## Edgar Filing: ALLIED CAPITAL CORP - Form 4

ALLIED CAPITAL CORP							
Form 4							
May 16, 2007			OMB A	PPROVAL			
	TES SECURITIES AND EXCHANGE Washington, D.C. 20549	COMMISSION	OMB Number:	3235-0287			
subject to	OF CHANGES IN BENEFICIAL OV	NGES IN BENEFICIAL OWNERSHIP OF					
Section 16. Form 4 or	4 or						
obligations may continue Section 17(a) of	to Section 16(a) of the Securities Exchar the Public Utility Holding Company Act 0(h) of the Investment Company Act of 19	of 1935 or Section					
(Print or Type Responses)							
1. Name and Address of Reporting Person WALTON WILLIAM L	<ul> <li>2. Issuer Name and Ticker or Trading Symbol</li> <li>ALLIED CAPITAL CORP [ALD]</li> </ul>	5. Relationship of Reporting Person(s) to Issuer					
(Last) (First) (Middle		(Check	Check all applicable)				
1919 PENNSYLVANIA AVENU NW, 3RD FLOOR	(Month/Day/Year) E, 05/15/2007	X Director 10% Owner X Officer (give title Other (specify below) below) Chairman & CEO					
(Street)	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person					
WASHINGTON, DC 20006		Form filed by Mo Person	ore than One Re	eporting			
(City) (State) (Zip)	Table I - Non-Derivative Securities A	cquired, Disposed of,	or Beneficial	lly Owned			
(Instr. 3) any	eemed 3. 4. Securities tion Date, if TransactionAcquired (A) or Code Disposed of (D) th/Day/Year) (Instr. 8) (Instr. 3, 4 and 5) (A) or Code V Amount (D) Price	SecuritiesFoBeneficially(DOwned(I)	Ownership orm: Direct o) or Indirect nstr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)			

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 (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 of	6. Date Exercisable and	7. Title and Amou
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transacti	orDerivative	Expiration Date	Underlying Secur
Security	or Exercise		any	Code	Securities	(Month/Day/Year)	(Instr. 3 and 4)

## Edgar Filing: ALLIED CAPITAL CORP - Form 4

(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8)	Acquired (A Disposed of (Instr. 3, 4, a 5)	(D)			
				Code V	(A)	(D) Date Exercisable	Expiration Date	Title	Am Nui Sha
Incentive Stock Option (right to buy)	\$ 29.58	05/15/2007		А	6,760	<u>(1)</u>	05/15/2014	Common Stock	6
Non-Qualified Stock Option (right to buy)	\$ 29.58	05/15/2007		А	179,240	<u>(1)</u>	05/15/2014	Common Stock	17

## **Reporting Owners**

Reporting Owner Name / Address		Relationships					
		Director	10% Owner	Officer	Other		
WALTON WILLIAM L 1919 PENNSYLVANIA AVENUE, NW 3RD FLOOR WASHINGTON, DC 20006		Х		Chairman & CEO			
Signatures							
s/ William L. Walton	05/16/2007						
**Signature of	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) The May 15, 2007 option grant vests in three equal installments on 6/30/2007, 6/30/2008 and 6/30/2009

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.

Reporting Person