

ADCARE HEALTH SYSTEMS, INC
Form SC 13D/A
March 27, 2017

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

SCHEDULE 13D/A

(Rule 13d-101)

**INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO RULE 13d-1(a) AND
AMENDMENTS THERETO FILED PURSUANT TO RULE 13d-2(a)**

Under the Securities Exchange Act of 1934

(Amendment No. 6)*

ADCARE HEALTH SYSTEMS, INC.
(Name of Issuer)

Common Stock, no par value
(Title of Class of Securities)

000650W300
(CUSIP Number)

Michael J. Fox

Park City Capital, LLC

200 Crescent Court, Suite 1575

Dallas, Texas 75201

(214) 855-0800

With a Copy to:

Derek D. Bork

Thompson Hine LLP

3900 Key Center

127 Public Square

Cleveland, Ohio 44114

(216) 566-5500

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

January 9, 2017

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box .

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. *See* § 240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, *see* the *Notes*).

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NAME OF
REPORTING
PERSON

1 **PARK CITY
CAPITAL
OFFSHORE
MASTER,
LTD.**

2 CHECK THE
APPROPRIATE
BOX IF A
MEMBER (a) "
OF A (b) "
GROUP

3 SEC USE
ONLY

4 SOURCE OF
FUNDS

5 **WC**
CHECK IF
DISCLOSURE
OF LEGAL
PROCEEDINGS
IS
REQUIRED "
PURSUANT
TO ITEM
2(d) or 2(e)

6 CITIZENSHIP
OR PLACE
OF
ORGANIZATION

**Cayman
Islands**

	7	SOLE VOTING POWER	0
		SHARED VOTING POWER	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	976,168*	
		SOLE DISPOSITIVE POWER	0
	9		
		SHARED DISPOSITIVE POWER	976,168*
	10		

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
REPORTING PERSON

12 **976,168***
CHECK IF
THE
AGGREGATE
AMOUNT IN
ROW (11) ..
EXCLUDES
CERTAIN
SHARES

13 PERCENT
OF CLASS
REPRESENTED
BY
AMOUNT IN
ROW (11)

14 **4.9%**
TYPE OF
REPORTING
PERSON

CO

*Includes warrants to purchase 328,418 shares of Common Stock.

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NAME OF
REPORTING
PERSON

1

**PARK CITY
SPECIAL
OPPORTUNITY
FUND, LP**

CHECK THE
APPROPRIATE

2

BOX IF A
MEMBER OF ^(a) ..
A GROUP ^(b) ..

SEC USE
ONLY

3

SOURCE OF
FUNDS

4

WC
CHECK IF
DISCLOSURE
OF LEGAL
PROCEEDINGS
IS

5

REQUIRED ..
PURSUANT
TO ITEM
2(d) or 2(e)

6

CITIZENSHIP
OR PLACE
OF
ORGANIZATION

Delaware

	7	SOLE VOTING POWER	0
		SHARED VOTING POWER	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8		102,250
	9	SOLE DISPOSITIVE POWER	0
	10	SHARED DISPOSITIVE POWER	102,250

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
REPORTING PERSON

12 **102,250**
CHECK IF
THE
AGGREGATE
AMOUNT IN
ROW (11) ..
EXCLUDES
CERTAIN
SHARES

13 PERCENT
OF CLASS
REPRESENTED
BY
AMOUNT IN
ROW (11)

14 **Less than 1%**
TYPE OF
REPORTING
PERSON

PN

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NAME OF
REPORTING
PERSON

1

**PARK CITY
CAPITAL,
LLC**
CHECK THE
APPROPRIATE
BOX IF A
MEMBER (a) "
OF A (b) "
GROUP

2

SEC USE
ONLY

3

SOURCE OF
FUNDS

4

OO
CHECK IF
DISCLOSURE
OF LEGAL
PROCEEDINGS
IS
REQUIRED "
PURSUANT
TO ITEM
2(d) or 2(e)

5

CITIZENSHIP
OR PLACE
OF
ORGANIZATION

6

Texas

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER 0 SHARED VOTING POWER 8 1,078,418* 9 SOLE DISPOSITIVE POWER 0 SHARED DISPOSITIVE POWER 10 1,078,418*
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11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
REPORTING PERSON

1,078,418*
CHECK IF
THE
AGGREGATE
AMOUNT IN
ROW (11) ..
EXCLUDES
CERTAIN
SHARES

12

13 PERCENT
OF CLASS
REPRESENTED
BY
AMOUNT IN
ROW (11)

14 **5.4%**
TYPE OF
REPORTING
PERSON

IA

*Includes warrants to purchase 328,418 shares of Common Stock.

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- 1** NAME OF REPORTING PERSON
- 2** **PCC SOF GP, LLC**
CHECK THE APPROPRIATE BOX IF A MEMBER (a) " OF A (b) " GROUP
- 3** SEC USE ONLY
- 4** SOURCE OF FUNDS
- 5** **OO**
CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED " PURSUANT TO ITEM 2(d) or 2(e)
- 6** CITIZENSHIP OR PLACE OF ORGANIZATION

Texas

	7	SOLE VOTING POWER	0
		SHARED VOTING POWER	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8		102,250
	9	SOLE DISPOSITIVE POWER	0
	10	SHARED DISPOSITIVE POWER	102,250

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
REPORTING PERSON

12 **102,250**
CHECK IF
THE
AGGREGATE
AMOUNT IN
ROW (11) ..
EXCLUDES
CERTAIN
SHARES

13 PERCENT
OF CLASS
REPRESENTED
BY
AMOUNT IN
ROW (11)

14 **Less than
1%**
TYPE OF
REPORTING
PERSON

00

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1 NAME OF REPORTING PERSON

2 **MICHAEL J. FOX**
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) .. (b) ..

3 SEC USE ONLY

4 SOURCE OF FUNDS

5 **PF; OO**
CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED .. PURSUANT TO ITEM 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

7 USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	SOLE VOTING SHARED VOTING POWER SOLE DISPOSITIVE POWER SHARED DISPOSITIVE POWER	 134,274* 1,078,418** 9 10 1,34,274* 1,078,418**
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AGGREGATE AMOUNT BENEFICIALLY
OWNED BY REPORTING PERSON

11

1,212,692**

CHECK IF
THE
AGGREGATE
AMOUNT IN
ROW (11)
EXCLUDES
CERTAIN
SHARES

12

PERCENT OF
CLASS
REPRESENTED
BY AMOUNT
IN ROW (11)

13

6.1%
TYPE OF
REPORTING
PERSON

14

IN

*Includes 12,077 shares of Common Stock held directly by Mr. Fox, 73,532 options to purchase shares of Common Stock and 48,665 restricted shares.

**Includes warrants to purchase 328,418 shares of Common Stock.

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This Amendment No. 6 (this “Amendment No. 6”) amends the Schedule 13D originally filed with the Securities and Exchange Commission (the “SEC”) on April 4, 2013 (as amended, the “Schedule 13D” or this “Statement”), with respect to the Common Stock, no par value (the “Common Stock”), of AdCare Health Systems, Inc., a Georgia corporation (the “Company”). Except as amended and supplemented by this Amendment No. 6, the Schedule 13D remains unchanged.

Item 4. Purpose of Transaction.

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 the Master Fund, 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.

Item 5. Interest in Securities of the Issuer.

(a) The Reporting Persons beneficially own in the aggregate 1,212,692 shares of Common Stock, which represents approximately 6.1% of the Company’s outstanding shares of Common Stock. The Master Fund, the Special Opportunity Fund, and Mr. Fox (including his stock options and shares received as director compensation) directly hold the number and percentage of shares of Common Stock disclosed as beneficially owned by them in the applicable table set forth on the cover page to this Statement.

The percentage ownership of shares of Common Stock set forth in this Statement is based on the 19,938,034 shares of Common Stock issued and outstanding as of October 31, 2016, as reported in the Company’s Quarterly Report on Form 10-Q, filed with the SEC on November 14, 2016.

(b) The Master Fund beneficially owns, and has the shared power to direct the voting and disposition of, the shares of Common Stock disclosed as beneficially owned by the Master Fund in the applicable table set forth on the cover page to this Statement.

The Special Opportunity Fund beneficially owns, and has the shared power to direct the voting and disposition of, the shares of Common Stock disclosed as beneficially owned by the Special Opportunity Fund in the applicable table set forth on the cover page to this Statement.

As adviser to the Master Fund and the Special Opportunity Fund, Park City Adviser may be deemed to have the shared power to vote or direct the vote of (and the shared power to dispose or direct the disposition of) the respective Funds' shares of Common Stock. Park City Adviser expressly disclaims beneficial ownership of those Funds' shares of Common Stock, except to the extent of its pecuniary interest therein.

As general partner of the Special Opportunity Fund, the Special Opportunity Fund GP may be deemed to have the shared power to vote or direct the vote of (and the shared power to dispose or direct the disposition of) the Special Opportunity Fund's shares of Common Stock. The Special Opportunity Fund GP disclaims beneficial ownership of the Special Opportunity Fund's shares of Common Stock, except to the extent of its pecuniary interest therein.

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As the managing member of Park City Adviser, which is the investment manager of the Master Fund and the Special Opportunity Fund, and as the managing member of the Special Opportunity Fund GP, which is the general partner of the Special Opportunity Fund, Mr. Fox may be deemed to have the shared power to vote or direct the vote of (and the shared power to dispose or direct the disposition of) the Master Fund's shares of Common Stock and the Special Opportunity Fund's shares of Common Stock. Mr. Fox disclaims beneficial ownership of those Funds' shares of Common Stock, except to the extent of his pecuniary interest therein. Mr. Fox also directly holds shares of Common Stock, stock options to purchase certain shares of Common Stock, and restricted shares, as set forth in the applicable table included on the cover page to this Statement. Mr. Fox has sole voting and disposition power over the shares held by him.

(c) The tender by the Reporting Persons of all of their Convertible Notes held by Park City Capital Offshore Master, Ltd. on January 9, 2017 is described in Item 4 of this Statement.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Discussion in Item 4 of this Statement is hereby incorporated herein by reference.

Pursuant to Rule 13d-1(k) promulgated under the Securities Exchange Act of 1934, as amended, the Reporting Persons have entered into an agreement with respect to the joint filing of this Amendment No. 6, which agreement is set forth on the signature page to this Statement.

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SIGNATURE

After reasonable inquiry and to the best of our knowledge and belief, the undersigned certify that the information set forth in this Statement is true, complete and correct.

In accordance with Rule 13d-1(k)(1)(iii) under the Securities Exchange Act of 1934, as amended, the persons named below agree to the joint filing on behalf of each of them of this Statement on Schedule 13D with respect to the Common Stock of the Company.

Dated: March 27, 2017

**PARK CITY CAPITAL OFFSHORE
MASTER, LTD.**

By: /s/ Michael J. Fox
Michael J. Fox,
Director

PARK CITY CAPITAL, LLC

By: /s/ Michael J. Fox
Michael J. Fox,
Manager

PCC SOF GP LLC

By: /s/ Michael J. Fox
Michael J. Fox,
Managing Member

MICHAEL J. FOX

By: /s/ Michael J. Fox
Michael J. Fox

**PARK CITY CAPITAL SPECIAL
OPPORTUNITY FUND, LP**

By: PCC SOF GP LLC, its general partner

By: /s/ Michael J. Fox
Michael J. Fox,
Managing Member

