Wade Gary L
Form 5
February 17, 2009

FORM 5

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

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

OMB APPROVAL

OMB Number:	3235-0362
Expires:	January 31, 2005
Estimated average burden hours per response...	1.0

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

1. Name and Address of Reporting Person *
Wade Gary L

(Last) (First) (Middle)

4714 MERRIMONT AVENUE

(Street)

SPRINGFIELD,Â OHÂ 45503

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
ADCARE HEALTH SYSTEMS INC [ADK]

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
__X__ Director
_____ 10% Owner
__X__ Officer (give title below)
_____ Other (specify below)
President & CEO

6. Individual or Joint/Group Reporting
(check applicable line)
_X_ 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 Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price			
Common Stock	Â	Â	Â	Â	Â	Â	133,667	D	Â

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

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SEC 2270 (9-02)

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 Number Shares
Warrants	$ 1.21 (1)	Â	Â	Â	Â	Â	11/20/2007(2)	11/20/2017	Common Stock	254,33
Warrants	$ 5.4	Â	Â	Â	Â	Â	11/10/2006	11/10/2011	Common Stock	3,000
Warrants	$ 2.5	Â	Â	Â	Â	Â	10/31/2004	10/31/2009	Common Stock	48,000
Options	$ 1.5	Â	Â	Â	Â	Â	05/09/2007	05/09/2012	Common Stock	10,000
Options	$ 2.5	Â	Â	Â	Â	Â	08/27/2004	08/27/2012	Common Stock	8,000

Reporting Owners

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

Signatures

Gary L Wade	02/17/2009
**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) Exercise price was redetermined prior to shareholder vote. Warrant pricing changes for each group vesting; vested 2008 - $1.21; vested 2009 - $2.25; vested 2010 - price equal to the greater of (i) the average closing price of the Company's common stock on AMEX during the month of January, 2009 or (ii) $3.00; vested 2011 - price equal to the greater of (i) the average closing price of the Company's common stock on AMEX during the month of January, 2010 or (ii) $3.00; vested 2012 - price equal to the greater of (i) the average closing price of the Company's common stock on AMEX during the month of January, 2011 or (ii)$3.00.

(2) These are 10 year warrants that will vest equally over a 5 year period, however that vesting will be accelerated in the event there is a "change in control" of the Company or a termination without cause of person(s) comprising the management team.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure.

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Explanation of Responses: