

BEVERLY ENTERPRISES INC
Form 4
March 16, 2006

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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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 *
SABEL IVAN R

2. Issuer Name and Ticker or Trading Symbol
BEVERLY ENTERPRISES INC
[BEV]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

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

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

ONE THOUSAND BEVERLY WAY

03/14/2006

(Street)

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

FORT SMITH, AR 72919

(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 |
| \$.10 Par Value Common Stock | 03/14/2006 | | A ⁽¹⁾ | | 33,470.0817 | A | 12.5 |
| \$.10 Par Value Common Stock | 03/14/2006 | | D ⁽²⁾ | | 33,470.0817 | D | \$ 12.5 |
| \$.10 Par Value Common Stock | 03/14/2006 | | D ⁽²⁾ | | 10,084 | D | \$ 0 |

Stock

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

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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 Underlying (Instr. 3 and 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|--|------------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title |
| Non-Qualified Stock Option (right to buy) | \$ 6.34 | 03/14/2006 | | D | 2,750 | <u>(3)</u> | 03/11/2014 | \$.10 Par Value Common Stock |
| PHANTOM STOCK UNITS | <u>(1)</u> | 03/14/2006 | | D | 33,470.0817 | <u>(1)</u> | <u>(1)</u> | \$.10 Par Value Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| SABEL IVAN R ONE THOUSAND BEVERLY WAY FORT SMITH, AR 72919 | | | X | |

Signatures

By: Brenda Boster, by Power of Attorney For: Ivan R. Sabel 03/15/2006

__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).

In accordance with the terms of the Merger Agreement entered into by and between Beverly Enterprises, Inc. and Pearl Senior Care, LLC (1) et al. the phantom units deferred under the terms of the Non-Employee Director Deferred Compensation Plan (NEDDCP) vested and converted into common stock.

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- (2) In accordance with the terms of the Merger Agreement entered into by and between Beverly Enterprises, Inc. and Pearl Senior Care, LLC et al. the stock held by the Reporting Person were disposed of pursuant to the Merger Agreement.

This option was fully vested and was cancelled in the merger between Beverly Enterprises, Inc. and Pearl Senior Care, LLC (the

- (3) "Merger") in exchange for a cash payment representing the difference between the exercise price of the option and the Merger consideration of \$12.50 per share for the underlying common stock.

- (4) Represents the difference between the per share exercise price of the option and the per share merger consideration.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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