

MANOR CARE INC

Form 4

December 26, 2007

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

OMB
Number: 3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Cavanaugh Steven M

(Last) (First) (Middle)

333 NORTH SUMMIT STREET

(Street)

TOLEDO, OH 43604

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
MANOR CARE INC [HCR]

3. Date of Earliest Transaction
(Month/Day/Year)
12/21/2007

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)

Vice President & CFO

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 (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) |
|---------------------------------------|---|---|--------------------------------------|---|--|--|---|
| Common Stock | 12/21/2007 | | A | 823 | A \$ 0 17,155.8 | D | |
| Common Stock | 12/21/2007 | | D | 17,155.8 (1) | D \$ 67 (1) 0 | D | |
| Common Stock | 12/21/2007 | | D | 370 (2) | D \$ 67 (2) 0 | I | 401(K) Plan |

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

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information contained in this form are not
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displays a currently valid OMB control**

SEC 1474
(9-02)

number.

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 Underlying (Instr. 3 and 4) |
|---|--|---|---|--------------------------------------|--|--|--|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title |
| Non-Qualified Stock Option (right to buy) | \$ 19.25 (3) | 12/21/2007 | | D | 10,000 (3) | 02/01/2004(3) 02/02/2011(3) | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 31.75 (3) | 12/21/2007 | | D | 1,500 (3) | 12/01/2001(3) 12/02/2008(3) | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 53.21 (3) | 12/21/2007 | | D | 40,000 (3) | 01/30/2010(3) 01/31/2014(3) | Common Stock |
| Phantom Stock Units | (4) | 12/21/2007 | | D | 1,403.2 (4) | (4) (4) | Common Stock |
| Stock Appreciation Rights | \$ 7 (5) | 12/21/2007 | | D | 8,000 (5) | 06/16/2003(5) 06/17/2010(5) | Common Stock |
| Stock Appreciation Rights | \$ 18.75 (5) | 12/21/2007 | | D | 10,000 (5) | 02/05/2006(5) 02/06/2013(5) | Common Stock |
| Stock Appreciation Rights | \$ 19.22 (5) | 12/21/2007 | | D | 10,000 (5) | 02/05/2005(5) 02/06/2012(5) | Common Stock |
| Stock Appreciation Rights | \$ 34.3 (5) | 12/21/2007 | | D | 10,000 (5) | 02/04/2007(5) 02/05/2014(5) | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Cavanaugh Steven M 333 NORTH SUMMIT STREET | | | Vice President & CFO | |

TOLEDO, OH 43604

Signatures

By: Matthew S. Kang, attorney-in-fact For: Steven M. Cavanaugh

12/24/2007

__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) This report relates to the exempt disposition of issuer securities by the reporting person pursuant to the Agreement and Plan of Merger, dated as of July 2, 2007, between MCHCR-CP Merger Sub Inc. and the issuer (the "Merger Agreement"). These securities were disposed pursuant to the Merger Agreement in exchange for a cash payment of \$67.00 per share.

(2) Shares of issuer common stock held indirectly under the HCR Manor Care Stock Purchase and Retirement Savings 401(k) Plan (the "401(k) Plan") were disposed pursuant to the Merger Agreement in exchange for the right to receive a cash payment of \$67.00 per share, and such cash was reallocated and invested under an alternative investment option under the 401(k) Plan.

(3) This option to purchase issuer common stock (whether or not then exercisable) was, in accordance with the Merger Agreement, canceled and converted into the right to receive a cash payment equal to the product of the number of shares subject to the option as of the effective time of the merger, multiplied by the excess (if any) of the \$67.00 per share cash merger consideration over the exercise price per share of the option.

(4) Pursuant to the Merger Agreement, each share of Phantom Stock held under the HCR Manor Care Senior Management Savings Plan for Corporate Officers (the "SMSPCO Plan") ceased to represent the right to receive a share of issuer common stock and was converted into the right to receive an amount in cash equal to \$67.00. Such cash was credited under the SMSPCO Plan and may be notionally reinvested in accordance with the terms of the SMSPCO Plan.

(5) This stock appreciation right, which gave the holder a right to the difference in value (if any) of the underlying issuer common stock, was, in accordance with the Merger Agreement (whether or not then exercisable), canceled and converted into the right to receive a cash payment equal to the product of the number of shares subject to the stock appreciation right as of the effective time of the merger, multiplied by the excess (if any) of the \$67.00 per share cash merger consideration over the exercise price per share of the stock appreciation right.

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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