

AFFORDABLE RESIDENTIAL COMMUNITIES INC  
Form SC 13G/A  
February 14, 2006

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 13G  
(Rule 13d-102)

UNDER THE SECURITIES EXCHANGE ACT OF 1934  
INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULES 13d-1(b), (c) AND (d) AND AMENDMENTS THERETO FILED  
PURSUANT TO RULE 13d-2(b)  
(Amendment No. 1)\*

AFFORDABLE RESIDENTIAL COMMUNITIES INC.  
(Name of Issuer)

COMMON STOCK, \$0.01 PAR VALUE  
(Title of Class of Securities)

008273104  
(CUSIP Number)

N/A  
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)  
 Rule 13d-1(c)  
 Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 (the "Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13G

CUSIP NO. 008273104

PAGE 2 OF 8 PAGES

- 
1. NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

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CAPITAL ARC HOLDINGS, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (A) [ ]  
(B) [ ]

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5. SOLE VOTING POWER
	0
	6. SHARED VOTING POWER
	0
	7. SOLE DISPOSITIVE POWER
	0
	8. SHARED DISPOSITIVE POWER
	0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING  
PERSON  
0

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES  
CERTAIN SHARES\* [ ]

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
0%

12. TYPE OF REPORTING PERSON\*  
OO

SCHEDULE 13G

CUSIP NO. 008273104

PAGE 3 OF 8 PAGES

1. NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

UBS AG

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (A) [ ]  
(B) [ ]

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-----  
3. SEC USE ONLY

-----  
4. CITIZENSHIP OR PLACE OF ORGANIZATION  
Switzerland

-----  
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER	0
6. SHARED VOTING POWER	16,543
7. SOLE DISPOSITIVE POWER	0
8. SHARED DISPOSITIVE POWER	16,543

-----

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
16,543

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
0.04%

12. TYPE OF REPORTING PERSON\*  
CO

-----  
\* SEE INSTRUCTIONS BEFORE FILLING OUT  
INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7 (INCLUDING  
EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

SCHEDULE 13G

CUSIP NO. 008273104

PAGE 4 OF 8 PAGES

-----  
1. NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)  
  
UBS SECURITIES LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (A)   
(B)

-----  
3. SEC USE ONLY

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4. CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5.	SOLE VOTING POWER 16,543
	6.	SHARED VOTING POWER 0
	7.	SOLE DISPOSITIVE POWER 16,543
	8.	SHARED DISPOSITIVE POWER 0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING  
PERSON  
16,543

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES  
CERTAIN SHARES\* [ ]

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
0.04%

12. TYPE OF REPORTING PERSON\*  
BD

\* SEE INSTRUCTIONS BEFORE FILLING OUT  
INCLUDE BOTH SIDES OF THE COVER PAGE,  
RESPONSES TO ITEMS 1-7 (INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE  
SIGNATURE ATTESTATION.

ITEM 1(A). NAME OF ISSUER:  
Affordable Residential Communities Inc.

ITEM 1(B). ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES:  
600 Grant Street  
Suite 900  
Denver, Colorado 80203

ITEM 2(A). NAME OF PERSONS FILING:  
This statement is filed by:  
Capital ARC Holdings, LLC  
UBS AG  
UBS Securities LLC

ITEM 2(B). ADDRESS OF PRINCIPAL BUSINESS OFFICE OR, IF NONE, RESIDENCE:  
Capital ARC Holdings, LLC's principal business office is:

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299 Park Avenue  
New York, New York 10171

UBS AG's principal U.S. business office is:  
299 Park Avenue  
New York, New York 10171

UBS Securities LLC's principal business office is:  
677 Washington Boulevard  
Stamford, CT 06901

- ITEM 2(C). CITIZENSHIP:  
Incorporated by reference to Item 4 of the cover pages.
- ITEM 2(D). TITLE OF CLASS OF SECURITIES:  
Common Stock, par value \$0.01 per share
- ITEM 2(E). CUSIP NUMBER:  
008273104

Page 5 of 8 Pages

- ITEM 3. IF THIS STATEMENT IS FILED PURSUANT TO RULE 13D-1(B), OR 13D-2(B) OR (C), CHECK WHETHER THE PERSON FILING IS A:  
Not applicable.
- ITEM 4. OWNERSHIP:  
Incorporated by reference to Items 5-11 of the cover pages.
- ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS:  
If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [x].
- ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON:  
Not applicable.
- ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY:  
Not applicable.
- ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP:  
Not applicable.
- ITEM 9. NOTICE OF DISSOLUTION OF GROUP:

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Not applicable.

ITEM 10.

CERTIFICATION:

Not applicable.

Page 6 of 8 Pages

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 13, 2006

CAPITAL ARC HOLDINGS, LLC

By: /s/ Michael Greene

-----  
Name: Michael Greene  
Title: Partner

By: /s/ Richard Capone

-----  
Name: Richard Capone  
Title: Chief Financial Officer

UBS AG

By: /s/ Regina A. Dolan

-----  
Name: Regina A. Dolan  
Title: Member of the GMB

By: /s/ Per Dyrvik

-----  
Name: Per Dyrvik  
Title: Managing Director

UBS SECURITIES LLC

By: /s/ Regina A. Dolan

-----  
Name: Regina A. Dolan  
Title: Member of the GMB

By: /s/ Per Dyrvik

-----  
Name: Per Dyrvik  
Title: Managing Director

AGREEMENT TO MAKE A JOINT FILING

Capital ARC Holdings, LLC, UBS AG and UBS Securities LLC each agrees that this Schedule 13G (including all amendments hereto) is filed by and on behalf of each such party.

Date: February 13, 2006

CAPITAL ARC HOLDINGS, LLC

By: /s/ Michael Greene  
-----  
Name: Michael Greene  
Title: Partner

By: /s/ Richard Capone  
-----  
Name: Richard Capone  
Title: Chief Financial Officer

UBS AG

By: /s/ Regina A. Dolan  
-----  
Name: Regina A. Dolan  
Title: Member of the GMB

By: /s/ Per Dyrvik  
-----  
Name: Per Dyrvik  
Title: Managing Director

UBS SECURITIES LLC

By: /s/ Regina A. Dolan  
-----  
Name: Regina A. Dolan  
Title: Member of the GMB

By: /s/ Per Dyrvik  
-----  
Name: Per Dyrvik  
Title: Managing Director