

Wade Gary L  
 Form 5  
 February 17, 2010

**FORM 5**

**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).  
 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

(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)
				(A) or (D)	Amount or Price		
Common Stock	12/07/2009	^	A4 <sup>(1)</sup>	50,866 A	\$ <sup>(1)</sup> 188,707	D	^
Common Stock	12/31/2009	^	L <sup>(5)</sup>	3,203 A	\$ <sup>(5)</sup> 188,707	D	^
Common Stock	^	^	^	^	^	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 <sup>(1)</sup>	Â	50,866	11/16/2012	11/16/2017	Common Stock	50
Warrants	\$ 2.5 <sup>(4)</sup>	Â	Â	Â	Â	Â	11/07/2006	12/08/2014 <sup>(4)</sup>	Common Stock	2
Warrants	\$ 2.5	Â	Â	Â	Â	Â	01/31/2005	09/01/2011 <sup>(6)</sup>	Common Stock	40
Warrants	Â	Â	Â	Â	Â	Â	Â <sup>(2)</sup>	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

