

MERGE HEALTHCARE INC

Form 4

October 15, 2015

FORM 4

**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).

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 *
DEVERS WILLIAM J JR

2. Issuer Name and Ticker or Trading Symbol
MERGE HEALTHCARE INC [MRGE]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
10/13/2015

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

350 NORTH ORLEANS STREET,, FIRST FLOOR

(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

CHICAGO, IL 60654

(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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 10/13/2015 | | D | | 48,246 | D | \$ 7.13 (1) |
| Restricted Common Stock | 10/13/2015 | | D | | 23,585 | D | \$ 7.13 (2) |
| Restricted Common Stock | 10/13/2015 | | D | | 1,769 | D | \$ 7.13 (3) |
| Common Stock | 10/13/2015 | | D | | 302,397 | D | \$ 0 |
| | | | | | | I | Partnership |

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(2) This Restricted Stock Award ("RSA") granted pursuant to the 2005 Equity Incentive Plan (a Rule 16b-3 shareholder approved employee benefit plan) of Issuer, provided for the restrictions on such shares to lapse with such shares becoming immediately and fully vested on June 17, 2016, subject to additional terms and conditions as set forth in the Reporting Person's RSA agreement. Pursuant to the Merger, the shares outstanding under the RSA were cancelled in exchange for the Merger Consideration.

(3) This RSA granted pursuant to the 2005 Equity Incentive Plan (a Rule 16b-3 shareholder approved employee benefit plan) of Issuer, provided for the restrictions on such shares to lapse with such shares becoming immediately and fully vested to the extent of one fourth of such shares on each of September 17, 2015, December 17, 2015, March 17, 2016 and June 17, 2016, as set forth in the Reporting Person's RSA agreement. Pursuant to the Merger, the remaining shares outstanding under the RSA were cancelled in exchange for a cash payment equal to the Merger Consideration.

(4) Shares of Common Stock held by Devers Holdings LP, a limited partnership, of which Mr. Devers is a limited partner.

(5) Shares of Common Stock held by the Katherine L. Devers Trust, the beneficial ownership of which Mr. Devers disclaims.

(6) This Nonqualified Stock Option granted on February 21, 2014, which vested in four (4) equal annual installments to purchase 56,250 shares of Common Stock on each of February 21, 2015, February 21, 2016, February 21, 2017 and February 21, 2018, was cancelled at the effective time of the Merger in exchange for a cash payment of \$1,044,000, representing the difference between the exercise price of the option and the 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.

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.