

MEDQUIST INC  
Form 4  
February 15, 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)  
02/11/2011

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 (Instr. 4)
Common Stock, no par value	02/11/2011		J <sup>(1)</sup>	4,782,159 A	30,867,245	I	See footnotes (2) (3)

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

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SEC 1474 (9-02)

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

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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 Beneficially (Instr. 5)
				Code	V	(A)	(D)	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MedQuist Holdings Inc. 9009 CAROTHERS PARKWAY FRANKLIN, TN 37067	X	X		
CBay Inc. C/O MEDQUIST HOLDINGS INC. 9009 CAROTHERS PARKWAY FRANKLIN, TN 37067	X	X		
S.A.C. PEI CB Investment, L.P. C/O WALKERS CORPORATE SERVICES LIMITED WALKER HOUSE 87 MARY STREET GEORGE TOWN, GRAND CAYMAN, E9 KY1-9002	X			
S.A.C. PEI CB Investment GP, LTD C/O WALKERS CORPORATE SERVICES LIMITED WALKER HOUSE 87 MARY STREET GEORGE TOWN, GRAND CAYMAN, E9 KY1-9002	X			
S.A.C. Private Equity Investors, L.P. C/O WALKERS CORPORATE SERVICES LIMITED WALKER HOUSE 87 MARY STREET GEORGE TOWN, GRAND CAYMAN, E9 KY1-9002	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	X			
S A C CAPITAL MANAGEMENT L L C 540 MADISON AVENUE NEW YORK, NY 10022	X			
	X			

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

## Signatures

By: MedQuist Holdings Inc. /s/ Clyde Swoger, Name: Clyde Swoger, Title: Chief Financial Officer

02/15/2011

\_\_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 September 30, 2010, CBaySystems Holdings Limited entered into an Exchange Agreement (as amended, the "Exchange Agreement") with certain investors (the "Investors") holding shares of MedQuist Inc. In connection with its U.S. initial public offering, CBaySystems Holdings Limited redomiciled in Delaware and was renamed "MedQuist Holdings Inc." On February 11, 2011, pursuant to the Exchange Agreement, MedQuist Holdings Inc. issued 4,782,159 shares of its common stock to the Investors in exchange for 4,782,159 shares of MedQuist Inc. common stock, which shares are directly held by CBay Inc.

As of the date of this filing, CBay Inc. holds 30,867,245 shares of MedQuist Inc. common stock, or approximately 82.2% 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. S.A.C. PEI CB Investment, L.P. ("SAC CBI") and its affiliates no longer 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. Messrs. Berger and Baker are Managing Directors of S.A.C. Private Capital Group, LLC ("SAC PCG"). Mr. Aquilina is Chairman and Chief Executive Officer 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. is reported by each of the Reporting Persons expressly disclaims beneficial ownership of the securities reported herein except to the extent of 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 Securities Exchange Act or for any other purposes. Any disclosures made by a Reporting Person herein with respect to persons or entities other than such Reporting Person are made on information and belief after making inquiry to the appropriate party. Each of the Reporting Persons is responsible for the completeness and accuracy of the information concerning him or it contained herein, 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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