

ICAD INC
Form 4
October 24, 2006

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 *
FARLEY GEORGE P

(Last) (First) (Middle)

C/O ICAD, INC., 4 TOWNSEND WEST, SUITE 17

(Street)

NASHUA, NH 03063

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
ICAD INC [icad]

3. Date of Earliest Transaction (Month/Day/Year)
10/20/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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 Beneficial Ownership (Instr. 4)
				(A) or (D)	Amount		
				Code	V		
					Amount		
				(D)	Price		

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

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SEC 1474 (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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	(A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
Directors Stock Option (right to buy)	\$ 3.35	10/20/2006			D			45,000	12/30/2005 ⁽¹⁾	09/29/2014	Common Stock
Directors Stock Option (right to buy)	\$ 2.07	10/23/2006			A		45,000 ⁽²⁾		10/23/2006	10/23/2008	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FARLEY GEORGE P C/O ICAD, INC. 4 TOWNSEND WEST, SUITE 17 NASHUA, NH 03063	X			

Signatures

/s/ Annette Heroux,
Attorney-in-Fact

10/24/2006

**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).

The options were originally exercisable in three annual installments beginning on September 29, 2004. The last installment was

(1) accelerated to December 30, 2005. These options were cancelled and exchanged for the options referred to in footnote (2) below in connection with the issuer's option exchange offer which was approved by the Company's stockholders on October 20, 2006.

(2) These options were granted to the reporting person on October 23, 2006 in connection with the issuer's option exchange offer referred to in footnote (1).

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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