

UNIVERSAL HEALTH SERVICES INC  
Form DEF 14A  
April 16, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

## SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE  
SECURITIES EXCHANGE ACT OF 1934 (AMENDMENT NO. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only  
(as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**UNIVERSAL HEALTH SERVICES, INC.**

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(Name of Registrant as Specified in Its Charter)

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(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:

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2. Aggregate number of securities to which transaction applies:

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3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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4. Proposed maximum aggregate value of transaction:

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5. Total fee paid:

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Fee paid previously with preliminary materials.

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1. Amount Previously Paid:

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2. Form, Schedule or Registration Statement No.:

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3. Filing Party:

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4. Date Filed:

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**UNIVERSAL HEALTH SERVICES, INC.**

April 16, 2008

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of Universal Health Services, Inc. (the Company) to be held at the offices of the Company, Universal Corporate Center, 367 South Gulph Road, King of Prussia, Pennsylvania, on Wednesday, May 21, 2008, at 10:00 a.m., for the following purposes:

- (1) the election of one director by the holders of Class A and Class C Common Stock;
- (2) the election of one director by the holders of Class B and Class D Common Stock;
- (3) the approval of an amendment to our 2005 Stock Incentive Plan by the holders of Class A, B, C and D Common Stock;
- (4) the approval of an amendment to our Amended and Restated 2001 Employees Restricted Stock Purchase Plan by the holders of Class A, B, C and D Common Stock; and
- (5) the transaction of such other business as may properly come before the meeting or any adjournment thereof.

Detailed information concerning these matters is set forth in the attached Notice of Annual Meeting of Stockholders and Proxy Statement.

Your vote is important. Whether or not you plan to attend the meeting, please either vote by telephone or internet or by promptly signing and returning your Proxy card in the enclosed envelope. If you then attend and wish to vote your shares in person, you still may do so. In addition to the matters noted above, we will discuss the business of the Company and be available for your comments and discussion relating to the Company.

I look forward to seeing you at the meeting.

Sincerely,

Alan B. Miller

*Chairman, President and*

*Chief Executive Officer*

UNIVERSAL HEALTH SERVICES, INC.

UNIVERSAL CORPORATE CENTER

367 SOUTH GULPH ROAD

KING OF PRUSSIA, PENNSYLVANIA 19406

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**May 21, 2008**

Notice is hereby given that the Annual Meeting of Stockholders of Universal Health Services, Inc. (the Company) will be held on Wednesday, May 21, 2008 at 10:00 a.m., at the offices of the Company, Universal Corporate Center, 367 South Gulph Road, King of Prussia, Pennsylvania for the following purposes:

- (i) the election of one director by the holders of Class A and Class C Common Stock;
- (ii) the election of one director by the holders of Class B and Class D Common Stock;
- (iii) the approval of an amendment to our 2005 Stock Incentive Plan by the holders of Class A, B, C and D Common Stock;
- (iv) the approval of an amendment to our Amended and Restated 2001 Employees Restricted Stock Purchase Plan by the holders of Class A, B, C and D Common Stock; and
- (v) the transaction of such other business as may properly come before the meeting or any adjournment thereof.

You are entitled to vote at the Annual Meeting only if you were a Company stockholder of record at the close of business on April 1, 2008.

You are cordially invited to attend the Annual Meeting in person.

**WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE VOTE BY TELEPHONE OR INTERNET OR MARK YOUR VOTES, THEN DATE AND SIGN THE ENCLOSED FORM OF PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED POSTAGE-PAID ENVELOPE. YOU MAY REVOKE YOUR PROXY IF YOU DECIDE TO ATTEND THE ANNUAL MEETING AND WISH TO VOTE YOUR SHARES IN PERSON.**

**Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be held on Wednesday, May 21, 2008:**

**The Proxy Statement and Annual Report to Stockholders are available at <http://bnymellon.mobular.net/bnymellon/uhs>.**

BY ORDER OF THE BOARD OF DIRECTORS

STEVE G. FILTON, *Secretary*

King of Prussia, Pennsylvania

April 16, 2008

LOGO

**UNIVERSAL HEALTH SERVICES, INC.**

**UNIVERSAL CORPORATE CENTER**

**367 SOUTH GULPH ROAD**

**KING OF PRUSSIA, PA 19406**

**PROXY STATEMENT**

**QUESTIONS AND ANSWERS**

**1. Q: Why am I receiving these materials?**

A: This Proxy Statement and enclosed forms of Proxy (first mailed to stockholders on or about April 16, 2008) are furnished in connection with the solicitation by our Board of Directors of Proxies for use at the Annual Meeting of Stockholders, or at any adjournment thereof. The Annual Meeting will be held on Wednesday, May 21, 2008 at 10:00 a.m., at our offices located at Universal Corporate Center, 367 South Gulph Road, King of Prussia, Pennsylvania. As a stockholder, you are invited to attend the Annual Meeting and are requested to vote on the items of business described in this Proxy Statement.

**2. Q: What is the purpose of the Annual Meeting?**

A: The Annual Meeting is being held (1) to have the holders of Class A and C Common Stock elect one Class III director, to serve for a term of three years until the annual election of directors in 2011 and the election and qualification of his successors; (2) to have the holders of Class B and D Common Stock elect one Class III director, to serve for a term of three years until the annual election of directors in 2011 and the election and qualification of his successor; (3) to have the holders of Class A, B, C and D Common Stock approve an amendment to our 2005 Stock Incentive Plan; (4) to have the holders of Class A, B, C and D Common Stock approve an amendment to our Amended and Restated 2001 Employees Restricted Stock Purchase Plan, and; (5) to transact such other business as may properly be brought before the meeting or any adjournment thereof. We will also discuss our business and be available for your comments and discussion.

**3. Q: Are these materials available on the internet?**

A: Yes. In accordance with the notice and access rule recently adopted by the U.S. Securities and Exchange Commission, or SEC, we are making available the proxy materials to all of our stockholders on the internet. Please visit <http://bnymellon.mobular.net/bnymellon/uhs>. We are also providing all of our stockholders with a complete set of our proxy materials by mail, including a copy of our Annual Report to Stockholders, including financial statements for the year ended December 31, 2007, which is enclosed herewith.

**4. Q: Who may attend the Annual Meeting?**

A: Stockholders of record as of the close of business on April 1, 2008, or their duly appointed Proxies, may attend the meeting. Stockholders whose shares are held through a broker or other nominee will need to bring a copy of a brokerage statement reflecting their ownership of our Common Stock as of the record date.

**5. Q: Who is entitled to vote at the Annual Meeting?**

A: Only stockholders of record as of the close of business on April 1, 2008 are entitled to vote at the Annual Meeting. On that date, 3,328,404 shares of Class A Common Stock, par value \$.01 per share, 335,800 shares of Class C Common Stock, par value \$.01 per share, 47,124,940 shares of Class B Common Stock, par value \$.01 per share, and 22,609 shares of Class D Common Stock, par value \$.01 per share, were outstanding.

**6. Q: Who is soliciting my vote?**

A: The principal solicitation of Proxies is being made by the Board of Directors by mail. Certain of our officers, directors and employees, none of whom will receive additional compensation therefore, may solicit proxies by telephone or other personal contact. We will bear the cost of the solicitation of the proxies, including postage, printing and handling and will reimburse the reasonable expenses of brokerage firms and others for forwarding material to beneficial owners of shares.

**7. Q: What items of business will be voted on at the Annual Meeting?**

A: The holders of Class A and C Common Stock will elect one Class III director, to serve for a term of three years until the annual election of directors in 2011 and the holders of Class B and D Common Stock will elect one Class III director, to serve for a term of three years until the annual election of directors in 2011. In addition, the holders of Class A, B, C and D Common Stock will vote on amendments to our 2005 Stock Incentive Plan and our Amended and Restated 2001 Employees Restricted Stock Purchase Plan. Other than these items, we know of no other business to be presented for action.

**8. Q: How does the Board of Directors recommend that I vote?**

A: The Board of Directors recommends that holders of Class A and Class C and Class B and D Common Stock vote shares FOR the election of the nominees to the Board of Directors for which they are entitled to vote, FOR the approval of the amendment to our 2005 Stock Incentive Plan and FOR the approval of the amendment to our Amended and Restated 2001 Employees Restricted Stock Purchase Plan.

**9. Q: How will voting on any other business be conducted?**

A: Other than the items of business described in this Proxy Statement, we know of no other business to be presented for action at the Annual Meeting. As for any business that may properly come before the Annual Meeting, your signed Proxy gives authority to the persons named therein. Those persons may vote on such matters at their discretion and will use their best judgment with respect thereto.

**10. Q: What is the difference between a stockholder of record and a street name holder?**

A: These terms describe how your shares are held. If your shares are registered directly in your name with Mellon Investor Services, LLC, our transfer agent, you are a stockholder of record. If your shares are held in the name of a brokerage, bank, trust or other nominee as a custodian, you are a street name holder.

**11. Q: How do I vote my shares if I am a stockholder of record?**

A: A separate form of Proxy applies to our Class A and Class C Common Stock and a separate form of Proxy applies to our Class B and Class D Common Stock. Enclosed is a Proxy card for the shares of stock held by you on the record date. You may vote by signing and dating each Proxy card you receive and returning it in the enclosed prepaid envelope. Unless otherwise indicated on the Proxy, shares represented by any Proxy will, if the Proxy is properly executed and received by us prior to the Annual Meeting, be voted FOR each of the nominees for directors. You may also vote by telephone or internet.

**12. Q: How do I vote by telephone or electronically?**

A: Instead of submitting your vote by mail on the enclosed Proxy card, your vote can be submitted by telephone or electronically, via the internet. Please refer to the specific instructions set forth on the enclosed proxy card. For security reasons, our electronic voting system has been designed to authenticate your identity as a stockholder.

**13. Q: How do I vote my shares if they are held in street name?**

A: If your shares are held in street name, your broker or other nominee will provide you with a form seeking instruction on how your shares should be voted.

**14. Q: Can I change or revoke my vote?**

A: Yes. Any Proxy executed and returned to us is revocable by delivering a later signed and dated Proxy or other written notice to our Secretary at any time prior to its exercise. Your Proxy is also subject to revocation if you are present at the meeting and choose to vote in person.

**15. Q: What is the vote required to approve each proposal?**

A: The director nominee receiving the highest number of affirmative votes of the shares of Class A and Class C Common Stock, voting as a class, present in person or represented by Proxy and entitled to vote, a quorum being present, shall be elected as Class III director. The director nominee receiving the highest number of affirmative votes of the shares of Class B and Class D Common Stock, voting as a class, present in person or represented by Proxy and entitled to vote, a quorum being present, shall be elected as a Class III director.

The affirmative vote of the holders of a majority of the Class A, B, C and D Common Stock votes present in person or represented by proxy and entitled to vote on the matter is required for the approval of the amendments to each of the 2005 Stock Incentive Plan and the Amended and Restated 2001 Employees Restricted Stock Purchase Plan.





**16. Q: What constitutes a quorum ?**

A: The holders of a majority of the common stock votes issued and outstanding and entitled to vote, either in person or represented by Proxy constitutes a quorum. Proxies received but marked as abstentions and broker non-votes will be included in the calculation of the number of shares considered to be present at the meeting.

**17. Q: What are our voting rights with respect to the election of directors?**

A: Our Restated Certificate of Incorporation provides that, with respect to the election of directors, holders of Class A Common Stock vote as a class with the holders of Class C Common Stock, and holders of Class B Common Stock vote as a class with holders of Class D Common Stock, with holders of all classes of Common Stock entitled to one vote per share.

Each holder of Class A Common Stock may cumulate his or her votes for directors giving one candidate a number of votes equal to the number of directors to be elected, multiplied by the number of shares of Class A Common Stock, or he or she may distribute his votes on the same principle among as many candidates as he shall see fit. For a holder of Class A Common Stock to exercise his or her cumulative voting rights, the stockholder must give notice at the meeting of such intention to cumulate votes.

As of April 1, 2008, the shares of Class A and Class C Common Stock constituted 7.2% of the aggregate outstanding shares of our Common Stock, had the right to elect six members of the Board of Directors and constituted 86.7% of our general voting power; and as of that date the shares of Class B and Class D Common Stock (excluding shares issuable upon exercise of options), constituted 92.8% of the outstanding shares of our Common Stock, had the right to elect two members of the Board of Directors and constituted 13.3% of our general voting power.

**18. What are our voting rights with respect to matters other than the election of directors?**

A: As to matters other than the election of directors, our Restated Certificate of Incorporation provides that holders of Class A, Class B, Class C and Class D Common Stock all vote together as a single class, except as otherwise provided by law. Other than the election of directors and the approval of the amendments to each of the 2005 Stock Incentive Plan and the Amended and Restated 2001 Employees Restricted Stock Purchase Plan, we know of no other business to be presented for action at the Annual Meeting.

Each share of Class A Common Stock entitles the holder thereof to one vote; each share of Class B Common Stock entitles the holder thereof to one-tenth of a vote; each share of Class C Common Stock entitles the holder thereof to 100 votes (provided the holder of Class C Common Stock holds a number of shares of Class A Common Stock equal to ten times the number of shares of Class C Common Stock that holder holds); and each share of Class D Common Stock entitles the holder thereof to ten votes (provided the holder of Class D Common Stock holds a number of shares of Class B Common Stock equal to ten times the number of shares of Class D Common Stock that holder holds).

In the event a holder of Class C or Class D Common Stock holds a number of shares of Class A or Class B Common Stock, respectively, less than ten times the number of shares of Class C or Class D

Common Stock that holder holds, then that holder will be entitled to only one vote for every share of Class C, or one-tenth of a vote for every share of Class D Common Stock, which that holder holds in excess of one-tenth the number of shares of Class A or Class B Common Stock, respectively, held by that holder. The Board of Directors, in its discretion, may require beneficial owners to provide satisfactory evidence that such owner holds ten times as many shares of Class A or Class B Common Stock as Class C or Class D Common Stock, respectively, if such facts are not apparent from our stock records.

**19. Q: What if I abstain from voting or withhold my vote?**

A: Stockholders entitled to vote for the election of directors can abstain from voting or withhold the authority to vote for any nominee. If you attend the meeting or send in your signed Proxy with instructions to withhold authority to vote for one or more nominees, you will be counted for the purposes of determining whether quorum exists. Abstentions and instructions on the accompany Proxy card to withhold authority to vote will result in the respective nominees receiving fewer votes. However, the number of votes otherwise received by the nominee will not be reduced by such action.

If you abstain from voting on the approval of the amendment to the 2005 Stock Incentive Plan or the approval of the amendment to the 2001 Employees Restricted Stock Purchase Plan, your abstention will have the same effect as a vote against these proposals.

**20. Q: Will my shares be voted if I do not sign and return my Proxy card or vote by telephone or internet?**

A: If you are a stockholder of record and you do not sign and return your Proxy card or vote by telephone or internet, your shares will not be voted at the Annual Meeting. If your shares are held in street name and you do not issue instructions to your broker, your broker may vote your shares at their discretion on routine matters, but may not vote your shares on nonroutine matters. Under the New York Stock Exchange rules, the proposals relating to the election of directors are deemed to be routine matters with respect to which brokers and nominees may exercise their voting discretion without receiving instructions from the beneficial owner of the shares. The amendment to the 2005 Stock Incentive Plan and the amendment to the Amended and Restated 2001 Employees Restricted Stock Purchase Plan, however, are not routine matters and your broker or nominee may not vote your shares on these matters without receiving instructions.

**21. Q: What is a broker non-vote ?**

A: Broker non-votes are shares held by brokers or nominees which are present in person or represented by Proxy, but which are not voted on a particular matter because instructions have not been received from the beneficial owner. Under the rules of the National Association of Securities Dealers, Inc., member brokers generally may not vote shares held by them in street name for customers unless they are permitted to do so under the rules of any national securities exchange of which they are a member. Under the rules of the New York Stock Exchange, New York Stock Exchange-member brokers who hold shares of Common Stock in street name for their customers and have transmitted our proxy solicitation materials to their customers, but do not receive voting instructions from such customers, are

not permitted to vote on nonroutine matters. Since the election of directors is a routine matter, a broker may turn in a Proxy card voting shares at their discretion and without receiving instructions from you. Because the amendment to the 2005 Stock Incentive Plan and the amendment to the Amended and Restated 2001 Employees Restricted Stock Purchase Plan are not routine matters, your broker or nominee may not vote your shares on these matters without receiving instructions.

**22. Q: What is the effect of a broker non-vote?**

A: Broker non-votes will be counted for the purpose of determining the presence or absence of a quorum and will result in the respective nominees for director receiving fewer votes. However, the number of votes otherwise received by the nominee will not be reduced by such action. Broker non-votes will have no effect on the outcome of the proposals to amend the 2005 Stock Incentive Plan and the Amended and Restated 2001 Employees Restricted Stock Purchase Plan.

**23. Q: Who will count the votes?**

A: The Secretary will count the Class A and Class C votes and serve as inspector of elections. Our transfer agent will count the Class B and Class D votes and serve as inspector of elections.

**24. Q: When are stockholder proposals due in order to be included in our Proxy Statement for the 2009 Annual Meeting?**

A: Any proposal that you wish to present for consideration at the 2009 Annual Meeting must be received by us no later than December 19, 2008. This date provides sufficient time for inclusion of the proposal in the 2009 proxy materials.

**25. Q: Can I receive more than one set of Annual Meeting materials?**

A: If you share an address with another stockholder, each stockholder may not receive a separate copy of our Annual Report and Proxy Statement. We will promptly deliver a separate copy of either document to any stockholder upon written or oral request to our Secretary at Universal Health Services, Inc., Universal Corporate Center, 367 South Gulph Road, P.O. Box 61558, King of Prussia, Pennsylvania 19406, telephone (610) 768-3300. If you share an address with another stockholder and (i) would like to receive multiple copies of the Proxy Statement or Annual Report to Stockholders in the future, or (ii) if you are receiving multiple copies and would like to receive only one copy per household, in the future, please contact your bank, broker, or other nominee record holder, or you may contact us at the above address and phone number.

**26. Q: How can I obtain additional information about the Company?**

A: Copies of our annual, quarterly and current reports we file with the Securities and Exchange Commission ( SEC ), and any amendments to those reports, are available free of charge on our website, which is located at <http://www.uhsinc.com>. Copies of these reports will be sent without charge to any shareholder requesting it in writing to our Secretary at Universal Health Services, Inc., Universal Corporate Center, P.O. Box 61558, 367 South Gulph Road, King of Prussia, Pennsylvania 19406. The information posted on our website is not incorporated into this Proxy Statement.

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**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth as of March 31, 2008, the number of shares of our equity securities and the percentage of each class owned beneficially, within the meaning of Securities and Exchange Commission Rule 13d-3, and the percentage of our general voting power currently held, by (i) all stockholders known by us to own more than 5% of any class of our equity securities, (ii) all of our directors and nominees who are stockholders, (iii) the executive officers named in the Summary Compensation Table and (iv) all directors and executive officers as a group. Except as otherwise specified, the named beneficial owner has sole voting and investment power. No shares are currently pledged as security by any of our directors or executive officers.

Name and Address of Beneficial Owner <sup>(1)</sup>	Title of Class				Percentage of General Voting Power <sup>(3)</sup>
	Class A Common Stock <sup>(2)</sup>	Class B Common Stock <sup>(2)</sup>	Class C Common Stock <sup>(2)</sup>	Class D Common Stock <sup>(2)</sup>	
Leatrice Ducat		5,750 <sup>(5)(13)</sup>			(5)
National Disease Research Interchange					
401 N. Michigan Avenue					
Suite 1200					
Chicago, IL 60611					
John H. Herrell		9,750 <sup>(5)(13)</sup>			(5)
1021 10th Street, S.W.					
Rochester, MN 55902					
Robert H. Hotz		44,716 <sup>(5)(13)</sup>			(5)
Houlihan Lokey					
Howard & Zukin					
245 Park Avenue, 20th Floor					
New York, NY 10167					
Alan B. Miller	2,767,103 <sup>(6)(16)</sup>	3,738,980 <sup>(4)(13)</sup> <sub>(15)(17)</sub>	330,844		82.2%
	(83.1%)	(7.9%)	(98.5%)		
Marc D. Miller	520,197 <sup>(7)(16)</sup>	774,589 <sup>(13)(14)</sup> <sub>(15)(17)</sub>			1.5%
	(15.6%)	(1.6%)			
Robert A. Meister		13,750 <sup>(5)(13)</sup>			(5)
Aon Group, Inc.					
222 Lakeview Avenue					
Suite 510					
West Palm Beach, FL 33401					

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Anthony Pantaleoni	8,904 <sup>(5)(16)</sup>	26,704 <sup>(4)(5)</sup> (8)(13)(18)	1,096 <sup>(5)</sup>	560 <sup>(5)</sup>	(5)
Fulbright & Jaworski L.L.P.					
666 Fifth Avenue					
New York, NY 10103					

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Name and Address of Beneficial Owner <sup>(1)</sup>	Title of Class				Percentage of General Voting Power <sup>(3)</sup>
	Class A Common Stock <sup>(2)</sup>	Class B Common Stock <sup>(2)</sup>	Class C Common Stock <sup>(2)</sup>	Class D Common Stock <sup>(2)</sup>	
Rick Santorum		2,500 <sup>(5)(13)</sup>			(5)
Eckert Seamans Cherin & Mellott, LLC					
1747 Pennsylvania Avenue, NW					
Washington, DC 20006					
John F. Williams, Jr., M.D.		10,525 <sup>(5)(13)</sup>			(5)
The George Washington University					
2300 I Street, N.W.					
Suite 713E					
Washington, DC 20037					
Debra K. Osteen		79,906 <sup>(5)(13)(15)</sup>			(5)
Steve G. Filton		134,006 <sup>(5)(13)(15)</sup>			(5)
Michael Marquez		29,618 <sup>(5)(13)(15)</sup>			(5)
Wellington Management Company, LLP		5,828,780 <sup>(9)</sup>			(5)
75 State Street		(12.4%)			
Boston, MA 02109					
Private Capital Management, L.P.		3,926,687 <sup>(10)</sup>			(5)
3003 Tamiami Trail		(8.3%)			
North Naples, FL 33940					
Wachovia Corporation		3,646,540 <sup>(11)</sup>			
One Wachovia Center		(7.7%)			
Charlotte, NC 28288					
FMR Corp.		3,040,600 <sup>(12)</sup>			(5)
82 Devonshire Street		(6.5%)			
Boston, MA 02109					
All directors & executive officers as a group (12 persons)	3,296,204	4,821,600	331,940	560	84.0%
	(99.0%)	(10.2%)	(98.9%)	(2.5%)	

(1) Unless otherwise shown, the address of each beneficial owner is c/o Universal Health Services, Inc., Universal Corporate Center, 367 South Gulph Road, King of Prussia, PA 19406.

(2) Each share of Class A, Class C and Class D Common Stock is convertible at any time into one share of Class B Common Stock.

- (3) As to matters other than the election of directors, holders of Class A, Class B, Class C and Class D Common Stock vote together as a single class. Each share of Class A Common Stock entitles the holder thereof to one vote; each share of Class B Common Stock entitles the holder thereof to one-tenth of a vote; each share of Class C Common Stock entitles the holder thereof to 100 votes (provided the holder of Class C Common Stock holds a number of shares of Class A Common Stock equal to ten times the number of shares of



Class C Common Stock that holder holds); and each share of Class D Common Stock entitles the holder thereof to ten votes (provided the holder of Class D Common Stock holds a number of shares of Class B Common Stock equal to ten times the number of shares of Class D Common Stock that holder holds).

- (4) Includes shares issuable upon the conversion of Classes A, C and/or D Common Stock.
- (5) Less than 1% of the class of stock or general voting power.
- (6) Includes 200,000 shares of Class A Common Stock which are beneficially owned by Mr. Miller and are held by Mr. Miller in trust for the benefit of his spouse.
- (7) Includes 75,750 shares of Class A Common Stock which are held by three trusts (the 2002 Trusts ) for the benefit of certain of Alan B. Miller's family members of which Marc D. Miller (who is a named executive officer, director and the son of Alan B. Miller) and Mr. Pantaleoni are trustees; and 444,447 shares held by the A. Miller Family, LLC, whose members are the 2002 Trusts. Marc D. Miller is the sole manager of the A. Miller Family, LLC and during his tenure as such, has voting and dispositive power with respect to the Class A Common Stock held by the A. Miller Family, LLC.
- (8) Includes 3,780 shares of Class B Common Stock which are beneficially owned by Mr. Pantaleoni and are held by Mr. Pantaleoni in trust for the benefit of certain members of his family.
- (9) These securities are held by Wellington Management Company, LLP, a registered investment advisor. Information is based on Amendment No. 3 to Schedule 13G dated February 14, 2008.
- (10) These securities are held by Private Capital Management, LP, a registered investment advisor. Information is based on Amendment No. 7 to Schedule 13G dated February 11, 2008.
- (11) These securities are held by Wachovia Corporation. Information is based on the Schedule 13G dated February 1, 2008.
- (12) These securities are held by FMR Corp. Information is based on Amendment No. 4 to Schedule 13G dated February 14, 2008.
- (13) Includes 270,500 shares issuable pursuant to stock options to purchase Class B Common Stock held by our directors and executive officers and exercisable within 60 days of March 31, 2008 as follows: Leatrice Ducat (3,750); John H. Herrell (6,250); Robert H. Hotz (6,250); Robert A. Meister (13,750); Alan B. Miller (117,500); Marc D. Miller (20,000); Anthony Pantaleoni (6,250); Rick Santorum (2,500); John F. Williams, Jr., M.D. (6,250); Debra K. Osteen (38,000); Steve G. Filton (35,000) and Michael Marquez (15,000).
- (14) Includes 178,012 shares held by MMA Family LLC ( MMA ) whose members are the 2002 Trusts and Mr. Alan Miller's spouse. Marc D. Miller is the manager of MMA and has the sole dispositive power and has sole voting power with respect to these shares.
- (15) Includes restricted shares awarded during 2006 and 2007 pursuant to our Amended and Restated 2001 Employees Restricted Stock Purchase Plan, as follows: Alan B. Miller (180,461); Marc D. Miller (5,000); Debra K. Osteen (6,000); Steve G. Filton (6,000), and; Michael Marquez (5,000). These shares are subject to forfeiture and vesting pursuant to the terms and conditions set forth in the Plan.

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- (16) Does not include (i) 75,750 shares of Class A Common Stock which are held by the 2002 Trusts of which Mr. Pantaleoni is a trustee, and;  
(ii) 444,447 shares of Class A Common Stock which are held by A. Miller Family, LLC whose members are the 2002 Trusts.  
Mr. Pantaleoni disclaims any beneficial interest in the shares.

(17) Includes 49,224 shares held by the three 2006 Grantor Retained Annuity Trusts for the benefit of Alan B. Miller's three children. Alan B. Miller has the sole dispositive power and Marc D. Miller has sole voting power with respect to these shares.

(18) Does not include the 178,012 shares held by MMA whose members include the 2002 Trusts. Mr. Pantaleoni disclaims any beneficial interest in these shares.

**Equity Compensation Plan Information**

The table below provides information, as of the end of December 31, 2007, concerning securities authorized for issuance under our equity compensation plans.

Plan Category (1.)	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders (2.)	3,180,475	\$ 51.88	2,582,099
Equity compensation plans not approved by security holders			(3.)
<b>Total</b>	<b>3,180,475</b>	<b>\$ 51.88</b>	<b>2,582,099</b>

(1) Shares of Class B Common Stock

(2) Does not include the shares that will become eligible for future issuance if the amendments to our 2005 Stock Incentive Plan and our Amended and Restated 2001 Employees' Restricted Stock Plan upon the approval of our stockholders.

(3) Pursuant to our Chief Executive Officer's employment agreement, our Chief Executive Officer is entitled to restricted stock grants valued at \$1.5 million, based upon the then current market price, during each of the years 2008, 2009 and 2010. Each restricted grant will be scheduled to vest ratably over four years.

**PROPOSAL NO. 1**

**ELECTION OF DIRECTORS**