

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (Date of earliest event reported): September 20, 2006

FIRST MERCHANTS CORPORATION
(Exact name of registrant as specified in its charter)

| | | |
|--|-------------------------------------|--|
| INDIANA (State or other jurisdiction of incorporation) | 0-17071 (Commission file number) | 35-1544218 (IRS Employer Identification No.) |
|--|-------------------------------------|--|

200 East Jackson Street
P.O. Box 792
Muncie, IN 47305-2814
(Address of principal executive offices, including zip code)

(765) 747-1500
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 7.01. Regulation FD Disclosure.

On July 25, 2006, the Board of Directors of First Merchants Corporation declared a quarterly cash dividend of \$0.23 per share on its outstanding common stock. The cash dividend was payable to stockholders of record on September 6, 2006. The cash dividend was distributed along with a letter to the stockholders on September 20, 2006. A copy of the stockholder letter is attached as Exhibit 99.1 to this report and is furnished pursuant to Regulation FD.

Item 9.01. Financial Statements and Exhibits.

- (a) Not Applicable.
- (b) Not Applicable.
- (c) (99.1) Stockholder Letter dated September 20, 2006.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DATE: September 20, 2006

FIRST MERCHANTS CORPORATION
(Registrant)

By: /s/ Mark K. Hardwick

Mark K. Hardwick,
Executive Vice President and
Chief Financial Officer
(Principal Financial and
Principal Accounting Officer)

EXHIBIT INDEX

| Exhibit No. ----- | Description ----- |
|----------------------|--|
| 99.1 | Stockholder Letter dated September 20, 2006. |

First Merchants Corporation

Exhibit 99.1

Stockholder Letter, dated September 20, 2006

September 20, 2006

Dear Shareholder:

The First Merchants Corporation Board of Directors has declared a quarterly cash dividend of \$0.23 per share to holders of record on September 6, 2006, payable September 20, 2006.

We were pleased to receive notification from NASDAQ that effective July 3, 2006, First Merchants Corporation was included in the new NASDAQ Global Select Market Index. To quote the notification, "This inclusion in NASDAQ's premier listing tier is a true reflection of your stature and achievement as a public company". This index can be accessed in most financial publications and via the Internet at www.nasdaq.com/globalselect.

Your Board of Directors is pleased to provide this dividend to you, and we are appreciative of your continued support of our Corporation. Should you have any questions regarding our company, we welcome them through our internal shareholder relations department (Telephone: 800-262-4261, ext. 2-7278), or through direct e-mail link on our website, www.firstmerchants.com, and invite you to avail yourselves of this service.

Sincerely,

Michael L. Cox
President and Chief Executive Officer

MLC/ch

Enclosure