

# SECURITIES AND EXCHANGE COMMISSION

## FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2008-08-29** | Period of Report: **2008-08-27**

SEC Accession No. **0000749660-08-000031**

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### REPORTING OWNER

#### Ferry Kenneth M

CIK: **1359795**

Type: **4** | Act: **34** | File No.: **001-09341** | Film No.: **081047416**

#### Mailing Address

*C/O ICAD INC.  
98 SPIT BROOK ROAD, SUITE  
100  
NASHUA NH 03062*

#### Business Address

*937-431-7947*

### ISSUER

#### ICAD INC

CIK: **749660** | IRS No.: **020377419** | State of Incorpor.: **DE** | Fiscal Year End: **1231**  
SIC: **3841** Surgical & medical instruments & apparatus

#### Mailing Address

*98 SPIT BROOK ROAD, SUITE  
100  
NASHUA NH 03062*

#### Business Address

*98 SPIT BROOK ROAD, SUITE  
100  
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603-882-5200*

# FORM 4

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

### OMB APPROVAL

OMB Number: 3235-0287  
Expires: 02/28/2011  
Estimated average burden  
hours per response 0.5

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### STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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. Name and Address of Reporting Person<br><b>Ferry Kenneth M</b> |         |          | 2. Issuer Name and Ticker or Trading Symbol<br><b>ICAD INC [icad]</b> |  |  | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)<br><b>President, CEO</b> |  |  |
| (Last)                                                            | (First) | (Middle) | 3. Date of Earliest Transaction (Month/Day/Year)<br><b>08/27/2008</b> |  |  |                                                                                                                                                                                                                                                                                                         |  |  |
| C/O ICAD INC., 98 SPIT BROOK ROAD, SUITE 100                      |         |          | 4. If Amendment, Date Original Filed(Month/Day/Year)                  |  |  | 6. Individual or Joint/Group Filing<br>(Check applicable line)<br><input checked="" type="checkbox"/> Form Filed by One Reporting Person<br><input type="checkbox"/> Form Filed by More than One Reporting Person                                                                                       |  |  |
| (Street)<br><b>NASHUA, NH 03062</b>                               |         |          |                                                                       |  |  |                                                                                                                                                                                                                                                                                                         |  |  |
| (City)                                                            | (State) | (Zip)    |                                                                       |  |  |                                                                                                                                                                                                                                                                                                         |  |  |

**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 Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|---|-------------------------------------------------------------------|------------|-------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
|                                 |                                      |                                                    | Code                           | V | Amount                                                            | (A) or (D) | Price                   |                                                                                               |                                                          |                                                       |
| Common Stock                    | 08/27/2008                           |                                                    | M                              |   | 11,700                                                            | A          | \$1.59                  | 699,700                                                                                       | D                                                        |                                                       |
| Common Stock                    | 08/27/2008                           |                                                    | S                              |   | 11,700                                                            | D          | \$4.3305 <sup>(1)</sup> | 688,000                                                                                       | D                                                        |                                                       |
| Common Stock                    | 08/28/2008                           |                                                    | M                              |   | 38,300                                                            | A          | \$1.59                  | 726,300                                                                                       | D                                                        |                                                       |
| Common Stock                    | 08/28/2008                           |                                                    | S                              |   | 38,300                                                            | D          | \$4.3448 <sup>(2)</sup> | 688,000                                                                                       | D                                                        |                                                       |

**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 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 |                                            |                                                                                                    |                                                                                  |                                                        |
| Employee Options (Right to buy)            | \$1.59                                                 | 08/27/2008                           |                                                    | M                              |   | 11,700                                                                                  |     | (3)                                                      | 03/15/2011      | Common Stock                                                                      | 11,700                     | \$ 0                                       | 788,300                                                                                            | D                                                                                |                                                        |
| Employee Options                           | \$1.59                                                 | 08/28/2008                           |                                                    | M                              |   | 38,300                                                                                  |     | (3)                                                      | 03/15/2011      | Common Stock                                                                      | 38,300                     | \$ 0                                       | 750,000                                                                                            | D                                                                                |                                                        |

(Right to buy)

**Explanation of Responses:**

1. The reported sales price represents the average sale price of the shares sold. The shares were sold at prices ranging from \$4.27 and \$4.36 per shares. The reporting person agrees to provide full information regarding the number of shares sold at each separate price upon request by the SEC's staff, the issuer, or a security holder of the issuer.
2. The reported sales price represents the average sale price of the shares sold. The shares were sold at prices ranging from \$4.25 to \$4.41 per share. The reporting person agrees to provide full information regarding the number of shares sold at each separate price upon request by the SEC's staff, the issuer, or a security holder of the issuer.
3. The options become exercisable as to (i) 160,000 shares on May 15, 2006; (ii) an additional 160,000 shares on December 31 2006; (iii) an additional 160,000 shares on February 8, 2007; (iv) an additional 160,000 shares on May 15, 2007 and (v) an additional 160,000 shares on May 20, 2008.

**Signatures**

/s/Annette Heroux, Attorney-in-Fact

\*\* Signature of Reporting Person

08/29/2008

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.

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