

ACA Capital Holdings Inc  
 Form 3  
 November 09, 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 and Ticker or Trading Symbol	
Â Fortress Investment Holdings LLC (Last) (First) (Middle)			(Month/Day/Year) 11/09/2006		ACA Capital Holdings Inc [ACA]	
1345 AVENUE OF THE AMERICAS, 46TH FLOOR, Â			4. Relationship of Reporting Person(s) to Issuer		5. If Amendment, Date Original Filed(Month/Day/Year)	
(Street)			(Check all applicable)			
NEW YORK, Â NY Â 10105			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input checked="" type="checkbox"/> Other (give title below) (specify below) See "Remarks"		6. Individual or Joint/Group Filing(Check Applicable Line) <input type="checkbox"/> Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person	
(City) (State) (Zip)						

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

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable    Expiration Date	Title    Amount or Number of			

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				Shares		or Indirect (I) (Instr. 5)	
Series B Senior Convertible Preferred Stock	Â (1)	Â (1)	Common Stock	963,236.47	\$ (1)	I	By Drawbridge Special Opportunities Fund (2)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Fortress Investment Holdings LLC 1345 AVENUE OF THE AMERICAS, 46TH FLOOR NEW YORK, NY 10105	Â	Â	Â	See "Remarks"
FORTRESS INVESTMENT GROUP LLC 1345 AVENUE OF THE AMERICAS 46TH FLOOR NEW YORK, NY 10105	Â	Â	Â	See "Remarks"
DRAWBRIDGE SPECIAL OPPORTUNITIES ADVISORS LLC C/O FORTRESS INVESTMENT GROUP LLC 1345 AVENUE OF THE AMERICAS, 46TH FLOOR NEW YORK, NY 10105	Â	Â	Â	See "Remarks"

## Signatures

See signatures included in Exhibit 99.1 11/09/2006

\_\_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 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 six-for-one basis.
- (2) Drawbridge Special Opportunities GP LLC ("Special Opportunities GP") is the general partner of Drawbridge Special Opportunities Fund LP ("Special Opportunities LP"). Fortress Principal Investment Holdings IV LLC ("FPIH IV") is the sole managing member of Special Opportunities GP. Pursuant to management agreements, Drawbridge Special Opportunities Advisors LLC ("Special Opportunities Advisors") is the manager of Special Opportunities LP. Fortress Investment Group LLC ("FIG") is the sole managing member of Special Opportunities Advisors. FIG is 100% owned by Fortress Investment Holdings LLC. Each reporting person disclaims beneficial ownership of all reported shares except to the extent of its pecuniary interest therein and the inclusion of the shares in this report shall not be deemed an admission of beneficial ownership of all of the reported shares for purposes of Section 16 or otherwise.

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### Remarks:

The reporting persons 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.