AMERICAN RETIREMENT CORP
Form 8-K
February 07, 2006

```
                              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):  February 7, 2006
                                                          (February 1, 2006)




                     AMERICAN RETIREMENT CORPORATION
--------------------------------------------------------------------------------
               (Exact Name of Registrant as Specified in Charter)



        Tennessee                   01-13031                62-1674303
-----------------------------    ------------         --------------------
   (State or Other Jurisdiction    (Commission          (I.R.S. Employer
      of Incorporation)            File Number)         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))

Item 1.01. Entry into a Material Definitive Agreement

On February 1, 2006, we entered into a Purchase and Sale Agreement with Town Village Leawood, LLC, Town Village Arlington, L.P., Town Village Dallas, L.P. and Town Village Fort Worth, L.P. (collectively, "Cypress"), affiliates of Cypress Senior Living, Inc., to acquire four senior living communities from Cypress. The communities are located in Arlington, Dallas and Ft. Worth, Texas and Leawood, Kansas. The aggregate purchase price for the acquired assets is $146,286,500, subject to customary closing adjustments and transaction expenses.

We will consummate the acquisition through two joint ventures to be formed with an institutional real estate investor. The joint ventures will be owned 20% by us and 80% by our joint venture partner. Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., has committed to provide the joint ventures with approximately $95.5 million of mortgage financing for the acquisition. The remainder of the purchase price will be funded by proportional capital contributions by the joint venturers. We will manage the portfolio pursuant to a long-term management agreement.

In connection with the execution of the agreement, we and our joint venture partner made a $5,500,000 earnest money deposit toward the purchase price, which is being held by a third party escrow agent. The consummation of the transaction, which is subject to satisfaction of certain closing conditions and contingencies, is expected to be no later than February 28, 2006.

Risks Associated with Forward-Looking Statements

This Current Report on Form 8-K contains certain forward-looking statements within the meaning of the federal securities laws, which are intended to be covered by the safe harbors created thereby. Those forward-looking statements include all statements that are not historical statements of fact and those regarding the intent, belief or expectations of us or our management, including, but not limited to, all statements regarding the formation of the joint ventures and the consummation of the acquisition and the related financing, and all statements regarding our expectations concerning the future financial performance of the acquired communities and their effect on our financial performance. All forward-looking statements may be affected by certain risks and uncertainties, including without limitation the following: (i) our ability to successfully form the joint ventures, complete the Cypress portfolio acquisition and integrate it into our operations, (ii) our ability to consummate the anticipated Merrill Lynch financing, (iii) our ability to satisfy the closing conditions for the transaction, (iv) the risk that we will be unable to improve our results of operations, increase cash flow and reduce expenses, (v) the risks associated with adverse market conditions of the senior housing industry and the United States economy in general, (vi) the risks associated with our debt and lease obligations, and (vii) the risk factors described in our Annual Report on Form 10-K/A for the year ended December 31, 2004 under the caption "Risk Factors" and in our other filings with the SEC.

Should one or more of those risks materialize, actual results could differ materially from those forecasted or expected. Although we believe that the assumptions underlying the forward-looking statements contained herein are reasonable, any of these assumptions could prove to be inaccurate, and therefore, there can be no assurance that the forward-looking statements included in this Form 8-K will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that our forecasts, expectations, objectives or plans will be achieved. We undertake no obligation to publicly release any revisions to any

forward-looking statements contained herein to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events.

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: February 7, 2006