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AMERICAN RETIREMENT CORP  
Form 8-K  
September 28, 2005

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): September 28, 2005  
(September 22, 2005)

AMERICAN RETIREMENT CORPORATION

-----  
(Exact Name of Registrant as Specified in Charter)

Tennessee

01-13031

62-1674303

-----  
(State or Other  
Jurisdiction of  
Incorporation)

-----  
(Commission  
File Number)

-----  
(I.R.S. Employer  
Identification No.)

111 Westwood Place, Suite 200  
Brentwood, Tennessee

37027

-----  
(Address of Principal Executive Offices)

-----  
(Zip Code)

(615) 221-2250

-----  
(Registrant's Telephone Number, Including Area Code)

Not Applicable

-----  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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### Item 1.01. Entry into a Material Definitive Agreement

On September 22, 2005, after consideration of presentations and recommendations of management and independent compensation consultants, and such other matters and information as deemed appropriate, the Compensation Committee of our Board of Directors awarded shares of performance-based restricted stock to our named executive officers pursuant to the American Retirement Corporation 1997 Stock Incentive Plan (the "Plan"), as follows:

Name -----	Title -----	Number of Shares of Restricted Stock -----
W. E. Sheriff	Chairman, Chief Executive Officer and President	40,000
Gregory B. Richard	Executive Vice President and Chief Operating Officer	18,000
Bryan D. Richardson	Executive Vice President and Chief Financial Officer	18,000
H. Todd Kaestner	Executive Vice President - Corporate Development	15,000
George T. Hicks	Executive Vice President - Finance and Internal Audit, Secretary and Treasurer	15,000

In addition to the foregoing awards, the Compensation Committee also awarded an aggregate of 171,000 shares of such performance-based restricted stock to our other officers.

The shares of restricted stock awarded by the Compensation Committee were granted on September 22, 2005 and will vest in three installments on March 31, 2006, March 31, 2007 and March 31, 2008, subject to each officer's continued employment and the company achieving targeted growth for the fiscal years ending December 31, 2005, 2006 and 2007 (as established by the Compensation Committee) in (i) same community net operating income, (ii) adjusted earnings before interest, taxes, depreciation, amortization and rent, and (iii) cash earnings. Notwithstanding the foregoing, the shares of restricted stock will become fully vested upon the occurrence of a change in control or potential change in control of the company (as defined in the Plan). The restricted stock awards are subject to the terms of the Plan and the individual restricted stock agreements. The foregoing summary of the terms of the restricted stock awards is qualified in its entirety by reference to the complete text of the Plan and the individual restricted stock agreements.

In addition, effective as of August 15, 2005, our Compensation Committee, after consideration of presentations and recommendations of management and independent compensation consultants, and such other matters and information as deemed appropriate, increased the base salaries of our named executive officers, as follows:

----- Name -----	----- New Base Salary -----
W. E. Sheriff	\$450,000
Gregory B. Richard	\$240,000
----- Bryan D. Richardson	----- \$240,000

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H. Todd Kaestner	\$235,000
George T. Hicks	\$230,000

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

AMERICAN RETIREMENT CORPORATION

By: /s/ Bryan D. Richardson  
-----  
Bryan D. Richardson  
Executive Vice President - Finance  
and Chief Financial Officer

Date: September 28, 2005

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