#### ALLIED CAPITAL CORP

Form 4

September 19, 2007

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

**OMB** Number:

3235-0287

0.5

Check this box if no longer

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

January 31, Expires: 2005

**OMB APPROVAL** 

subject to Section 16. Form 4 or

**SECURITIES** 

Estimated average burden hours per response...

Form 5 obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person \*

2. Issuer Name and Ticker or Trading

5. Relationship of Reporting Person(s) to Issuer

Murphy Diane Elizabeth

Symbol

ALLIED CAPITAL CORP [ALD]

(Check all applicable)

(Last)

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

Director 10% Owner

1919 PENNSYLVANIA AVENUE,

(Street)

09/17/2007

X\_ Officer (give title Other (specify below) below)

NW, 3RD FLOOR

4. If Amendment, Date Original

**Executive Vice President** 6. Individual or Joint/Group Filing(Check

Applicable Line)

Filed(Month/Day/Year)

(Month/Day/Year)

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

(I)

(Instr. 4)

Person

WASHINGTON, DC 20006

(City) (State) (Zip)

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

1. Title of Security

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if

3. 4. Securities TransactionAcquired (A) or

5. Amount of Securities Beneficially

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

Ownership

(Instr. 4)

(Instr. 3)

Code Disposed of (D) (Instr. 3, 4 and 5) (Month/Day/Year) (Instr. 8)

Owned Following Reported

Transaction(s) (Instr. 3 and 4)

(A)

Code V Amount (D) Price

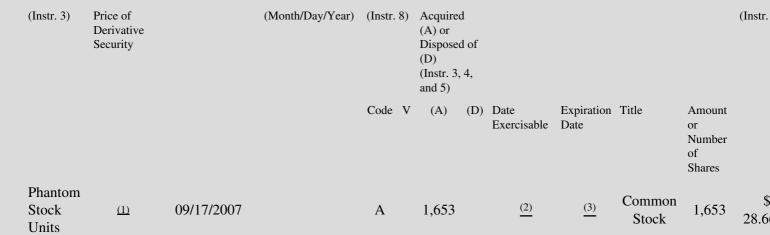
Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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 3. Transaction Date 3A. Deemed 5. Number 6. Date Exercisable and 7. Title and Amount of 8. Price 4. Derivative Conversion (Month/Day/Year) Execution Date, if Transaction of Derivative Expiration Date **Underlying Securities** 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	Relationships			
	Director	10% Owner	Officer	Other
Murphy Diane Elizabeth 1919 PENNSYLVANIA AVENUE, NW 3RD FLOOR WASHINGTON, DC 20006			Executive Vice President	

# **Signatures**

s/ Diane E.

Murphy

\*\*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) 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.

Reporting Owners 2