

DIVERSICARE HEALTHCARE SERVICES, INC.

Reported by
MCKNIGHT JAMES REED JR.

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 10/03/17 for the Period Ending 09/30/17

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|-------------|---|
| Address | 1621 GALLERIA BLVD. BRENTWOOD, TN, 37027 |
| Telephone | 6157717575 |
| CIK | 0000919956 |
| Symbol | DVCR |
| SIC Code | 8051 - Services-Skilled Nursing Care Facilities |
| Industry | Healthcare Facilities & Services |
| Sector | Healthcare |
| Fiscal Year | 12/31 |

FORM 4

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

OMB APPROVAL
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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 or
Section 30(h) of the Investment Company Act of 1940

| | | |
|---|---|---|
| 1. Name and Address of Reporting Person * McKnight James Reed Jr. (Last) (First) (Middle) 1621 GALLERIA BOULEVARD (Street) BRENTWOOD, TN 37027 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol Diversicare Healthcare Services, Inc. [DVCR] | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> X Officer (give title below) <input type="checkbox"/> Other (specify below) Chief Financial Officer |
| 3. Date of Earliest Transaction (MM/DD/YYYY) <p align="center">9/30/2017</p> | | 6. Individual or Joint/Group Filing (Check Applicable Line) <input type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person |
| 4. If Amendment, Date Original Filed (MM/DD/YYYY) | | |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Trans. Date | 2A. Deemed Execution Date, if any | 3. Trans. 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 | | | | | | | | 76667 | D | |

Table II - Derivative Securities Beneficially Owned (e.g. , puts, calls, warrants, options, convertible securities)

| 1. Title of Derivate Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Trans. Date | 3A. Deemed Execution Date, if any | 4. Trans. 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 | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|----------------|-----------------------------------|---------------------------|---|--|-----|---|-----------------|---|----------------------------|--|--|--|--|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Dividend Equivalent Rights on 2015 Restricted Shares | (1) | 9/30/2017 | | A | | 21.07 | | (1) | (1) | Common Stock | 21.07 | \$0.00 (1) | 259.25 | D | |
| Dividend Equivalent Rights on 2016 Restricted Shares | (2) | 9/30/2017 | | A | | 41.27 | | (2) | (2) | Common Stock | 41.27 | \$0.00 (2) | 337.04 | D | |
| Dividend Equivalent Rights on 2017 Restricted Shares | (3) | 9/30/2017 | | A | | 60.45 | | (3) | (3) | Common Stock | 60.45 | \$0.00 (3) | 200.36 | D | |
| 2017 Restricted Stock Units | (4) | 9/30/2017 | | A | | 20.91 | | (5) | (5) | Common Stock | 20.91 | \$0.00 | 4392.77 | D | |
| 2016 Restricted Stock Units | (4) | 9/30/2017 | | A | | 18.48 | | (6) | (6) | Common Stock | 18.48 | \$0.00 | 3882.33 | D | |

Explanation of Responses:

- (1) These dividend equivalent rights accrued on shares of restricted stock granted on March 10, 2015 and will vest as the underlying shares vest.
- (2) These dividend equivalent rights accrued on shares of restricted stock granted on March 11, 2016 and will vest as the underlying shares vest.
- (3) These dividend equivalent rights accrued on shares of restricted stock granted on March 13, 2017 and will vest as the underlying shares vest.
- (4) Each restricted stock unit is equal to one share. These are dividend equivalent rights accruing on restricted stock units.
- (5) The 2017 Restricted Stock Units shall vest and be exercisable in full on the 2nd anniversary of their original Grant Date (03/13/2017).
- (6) The 2016 Restricted Stock Units shall vest and be exercisable in full on the 2nd anniversary of their original Grant Date (03/11/2016).

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| McKnight James Reed Jr. 1621 GALLERIA BOULEVARD | | | Chief Financial Officer | |

BRENTWOOD, TN 37027

Signatures

/s/ Jonathan D. Stanley, Attorney-In-Fact for James Reed McKnight, Jr.

10/3/2017

—Signature of Reporting Person

Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

**LIMITED POWER OF ATTORNEY FOR
SECTION 16 REPORTING OBLIGATIONS**

Know all by these presents, that the undersigned hereby constitutes and appoints each of Jonathan D. Stanley, Kelly J. Gill and Susan V. Sidwell signing singly, the undersigned's true and lawful attorney-in-fact to:

- (1) execute for and on behalf of the undersigned, in the undersigned's capacity as an officer and/or director of Advocat Inc. (the "Company"), Forms 3, 4, and 5 in accordance with Section 16(a) of the Securities Exchange Act of 1934 and the rules thereunder;
- (2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to complete and execute any such Form 3, 4, or 5, complete and execute any amendment or amendments thereto, and timely file such form with the United States Securities and Exchange Commission and any stock exchange or similar authority;
- (3) execute for and on behalf of the undersigned a Form ID and any subsequent filings, submissions or correspondence relating thereto; and
- (4) take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorney-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorney-in-fact may approve in such attorney-in-fact's discretion.

The undersigned hereby grants to each such attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary, or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such attorney-in-fact, or such attorney-in-fact's substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted. The undersigned acknowledges that the foregoing attorneys-in-fact, in serving in such capacity at the request of the undersigned, are not assuming, nor is the Company assuming, any of the undersigned's responsibilities to comply with Section 16 of the Securities Exchange Act of 1934.

This Power of Attorney shall remain in full force and effect until the undersigned is no longer required to file Forms 3, 4, and 5 with respect to the undersigned's holdings of and transactions in securities issued by the Company, unless earlier revoked by the undersigned in a signed writing delivered to the foregoing attorneys-in-fact. This Power of Attorney replaces and revokes any and all prior powers of attorney granted by the undersigned, in the undersigned's capacity as an officer and/or director of the Company, relating to Section 16 of the Securities Exchange Act of 1934.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 8th day of August, 2012.

Signature /s/ James Reed McKnight, Jr.

Print Name: James Reed McKnight, Jr.