

ADCARE HEALTH SYSTEMS INC  
 Form 5  
 April 11, 2007

# FORM 5

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

OMB APPROVAL  
 OMB Number: 3235-0362  
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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  |  |
| Wade Gary L                               |         |          | ADCARE HEALTH SYSTEMS INC<br>[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             |
|   |         |          | 12/31/2006   |  | <input checked="" type="checkbox"/> Officer (give title below)  | <input type="checkbox"/> Other (specify below) |
| 4714 MERRIMONT AVE                        |         |          | 4. If Amendment, Date Original Filed(Month/Day/Year)         |  | President-CEO   |  |
| (Street)                                  |         |          |  |  | 6. Individual or Joint/Group Reporting (check applicable line)  |  |
| SPRINGFIELD, OH 45503                     |         |          |  |  | <input checked="" type="checkbox"/> Form Filed by One Reporting Person<br><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 Indirect Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|--|
|                                 |                                      |  |                                | (A) or (D) Price  |  |  |  |

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 | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|--|------------------------------------|--------------------------------------|--|--------------------------------|-------------------------|--|---|
|  |                                    |                                      |  |                                |                         |  |   |

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| Derivative Security |        |     |     |     | Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) |     | Date Exercisable | Expiration Date | Title        | Amount or Number of Shares |
|---------------------|--------|-----|-----|-----|---|-----|------------------|-----------------|--------------|----------------------------|
|                     | (A)    | (D) | (A) | (D) | (A)   | (D) |                  |                 |              |                            |
| Warrants            | \$ 2.5 | ^   | ^   | ^   | ^   | ^   | 10/31/2004       | 01/31/2010      | Common Stock | 48,000                     |
| Warrants            | \$ 5.4 | ^   | ^   | ^   | ^   | ^   | 11/10/2006       | 11/10/2011      | Common Stock | 3,000                      |

## Reporting Owners

| Reporting Owner Name / Address                             | Relationships |           |         |                   |
|--|---------------|-----------|---------|-------------------|
|  | Director      | 10% Owner | Officer | Other             |
| Wade Gary L<br>4714 MERRIMONT AVE<br>SPRINGFIELD, OH 45503 | ^ X           | ^         | ^       | ^ President-CEO ^ |

## Signatures

Carol Groeber                      04/07/2007  
 \*\*Signature of                      Date  
 Reporting Person

## 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) The increase from Form 3 is due to a mandatory separation of units held into 2 shares of common stock and 2 warrants.

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.