

AMERICAN RETIREMENT CORP

Form 4

July 27, 2006

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

OMB APPROVAL

OMB  
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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 \*  
O CONNELL DANIEL K2. 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)

5133 NW 93RD DORAL WAY

(Street)

MIAMI, FL 33178

(City) (State) (Zip)

3. Date of Earliest Transaction  
(Month/Day/Year)  
07/25/20064. If Amendment, Date Original  
Filed(Month/Day/Year)☒ Director ☐ 10% Owner  
☐ Officer (give title below) ☐ Other (specify below)6. Individual or Joint/Group Filing(Check  
Applicable Line)  
☒ Form filed by One Reporting Person  
☐ 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)
Common Stock	07/25/2006		D	80,000	D \$ 33 0	D	

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  
required to respond unless the form  
displays a currently valid OMB control  
number.**SEC 1474  
(9-02)**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned  
(e.g., puts, calls, warrants, options, convertible securities)**

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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. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to Buy)	\$ 14	07/25/2006		D		9,000 (1)		05/30/1998	05/30/2007	Common Stock	9,000
Stock Option (Right to Buy)	\$ 7.25	07/25/2006		D		3,000 (2)		05/12/2001	05/12/2010	Common Stock	3,000
Stock Option (Right to Buy)	\$ 3.75	07/25/2006		D		3,000 (3)		05/03/2002	05/03/2011	Common Stock	3,000
Stock Option (Right to Buy)	\$ 3	07/25/2006		D		3,000 (4)		05/30/2003	05/30/2012	Common Stock	3,000
Stock Option (Right to Buy)	\$ 1.75	07/25/2006		D		3,000 (5)		05/20/2004	05/20/2013	Common Stock	3,000
Stock Option (Right to Buy)	\$ 4.99	07/25/2006		D		3,000 (6)		05/19/2005	05/19/2014	Common Stock	3,000
Stock Option (Right to Buy)	\$ 14.11	07/25/2006		D		3,000 (7)		05/18/2006	05/18/2015	Common Stock	3,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other

O CONNELL DANIEL K  
5133 NW 93RD DORAL WAY X  
MIAMI, FL 33178

## Signatures

/s/ Daniel K.  
O'Connell 07/27/2006

\_\_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) The option, which provided for vesting in three equal annual installments beginning June 2, 1998, was cancelled upon consummation of the merger of a subsidiary of Brookdale Senior Living Inc. with and into American Retirement Corporation ("ACR") in exchange for a cash payment of \$171,000.00, representing the difference between the exercise price of the option and the market value of the underlying ACR common stock on the effective date of the merger.

(2) The option, which vested on May 12, 2001, was cancelled upon consummation of the merger of a subsidiary of Brookdale Senior Living Inc. with and into American Retirement Corporation ("ACR") in exchange for a cash payment of \$77,250.00, representing the difference between the exercise price of the option and the market value of the underlying ACR common stock on the effective date of the merger.

(3) The option, which vested on May 3, 2002, was cancelled upon consummation of the merger of a subsidiary of Brookdale Senior Living Inc. with and into American Retirement Corporation ("ACR") in exchange for a cash payment of \$87,750.00, representing the difference between the exercise price of the option and the market value of the underlying ACR common stock on the effective date of the merger.

(4) The option, which vested on May 30, 2003, was cancelled upon consummation of the merger of a subsidiary of Brookdale Senior Living Inc. with and into American Retirement Corporation ("ACR") in exchange for a cash payment of \$90,000.00, representing the difference between the exercise price of the option and the market value of the underlying ACR common stock on the effective date of the merger.

(5) The option, which vested on May 20, 2004, was cancelled upon consummation of the merger of a subsidiary of Brookdale Senior Living Inc. with and into American Retirement Corporation ("ACR") in exchange for a cash payment of \$93,750.00, representing the difference between the exercise price of the option and the market value of the underlying ACR common stock on the effective date of the merger.

(6) The option, which vested on May 19, 2005, was cancelled upon consummation of the merger of a subsidiary of Brookdale Senior Living Inc. with and into American Retirement Corporation ("ACR") in exchange for a cash payment of \$84,030.00, representing the difference between the exercise price of the option and the market value of the underlying ACR common stock on the effective date of the merger.

(7) The option, which vested on May 18, 2006, was cancelled upon consummation of the merger of a subsidiary of Brookdale Senior Living Inc. with and into American Retirement Corporation ("ACR") in exchange for a cash payment of \$56,670.00, representing the difference between the exercise price of the option and the market value of the underlying ACR 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.

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