

AMERICAN RETIREMENT CORP  
 Form 4  
 January 20, 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 \*  
 Jarvis David R

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)

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 07/25/2005

\_\_\_\_ Director  
 \_\_\_\_ Officer (give title below)  
 \_\_\_X\_\_\_ 10% Owner  
 \_\_\_\_ Other (specify below)

C/O MERCURY REAL ESTATE ADVISORS LLC, 100 FIELD POINT ROAD

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 \_\_\_ Form filed by One Reporting Person  
 \_\_\_X\_\_\_ Form filed by More than One Reporting Person

GREENWICH, CT 06830

(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 Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

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

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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 Underlying Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Equity Swap (obligation to buy) <u>(1)</u> <u>(2)</u>	\$ 13.883	07/25/2005		J/K <u>(1)(2)</u>	1	07/25/2005 05/24/2007	Common Stock	
Equity Swap (obligation to buy) <u>(3)</u>	\$ 13.883	07/25/2005		J/K <u>(1)(2)</u>	1	07/25/2005 05/24/2007	Common Stock	
Equity Swap (obligation to buy) <u>(4)</u>	\$ 13.883	07/25/2005		J/K <u>(4)</u>	1	07/25/2005 05/24/2007	Common Stock	
Equity Swap (obligation to buy) <u>(5)</u>	\$ 13.883	07/25/2005		J/K <u>(5)</u>	1	07/25/2005 05/24/2007	Common Stock	
Equity Swap (obligation to buy) <u>(7)</u>	\$ 13.883	07/25/2005		J/K <u>(1)(2)(4)(5)(6)</u>	4	07/25/2005 05/24/2007	Common Stock	
Equity Swap (obligation to buy) <u>(8)</u>	\$ 13.883	07/25/2005		J/K <u>(1)(2)(4)(5)(6)</u>	4	07/25/2005 05/24/2007	Common Stock	
Equity Swap (obligation to buy) <u>(9)</u>	\$ 13.457	07/26/2005		J/K <u>(9)</u>	1	07/26/2005 05/24/2007	Common Stock	
Equity Swap (obligation to buy) <u>(10)</u>	\$ 13.457	07/26/2005		J/K <u>(9)</u>	1	07/26/2005 05/24/2007	Common Stock	

Equity Swap (obligation to buy) <u>(11)</u>	\$ 13.457	07/26/2005	J/K <sup>(9)</sup>	1	07/26/2005	05/24/2007	Common Stock
Equity Swap (obligation to buy) <u>(12)</u>	\$ 13.44	07/27/2005	J/K <sup>(12)</sup>	1	07/27/2005	05/24/2007	Common Stock
Equity Swap (obligation to buy) <u>(13)</u>	\$ 13.44	07/27/2005	J/K <sup>(12)</sup>	1	07/27/2005	05/24/2007	Common Stock
Equity Swap (obligation to buy) <u>(14)</u>	\$ 13.44	07/27/2005	J/K <sup>(12)</sup>	1	07/27/2005	05/24/2007	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Jarvis David R C/O MERCURY REAL ESTATE ADVISORS LLC 100 FIELD POINT ROAD GREENWICH, CT 06830		X		
MacLean Malcolm F IV C/O MERCURY REAL ESTATE ADVISORS LLC 100 FIELD POINT ROAD GREENWICH, CT 06830		X		
Mercury Special Situations Fund LP C/O MERCURY REAL ESTATE ADVISORS LLC 100 FIELD POINT ROAD GREENWICH, CT 06830		X		
Mercury Securities II LLC C/O MERCURY REAL ESTATE ADVISORS LLC 100 FIELD POINT ROAD GREENWICH, CT 06830		X		
Mercury Special Situations Offshore Fund Ltd C/O MERCURY REAL ESTATE ADVISORS LLC 100 FIELD POINT ROAD GREENWICH, CT 06830		X		
Silvercreek SAV LLC C/O MERCURY REAL ESTATE ADVISORS LLC 100 FIELD POINT ROAD GREENWICH, CT 06830		X		



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right to receive a performance-based advisory fee from MSSF, MSSOF, Silvercreek and the Managed Accounts, or as a result of his membership interest in MS II LLC, of which he is a managing member. That performance-based fee generally qualifies for the exemption set forth in Rule 16a-1(a)(2)(ii)(C).

(8) These swap arrangements were entered into by Advisors on behalf of MSSF, MSSOF, Silvercreek and the Managed Accounts. Mr. MacLean disclaims beneficial ownership of the securities held directly by MSSF, MSSOF, Silvercreek and the Managed Accounts except to the extent of the pecuniary interest, if any, in such securities as a result of his membership interest in Advisors, which has a contingent right to receive a performance-based advisory fee from MSSF, MSSOF, Silvercreek and the Managed Accounts, or as a result of his membership interest in MS II LLC, of which he is a managing member. That performance-based fee generally qualifies for the exemption set forth in Rule 16a-1(a)(2)(ii)(C).

(9) On July 26, 2005, Advisors entered into a cash settled equity swap agreement with Broker on behalf of Mercury Real Estate Securities Offshore Fund, Ltd. ("MRESOF"), for which Advisors serves as the investment adviser. The settlement date of the swap agreement is May 24, 2007. On such date, MRESOF or Broker, as applicable, will be required to make a payment to the other such that the resulting economic effect of the swap arrangement will be as if (i) MRESOF paid Broker \$102,274.72, representing \$13.457 for each share of ACR common stock subject to this agreement as of July 26, 2005, and (ii) Broker paid to MRESOF the market value of 7,600 shares of ACR common stock as of May 24, 2007. Any dividends received by Broker on account of the common stock subject to this agreement will be paid to MRESOF and MRESOF will pay to Broker a finance charge.

(10) This swap arrangement was entered into by Advisors on behalf of MRESOF. Mr. Jarvis disclaims beneficial ownership of the securities held directly by MRESOF except to the extent of the pecuniary interest, if any, in such securities as a result of his membership interest in Advisors, which has a contingent right to receive a performance-based advisory fee from MRESOF. That performance-based fee generally qualifies for the exemption set forth in Rule 16a-1(a)(2)(ii)(C).

(11) This swap arrangement was entered into by Advisors on behalf of MRESOF. Mr. MacLean disclaims beneficial ownership of the securities held directly by MRESOF except to the extent of the pecuniary interest, if any, in such securities as a result of his membership interest in Advisors, which has a contingent right to receive a performance-based advisory fee from MRESOF. That performance-based fee generally qualifies for the exemption set forth in Rule 16a-1(a)(2)(ii)(C).

(12) On July 27, 2005, Advisors entered into a cash settled equity swap agreement with Broker on behalf of MSSOF. The settlement date of the swap agreement is May 24, 2007. On such date, MSSOF or Broker, as applicable, will be required to make a payment to the other such that the resulting economic effect of the swap arrangement will be as if (i) MSSOF paid Broker \$224,444.66, representing \$13.44 for each share of ACR common stock subject to this agreement as of July 27, 2005, and (ii) Broker paid to MSSOF the market value of 16,700 shares of ACR common stock as of May 24, 2007. Any dividends received by Broker on account of the common stock subject to this agreement will be paid to MSSOF and MSSOF will pay to Broker a finance charge.

(13) This swap arrangement was entered into by Advisors on behalf of MSSOF. Mr. Jarvis disclaims beneficial ownership of the securities held directly by MSSOF except to the extent of the pecuniary interest, if any, in such securities as a result of his membership interest in Advisors, which has a contingent right to receive a performance-based advisory fee from MSSOF. That performance-based fee generally qualifies for the exemption set forth in Rule 16a-1(a)(2)(ii)(C).

(14) This swap arrangement was entered into by Advisors on behalf of MSSOF. Mr. MacLean disclaims beneficial ownership of the securities held directly by MSSOF except to the extent of the pecuniary interest, if any, in such securities as a result of his membership interest in Advisors, which has a contingent right to receive a performance-based advisory fee from MSSOF. That performance-based fee generally qualifies for the exemption set forth in Rule 16a-1(a)(2)(ii)(C).

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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