

MEDQUIST INC  
Form 4  
March 17, 2011

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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 \*  
MedQuist Holdings Inc.

(Last) (First) (Middle)  
9009 CAROTHERS PARKWAY,  
(Street)

FRANKLIN, TN 37067

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
MEDQUIST INC [MEDQ]

3. Date of Earliest Transaction  
(Month/Day/Year)  
03/15/2011

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

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 Ownership Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock, no par value      | 03/15/2011                           |  | J(1)                           | 5,417,019 A   | 10,204,178  | D  | (2) (3) (4)   |
| Common Stock, no par value      | 03/16/2011                           |  | J(1)                           | 35,383 A  | 10,239,561  | D  | (2) (3) (4)   |
| Common Stock, no par value      |                                      |  |                                |   | 26,085,086  | I  | See footnotes (2) (3) (4)                                       |

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) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Following Transaction (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares  |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| MedQuist Holdings Inc.<br>9009 CAROTHERS PARKWAY<br>FRANKLIN, TN 37067   | X             | X         |         |       |
| CBay Inc.<br>C/O MEDQUIST HOLDINGS INC.<br>9009 CAROTHERS PARKWAY<br>FRANKLIN, TN 37067  | X             | X         |         |       |
| S.A.C. PEI CB Investment, L.P.<br>C/O WALKERS CORPORATE SERVICES LIMITED<br>WALKER HOUSE 87 MARY STREET<br>GEORGE TOWN, GRAND CAYMAN, E9 KY1-9002        | X             |           |         |       |
| S.A.C. PEI CB Investment GP, LTD<br>C/O WALKERS CORPORATE SERVICES LIMITED<br>WALKER HOUSE 87 MARY STREET<br>GEORGE TOWN, GRAND CAYMAN, E9 KY1-9002      | X             |           |         |       |
| S.A.C. Private Equity Investors, L.P.<br>C/O WALKERS CORPORATE SERVICES LIMITED<br>WALKER HOUSE 87 MARY STREET<br>GEORGE TOWN, GRAND CAYMAN, E9 KY1-9002 | X             |           |         |       |
|  | X             |           |         |       |

S.A.C. Private Equity GP, L.P.  
 C/O WALKERS CORPORATE SERVICES LIMITED  
 WALKER HOUSE 87 MARY STREET  
 GEORGE TOWN, GRAND CAYMAN, E9 KY1-9002

S A C CAPITAL MANAGEMENT L L C  
 540 MADISON AVENUE X  
 NEW YORK, NY 10022

COHEN STEVEN A/SAC CAPITAL MGMT LP  
 C/O S.A.C. CAPITAL ADVISORS, L.P. X  
 72 CUMMINGS POINT ROAD  
 STAMFORD, CT 06902

## Signatures

/s/ Anthony James, Chief Financial Officer 03/17/2011

\_\_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).

On February 3, 2011, MedQuist Holdings Inc. commenced an exchange offer (the "Exchange Offer") for all issued and outstanding shares of MedQuist Inc. common stock that it did not then own or have the right to acquire, pursuant to which MedQuist Holdings Inc. offered one share of MedQuist Holdings Inc. common stock for each share of MedQuist Inc. common stock validly tendered and not withdrawn. The Exchange Offer expired at 5:00 p.m., New York City time, on March 11, 2011. On March 15, 2011, MedQuist Holdings Inc. accepted 5,417,019 shares of MedQuist Inc. that had been tendered for exchange and not withdrawn (excluding 35,383 shares of MedQuist Inc. tendered through notices of guaranteed delivery). On March 16, 2011, MedQuist Holdings Inc. accepted an additional 35,383 shares of MedQuist Inc. that were tendered pursuant to the guaranteed delivery procedures of the Exchange Offer.

As of the date of this filing, CBay Inc. holds 26,085,086 shares of MedQuist Inc. common stock, or approximately 69.5% of the shares outstanding, and has voting and dispositive authority over such shares. CBay Inc. is wholly owned (directly and through another subsidiary) by MedQuist Holdings Inc. MedQuist Holdings Inc. holds 10,239,561 shares of MedQuist Inc. common stock, or approximately 27.3% of the shares outstanding, and has voting and dispositive authority over such shares. By virtue of its ownership of CBay Inc., MedQuist Holdings Inc. may be deemed to share beneficial ownership of the 26,085,086 shares of MedQuist Inc. common stock held by CBay Inc. Together, these 36,324,647 shares of MedQuist Inc. common stock represent approximately 96.7% of the shares of MedQuist Inc. common stock outstanding.

On February 11, 2011, S.A.C. PEI CB Investment, L.P. ("SAC CBI") and its affiliates ceased to hold a majority of the outstanding shares of MedQuist Holdings Inc. S.A.C. PEI CB Investment GP, Limited ("SAC CBI GP") is the general partner of SAC CBI; S.A.C. Private Equity Investors, L.P. ("SAC PEI") is the sole shareholder of SAC CBI GP; S.A.C. Private Equity GP, L.P. ("SAC PEI GP") is the general partner of SAC PEI; S.A.C. Capital Management, LLC ("SCM") is the general partner of SAC PEI GP; and Mr. Steven A. Cohen controls SCM. Messrs. Peter Berger, Frank Baker, Robert Aquilina and Michael Seedman are directors of MedQuist Inc. and of MedQuist Holdings Inc.

(continued from footnote 3) Messrs. Berger and Baker are Managing Directors of S.A.C. Private Capital Group, LLC ("SAC PCG"). Mr. Aquilina is the Chairman of MedQuist Holdings Inc., and also serves as an executive partner, a senior operating consultant role, to SAC PCG. Mr. Seedman is a director and Chief Technology Officer of MedQuist Holdings Inc., and also serves as an executive partner, a senior operating consultant role, to SAC PCG.

## Remarks:

In accordance with Instruction 5(b)(iv), the entire amount of the MedQuist Inc. common stock held by CBay Inc. and MedQuist Inc. is reported herein. Each of the Reporting Persons expressly disclaims beneficial ownership of the securities reported here except to the extent of such Reporting Person's pecuniary interest therein, if any, and the filing of this report shall not be deemed an admission that any of the Reporting Persons is the beneficial owner of any such securities for purposes of Section 16 of the Exchange Act of 1934 or for any other purposes. Any disclosures made by a Reporting Person herein with respect to persons

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or entities other than such Reporting Person are made on information and belief after making inquiry to the appropriate party. of the Reporting Persons is responsible for the completeness and accuracy of the information concerning him or it contained hereon but is not responsible for the completeness and accuracy of the information concerning the others, except to the extent that he or it knows or has reason to believe that such information is inaccurate.

Exhibit 99.1 - Joint Filer Information

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

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