

ADCARE HEALTH SYSTEMS INC
Form 8-K
July 06, 2012

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): **July 1, 2012**

AdCare Health Systems, Inc.

(Exact Name of Registrant as Specified in Charter)

Ohio
(State or Other Jurisdiction of
Incorporation)

001-33135
(Commission File Number)

31-1332119
(I.R.S. Employer
Identification No.)

1145 Hembree Road

Roswell, Georgia 30076

(Address of Principal Executive Offices)

(678) 869-5116

(Registrant's telephone number, including area code)

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Not applicable.

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry Into a Material Definitive Agreement.

The information set forth in Item 2.03 of this Current Report on Form 8-K is incorporated by reference into this Item 1.01.

Item 2.01 Completion of Acquisition or Disposition of Assets.

Glenvue Acquisition

On July 2, 2012, Glenvue H&R Property Holdings, LLC (*Glenvue H&R*), a wholly owned subsidiary of AdCare Health Systems, Inc. (the *Company*), acquired (the *Glenvue Acquisition*) from Evans Memorial Hospital, Inc. (the *Glenvue Seller*), pursuant to that certain Purchase and Sale Agreement between the Glenvue Seller and AdCare Property Holdings, LLC, a wholly owned subsidiary of the Company (*AdCare Holdings*), dated as of April 3, 2012, certain land, buildings, improvements, furniture, fixtures, operating agreements and equipment comprising Glenvue Health & Rehabilitation, a 160-bed skilled nursing facility located in Glennville, Georgia (the *Glenvue Facility*), for an aggregate purchase price of \$8,240,000. The purchase price was financed in part with the proceeds from the financing with PrivateBank and Trust Company (*PrivateBank*) discussed in Item 2.03 of this Current Report on Form 8-K. The transfer of operations for the Glenvue Facility was effective as of July 1, 2012.

The Glenvue Acquisition does not constitute a business acquisition at the significance level which would require the filing of financial statements as contemplated by Rule 8-04 of Regulation S-X.

Quail Creek Acquisition

On July 3, 2012, QC Property Holdings, LLC, a wholly owned subsidiary of the Company (*QC*), acquired (the *Quail Creek Acquisition*) from Westlake Nursing Home Limited (the *Quail Creek Seller*), pursuant to that certain Purchase and Sale Agreement between the Quail Creek Seller and AdCare Holdings, dated as of March 12, 2012 and as amended May 15, 2012, certain land, buildings, improvements, furniture, fixtures, operating agreements and equipment comprising a 118-bed skilled nursing facility located in Oklahoma City, Oklahoma (the *Quail Creek Facility*), for an aggregate purchase price of \$5,800,000, consisting of: (i) \$3,000,000 payable in cash; and (ii) the assumption of \$2,800,000 of indebtedness of the Quail Creek Seller. The transfer of operations for the Quail Creek Facility was effective as of July 1, 2012.

The Quail Creek Acquisition does not constitute a business acquisition at the significance level which would require the filing of financial statements as contemplated by Rule 8-04 of Regulation S-X.

improvements constituting the Quail Creek Facility. The Loan Agreement and Indenture contains customary terms and conditions regarding representations, warranties, covenants and events of default.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 6, 2012

ADCARE HEALTH SYSTEMS, INC.

/s/ Martin D. Brew
Martin D. Brew
Chief Financial Officer