

ADCARE HEALTH SYSTEMS INC

Form 5

February 21, 2008

FORM 5**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

Form 3 Holdings
Reported
Form 4
Transactions
Reported

**ANNUAL 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

OMB APPROVAL

OMB
Number: 3235-0362
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1. Name and Address of Reporting Person *
LEVINE JEFFREY L

(Last) (First) (Middle)

2615 DUNHOLLOW DR

(Street)

SPRINGFIELD, OH 45503

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading
Symbol
ADCARE HEALTH SYSTEMS INC
[ADK]

3. Statement of Issuer's Fiscal Year Ended
(Month/Day/Year)
12/31/2007

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 Reporting

(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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	Â	Â	Â	Â Â Â Â Â Amount (D) Price	7,000	D	Â

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

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contained in this form are not required to respond unless
the form displays a currently valid OMB control number.**

SEC 2270
(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 Underlying (Instr. 3 and 4)
					(A) (D)	Date Exercisable Expiration Date	Title
Warrants	\$ 1.46	09/12/2007	Â	E ⁽¹⁾	Â 14,000	10/01/2007 ⁽²⁾ 10/01/2012 ⁽²⁾	Common Stock
Warrants	\$ 1.2	11/20/2007	Â	A ⁽³⁾	14,000 Â	11/20/2007 ⁽⁴⁾ 11/20/2017 ⁽⁴⁾	Common Stock
Warrants	\$ 5.4	Â	Â	Â	Â Â	11/10/2006 11/10/2011	Common Stock
Options	\$ 1.5	Â	Â	Â	Â Â	05/09/2007 05/09/2012	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LEVINE JEFFREY L 2615 DUNHOLLOW DR SPRINGFIELD, OH 45503	Â X	Â	Â	Â

Signatures

Carol Groeber 02/21/2008

**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) Merger discussions discontinued.

(2) The warrants will only become exercisable upon closing of the Merger of the Company and Family Home Health Services, Inc. and will terminate and expire unless exercised on or before the 5th anniversary of the closing.

(3) Warrants were awarded to officers and directors.

(4) These are 10 year warrants that will vest equally over a 5 year period, however that vesting will be accelerated in the event there is a "change in control" of the Company or a termination without cause of person(s) comprising the management team.

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.