

CAREMARK RX INC
Form 4
March 26, 2007

FORM 4

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

OMB APPROVAL

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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 *
DIAMOND HARRIS

(Last) (First) (Middle)

211 COMMERCE STREET, SUITE 800

(Street)

NASHVILLE, TN 37201

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
CAREMARK RX INC [CMX]

3. Date of Earliest Transaction
(Month/Day/Year)
03/22/2007

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)

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock, par value \$.001	03/22/2007		M		13,462	A	(1) 13,462
Common Stock, par value \$.001	03/22/2007		D		13,462	D	(2) 0

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

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SEC 1474 (9-02)

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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)			6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Underlying (Instr. 3 and 4)
					V	(A)	(D)	Date Exercisable	Expiration Date	
Stock Option	\$ 25.14	03/22/2007		D ⁽³⁾		25,000		01/02/2004	01/02/2014	Common Stock, par value \$.001
Stock Option	\$ 12.25	03/22/2007		D ⁽³⁾		5,000		01/12/2001	01/12/2011	Common Stock, par value \$.001
Stock Option	\$ 15.8	03/22/2007		D ⁽³⁾		25,000		01/02/2002	01/02/2012	Common Stock, par value \$.001
Stock Option	\$ 17.2	03/22/2007		D ⁽³⁾		25,000		02/25/2003	02/25/2013	Common Stock, par value \$.001
Stock Option	\$ 37.92	03/22/2007		D ⁽³⁾		18,000		03/01/2006	03/01/2015	Common Stock, par value \$.001
Stock Option	\$ 50.84	03/22/2007		D ⁽³⁾		18,000		03/01/2007	03/01/2016	Common Stock, par value \$.001
Stock Units	<u>(4)</u>	03/22/2007		A ⁽⁵⁾		1,388.24		<u>(5)</u>	<u>(5)</u>	Common Stock, par value \$.001
Stock Units	<u>(4)</u>	03/22/2007		M ⁽¹⁾		13,462.225		<u>(1)</u>	<u>(1)</u>	Common Stock, par value \$.001

Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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Director 10% Owner Officer Other

DIAMOND HARRIS
211 COMMERCE STREET
SUITE 800
NASHVILLE, TN 37201

X

Signatures

/s/ Denise
Sommer, POA

03/26/2007

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) Pursuant to the merger agreement between the issuer and CVS Corporation, because of the change in control of the issuer, each stock unit that was accrued under the Caremark Rx, Inc. Director Deferred Compensation Plan was converted immediately prior to the completion of the merger into 1 share of issuer common stock and was then disposed of pursuant to the merger agreement between the issuer and CVS Corporation at a rate of 1.67 of CVS/Caremark Corporation common stock for each share of issuer common stock.
 - (2) Disposed of pursuant to a merger agreement between issuer and CVS Corporation at the rate of 1.67 shares of CVS/Caremark Corporation common stock for each share of issuer stock. All issuer shares held by Reporting Person were disposed.
 - (3) Issuer options are being replaced in the merger with CVS/Caremark Corporation options exercisable for CVS/Caremark Corporation common stock. The number of CVS/Caremark Corporation common shares and the exercise price of the CVS/Caremark Corporation replacement option will be computed using a formula that will result in the Reporting Person receiving an intrinsic value in the CVS/Caremark Corporation replacement option that will be approximately equal to the intrinsic value of the issuer options valued immediately prior to the merger.
 - (4) Each unit is equivalent to one share of issuer common stock.
 - (5) Increase in stock units resulting from a \$7.50 per share special dividend paid on stock units that were accrued under the Caremark Rx, Inc. Director Deferred Compensation Plan. Although the special dividend was paid in cash, the terms of the Deferred Compensation Plan provided that cash dividends would be accrued as additional stock units.

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.