

PROXYMED INC /FT LAUDERDALE/  
Form 4  
December 20, 2006

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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 \*  
FALK MICHAEL

2. Issuer Name and Ticker or Trading Symbol  
PROXYMED INC /FT LAUDERDALE/ [PILL]

5. Relationship of Reporting Person(s) to Issuer  
(Check all applicable)

(Last) (First) (Middle)  
ONE NORTH CLEMATIS STREET,, SUITE 300  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
12/13/2006

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
\_\_\_ Officer (give title below) \_\_\_ Other (specify below)

WEST PALM BEACH, FL 33401  
(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_\_ Form filed by One Reporting Person  
\_X\_ 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 Beneficial Ownership (Instr. 4)             |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price   |
| Common Stock                    | 12/13/2006                           | 12/13/2006   | J <sup>(1)</sup>               |   | 1,040,106   | D  | <u>(1)</u><br><u>(2)</u>  |
|                                 |                                      |  |                                |   |   |  | 982,632 <u>(1)</u><br><u>(2)</u>                                  |
| Common Stock                    | 12/13/2006                           | 12/13/2006   | J <sup>(1)</sup>               |   | 67,233  | A  | <u>(1)</u><br><u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u>         |
|                                 |                                      |  |                                |   |   |  | 982,632 <u>(1)</u><br><u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u> |

By PVC Funding Partners LLC

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

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number.

**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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Option to Purchase Common Stock            | \$ 7.28  | 04/16/2006                           | 04/16/2006   | A                              | 3,333   | 04/16/2006 04/16/2013                                    | Common Stock  | 3,333                         |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| FALK MICHAEL<br>ONE NORTH CLEMATIS STREET,<br>SUITE 300<br>WEST PALM BEACH, FL 33401            |               | X         |         |       |
| PVC FUNDING PARTNERS LLC<br>ONE NORTH CLEMATIS STREET<br>SUITE 300<br>WEST PALM BEACH, FL 33401 |               | X         |         |       |

## Signatures

/s/Michael Falk 12/20/2006  
 \*\*Signature of Reporting Person Date

/s/ PVC Funding Partners, LLC 12/20/2006  
 \*\*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) On December 13, 2006, PVC Funding Partners, LLC ("PVC") instructed its transfer agent to distribute to PVC's affiliates 1,040,106 shares of common stock of the issuer (the "Common Stock") owned of record by PVC (representing all shares of Common Stock

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beneficially owned by PVC) (the "Distribution"). No additional consideration was paid by the affiliates to PVC in connection with such Distribution. PVC is managed by Commonwealth Associates, LP ("CA"), of which Mr. Falk is Chairman, and ComVest Venture Partners, LP ("ComVest Venture"), of which Mr. Falk is Managing Partner. ComVest Venture is a member of PVC.

- This number includes: (i) 19,932 shares of Common Stock owned of record by ComVest Group Holdings, LLC f/k/a Commonwealth Associates Group Holdings LLC ("CGH"), of which Mr. Falk is Chairman and principal member (see footnote 5); (ii) 553,150 shares of Common Stock held of record by ComVest Venture (see footnotes 1 and 3); (iii) 372,949 shares of Common Stock held of record by Mr. Falk (see footnotes 1 and 4); (iv) an aggregate of 27,500 shares of Common Stock issuable upon exercise of fully-vested warrants owned of record by Mr. Falk; and (v) an aggregate of 9,101 shares of Common Stock owned of record by Mr. Falk's wife, IRA, family foundation, and children. Due to Mr. Falk's association with each of the entities and individuals, Mr. Falk could be deemed to beneficially own all of the foregoing shares. Mr. Falk disclaims beneficial ownership of all of the shares listed in items (i) and (ii) that are beneficially owned by third-party investors in such entities, and M
- (2) ComVest Venture, as a member of PVC, received 220,435 shares of Common Stock from PVC in the Distribution described in footnote 1.
  - (3) Mr. Falk, as a member of CGH, received 67,233 shares of Common Stock from CGH in connection with the Distribution described in footnote 1.
  - (4) CGH received 153,607 shares of Common Stock from PVC in the Distribution described in footnote 1, and immediately distributed such 153,607 shares of Common Stock to its members.
  - (5)

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.