Wade Gary L Form 5 February 17, 2010

securities beneficially owned directly or indirectly.

February 17, 2010 **OMB APPROVAL** FORM 5 **OMB** UNITED STATES SECURITIES AND EXCHANGE COMMISSION 3235-0362 Number: Washington, D.C. 20549 Check this box if January 31, Expires: no longer subject 2005 to Section 16. Estimated average ANNUAL STATEMENT OF CHANGES IN BENEFICIAL Form 4 or Form burden hours per 5 obligations OWNERSHIP OF SECURITIES response... 1.0 may continue. See Instruction Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, 1(b). Form 3 Holdings Section 17(a) of the Public Utility Holding Company Act of 1935 or Section Reported 30(h) of the Investment Company Act of 1940 Form 4 Transactions Reported 1. Name and Address of Reporting Person * 2. Issuer Name and Ticker or Trading 5. Relationship of Reporting Person(s) to Issuer Wade Gary L Symbol ADCARE HEALTH SYSTEMS INC (Check all applicable) [ADK] (Middle) 3. Statement for Issuer's Fiscal Year Ended (Last) (First) _X_ Director 10% Owner _X__ Officer (give title Other (specify (Month/Day/Year) below) below) 12/31/2009 President & CEO **4714 MERRIMONT AVENUE** (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Reporting Filed(Month/Day/Year) (check applicable line) SPRINGFIELD, OHÂ 45503 _X_ Form Filed by One Reporting Person Form Filed by More than One Reporting (City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1. Title of 2. Transaction Date 2A. Deemed 3. 4. Securities Acquired 5. Amount of 6. Ownership 7. Nature of Security (Month/Day/Year) Execution Date, if Transaction (A) or Disposed of Securities Form: Direct Indirect (Instr. 3) Code (D) Beneficially (D) or Beneficial (Month/Day/Year) (Instr. 8) (Instr. 3, 4 and 5) Owned at end Indirect (I) Ownership of Issuer's (Instr. 4) (Instr. 4) Fiscal Year (A) (Instr. 3 and or Price Amount (D) Common Â Â 12/07/2009 $A4^{(1)}$ \$ (1) 188,707 50,866 A D Stock Common 12/31/2009 $L^{(5)}$ 3.203 Α **\$** (5) 188,707 D Â Stock Common Â Â Â Â Â Â Â 188,707 D Stock Persons who respond to the collection of information Reminder: Report on a separate line for each class of **SEC 2270**

contained in this form are not required to respond unless

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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 Amou Underlying Secur (Instr. 3 and 4)	
					(A)	(D)	Date Exercisable	Expiration Date	Title	Am Nui Sha
Warrants	Â	12/07/2009	Â	J4 (1)	Â	50,866	11/16/2012	11/16/2017	Common Stock	50
Warrants	\$ 2.5 (4)	Â	Â	Â	Â	Â	11/07/2006	12/08/2014(4)	Common Stock	2
Warrants	\$ 2.5	Â	Â	Â	Â	Â	01/31/2005	09/01/2011(6)	Common Stock	40
Warrants	Â	Â	Â	Â	Â	Â	(2)	11/16/2017	Common Stock	20
Options	\$ 2.5	Â	Â	Â	Â	Â	08/27/2005	08/27/2010	Common Stock	1
Options	\$ 2.5	Â	Â	Â	Â	Â	08/27/2006	08/27/2011	Common Stock	1
Options	\$ 2.5	Â	Â	Â	Â	Â	08/27/2007	08/27/2012	Common Stock	1
Options	\$ 1.5	Â	Â	Â	Â	Â	05/09/2007	05/09/2012	Common Stock	2
Options	\$ 1.5	Â	Â	Â	Â	Â	05/09/2008	05/09/2013	Common Stock	2
Options	\$ 1.5	Â	Â	Â	Â	Â	05/09/2009	05/09/2014	Common Stock	2
Options	\$ 1.5	Â	Â	Â	Â	Â	05/09/2010	05/09/2015	Common Stock	2
Options	\$ 1.5	Â	Â	Â	Â	Â	05/09/2011	05/09/2016	Common Stock	2

Reporting Owners

Reporting Owner Name / Address	Relationships
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Director 10% Owner Officer Other

Reporting Owners 2

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Wade Gary L 4714 MERRIMONT AVENUE Â X Â Â President & CEO Â SPRINGFIELD, OHÂ 45503

Signatures

Carol Groeber by power of attorney

02/17/2010

**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 August 15, 2008 the shareholders approved an incentive plan which granted warrants to certain officers and directors. The warrants vested over a five year period. On December 7, 2009 the shareholders approved an amendment to the incentive plan to eliminate 218,461 warrants. The amendment further called for 218,461 shares of the Company's common stock with a one year restriction on transfer to be issued.
- (2) The exercise price of the warrants vested in 2008 was \$1.21 per share, those vested in 2009 was \$2.25, those vested in 2010 was \$3.00 and those vesting in 2011 is \$4.00
- (3) The exercise price of the warrants was based upon the average closing price of the Company's common stock on NYSE-Amex during January 2011 but not less than \$3.00.
- (4) On December 21, 2009 the warrant holders voted to amend the warrant agreement to decrease the exercise price from \$5.40 to \$2.54 and extend the expiration date to 12/8/2014 the fifth anniversary date of the Company's private offering.
- (5) Shares were purchased throughtout 2009 at various prices by participation in the AdCare Health Systems Employee Stock Purchase Program.
- (6) On December 7, 2009 shareholders voted to extend the expiration date of the warrants to 9/1/2011 which is the expiration date of Mr. Wade's employment contract.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.

Signatures 3