#### ALLIED CAPITAL CORP

Form 4

September 19, 2006

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

**OMB** Number:

3235-0287

**OMB APPROVAL** 

January 31,

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Check this box if no longer subject to Section 16. Form 4 or

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

may continue. See Instruction

30(h) of the Investment Company Act of 1940

1(b).

Form 5

obligations

(Print or Type Responses)

1. Name and Address of Reporting Person \* SHULMAN JOHN D

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

Issuer

ALLIED CAPITAL CORP [ALD]

(Check all applicable)

(Last)

(First) (Middle) 3. Date of Earliest Transaction

(Month/Day/Year)

09/18/2006

Director

10% Owner

1919 PENNSYLVANIA AVENUE,

NW, 3RD FLOOR

X\_ Officer (give title

Other (specify

below)

below) Managing Director

(Street)

(State)

(Month/Day/Year)

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

Applicable Line)

\_X\_ Form filed by One Reporting Person

6. Individual or Joint/Group Filing(Check

WASHINGTON, DC 20006

Form filed by More than One Reporting

(I)

Person

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

(City)

1. Title of

Security

(Instr. 3)

2. Transaction Date 2A. Deemed

3. 4. Securities TransactionAcquired (A) or

5. Amount of Securities Beneficially

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial

(Month/Day/Year)

Execution Date, if

(Zip)

Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

Owned Following Reported

(Instr. 4)

Ownership (Instr. 4)

(A)

Transaction(s)

(Instr. 3 and 4) Code V Amount (D) Price

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

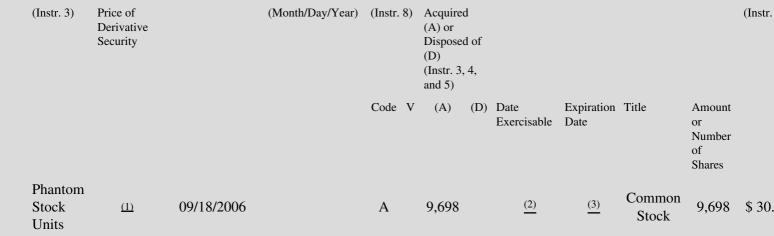
Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control

number.

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

1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5. Number	6. Date Exercisable and	7. Title and Amount of	8. Pric
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transaction	onof Derivative	Expiration Date	<b>Underlying Securities</b>	Deriva
Security	or Exercise		any	Code	Securities	(Month/Day/Year)	(Instr. 3 and 4)	Securi

## Edgar Filing: ALLIED CAPITAL CORP - Form 4



# **Reporting Owners**

Reporting Owner Name / Address

Director 10% Owner Officer Other

SHULMAN JOHN D 1919 PENNSYLVANIA AVENUE, NW 3RD FLOOR WASHINGTON, DC 20006

Managing Director

## **Signatures**

s/ John D.
Shulman

\*\*Signature of Date

\*\*Signature of Reporting Person

# **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) Phantom Stock Units acquired have a 1 for 1 conversion.
- (2) The phantom stock units were awarded under the Allied Capital Corporation Deferred Compensation Plan II and are fully vested.
- (3) Upon termination, phantom stock units will be distributed over a two year period or immediately upon a change in control.
- (4) Securities adjusted for Non-Reportable Transactions.

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.

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