

AMERICAN RETIREMENT CORP

Form 4

July 27, 2006

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
SHERIFF W E

2. Issuer Name **and** Ticker or Trading
Symbol

**AMERICAN RETIREMENT CORP
[ACR]**

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)

**111 WESTWOOD PLACE, SUITE
200**

(Street)

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

07/25/2006

☐ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify below)
CEO & Chrman. of Bd. of Dirs.

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
☒ Form filed by One Reporting Person
☐ Form filed by More than One Reporting
Person

BRENTWOOD, TN 37027

(City) (State) (Zip)

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	07/25/2006		D		500,403	D	\$ 33 0	D
Common Stock	07/25/2006		D		359,574	D	\$ 33 0	I By partnership
Common Stock	07/25/2006		D		4,000	D	\$ 33 0	I By spouse

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

**Persons who respond to the collection of
information contained in this form are not
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SEC 1474
(9-02)

displays a currently valid OMB control 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)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Employee Stock Option	\$ 3.1	07/25/2006		D		168,816 <u>(1)</u>		01/04/2002	01/04/2011	Common Stock	168,8

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
SHERIFF W E 111 WESTWOOD PLACE SUITE 200 BRENTWOOD, TN 37027	X CEO & Chrman. of Bd. of Dirs.

Signatures

/s/ W. E. Sheriff 07/25/2006
 **Signature of Date
 Reporting Person

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).

The option, which provided for vesting in three equal annual installments beginning January 4, 2002, was cancelled in the merger with (1) Brookdale Senior Living Inc., in exchange for a cash payment of \$5,047,598.40 representing the difference between the exercise price of the option and the market value of the underlying common stock on the effective date of the merger.

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.