

Wade Gary L  
Form 4  
August 01, 2011

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
Wade Gary L

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

5. Relationship of Reporting Person(s) to Issuer  
(Check all applicable)

(Last) (First) (Middle)  
4714 MERRIMONT AVENUE  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
07/28/2011

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

SPRINGFIELD, OH 45503  
(City) (State) (Zip)

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

**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)
			Code	V	Amount or Price (A) or (D)		
Common Stock	07/28/2011		G		3,000 (1)	D	\$ 0 209,603
Common Stock	07/28/2011		X		3,360	A	\$ 2.38 212,963 (3)
Common Stock	07/28/2011		X		2,100 (2)	A	\$ 1.43 215,063 (4)

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

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SEC 1474 (9-02)

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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 Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Options	\$ 2.5	07/28/2011		X	1,600	08/27/2006 08/27/2011	Common Stock	1,680 (2)
Options	\$ 2.5	07/28/2011		X	1,600	08/27/2007 08/27/2012	Common Stock	1,680 (2)
Options	\$ 1.5	07/28/2011		X	2,000	05/09/2007 05/09/2012	Common Stock	2,100 (2)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Wade Gary L 4714 MERRIMONT AVENUE SPRINGFIELD, OH 45503			X	

## Signatures

Carol Groeber for Gary Wade by power of attorney  
Date: 08/01/2011

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).
- (1) Gifted to three family members at 1000 shares each.
- (2) Options being exercised were subject to a 5% stock dividend as of September 30, 2010.
- (3) Options had an original exercise price of \$2.50 but the price was adjusted to \$2.38 due to the 5% stock dividend given by the company September 30, 2010.

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- (4) Options had an original exercise price of \$1.50 but the price was adjusted to \$1.43 due to the 5% stock dividend give by the company September 30, 2011.

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.