

BEVERLY ENTERPRISES INC

Form 4

March 16, 2006

FORM 4
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
SCHRAM MARTHA J

(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 - AEGIS THERAPIES

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 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)
			Code	V	Amount	(A) or (D)	Price
\$.10 Par Value Common Stock	03/14/2006		D ⁽¹⁾		26,743	D	\$ 12.5 0
\$.10 Par Value Common Stock - ESPP	03/14/2006		D ⁽¹⁾		73.0381	D	\$ 12.5 0
Common Stock	03/14/2006		A ⁽²⁾		15,400	A	\$ 0 15,400

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Common Stock	03/14/2006	D ⁽³⁾	5,113	D	\$ 12.5	10,287	D
Common Stock	03/14/2006	C ⁽¹⁾	10,287	D	\$ 12.5	0	D

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 Securities (Instr. 3 and 4)	8. Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable Expiration Date	Title	
Incentive Stock Option (right to buy)	\$ 5.95	03/14/2006		D	13,500	⁽⁴⁾ 02/13/2012	\$.10 Par Value Common Stock	13,500
Incentive Stock Option (right to buy)	\$ 7.35	03/14/2006		D	8,500	⁽⁴⁾ 02/20/2011	\$.10 Par Value Common Stock	8,500

Reporting Owners

Reporting Owner Name / Address	Relationships
SCHRAM MARTHA J ONE THOUSAND BEVERLY WAY FORT SMITH, AR 72919	Director 10% Owner Officer Other PRESIDENT - AEGIS THERAPIES

Signatures

By: Brenda Boster, by Power of Attorney For: Martha J. Schram

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

- (4) "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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