COX MICHAEL L Form 4

January 31, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5

SECURITIES obligations may continue.

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)

See Instruction

1. Name and Address of Reporting Person * COX MICHAEL L

2. Issuer Name and Ticker or Trading

Symbol

FIRST MERCHANTS CORP

[FRME]

(Last) (First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year)

200 EAST JACKSON STREET 01/31/2006

(Street) 4. If Amendment, Date Original

Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to

OMB

Number:

Expires:

response...

OMB APPROVAL

Estimated average

burden hours per

3235-0287

January 31,

2005

0.5

Issuer

(Check all applicable)

_X__ Director 10% Owner X__ Officer (give title __X__ Other (specify

below) below)

President / Chief Executive Officer 6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

MUNCIE, IN 47305

| (City) | (State) (Z | Zip) Table | I - Non-De | erivative S | Securi | ties Acc | quired, Disposed | of, or Beneficial | lly Owned |
|--------------------------------------|--------------------------------------|--|------------|-------------|--|--|---|-------------------|-----------|
| 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | etion Date 2A. Deemed 3. 4. Securities ay/Year) Execution Date, if TransactionAcquired (A) or any Code Disposed of (D) (Month/Day/Year) (Instr. 8) (Instr. 3, 4 and 5) | |)) | 5. Amount of Securities Beneficially Owned Following | 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 | Reported Transaction(s) (Instr. 3 and 4) | | |
| Common Stock | 01/31/2006 | | M | 300.7 | A | \$0 | 48,457.7 | D | |
| Common Stock | 01/31/2006 | | D | 300.7 | D | \$ 26 | 48,157 (4) | D | |

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.

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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) | ransaction Derivative Code Securities | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | |
|---|---|--------------------------------------|---|---|---------------------------------------|-------|--|--------------------|---|--|
| | | | | Code V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Deferred Stock Units (2) | (1) | 01/31/2006 | | M | | 300.7 | 01/31/2006 | 01/31/2006 | Common Stock | 300.7 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | | | | |
|--|---------------|-----------|-----------|-------------------------|--|--|--|
| 1 0 | Director | 10% Owner | Officer | Other | | | |
| COX MICHAEL L 200 EAST JACKSON STREET MUNCIE, IN 47305 | X | | President | Chief Executive Officer | | | |

Signatures

Larry R. Helms (Confirming Statement on File) 01/31/2006

**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) Conversion price of derivative security is 1 for 1.
- (2) Employee Stock Option Right to Buy equals 113,652 shares.
- (3) Reporting person received \$553.29 from accumulated dividends on year 2003 deferred stock units.
- (4) Additional common stock beneficially owned by reporting person in 401K account equals 534.6905.

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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