

OPTICARE HEALTH SYSTEMS INC
 Form 4
 March 08, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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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 *
 YIMOYINES DEAN J

(Last) (First) (Middle)

C/O OPTICARE HEALTH SYSTEMS, INC., 87 GRANDVIEW AVENUE

(Street)

WATERBURY, CT 06708

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 OPTICARE HEALTH SYSTEMS INC [OPT]

3. Date of Earliest Transaction (Month/Day/Year)
 03/06/2006

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)
 Chrmn of the Bd & Chf Ex Off

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock, \$.001 par value per share	03/06/2006		D		180,000	D	① 0
Common Stock, \$.001 par value per share	03/06/2006		C		4,866,646	A	② 4,866,646 ③

By Spouse ④

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Common Stock, \$0.001 par value per share	03/06/2006	C	145,100	A	<u>(5)</u>	5,011,746	I	By Spouse <u>(4)</u>
Common Stock, \$0.001 par value per share	03/06/2006	C	1,123,720	A	<u>(6)</u>	6,135,466	I	By Spouse <u>(4)</u>
Common Stock, \$0.001 par value per share	03/06/2006	D	6,510,391	D	<u>(7)</u>	0	I	By Spouse <u>(4)</u>

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 (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 Number Shares
Series B 12.5% Voting Cum. Conv. Part. Pref. St.	<u>(8)</u>	01/25/2002		C	486,664	<u>(8)</u>	<u>(8)</u>	Common Stock	4,866,6
Series C Preferred Stock	<u>(9)</u>	05/12/2003		C	2,902	<u>(9)</u>	<u>(9)</u>	Common Stock	145,10
Series D Preferred Stock	<u>(10)</u>	01/12/2005		C	28,093	<u>(10)</u>	<u>(10)</u>	Common Stock	1,123,7

Employee Stock Option (right to buy)	\$ 0.68	03/06/2006	D	150,000	(11)	03/31/2014	Common Stock	150,000
Employee Stock Option (right to buy)	\$ 0.65	03/06/2006	D	100,000	(12)	02/28/2013	Common Stock	100,000
Employee Stock Option (right to buy)	\$ 0.36	03/06/2006	D	500,000	(13)	12/20/2012	Common Stock	500,000
Employee Stock Option (right to buy)	\$ 0.2	03/06/2006	D	150,000	(14)	05/21/2012	Common Stock	150,000
Employee Stock Option (right to buy)	\$ 0.15	03/06/2006	D	500,000	(15)	01/04/2012	Common Stock	500,000
Employee Stock Option (right to buy)	\$ 2.56	03/06/2006	D	286,450	(16)	08/13/2009	Common Stock	286,450
Employee Stock Option (right to buy)	\$ 5.85	03/06/2006	D	325,000	(17)	08/13/2009	Common Stock	325,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
YIMOYINES DEAN J C/O OPTICARE HEALTH SYSTEMS, INC. 87 GRANDVIEW AVENUE WATERBURY, CT 06708	X		Chrmn of the Bd & Chf Ex Off	

Signatures

/s/ Dean J.

Yimoyines

03/08/2006

**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) Disposed of pursuant to the merger agreement between the Issuer and Refac in exchange for 7,254 shares of Refac Common Stock having a market value of \$8.05 per share on the effective date of the merger.

The reporting person's spouse converted 486,664 shares of Series B 12.5% Voting Cumulative Convertible Participating Preferred Stock ("Series B Preferred Stock") on March 6, 2006, resulting in the acquisition of 4,866,646 shares of Common Stock. Each share of Series B Preferred Stock was convertible at any time into 10 shares of Common Stock.
- (2) The Series B Preferred Stock accrued cumulative dividends at an annual rate of 12.5%. Pursuant to the merger agreement, the dividends ceased accruing on June 30, 2005. These accrued dividends were converted into 324,360 shares of Common Stock on March 6, 2006.

The reporting person disclaims beneficial ownership of these securities and this report shall not be deemed an admission that the reporting person is the beneficial owner of these securities for the purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or otherwise.
- (3) The reporting person's spouse converted 2,902 shares of Series C Preferred Stock on March 6, 2006, resulting in the acquisition of 145,100 shares of Common Stock. Each share of Series C Preferred Stock was convertible at any time into 50 shares of Common Stock beginning on May 19, 2003.
- (4) The reporting person's spouse converted 28,093 shares of Series D Preferred Stock on March 6, 2006, resulting in the acquisition of 1,123,720 shares of Common Stock. Each share of Series D Preferred Stock was convertible at any time into 40 shares of Common Stock.
- (5) Disposed of pursuant to the merger agreement in exchange for 262,369 shares of Refac Common Stock having a market value of \$8.05 per share on the effective date of the merger.
- (6) Each share of the Series B Preferred Stock was convertible at any time into 10 shares of Common Stock, and had a mandatory redemption date of December 31, 2008.
- (7) Each share of the Series C Preferred Stock was convertible at any time into 50 shares of Common Stock beginning on May 19, 2003, and had no expiration date.
- (8) Each share of the Series D Preferred Stock was convertible at any time into 40 shares of Common Stock, and had no expiration date.

This option, which provided for vesting in four equal annual installments beginning March 31, 2005, was assumed by Refac in the merger and replaced with an option to purchase 7,080 shares of Refac Common Stock for \$14.41 per share. The terms and provisions of the Issuer's option plans will continue to apply to the options assumed by Refac.
- (9) This option, which provided for vesting in four equal annual installments beginning February 28, 2004, was assumed by Refac in the merger and replaced with an option to purchase 4,720 shares of Refac Common Stock for \$13.77 per share. The terms and provisions of the Issuer's option plans will continue to apply to the options assumed by Refac.
- (10) This non-qualified stock option, which has completely vested, was assumed by Refac in the merger and replaced with an option to purchase 23,600 shares of Refac Common Stock for \$7.63 per share. The terms and provisions of the Issuer's option plans will continue to apply to the options assumed by Refac.
- (11) The option to purchase 150,000 shares consisted of 125,000 incentive stock option shares and 25,000 non-qualified stock option shares. These options, which provided for vesting in four equal annual installments beginning May 21, 2003, were assumed by Refac in the merger and replaced with options to purchase 7,080 shares of Refac Common Stock for \$4.24 per share. The terms and provisions of the Issuer's option plans will continue to apply to the options assumed by Refac.
- (12) This option, which has completely vested, was assumed by Refac in the merger and replaced with an option to purchase 23,600 shares of Refac Common Stock for \$3.18 per share. The terms and provisions of the Issuer's option plans will continue to apply to the options assumed by Refac.
- (13) This option, which has completely vested, was assumed by Refac in the merger and replaced with an option to purchase 13,520 shares of Refac Common Stock for \$54.24 per share. The terms and provisions of the Issuer's option plans will continue to apply to the options

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assumed by Refac.

This option, which has completely vested, was assumed by Refac in the merger and replaced with an option to purchase 15,340 shares of (17) Refac Common Stock for \$123.94 per share. The terms and provisions of the Issuer's option plans will continue to apply to the options assumed by Refac.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.