

MERGE HEALTHCARE INC
Form 4
December 26, 2012

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 *
FERRO MICHAEL W JR

2. Issuer Name and Ticker or Trading Symbol
MERGE HEALTHCARE INC
[MRGE]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
350 NORTH ORLEANS STREET,
10TH FLOOR

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
12/20/2012

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

CHICAGO, IL 60654

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

(City) (State) (Zip)

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) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|---|------------------|
| | | | Code | V | Amount | (A) or (D) | Price | | |
| Common Stock | 12/20/2012 | | J ⁽¹⁾ | | 10,860,522 | D | \$ 0 (1) 0 | I | See footnote (2) |
| Common Stock | 12/20/2012 | | J ⁽¹⁾ | | 2,896,142 | A | \$ 0 (1) 4,925,441 | I | See footnote (3) |
| Common Stock | 12/20/2012 | | J ⁽¹⁾ | | 7,964,380 | A | \$ 0 (1) 24,012,032 | I | See footnote (4) |
| Common | 12/20/2012 | | J ⁽⁵⁾ | | 23,822,466 | D | \$ 0 189,566 | I | See |

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| | | | | | | | | | |
|--------------|------------|--|--------------|------------|---|--------------------|------------|---|-------------------------------|
| Stock | | | | | | <u>(5)</u> | | | footnote <u>(4)</u> |
| Common Stock | 12/20/2012 | | J <u>(5)</u> | 14,293,481 | A | \$ 0 <u>(5)</u> | 14,293,481 | D | |
| Common Stock | 12/20/2012 | | J <u>(5)</u> | 9,528,985 | A | \$ 0 <u>(5)</u> | 9,528,985 | I | See Footnote <u>(6)</u> |
| Common Stock | 12/20/2012 | | J <u>(7)</u> | 14,293,481 | D | <u>(7)</u> | 0 | D | |
| Common Stock | 12/20/2012 | | J <u>(8)</u> | 9,528,985 | D | <u>(8)</u> | 0 | I | See Footnote <u>(6)</u> |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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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 Beneficially Owned (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | 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 |
| FERRO MICHAEL W JR 350 NORTH ORLEANS STREET, 10TH FLOOR CHICAGO, IL 60654 | X | X | | |

Signatures

/s/ Julie Ann B. Schumitsch, by Power of Attorney for Michael W. Ferro, Jr.

12/26/2012

__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) Distribution by Merrick RIS, LLC ("RIS") for no consideration to its direct and indirect owners.

(2) Indirectly owned by Michael W. Ferro, Jr. ("Mr. Ferro"). Mr. Ferro is the Chairman and Chief Executive Officer of RIS. Mr. Ferro and trusts for the benefit of Mr. Ferro's family members own a majority of the equity interests in RIS. As a result of the foregoing, Mr. Ferro indirectly controls all shares of Merge common stock owned by RIS. Mr. Ferro disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.

(3) Directly owned by Merrick Ventures, LLC ("Merrick Ventures") and indirectly owned by Mr. Ferro. Mr. Ferro and trusts for the benefit of Mr. Ferro's family members own a majority of the equity interests in Merrick Ventures. Mr. Ferro is the Chairman and Chief Executive Officer of Merrick Ventures. As a result of the foregoing, Mr. Ferro indirectly controls all shares of Merge common stock owned by Merrick Ventures. Mr. Ferro disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.

(4) Directly owned by Merrick Venture Management, LLC ("MVM") and indirectly owned by Mr. Ferro. Mr. Ferro is the Chief Executive Officer and Managing Member of MVM. Mr. Ferro and trusts for the benefit of Mr. Ferro's family members own all of the equity interests in MVM. As a result of the foregoing, Mr. Ferro indirectly controls all shares of Merge common stock owned by MVM. Mr. Ferro disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.

(5) Distribution by MVM for no consideration to its direct and indirect owners.

(6) Indirectly owned by Mr. Ferro through a trust for the benefit of Mr. Ferro's family ("Family Trust"). Mr. Ferro disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.

(7) Contribution by Mr. Ferro to Merrick Venture Management Holdings, LLC ("MVMH") in consideration for 60% of the ownership interest in MVMH and a promissory note.

(8) Contribution by Family Trust in consideration for 40% of the ownership interest in MVMH and a promissory note.

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.