

ROSS EDWARD H  
Form 4  
September 15, 2005

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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 \*  
ROSS EDWARD H

(Last) (First) (Middle)

1919 PENNSYLVANIA AVENUE,  
NW, 3RD FLOOR

(Street)

WASHINGTON, DC 20006

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

ALLIED CAPITAL CORP [ALD]

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

09/14/2005

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

Managing Director

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

\_X\_ Form filed by One Reporting Person  
\_\_\_ Form filed by More than One Reporting Person

**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 Reported (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4) |       |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|---|-------|
|                                 |                                      |  |                                | (A) or (D)  | Transaction(s) Price   |  |   |       |
|                                 |                                      |  |                                | Code  | V  | Amount   | (D)   | Price |

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

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(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 | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount Underlying Security (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|--|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|--|

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| (Instr. 3)                                | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title        | Amount or Number of Shares |
|---|------------------------------|------------------|------------|--|------|---|-----|-----|------------------|-----------------|--------------|----------------------------|
| Non-Qualified Stock Option (right to buy) | \$ 26.2                      | 09/14/2005       | S          | 700  |      |   |     |     | (1)              | 05/27/2014      | Common Stock | 700                        |
| Non-Qualified Stock Option (right to buy) | \$ 26.2                      | 09/14/2005       | S          | 1,800  |      |   |     |     | (1)              | 05/27/2014      | Common Stock | 1,800                      |
| Non-Qualified Stock Option (right to buy) | \$ 26.2                      | 09/14/2005       | S          | 1,100  |      |   |     |     | (1)              | 05/27/2014      | Common Stock | 1,100                      |
| Non-Qualified Stock Option (right to buy) | \$ 26.2                      | 09/14/2005       | S          | 1,300  |      |   |     |     | (1)              | 05/27/2014      | Common Stock | 1,300                      |
| Non-Qualified Stock Option (right to buy) | \$ 26.2                      | 09/14/2005       | S          | 1,000  |      |   |     |     | (1)              | 05/27/2014      | Common Stock | 1,000                      |
| Non-Qualified Stock Option (right to buy) | \$ 26.2                      | 09/14/2005       | S          | 100  |      |   |     |     | (1)              | 05/27/2014      | Common Stock | 100                        |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |                   |       |
|--|---------------|-----------|-------------------|-------|
|  | Director      | 10% Owner | Officer           | Other |
| ROSS EDWARD H<br>1919 PENNSYLVANIA AVENUE, NW<br>3RD FLOOR<br>WASHINGTON, DC 20006 |               |           | Managing Director |       |

## Signatures

By: Kelly A. Anderson attorney in fact For: Edward H. Ross  
 Date: 09/15/2005  
 \*\*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) The May 27, 2004 grant vests over a three-year period, commencing on June 30, 2004.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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