

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 *
SMITH NADINE C2. 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)

638 SIESTA DRIVE

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
07/25/2006☒ Director ☐ 10% Owner
☐ Officer (give title below) ☐ Other (specify below)

SARASOTA, FL 34242

(City) (State) (Zip)

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**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 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 Ownership Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	07/25/2006		D		31,956	D	\$ 33.33
					0		

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. D S (I
				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)	06/02/1998	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

SMITH NADINE C
638 SIESTA DRIVE
SARASOTA, FL 34242

X

Signatures

/s/ Nadine C.
Smith

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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