

ACA Capital Holdings Inc  
 Form 3  
 November 15, 2006

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *     |         |          | 2. Date of Event Requiring Statement   | 3. Issuer Name <b>and</b> Ticker or Trading Symbol |  |
| Â SEPARATE ACCOUNT                            |         |          | (Month/Day/Year)   | ACA Capital Holdings Inc [ACA]                     |  |
| VUL-A   |         |          | 11/09/2006   |  |  |
| (Last)  | (First) | (Middle) | 4. Relationship of Reporting Person(s) to Issuer   |  | 5. If Amendment, Date Original Filed(Month/Day/Year)                   |
| C/O ACA CAPITAL HOLDINGS, INC.,Â 140 BROADWAY |         |          | (Check all applicable)   |  |  |
| (Street)                                      |         |          | <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner<br><input type="checkbox"/> Officer <input checked="" type="checkbox"/> Other<br>(give title below)    (specify below)<br>Other |  | 6. Individual or Joint/Group Filing(Check Applicable Line)             |
| NEW YORK,Â NYÂ 10005                          |         |          |  |  | <input checked="" type="checkbox"/> Form filed by One Reporting Person |
| (City)  | (State) | (Zip)    |  |  | <input type="checkbox"/> Form filed by More than One Reporting Person  |

**Table I - Non-Derivative Securities Beneficially Owned**

| 1. Title of Security<br>(Instr. 4) | 2. Amount of Securities Beneficially Owned<br>(Instr. 4) | 3. Ownership Form:<br>Direct (D)<br>or Indirect (I)<br>(Instr. 5) | 4. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|------------------------------------|--|---|--|
| Common Stock                       | 356,435.4  | D   | Â  |

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

SEC 1473 (7-02)

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security<br>(Instr. 4) | 2. Date Exercisable and Expiration Date<br>(Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security | 4. Conversion or Exercise | 5. Ownership Form of | 6. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|---|---|--|---------------------------|----------------------|--|
|---|---|--|---------------------------|----------------------|--|

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|   | Date Exercisable | Expiration Date | (Instr. 4)<br>Title | Amount or Number of Shares | Price of Derivative Security | Derivative Security: Direct (D) or Indirect (I) (Instr. 5) |   |
|---|------------------|-----------------|---------------------|----------------------------|------------------------------|--|---|
| Series B Senior Convertible Preferred Stock | Â (1)            | Â (1)           | Common Stock        | 120,404.56                 | \$ (1)                       | D  | Â |
| Convertible Preferred Stock                 | Â (2)            | Â (2)           | Common Stock        | 263,662.09                 | \$ (2)                       | D  | Â |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| SEPARATE ACCOUNT VUL-A<br>C/O ACA CAPITAL HOLDINGS, INC.<br>140 BROADWAY<br>NEW YORK, NY 10005 | Â             | Â         | Â       | Other |

## Signatures

/s/ Stacey Tyson,  
Attorney-In-Fact

11/13/2006

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(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) The Series B Senior Convertible Preferred Stock has no expiration date and, upon the closing of the initial public offering of the issuer, will convert into shares of the issuer's common stock on a 6-for-1 basis. The number of shares reported reflects the 6-for-1 conversion.
- (2) The Convertible Preferred Stock has no expiration date and, upon the closing of the initial public offering of the issuer, will convert into shares of the issuer's common stock on a 6,000-for-1 basis. The number of shares reported reflects the 6,000-for-1 conversion.

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### Remarks:

The reporting person may be deemed a member of a Section 13(d) "group" pursuant to the issuer's

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.