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): December 20, 2006

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

INDIANA 0-17071 35-1544218 (State or other jurisdiction (Commission file number) (IRS Employer of incorporation) 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 October 24, 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 December 6, 2006. The cash dividend was distributed along with a letter to the stockholders on December 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 December 20, 2006.

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: December 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)

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EXHIBIT INDEX

Exhibit No.Description99.1Stockholder Letter dated December 20, 2006.

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First Merchants Corporation

Exhibit 99.1

Stockholder Letter, dated December 20, 2006

December 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 December 6, 2006, payable December 20, 2006.

We are pleased to report that the Bank Insurance Market Research organization will include First Merchants Corporation in its 2006 "Who's Who in Bank Insurance". This directory profiles the top 100 U. S. bank insurance programs. First Merchants Insurance Services, our wholly owned subsidiary, provides full-line property casualty and health insurance to a growing array of commercial and individual clients. We congratulate them on attaining this recognition for our Corporation in an elite group.

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