

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 *
PEARSON J EDWARD

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)

117 SEABOARD LANE, D200

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
07/25/2006

☒ Director ☐ 10% Owner
☐ Officer (give title below) ☐ Other (specify below)

FRANKLIN, TN 37067

(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 (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		3,000	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
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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. Amount or Number of Shares
Stock Option (Right to Buy)	\$ 4.99	07/25/2006		D	3,000 (1)	05/19/2005 05/19/2014	Common Stock	3,000
Stock Option (Right to Buy)	\$ 14.11	07/25/2006		D	3,000 (2)	05/18/2006 05/18/2015	Common Stock	3,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PEARSON J EDWARD 117 SEABOARD LANE, D200 FRANKLIN, TN 37067			X	

Signatures

/s/ J. Edward
Pearson 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).

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.

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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