaid being subject to potential retroactive reduction;
- business and regulatory conditions including federal and state regulations;
- governmental and other third party payor investigations and audits;

Explanation of Responses:

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compliance with federal and state laws and regulations relating to the privacy of individually identifiable patient information, and associated fines and penalties for failure to comply;

- possible legal actions, which could subject us to increased operating costs and uninsured liabilities;

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- changes in reimbursement rates or payment methods from third party payors including government agencies and deductibles and co-pays owed by patients;
- revenue and earnings expectations;
- general economic conditions;
- availability and cost of qualified physical therapists;
- personnel productivity and retaining key personnel;
- competitive, economic or reimbursement conditions in our markets which may require us to reorganize or close certain clinics and thereby incur losses and/or closure costs including the possible write-down or write-off of goodwill and other intangible assets;
- acquisitions including the purchase of non-controlling interests (minority interests) and the successful integration of the operations of the acquired businesses;
- maintaining adequate internal controls;
- maintaining adequate insurance coverage;
- availability, terms, and use of capital; and
- weather and other seasonal factors.

See Risk Factors in Item 1A of our Annual Report on Form 10-K.

Forward-Looking Statements

We make statements in this report that are considered to be forward-looking within the meaning under Section 21E of the Securities Exchange Act of 1934, as (the “Exchange Act”). These statements contain forward-looking information relating to our financial condition, results of operations, plans, objectives, future performance and business. These statements (often using words such as “believes”, “expects”, “intends”, “plans”, “appear”, “should” and similar words) involve risks and uncertainties that could cause actual results to differ materially from those we project. Included among such statements are those relating to opening new clinics, availability of personnel and the reimbursement environment. The forward-looking statements are based on our current views and assumptions and actual results could differ materially from those anticipated in such forward-looking statements as a result of certain risks, uncertainties, and factors, which include, but are not limited to:

- changes as the result of government enacted national healthcare reform;
- changes in Medicare guidelines and reimbursement or failure of our clinics to maintain their Medicare certification status;
- revenue we receive from Medicare and Medicaid being subject to potential retroactive reduction;
- business and regulatory conditions including federal and state regulations;
- governmental and other third party payor investigations and audits;
- compliance with federal and state laws and regulations relating to the privacy of individually identifiable patient information, and associated fines and penalties for failure to comply;
- possible legal actions, which could subject us to increased operating costs and uninsured liabilities;
- changes in reimbursement rates or payment methods from third party payors including government agencies and deductibles and co-pays owed by patients;
- revenue and earnings expectations;
- general economic conditions;
- availability and cost of qualified physical therapists;
- personnel productivity and retaining key personnel;
- competitive, economic or reimbursement conditions in our markets which may require us to reorganize or close certain clinics and thereby incur losses and/or closure costs including the possible write-down or write-off of goodwill and other intangible assets;
- acquisitions, purchase of non-controlling interests (minority interests) and the successful integration of the operations of the acquired businesses;

Explanation of Responses:

- maintaining adequate internal controls;
- maintaining necessary insurance coverage;
- availability, terms, and use of capital; and
- weather and other seasonal factors.

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Many factors are beyond our control. Given these uncertainties, you should not place undue reliance on our forward-looking statements. Please see our periodic reports filed with the Securities and Exchange Commission (the “SEC”) for more information on these factors. Our forward-looking statements represent our estimates and assumptions only as of the date of this report. Except as required by law, we are under no obligation to update any forward-looking statement, regardless of the reason the statement is no longer accurate.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We do not maintain any derivative instruments, interest rate swap arrangements, hedging contracts, futures contracts or the like. Our primary market risk exposure is the changes in interest rates obtainable on our Amended Credit Agreement. The interest on our Amended Credit Agreement is based on a variable rate. At March 31, 2016, \$52.5 million was outstanding under our Amended Credit Agreement. Based on the balance of the Amended Credit Agreement at March 31, 2016, any change in the interest rate of 1% would yield a decrease or increase in annual interest expense of \$525,000.

ITEM 4. CONTROLS AND PROCEDURES.

(a) Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, the Company’s management completed an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures. Based on this evaluation, our principal executive officer and principal financial officer concluded (i) that our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure and (ii) that our disclosure controls and procedures are effective.

(b) Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II—OTHER INFORMATION

ITEM 6. EXHIBITS.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Second Amendment to Amended and Restated Credit Agreement by and among the Company and the Lenders party hereto, and Bank of America, N.A., as Administrative Agent [incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K, filed with the SEC on January 13, 2016].
10.2	Second Amended and Restated Employment Agreement by and between the Company and Christopher J. Reading dated effective February 9, 2016 [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on February 12, 2016].
10.3	Second Amended and Restated Employment Agreement by and between the Company and Lawrance W. McAfee dated effective February 9, 2016 [incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on February 12, 2016].
10.4	Second Amended and Restated Employment Agreement by and between the Company and Glenn D. McDowell dated effective February 9, 2016 [incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, filed with the SEC on February 12, 2016].
10.5	U. S. Physical Therapy, Inc. Objective Long Term Incentive Plan for Senior Management for 2016, effective March 10, 2016 [incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on March 16, 2016].
10.6	U. S. Physical Therapy, Inc. Discretionary Long Term Incentive Plan for Senior Management for 2016, effective March 10, 2016 [incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on March 16, 2016].
10.7	U. S. Physical Therapy, Inc. Objective Cash Bonus Plan for Senior Management for 2016, effective March 10, 2016 [incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on March 16, 2016].
10.8	U. S. Physical Therapy, Inc. Discretionary Cash Bonus Plan for Senior Management for 2016, effective March 10, 2016 [incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed with the SEC on March 16, 2016].
10.9	Form of Restricted Stock Agreement [incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed with the SEC on March 16, 2016].
31.1*	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.
31.2*	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.
31.3*	Rule 13a-14(a)/15d-14(a) Certification of Corporate Controller.
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Certification Pursuant to 18 U.S.C 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101.INS* XBRL Instance Document
101.SCH* XBRL Taxonomy Extension Schema Document
101.CAL* XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF* XBRL Taxonomy Extension Definition Linkbase Document
101.LAB* XBRL Taxonomy Extension Label Linkbase Document
101.PRE* XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on our behalf by the undersigned thereunto duly authorized.

U.S. PHYSICAL THERAPY, INC.

Date: May 6, 2016 By: /s/ LAWRENCE W. MCAFEE

Lawrance W. McAfee

Chief Financial Officer

(duly authorized officer and principal financial and accounting officer)

By: /s/ JON C. BATES

Jon C. Bates

Vice President/Corporate Controller

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