MERGE HEALTHCARE INC
Form 4
October 15, 2015

FORM 4

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

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 * DEVERS WILLIAM J JR	2. Issuer Name **and** Ticker or Trading Symbol MERGE HEALTHCARE INC [MRGE]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)
(Last) (First) (Middle)	3. Date of Earliest Transaction (Month/Day/Year) 10/13/2015	__X__ Director _____ 10% Owner _____ Officer (give title _____ Other (specify below) below)
350 NORTH ORLEANS STREET,, FIRST FLOOR		
(Street)	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person ___ Form filed by More than One Reporting Person
CHICAGO, IL 60654		
(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			
Common Stock	10/13/2015		D		48,246	D	$ 7.13 (1)	0	D	
Restricted Common Stock	10/13/2015		D		23,585	D	$ 7.13 (2)	0	D	
Restricted Common Stock	10/13/2015		D		1,769	D	$ 7.13 (3)	0	D	
Common	10/13/2015		D		302,397	D	$	0	I	Partnership

Stock						7.13 [(1)]				[(4)]
Common Stock	10/13/2015		G	110,000	D	$ 7.13	0		I	Trust [(5)]

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)

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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)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Options	$ 2.49	10/13/2015		D			225,000	[(6)]	02/20/2020	Common Stock	225,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DEVERS WILLIAM J JR 350 NORTH ORLEANS STREET, FIRST FLOOR CHICAGO, IL 60654	X			

Signatures

/s/ Julie Ann B. Schumitsch, by Power of Attorney for William J. Devers Jr.	10/15/2015
**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) Disposed of pursuant to the Agreement and Plan of Merger dated as of August 6, 2015, by and among International Business Machines Corporation, Datong Acquisition Corp. and Issuer, Merge Healthcare Incorporated (the "Merger"), in which the Issuer's holders of common stock, as of the effective time of the Merger, October 13, 2015, were entitled to receive $7.13 per share of common stock (the "Merger Consideration").

(2) This Restricted Stock Award ("RSA") granted pursuant to the 2005 Equity Incentive Plan (a Rule 16b-3 shareholder approved employee benefit plan) of Issuer, provided for the restrictions on such shares to lapse with such shares becoming immediately and fully vested on June 17, 2016, subject to additional terms and conditions as set forth in the Reporting Person's RSA agreement. Pursuant to the Merger, the shares outstanding under the RSA were cancelled in exchange for the Merger Consideration.

(3) This RSA granted pursuant to the 2005 Equity Incentive Plan (a Rule 16b-3 shareholder approved employee benefit plan) of Issuer, provided for the restrictions on such shares to lapse with such shares becoming immediately and fully vested to the extent of one fourth of such shares on each of September 17, 2015, December 17, 2015, March 17, 2016 and June 17, 2016, as set forth in the Reporting Person's RSA agreement. Pursuant to the Merger, the remaining shares outstanding under the RSA were cancelled in exchange for a cash payment equal to the Merger Consideration.

(4) Shares of Common Stock held by Devers Holdings LP, a limited partnership, of which Mr. Devers is a limited partner.

(5) Shares of Common Stock held by the Katherine L. Devers Trust, the beneficial ownership of which Mr. Devers disclaims.

(6) This Nonqualified Stock Option granted on February 21, 2014, which vested in four (4) equal annual installments to purchase 56,250 shares of Common Stock on each of February 21, 2015, February 21, 2016, February 21, 2017 and February 21, 2018, was cancelled at the effective time of the Merger in exchange for a cash payment of $1,044,000, representing the difference between the exercise price of the option and the 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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Explanation of Responses: 3