

AMERICAN RETIREMENT CORP

Form 4

July 21, 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
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
KAESTNER H TODD

(Last) (First) (Middle)

111 WESTWOOD PLACE, SUITE
200

(Street)

BRENTWOOD, TN 37027

(City) (State) (Zip)

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

Symbol

**AMERICAN RETIREMENT CORP
[ACR]**

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

07/19/2006

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
__X__ Officer (give title ____ Other (specify
below) below)
Exec. V. P. - Corp. Develop.

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ 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 Ownership (Instr. 4)
Common Stock	07/19/2006		F	(A) or (D) D	Amount 7,329 (1) Price \$ 32.9	133,705	D
Common Stock	07/21/2006		M	A	\$ 3.1	211,256	D
Common Stock	07/21/2006		M	A	\$ 4.9	231,256	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**

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 Security (Instr. 3 and 4)	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 3.1	07/21/2006		M	77,551	01/04/2002 ⁽²⁾ 01/04/2011	Common Stock	77,551
Employee Stock Option (Right to Buy)	\$ 4.9	07/21/2006		M	20,000	11/03/2004 ⁽³⁾ 05/03/2014	Common Stock	20,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KAESTNER H TODD 111 WESTWOOD PLACE, SUITE 200 BRENTWOOD, TN 37027			Exec. V. P. - Corp. Develop.	

Signatures

/s/ H. Todd
Kaestner

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. 7,329 shares were withheld from the shares delivered to the reporting person in order to satisfy the reporting person's tax withholding obligation.

Edgar Filing: AMERICAN RETIREMENT CORP - Form 4

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

Pursuant to the provisions of the reporting person's stock option agreement, the option vests in one-third increments on November 3,

- (3) 2004, May 3, 2006 and May 3, 2007. On July 19, 2006, the vesting with respect to the third vesting tranche of the stock option grant was accelerated by the Company's Board of Directors.

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.