

BEVERLY ENTERPRISES INC
Form 4
March 16, 2006

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 *
ROUSSOS CHRIS W

(Last) (First) (Middle)
ONE THOUSAND BEVERLY WAY
(Street)

FORT SMITH, AR 72919

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
BEVERLY ENTERPRISES INC [BEV]

3. Date of Earliest Transaction (Month/Day/Year)
03/14/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)
PRESIDENT ASERACARE

6. Individual or Joint/Group Filing(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 Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price |
| \$.10 Par Value Common Stock | 03/14/2006 | | D ⁽¹⁾ | | 64,355 | D | \$ 12.5 0 |
| Common Stock | 03/14/2006 | | A ⁽²⁾ | | 18,439 | A | \$ 0 18,439 |
| Common Stock | 03/14/2006 | | D ⁽³⁾ | | 6,232 | D | \$ 12.37 12,207 |
| Common Stock | 03/14/2006 | | D ⁽¹⁾ | | 12,207 | D | \$ 12.5 0 |

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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 Security (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Incentive Stock Option (right to buy) | \$ 5.95 | 03/14/2006 | | D | 31,831 | (4) 02/13/2012 | \$.10 Par Value Common Stock | 31,831 |
| Incentive Stock Option (right to buy) | \$ 11.34 | 03/14/2006 | | D | 20,000 | (4) 08/20/2011 | \$.10 Par Value Common Stock | 20,000 |
| Non-Qualified Stock Option (right to buy) | \$ 5.95 | 03/14/2006 | | D | 8,169 | (4) 02/13/2012 | \$.10 Par Value Common Stock | 8,169 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| ROUSSOS CHRIS W ONE THOUSAND BEVERLY WAY FORT SMITH, AR 72919 | | | PRESIDENT ASERACARE | |

Signatures

By: Brenda Boster, by Power of Attorney For: Chris W. Roussos

03/15/2006

__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) In accordance with the terms of the Merger Agreement entered into by and between Beverly Enterprises, Inc. and Pearl Senior Care, LLC et al. the stock held by the Reporting Person were disposed of pursuant to the Merger Agreement.

(2) In accordance with the terms of the Merger Agreement entered into by and between Beverly Enterprises, Inc. and Pearl Senior Care, LLC et al. vesting of the performance units were accelerated and valued at the merger consideration of \$12.50 per share.

(3) Shares were traded to pay the tax obligation.

This option was fully vested and was cancelled in the merger between Beverly Enterprises, Inc. and Pearl Senior Care, LLC (the "Merger") in exchange for a cash payment representing the difference between the exercise price of the option and the Merger consideration of \$12.50 per share for the underlying common stock.

(5) Represents the difference between the per share exercise price of the option and the per share merger consideration.

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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