

Wade Gary L
 Form 5
 February 17, 2010

FORM 5

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

OMB APPROVAL
 OMB Number: 3235-0362
 Expires: January 31, 2005
 Estimated average burden hours per response... 1.0

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

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)

3. Statement of Issuer's Fiscal Year Ended (Month/Day/Year)
 12/31/2009

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

4714 MERRIMONT AVENUE
 (Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting
 (check applicable line)

SPRINGFIELD, OH 45503

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 at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|-----------------------------------|
| | | | | (A) or (D) Amount Price | | | |
| Common Stock | 12/07/2009 | ^ | A4 ⁽¹⁾ | 50,866 A \$ ⁽¹⁾ | 188,707 | D | ^ |
| Common Stock | 12/31/2009 | ^ | L ⁽⁵⁾ | 3,203 A \$ ⁽⁵⁾ | 188,707 | D | ^ |
| Common Stock | ^ | ^ | ^ | ^ ^ ^ ^ | 188,707 | D | ^ |

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

SEC 2270 (9-02)

the form displays a currently valid OMB control number.

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 Security (Instr. 3 and 4) | Amount of Underlying Security |
|--|--|--------------------------------------|--|--------------------------------|---|--------|--|---------------------------|---|-------------------------------|
| | | | | | (A) | (D) | Date Exercisable | Expiration Date | | |
| Warrants | Â | 12/07/2009 | Â | J4 ⁽¹⁾ | Â | 50,866 | 11/16/2012 | 11/16/2017 | Common Stock | 50 |
| Warrants | \$ 2.5 ⁽⁴⁾ | Â | Â | Â | Â | Â | 11/07/2006 | 12/08/2014 ⁽⁴⁾ | Common Stock | 2 |
| Warrants | \$ 2.5 | Â | Â | Â | Â | Â | 01/31/2005 | 09/01/2011 ⁽⁶⁾ | Common Stock | 40 |
| Warrants | Â | Â | Â | Â | Â | Â | Â ⁽²⁾ | 11/16/2017 | Common Stock | 20 |
| Options | \$ 2.5 | Â | Â | Â | Â | Â | 08/27/2005 | 08/27/2010 | Common Stock | 1 |
| Options | \$ 2.5 | Â | Â | Â | Â | Â | 08/27/2006 | 08/27/2011 | Common Stock | 1 |
| Options | \$ 2.5 | Â | Â | Â | Â | Â | 08/27/2007 | 08/27/2012 | Common Stock | 1 |
| Options | \$ 1.5 | Â | Â | Â | Â | Â | 05/09/2007 | 05/09/2012 | Common Stock | 2 |
| Options | \$ 1.5 | Â | Â | Â | Â | Â | 05/09/2008 | 05/09/2013 | Common Stock | 2 |
| Options | \$ 1.5 | Â | Â | Â | Â | Â | 05/09/2009 | 05/09/2014 | Common Stock | 2 |
| Options | \$ 1.5 | Â | Â | Â | Â | Â | 05/09/2010 | 05/09/2015 | Common Stock | 2 |
| Options | \$ 1.5 | Â | Â | Â | Â | Â | 05/09/2011 | 05/09/2016 | Common Stock | 2 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

