

Nee Victor W
Form 4
October 10, 2006

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN 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 *
Nee Victor W

2. Issuer Name and Ticker or Trading Symbol
CAPITAL SENIOR LIVING CORP [CSU]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
10/05/2006

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

14160 DALLAS PARKWAY, SUITE 300

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)

DALLAS, TX 75254

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--------|---|--|---|------------|-------|
| | | | | Code | V | Amount | | | | (A) or (D) | Price |
| Common Stock | 10/05/2006 | | M | | | 5,400 | A | \$ 1.8 | 6,400 | D | |
| Common Stock | 10/05/2006 | | M | | | 3,000 | A | \$ 2 | 9,400 | D | |
| Common Stock | 10/05/2006 | | S | | | 8,400 | D | \$ 9 | 1,000 | D | |
| Common Stock | 10/06/2006 | | M | | | 1,800 | A | \$ 3.02 | 2,800 | D | |
| Common Stock | 10/06/2006 | | S | | | 700 | D | \$ 8.9501 | 2,100 | D | |

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| | | | | | | | | |
|--------------|------------|---|-------|---|---------|-------|---|----------------|
| Common Stock | 10/06/2006 | S | 1,100 | D | \$ 8.95 | 1,000 | D | |
| Common Stock | | | | | | 1,000 | I | Held by spouse |

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

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.

SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Common Stock Option (right to purchase) | \$ 1.8 | 10/05/2006 | | M | 5,400 | <u>(1)</u> 09/21/2011 | Common Stock | 5,400 | |
| Common Stock Option (right to purchase) | \$ 2 | 10/05/2006 | | M | 3,000 | <u>(3)</u> 05/01/2011 | Common Stock | 3,000 | |
| Common Stock Option (right to purchase) | \$ 3.02 | 10/06/2006 | | M | 1,800 | <u>(4)</u> 05/22/2013 | Common Stock | 1,800 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--------------------------------|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| | X | | | |

Nee Victor W
14160 DALLAS PARKWAY
SUITE 300
DALLAS, TX 75254

Signatures

Victor W. Nee, by David R. Brickman,
Attorney-in-Fact

10/10/2006

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(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) Options vested in three installments of 33%, 33% and 34% on September 21, 2001, September 21, 2002 and September 21, 2003, respectively.
- (2) Granted pursuant to the Capital Senior Living Corporation 1997 Omnibus Stock and Incentive Plan.
- (3) Options vested on May 16, 2002.
- (4) Options vested on May 19, 2004.

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.