

Rubenstein David
Form 5
February 14, 2012

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 *
Rubenstein David

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. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2011

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

5605 MILLWICK DRIVE
(Street)

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

6. Individual or Joint/Group Reporting
(check applicable line)

ALPHARETTA, 2Q 30005

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) (A) or (D) Price | 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|--|
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|--|

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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 | 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) | | | | |
| Warrants | \$ 4.13 | Â | Â | Â | Â | 12/19/2012 | 12/19/2021 | Common Shares | 33,333 |
| Warrants | \$ 4.13 | Â | Â | Â | Â | 12/19/2013 | 12/19/2021 | Common Stock | 33,333 |
| Warrants | \$ 4.13 | Â | Â | Â | Â | 12/19/2014 | 12/19/2021 | Common Stock | 33,334 |
| Warrants | \$ 4.97 | Â | Â | Â | Â | 12/19/2013 | 12/19/2021 | Common Stock | 33,333 |
| Warrants | \$ 4.97 | Â | Â | Â | Â | 12/19/2014 | 12/19/2021 | Common Stock | 33,333 |
| Warrants | \$ 4.97 | Â | Â | Â | Â | 12/19/2015 | 12/19/2021 | Common Stock | 33,334 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Rubenstein David 5605 MILLWICK DRIVE ALPHARETTA,Â 2QÂ 30005 | Â | Â | Â COO | Â |

Signatures

Carol Groeber for David Rubenstein by power of attorney 02/14/2012

**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) Due to the vesting schedule, there is no beneficial ownership as of December 31, 2011.

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.