

ACA Capital Holdings Inc
 Form 3
 November 13, 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 *

Â LACY WILLIAM H
 (Last) (First) (Middle)

2. Date of Event Requiring Statement

(Month/Day/Year)
 11/09/2006

3. Issuer Name and Ticker or Trading Symbol
 ACA Capital Holdings Inc [ACA]

4. Relationship of Reporting Person(s) to Issuer

5. If Amendment, Date Original Filed(Month/Day/Year)

(Check all applicable)

Director 10% Owner
 Officer Other
 (give title below) (specify below)

C/O ACA CAPITAL HOLDINGS, INC.,Â 140 BROADWAY

(Street)

NEW YORK,Â NYÂ 10005

(City) (State) (Zip)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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)

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 (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	30,000	\$ (1)	D	Â
Stock Options	Â (2)	02/10/2015	Common Stock	8,400	\$ 11.63	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LACY WILLIAM H C/O ACA CAPITAL HOLDINGS, INC. 140 BROADWAY NEW YORK, NY 10005	Â X	Â	Â	Â

Signatures

/s/ Stacey Tyson,
Attorney-In-Fact

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 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) These stock options are fully vested.

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Remarks:

Exhibit List: Â Â Â Â Exhibit 24: Â Â Â Â Power of Attorney

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.