ICAD INC Form 4 September 14, 2006

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

OMB Washington, D.C. 20549 Number:

if no longer subject to Section 16. Form 4 or

Check this box

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *

Stevens Stacey M

2. Issuer Name and Ticker or Trading Symbol

ICAD INC [icad]

(First) (Middle) (Last)

(Month/Day/Year) 09/12/2006

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

(Street)

4. If Amendment, Date Original

3. Date of Earliest Transaction

Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to

Issuer

below)

(Check all applicable)

OMB APPROVAL

Expires:

response...

Estimated average

burden hours per

3235-0287

January 31,

2005

0.5

Director 10% Owner X_ Officer (give title Other (specify

> below) Executive VP of Marketing

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

NASHUA, NH 03063

(City)

Security

(Instr. 3)

1. Title of 2. Transaction Date 2A. Deemed

(State)

(Month/Day/Year)

(Zip)

Execution Date, if (Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

Code V Amount (D) Price

(A)

5. Amount of Securities Beneficially Owned Following Reported

Transaction(s) (Instr. 3 and 4)

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial (T) (Instr. 4)

Ownership (Instr. 4)

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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

1. Title of Derivative Security

Conversion or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of Transaction Derivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount Underlying Securitie (Instr. 3 and 4)

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A

50,000

(Instr. 3) Price of (Month/Day/Year) (Instr. 8) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)

Code V (A) (D) Date

Date Expiration Title Amoun Exercisable Date or Number

7.25%

Convertible \$ 1.7 09/12/2006 Note 09/12/2006 09/12/2008

Common 29,41 Stock (1)

of Sha

Reporting Owners

Reporting Owner Name / Address

Director 10% Owner Officer Other

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

NASHMAN NH 02062

Signatures

NASHUA, NH 03063

/s/ Annette Heroux, Attorney-in-Fact 09/14/2006

**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 number of shares reflected as issuable upon conversion of the note represents shares that may be acquired assuming the entire current (1) principal amount of the note is converted and does note reflect any shares that may be acquired by the holder of the note upon conversion of the note in lieu of the payment of any accrued and unpaid interest on the note.

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.

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