

ACA Capital Holdings Inc  
Form SC 13G/A  
September 10, 2007  
UNITED STATES

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 13G**

**Under the Securities Exchange Act of 1934**

**(Amendment No. 1)\***

ACA CAPITAL HOLDINGS, INC

(Name of Issuer)

Common Stock, par value \$0.10 per share

(Title of Class of Securities)

000833103

(CUSIP Number)

August 31, 2007

(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)

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\*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 on 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 ("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).

Continued on following pages

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**1** Names of Reporting Persons  
I.R.S. Identification Nos. of above persons (entities only)

PERRY CORP.

**2** Check the Appropriate Box If a Member of a Group (See Instructions)  
a.  o  
b.  o

**3** SEC Use Only

**4** Citizenship or Place of Organization

NEW YORK

Number of **5** Sole Voting Power  
3,625,000

Shares Beneficially **6** Shared Voting Power

Owned By **0**

Each Reporting **7** Sole Dispositive Power

Person 3,625,000

With **8** Shared Dispositive Power  
**0**

**9** Aggregate Amount Beneficially Owned by Each Reporting Person

3,625,000

**10** Check Box If the Aggregate Amount in Row (9) Excludes Certain  
Shares (See Instructions)

[ ]

**11** Percent of Class Represented By Amount in Row (9)

10.39%

**12** Type of Reporting Person (See Instructions)  
IA, CO

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**1** Names of Reporting Persons

I.R.S. Identification Nos. of above persons (entities only)

RICHARD C. PERRY

**2** Check the Appropriate Box If a Member of a Group (See Instructions)

a.    
 b.

**3** SEC Use Only

**4** Citizenship or Place of Organization

UNITED STATES

Number of	<b>5</b>	Sole Voting Power 3,625,000
Shares Beneficially Owned By	<b>6</b>	Shared Voting Power 0
Each Reporting Person	<b>7</b>	Sole Dispositive Power 3,625,000
With	<b>8</b>	Shared Dispositive Power 0

**9** Aggregate Amount Beneficially Owned by Each Reporting Person

3,625,000

**10** Check Box If the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

[ ]

**11** Percent of Class Represented By Amount in Row (9)

10.39%

**12** Type of Reporting Person (See Instructions)

IN, HC

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**Item 1(a) Name of Issuer:**

ACA Capital Holdings, Inc. (the "Issuer").

**Item 1(b) Address of the Issuer's Principal Executive Offices:**

140 Broadway  
New York, NY 10005

**Item 2(a) Name of Person Filing:**

This statement is filed on behalf of each of the following persons (collectively, the "Reporting Persons"):

- i) Perry Corp.; and
- ii) Richard C. Perry, in his capacities as the President and sole stockholder of Perry Corp. ("Mr. Perry").

This statement relates to Shares (as defined herein) held for the accounts of two or more private investment funds for which Perry Corp. acts as general partner and/or managing member of the general partner and/or investment adviser.

**Item 2(b) Address of Principal Business Office or, if None, Residence:**

The address of the principal business office of each of the Reporting Persons is 767 Fifth Avenue, New York, New York 10153.

**Item 2(c) Citizenship:**

- 1) Perry Corp. is a New York corporation; and
- 2) Mr. Perry is a citizen of the United States.

**Item 2(d) Title of Class of Securities:**

Common Stock, par value \$0.10 per share (the "Shares").

**Item 2(e) CUSIP Number:**

000833103

**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:**

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- i) Perry Corp. is an investment adviser registered under Section 203 of the Investment Advisers Act of 1940.
  - ii) Mr. Perry is a control person of Perry Corp.
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**Item 4. Ownership:****Item 4(a) Amount Beneficially Owned:**

As of the Date of Event, each of the Reporting Persons may be deemed to be the beneficial owner of 3,625,000 Shares.

**Item 4(b) Percent of Class:**

Based on the Issuer's 10-Q filed on August 14, 2007, the number of voting Shares outstanding was 34,897,971 as of August 10, 2007. This number excludes 851,847 shares of the Issuer's treasury stock. As of the Date of Event, each of the Reporting Persons may be deemed to be the beneficial owner of 10.39% of the total number of Shares outstanding.

**Item 4(c) Number of shares as to which such person has:**Perry Corp.

(i)	Sole power to vote or direct the vote	3,625,000
(ii)	Shared power to vote or to direct the vote	0
(iii)	Sole power to dispose or to direct the disposition of	3,625,000
(iv)	Shared power to dispose or to direct the disposition of	0

Mr. Perry

(i)	Sole power to vote or direct the vote	3,625,000
(ii)	Shared power to vote or to direct the vote	0
(iii)	Sole power to dispose or to direct the disposition of	3,625,000
(iv)	Shared power to dispose or to direct the disposition of	0

**Item 5. Ownership of Five Percent or Less of a Class:**

This Item 5 is not applicable.

**Item 6. Ownership of More than Five Percent on Behalf of Another Person:**

The limited partners of (or investors in) each of two or more private investment funds for which Perry Corp. acts as general partner and/or managing member of the general partner and/or investment adviser, have the right to participate in the receipt of dividends from, and proceeds from the sale of, the Shares held for the accounts of such funds in accordance with their respective limited partnership interest (or investment percentages) in such funds.



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**Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company:**

Perry Corp. is the relevant entity for which Mr. Perry may be considered a control person.

Perry Corp. is an investment adviser registered under the Investment Advisers Act of 1940.

**Item 8. Identification and Classification of Members of the Group:**

This Item 8 is not applicable.

**Item 9. Notice of Dissolution of Group:**

This Item 9 is not applicable.

**Item 10. Certification:**

By signing below each of the Reporting Persons certifies that, to the best of such person's knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the Issuer of such securities and were not acquired and are not held in connection with or as a participant in any transaction having such purpose or effect.

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**SIGNATURES**

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

Date: September 10, 2007

PERRY CORP.

By: /s/ Michael Neus\*

Name: Michael Neus

Title: Attorney-in-Fact

Date: September 10, 2007

RICHARD C. PERRY

By: /s/ Michael Neus\*

\*By Michael Neus, attorney-in-fact

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**EXHIBIT INDEX**

Page No.

A.	Joint Filing Agreement, dated as of September 10, 2007, by and among the Reporting Persons	9
B.	Power of Attorney, dated June 21, 2005	10

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**EXHIBIT A**

**JOINT FILING AGREEMENT**

The undersigned hereby agree that the statement on Schedule 13G with respect to the Common Stock, par value \$0.10 per share, of ACA Capital Holdings, Inc. dated as of September 10, 2007, is, and any amendments thereto (including amendments on Schedule 13D) signed by each of the undersigned shall be, filed on behalf of each of us pursuant to and in accordance with the provisions of Rule 13d-1(k) under the Securities Exchange Act of 1934.

Date: September 10, 2007

PERRY CORP.

By: /s/ Michael Neus\*

Name: Michael Neus

Title: Attorney-in-Fact

Date: September 10, 2007

RICHARD C. PERRY

By: /s/ Michael Neus\*

\*By Michael Neus, attorney-in-fact

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**EXHIBIT B**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENT, that I, RICHARD Perry, hereby make, constitute and appoint each of PAUL LEFF and MICHAEL NEUS acting individually, as my agent and attorney-in-fact for the purpose of executing in my name, (a) in my personal capacity or (b) in my capacity as an officer of, shareholder of or in other capacities with Perry Corp. ("Perry") and each of its affiliates or entities advised by me or Perry, all documents, certificates, instruments, statements, filings and agreements ("documents") to be filed with or delivered to any foreign or domestic governmental or regulatory body or required or requested by any other person or entity pursuant to any legal or regulatory requirement relating to the acquisition, ownership, management or disposition of securities, futures contracts or other investments, and any other documents relating or ancillary thereto, including without limitation all documents relating to filings with the Commodity Futures Trading Commission and National Futures Association, the United States Securities and Exchange Commission (the "SEC") pursuant to the Securities Act of 1933 or the Securities Exchange Act of 1934 (the "Act") and the rules and regulations promulgated thereunder, including all documents relating to the beneficial ownership of securities required to be filed with the SEC pursuant to Section 13(d) or Section 16(a) of the Act and any information statements on Form 13F required to be filed with the SEC pursuant to Section 13(f) of the Act.

All past acts of these attorneys-in-fact in furtherance of the foregoing are hereby ratified and confirmed.

This power of attorney shall be valid from the date hereof until revoked by me.

IN WITNESS WHEREOF, I have executed this instrument as of the 21st day of June 2005.

/s/ Richard Perry

Richard Perry