

ADCARE HEALTH SYSTEMS, INC  
 Form 4  
 March 23, 2017

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2015  
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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).

**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 \*  
 Fox Michael J

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. Date of Earliest Transaction (Month/Day/Year)  
 01/09/2017

Director  10% Owner  
 Officer (give title below)  Other (specify below)

C/O PARK CITY CAPITAL, LLC, 200 CRESCENT COURT, SUITE 1575

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

DALLAS, TX 75201

(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 Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

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

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SEC 1474 (9-02)

**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 Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount
10% Convertible Subordinated Notes Due April 30, 2017	(1)	01/09/2017		J <sup>(1)</sup>	\$ 1,000,000	04/30/2015	04/30/2017	Common Stock	2

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Fox Michael J C/O PARK CITY CAPITAL, LLC 200 CRESCENT COURT, SUITE 1575 DALLAS, TX 75201		X		
Park City Capital, LLC 200 CRESCENT COURT, SUITE 1575 DALLAS, TX 75201		X		

## Signatures

/s/ Michael J. Fox	03/23/2017
**Signature of Reporting Person	Date
PARK CITY CAPITAL, LLC /s/Michael J. Fox Manager	03/23/2017
**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) On January 9, 2017, the Company's cash tender offer for its outstanding 10% Convertible Subordinated Notes Due April 30, 2017 (the "Convertible Notes") at a purchase price equal to \$1,000 per \$1,000 principal amount of Convertible Notes purchased, plus accrued and unpaid interest on such Convertible Notes up to, but not including, the payment date, expired. The Company accepted for payment all of the Convertible Notes validly tendered. The Reporting Persons tendered all of their Convertible Notes held by Park City Capital Offshore Master, Ltd., the principal amount of which was convertible (at a conversion price equal to \$4.25 per share) into 235,294 shares of the Company's common stock, to the Company.

(2) As the managing member of Park City Capital, LLC, Mr. Fox may be deemed to have beneficial ownership of the securities held by Park City Capital Offshore Master, Ltd. and Park City Special Opportunity Fund, LP, with respect to which Park City Capital, LLC, the investment manager to the funds, may be deemed to have beneficial ownership.

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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