

AMERICAN RETIREMENT CORP  
 Form 4  
 January 20, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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**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)  
 07/18/2005

\_\_\_\_ 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 Amount of Underlying Security (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Equity Swap (obligation to buy) <u>(1)</u> <u>(2)</u>	\$ 14.07	07/18/2005		J/K <u>(1)(2)</u>		1		07/18/2005	05/24/2007	Common Stock	5,34
Equity Swap (obligation to buy) <u>(3)</u>	\$ 14.07	07/18/2005		J/K <u>(1)(2)</u>		1		07/18/2005	05/24/2007	Common Stock	5,34
Equity Swap (obligation to buy) <u>(4)</u>	\$ 14.07	07/18/2005		J/K <u>(4)</u>		1		07/18/2005	05/24/2007	Common Stock	2,86
Equity Swap (obligation to buy) <u>(5)</u>	\$ 14.07	07/18/2005		J/K <u>(1)(2)(4)</u>		2		07/18/2005	05/24/2007	Common Stock	8,20
Equity Swap (obligation to buy) <u>(6)</u>	\$ 14.07	07/18/2005		J/K <u>(1)(2)(4)</u>		2		07/18/2005	05/24/2007	Common Stock	8,20
Equity Swap (obligation to buy) <u>(7)</u>	\$ 13.919	07/19/2005		J/K <u>(7)</u>		1		07/19/2005	05/24/2007	Common Stock	12,2
Equity Swap (obligation to buy) <u>(9)</u>	\$ 13.919	07/19/2005		J/K <u>(7)(8)</u>		2		07/19/2005	05/24/2007	Common Stock	29,1
Equity Swap (obligation to buy) <u>(10)</u>	\$ 13.919	07/19/2005		J/K <u>(7)(8)</u>		2		07/19/2005	05/24/2007	Common Stock	29,1

Equity Swap (obligation to buy) <sup>(11)</sup>	\$ 13.867	07/20/2005	J/K <sup>(11)</sup>	1	07/20/2005	05/24/2007	Common Stock	7,60
Equity Swap (obligation to buy) <sup>(12)</sup>	\$ 13.867	07/20/2005	J/K <sup>(11)</sup>	1	07/20/2005	05/24/2007	Common Stock	7,60
Equity Swap (obligation to buy) <sup>(13)</sup>	\$ 13.867	07/20/2005	J/K <sup>(11)</sup>	1	07/20/2005	05/24/2007	Common Stock	7,60
Equity Swap (obligation to buy) <sup>(14)</sup>	\$ 13.867	07/20/2005	J/K <sup>(11)</sup>	1	07/20/2005	05/24/2007	Common Stock	7,60

## 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 Real Estate Securities Fund LP C/O MERCURY REAL ESTATE ADVISORS LLC 100 FIELD POINT ROAD GREENWICH, CT 06830		X		
Mercury Mayfair LLC C/O MERCURY REAL ESTATE ADVISORS LLC 100 FIELD POINT ROAD GREENWICH, CT 06830		X		
Mercury Real Estate Securities Offshore Fund, Ltd. 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

## Signatures

/s/ David R. Jarvis                      01/20/2006  
 \*\*Signature of Reporting              Date  
 Person

/s/ Malcolm F.  
 MacLean IV                              01/20/2006  
 \*\*Signature of Reporting              Date  
 Person

## 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 18, 2005, Mercury Real Estate Advisors, LLC ("Advisors"), a registered investment adviser, entered into a cash settled equity swap agreement with a securities broker ("Broker") on behalf of Mercury Real Estate Securities Fund LP ("MRES"), for which Advisors serves as the investment adviser. Mr. David R. Jarvis and Mr. Malcolm F. MacLean IV are managing members of Advisors. The settlement date of the swap agreement is May 24, 2007. (Continued to Footnote 2)
- (2) On such date, MRES 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) MRES paid Broker \$75,133.80, representing \$14.07 for each share of ACR common stock subject to this agreement as of July 18, 2005, and (ii) Broker paid to MRES the market value of 5,340 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 MRES and MRES will pay to Broker a finance charge.
- (3) This swap arrangement is held directly by MRES. Mercury Mayfair LLC ("Mayfair") is the general partner of MRES. Mayfair disclaims beneficial ownership of the securities held directly by MRES except to the extent of the pecuniary interest, if any, in such securities as a result of its partnership interest in MRES.
- (4) On July 18, 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 \$40,240.20, representing \$14.07 for each share of ACR common stock subject to this agreement as of July 18, 2005, and (ii) Broker paid to MRESOF the market value of 2,860 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.
- (5) These swap arrangements were entered into by Advisors on behalf of MRES and MRESOF. Mr. Jarvis disclaims beneficial ownership of the securities held directly by MRES and 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 MRES and MRESOF, or as a result of his membership interest in Mayfair, 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).
- (6) These swap arrangements were entered into by Advisors on behalf of MRES and MRESOF. Mr. MacLean disclaims beneficial ownership of the securities held directly by MRES and 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 MRES and MRESOF, or as a result of his membership interest in Mayfair, 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).
- (7) On July 19, 2005, Advisors entered into a cash settled equity swap agreement with Broker on behalf of MRESOF. 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 \$169,809.36, representing \$13.919 for each share of ACR common stock subject to this agreement as of July 19, 2005, and (ii) Broker paid to MRESOF the market value of 12,200 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.

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(8) On July 19, 2005, Advisors entered into a cash settled equity swap agreement with Broker on behalf of certain managed accounts (the "Managed Accounts"), for which Advisors serves as the investment adviser. The settlement date of the swap agreement is May 24, 2007. On such date, the Managed Accounts 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) the Managed Accounts paid Broker \$235,227.72, representing \$13.919 for each share of ACR common stock subject to this agreement as of July 19, 2005, and (ii) Broker paid to the Managed Accounts the market value of 16,900 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 the Managed Accounts and the Managed Accounts will pay to Broker a finance charge.

(9) These swap arrangements were entered into by Advisors on behalf of MRESOF and the Managed Accounts. Mr. Jarvis disclaims beneficial ownership of the securities held directly by MRESOF 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 MRESOF and the Managed Accounts. That performance-based fee generally qualifies for the exemption set forth in Rule 16a-1(a)(2)(ii)(C).

(10) These swap arrangements were entered into by Advisors on behalf of MRESOF and the Managed Accounts. Mr. MacLean disclaims beneficial ownership of the securities held directly by MRESOF 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 MRESOF and the Managed Accounts. That performance-based fee generally qualifies for the exemption set forth in Rule 16a-1(a)(2)(ii)(C).

(11) On July 20, 2005, Advisors entered into a cash settled equity swap agreement with Broker on behalf of Mercury Special Situations Fund LP ("MSSF"), for which Advisors serves as the investment adviser. The settlement date of the swap agreement is May 24, 2007. On such date, MSSF 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) MSSF paid Broker \$105,387.68, representing \$13.867 for each share of ACR common stock subject to this agreement as of July 20, 2005, and (ii) Broker paid to MSSF 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 MSSF and MSSF will pay to Broker a finance charge.

(12) This swap arrangement is held directly by MSSF. Mercury Securities II LLC ("MS II LLC") is the general partner of MSSF. MS II LLC disclaims beneficial ownership of the securities held directly by MSSF except to the extent of the pecuniary interest, if any, in such securities as a result of its partnership interest in MSSF.

(13) This swap arrangement was entered into by Advisors on behalf of MSSF. Mr. Jarvis disclaims beneficial ownership of the securities held directly by MSSF 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, 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).

(14) This swap arrangement was entered into by Advisors on behalf of MSSF. Mr. MacLean disclaims beneficial ownership of the securities held directly by MSSF 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, 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).

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.