

ICAD INC
Form 3
May 16, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 * | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| Â Barnes Jeffrey H | | (Month/Day/Year) | ICAD INC [icad] | |
| (Last) | (First) | (Middle) | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| | | 05/15/2006 | | |
| C/O ICAD INC.,Â 4 | | | (Check all applicable) | |
| TOWNSEND WEST, SUITE 17 | | | <input type="checkbox"/> Director | <input type="checkbox"/> 10% Owner |
| (Street) | | | <input checked="" type="checkbox"/> Officer | <input type="checkbox"/> Other |
| | | | (give title below) | (specify below) |
| NASHUA,Â NHÂ 03063 | | | Senior VP of Sales | |
| (City) | (State) | (Zip) | | 6. Individual or Joint/Group Filing(Check Applicable Line) |
| | | | | <input checked="" type="checkbox"/> Form filed by One Reporting Person |
| | | | | <input type="checkbox"/> Form filed by More than One Reporting Person |

Table I - Non-Derivative Securities Beneficially Owned

| | | | |
|------------------------------------|--|---|--|
| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|------------------------------------|--|---|--|

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

SEC 1473 (7-02)

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.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| | | | | | |
|---|---|--|--|--|--|
| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | |

(Instr. 5)

| | | | | | | | |
|---|-------|------------|-----------------|---------|---------|---|---|
| Employee Stock Option (right to buy) | Â (1) | 03/15/2011 | Common Stock | 225,000 | \$ 1.59 | D | Â |
|---|-------|------------|-----------------|---------|---------|---|---|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Barnes Jeffrey H C/O ICAD INC. 4 TOWNSEND WEST, SUITE 17 NASHUA, NH 03063 | Â | Â | Â Senior VP of Sales | Â |

Signatures

| | |
|----------------------|------------|
| /s/Annette Heroux | 05/16/2006 |
|----------------------|------------|

**Signature of _____ Date
Reporting Person

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(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).

The options become exercisable as to (i) 45,000 shares of May 15, 2006, (ii) an additional 45,000 shares on December 31, 2006; (iii) an additional 45,000 shares on May 15, 2007; (iv) an additional 45,000 shares on May 15, 2008 and (v) an additional 45,000 shares on May 15, 2009. Vesting of the options accelerates as to the 45,000 shares to which the options become exercisable at the latest date (to the extent any such shares remain unvested at the time), upon the closing sales price of the Company's common stock for a period of twenty (20) consecutive trading days exceeding (i) 200% of the exercise price of the per share of the options; (ii) 300% of the exercise price price per share of the options or (iii) 400% of the exercise price per share of the options. The unvested portion of these options will automatically vest if Mr. Barnes' employment is terminated without cause within six (6) months of a change in control.

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.