

Brogdon Christopher F
 Form 4
 November 16, 2010

FORM 4

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

OMB APPROVAL

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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 *
 Brogdon Christopher F

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)
 2 BUCKHEAD PLAZA, 3050
 PEACHTREE ROAD, SUITE 570
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
 11/12/2010

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

ATLANTA, GA 30305

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

(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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| Common Stock | 11/12/2010 | | P | V Amount (D) Price 2,000 A \$ 4.23 | 394,628 ⁽¹⁾ | I | By spouse |
| Common Stock | | | | | 17,325 ⁽²⁾ | I | By spouse as UGMA custodian for daughter |
| Common Stock | | | | | 82,489 ⁽³⁾ | D | |

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

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(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) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Brogdon Christopher F 2 BUCKHEAD PLAZA 3050 PEACHTREE ROAD, SUITE 570 ATLANTA, GA 30305 | X | X | | |

Signatures

/s/ Christopher F. Brogdon
11/16/2010
**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) Includes 18,437 shares of the Issuer's common stock issued to the Reporting Person's spouse on October 15, 2010 as a result of a 5% stock dividend declared by the Issuer on August 11, 2010, which stock dividend was payable to all holders of record of the Issuer's common stock on September 30, 2010.
 - (2) Includes 825 shares of the Issuer's common stock issued to the Reporting Person's spouse, as UGMA custodian for her daughter, on October 15, 2010 as a result of a 5% stock dividend declared by the Issuer on August 11, 2010, which stock dividend was payable to all holders of record of the Issuer's common stock on September 30, 2010.
 - (3) Includes 3,928 shares of the Issuer's common stock issued to the Reporting Person on October 15, 2010 as a result of a 5% stock dividend declared by the Issuer on August 11, 2010, which stock dividend was payable to all holders of record of the Issuer's common stock on September 30, 2010.

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September 30, 2010.

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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