

AMERICAN RETIREMENT CORP
 Form 4
 July 21, 2006

FORM 4

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

OMB APPROVAL

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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

(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)
07/19/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman, CEO and Pres.

BRENTWOOD, TN 37027

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

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | | (A) or (D) | Price | | |
| Common Stock | 07/19/2006 | | F | (1) | \$ 26,452 32.9 | D | |
| Common Stock | 07/21/2006 | | M | | \$ 3.1 82,434 | D | |
| Common Stock | | | | | 4,000 | I | By spouse |
| Common Stock | | | | | 359,574 | I | By partnership |

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

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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) | 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 Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Employee Stock Option (Right to Buy) | \$ 3.1 | 07/21/2006 | | M | 82,434 | 01/04/2002 ⁽²⁾ 01/04/2011 | Common Stock 82,4 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| SHERIFF W E 111 WESTWOOD PLACE, SUITE 200 BRENTWOOD, TN 37027 | X | | Chairman, CEO and Pres. | |

Signatures

/s/ W.E. Sheriff 07/21/2006

**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) On July 19, 2006, a tranche of restricted stock owned by the reporting person vested and the vesting provisions of additional tranches of restricted stock were accelerated due to the approval by American Retirement Corporation's ("the Company") shareholders of a plan of merger between the Company and Brookdale Senior Living, Inc. 26,452 shares were withheld from the shares delivered to the reporting person in order to satisfy the reporting person's tax withholding obligation.

(2) The option vested ratably in three annual installments beginning January 4, 2002.

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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