

MERGE HEALTHCARE INC
 Form 4
 March 05, 2012

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 *
BROWN DENNIS

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)
 200 EAST RANDOLPH STREET, SUITE 2435
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 03/01/2012

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

CHICAGO, IL 60601

(City) (State) (Zip)

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

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Code V Amount (D) Price | | | |
| Common Stock | | | | | 149,187 | I | Trust ⁽¹⁾ |
| Common Stock | | | | | 262,740 | I | Trust ⁽²⁾ |

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

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SEC 1474 (9-02)

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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 Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code V (A) (D) | | Date Exercisable Expiration Date | Title Amount Number Shares |
| Stock Options | \$ 6.33 | 03/01/2012 | | A | 225,000 (3) | 03/01/2013 ⁽⁴⁾ 08/18/2018 | Common Stock 225,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| BROWN DENNIS 200 EAST RANDOLPH STREET SUITE 2435 CHICAGO, IL 60601 | | X | | |

Signatures

/s/ Julie Ann B. Schumitsch, by Power of Attorney for Dennis Brown 03/05/2012

__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) Shares of Common Stock held by the Dennis Brown Revocable Trust u/a dated 09/09/1999, of which Mr. Brown is the trustee and the beneficiary, the beneficial ownership of which Mr. Brown disclaims.
- (2) Shares of Common Stock held by the Maureen Brown 2011 Grantor Retained Annuity Trust, of which the spouse of Mr. Brown is the grantor and Mr. Brown is the trustee, the beneficial ownership of which Mr. Brown disclaims.
- (3) Nonqualified stock options to purchase shares of Common Stock granted to Dennis Brown, member of the Board of Directors, in lieu of cash compensation in accordance with Merge Healthcare's Director Compensation Plan.
- (4) Nonqualified stock options to purchase 56,250 shares of Common Stock vesting on each of March 1, 2013, March 1, 2014, March 1, 2015 and March 1, 2016.

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.