

Wade Gary L
 Form 5
 February 15, 2011

FORM 5

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

OMB APPROVAL

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 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)
 12/31/2010

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

(City) (State) (Zip)

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 Ownership (Instr. 4)
Common Stock	12/31/2010	^	A	3,118 A \$ (1)	212,603	D	^
Common Stock	^	^	^	^ ^ ^	212,603 (2)	D	^

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 Amount of Underlying Securities (Instr. 3 and 4)	
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Warrants	\$ 2.5	Â	Â	Â	Â	Â	11/07/2006	12/08/2014	Common Stock	2,000
Warrants	\$ 2.5	Â	Â	Â	Â	Â	01/31/2005	09/30/2011	Common Stock	40,000
Warrants	Â	Â	Â	Â	Â	Â	Â ⁽³⁾	11/16/2017	Common Stock	203,464
Options	\$ 2.5	Â	Â	Â	Â	Â	08/27/2006	08/27/2011	Common Stock	1,600
Options	\$ 2.5	Â	Â	Â	Â	Â	08/27/2007	08/27/2012	Common Stock	1,600
Options	\$ 1.5	Â	Â	Â	Â	Â	05/09/2007	05/09/2012	Common Stock	2,000
Options	\$ 1.5	Â	Â	Â	Â	Â	05/09/2008	05/09/2013	Common Stock	2,000
Options	\$ 1.5	Â	Â	Â	Â	Â	05/09/2009	05/09/2014	Common Stock	2,000
Options	\$ 1.5	Â	Â	Â	Â	Â	05/09/2010	05/09/2015	Common Stock	2,000
Options	\$ 1.5	Â	Â	Â	Â	Â	05/09/2011	05/09/2016	Common Stock	2,000

Reporting Owners

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

Signatures

Carol Groeber for G. Wade by power of
attorney

02/15/2011

__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) Shares were purchased at various market prices throughout 2010 by participation in the AdCare Health Systems Employee Stock Purchase Plan.
- (2) This includes 9823 shares issue by the company as a stock dividend to shareholders as of 9/30/2010.
- (3) The exercise price of the warrants vested in 2008 was \$1.21, those vested in 2009 was \$2.25, those vested in 2010 was \$3.00 and those vesting in 2011 will be \$4.00 per share.

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.