ICAD INC Form 4 September 14, 2006

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

Check this box

if no longer subject to Section 16. Form 4 or

obligations

may continue.

See Instruction

Form 5

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * SUSSMAN ELLIOT J MD MBA

(First) (Last)

(Middle)

C/O ICAD, INC., 4 TOWNSEND

WEST, SUITE 17

(Street)

NASHUA, NH 03063

2. Issuer Name and Ticker or Trading Symbol

ICAD INC [icad]

3. Date of Earliest Transaction

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

4. If Amendment, Date Original

Filed(Month/Day/Year)

Form filed by More than One Reporting

X Form filed by One Reporting Person

6. Individual or Joint/Group Filing(Check

5. Relationship of Reporting Person(s) to

(Check all applicable)

(City) (State)

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

Security (Month/Day/Year) (Instr. 3)

Execution Date, if

(Zip)

(Month/Day/Year)

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

(Instr. 3, 4 and 5)

Code V Amount (D) Price

(A) or

5. Amount of Securities Beneficially Owned

(Instr. 3 and 4)

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

Issuer

below)

X_ Director

Applicable Line)

Officer (give title

Following Reported Transaction(s)

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

Ownership

(Instr. 4)

10% Owner

Other (specify

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

SEC 1474 (9-02)

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.

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

(Month/Day/Year)

3. Transaction Date 3A. Deemed Execution Date, if any

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

4. 5. Number of TransactionDerivative Code Securities

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

7. Title and Amoun Underlying Securit (Instr. 3 and 4)

Edgar Filing: ICAD INC - Form 4

(Instr. 3) Price of (Month/Day/Year) (Instr. 8) Acquired (A) or Derivative Disposed of (D) Security (Instr. 3, 4, and 5) Code V (A) (D) Date Exercisable

Expiration Title Amo or

Date

Num of Sh

7.25%

Common Convertible 09/12/2006 A 100,000 09/12/2006 09/12/2008 \$ 1.7 Stock Note

Reporting Owners

Relationships Reporting Owner Name / Address

> 10% Owner Officer Director

SUSSMAN ELLIOT J MD MBA C/O ICAD, INC. 4 TOWNSEND WEST, SUITE 17 NASHUA, NH 03063

X

Signatures

/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 not 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 accured 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.

Reporting Owners 2