

MERGE HEALTHCARE INC  
 Form 4  
 October 15, 2015

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Maloney Matthew M.

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)  
 350 NORTH ORLEANS STREET,, FIRST FLOOR  
 (Street)  
 CHICAGO, IL 60654  
 (City) (State) (Zip)

3. Date of Earliest Transaction (Month/Day/Year)  
 10/13/2015

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

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 Indirect Beneficial Ownership (Instr. 4) |             |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|-------------|
|                                 |                                      |  |                                | Code  | V   | Amount   | (A) or (D)  | Price       |
| Common Stock                    | 10/13/2015                           |  | D                              |   | 43,860  | D  |   | \$ 7.13 (1) |
| Restricted Common Stock         | 10/13/2015                           |  | D                              |   | 23,585  | D  |   | \$ 7.13 (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)

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 Amount of Underlying Securities (Instr. 3 and 4) |              |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title        | Amount or Number of Shares |
| Stock Options                              | \$ 3.28  | 10/13/2015                           |  | D                              | 225,000   | (3) 05/23/2018   |   | Common Stock | 225,000                    |

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director 10% Owner Officer Other

Maloney Matthew M.  
350 NORTH ORLEANS STREET,  
FIRST FLOOR X  
CHICAGO, IL 60654

## Signatures

/s/ Julie Ann B. Schumitsch, by Power of Attorney for Matthew M. Maloney

10/15/2015

\*\*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) Disposed of pursuant to the Agreement and Plan of Merger dated as of August 6, 2015, by and among International Business Machines Corporation, Datong Acquisition Corp. and Issuer, Merge Healthcare Incorporated (the "Merger"), in which the Issuer's holders of common stock, as of the effective time of the Merger, October 13, 2015, were entitled to receive \$7.13 per share of common stock (the "Merger Consideration").

(2) This Restricted Stock Award ("RSA") granted pursuant to the 2005 Equity Incentive Plan (a Rule 16b-3 shareholder approved employee benefit plan) of Issuer, provided for the restrictions on such shares to lapse with such shares becoming immediately and fully vested on June 17, 2016, subject to additional terms and conditions as set forth in the Reporting Person's RSA agreement. Pursuant to the Merger, the shares outstanding under the RSA were cancelled in exchange for the Merger Consideration.

(3) This Nonqualified Stock Option granted on August 24, 2012, which vested in four (4) equal annual installments to purchase 56,250 shares of Common Stock on each of August 24, 2013, August 24, 2014, August 24, 2015 and August 24, 2016, was cancelled at the effective time of the Merger in exchange for a cash payment of \$866,250, representing the difference between the exercise price of the option and the 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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