

Radcliffe Philip S
Form 5
February 15, 2011

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 * | | | 2. Issuer Name and Ticker or Trading Symbol | | 5. Relationship of Reporting Person(s) to Issuer | |
| Radcliffe Philip S | | | ADCARE HEALTH SYSTEMS INC [ADK] | | (Check all applicable) | |
| (Last) | (First) | (Middle) | 3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) | | <input checked="" type="checkbox"/> Director | <input type="checkbox"/> 10% Owner |
| | | | 12/31/2010 | | <input type="checkbox"/> Officer (give title below) | <input type="checkbox"/> Other (specify below) |
| 106 BURNHAM | | | 4. If Amendment, Date Original Filed(Month/Day/Year) | | 6. Individual or Joint/Group Reporting | |
| (Street) | | | | | (check applicable line) | |
| WILLIAMSBURG, VA 23188 | | | | | <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|-----------------------------------|
| Common Stock | 12/31/2010 ⁽¹⁾ | ^ | A | 1,638 A \$ ⁽¹⁾ | 20,554 | D | ^ |
| Common Stock | ^ | ^ | ^ | ^ ^ ^ | 20,554 ⁽³⁾ | D | ^ |

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

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SEC 2270 (9-02)

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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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|-----|--|-----------------|---|-------------------------------|
| | | | | | (A) | (D) | Date Exercisable | Expiration Date | | |
| Warrants | \$ 2.5 | Â | Â | Â | Â | Â | 11/07/2006 | 12/08/2014 | Common Stock | 1,000 |
| Warrants | Â | Â | Â | Â | Â | Â | Â ⁽²⁾ | 11/16/2017 | Common Stock | 17,800 |
| Options | \$ 2.5 | Â | Â | Â | Â | Â | 08/27/2006 | 08/27/2011 | Common Stock | 400 |
| Options | \$ 2.5 | Â | Â | Â | Â | Â | 08/27/2007 | 08/27/2012 | Common Stock | 400 |
| Options | \$ 1.5 | Â | Â | Â | Â | Â | 05/09/2007 | 05/09/2012 | Common Stock | 1,400 |
| Options | \$ 1.5 | Â | Â | Â | Â | Â | 05/09/2008 | 05/09/2013 | Common Stock | 1,400 |
| Options | \$ 1.5 | Â | Â | Â | Â | Â | 05/09/2009 | 05/09/2014 | Common Stock | 1,400 |
| Options | \$ 1.5 | Â | Â | Â | Â | Â | 05/09/2010 | 05/09/2015 | Common Stock | 1,400 |
| Options | \$ 1.5 | Â | Â | Â | Â | Â | 05/09/2011 | 05/09/2016 | Common Stock | 1,400 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Radcliffe Philip S 106 BURNHAM WILLIAMSBURG, VA 23188 | Â X | Â | Â | Â |

Signatures

Carol Groeber for P. Radcliffe 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) The exercise price of the warrants vested in 2008 was \$1.21 per share, those vested in 2009 was \$2.25, those vested in 2010 was \$3.00 and those vesting in 2011 are \$4.00 per share.
- (3) This includes 829 shares issued by the company as a stock dividend to all shareholders as of 9/30/2010.

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.