#### WALTON WILLIAM L

Form 4

September 23, 2005

Check this box

if no longer

subject to

Section 16.

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

**OMB** Number:

3235-0287

Symbol

Expires:

January 31, 2005

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES** 

Estimated average burden hours per

**OMB APPROVAL** 

response...

Form 4 or 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 \* WALTON WILLIAM L

2. Issuer Name and Ticker or Trading

5. Relationship of Reporting Person(s) to

Issuer

ALLIED CAPITAL CORP [ALD]

(Check all applicable)

(Last)

(City)

Security

(Instr. 3)

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

(Month/Day/Year)

09/22/2005

\_X\_\_ Director 10% Owner

1919 PENNSYLVANIA AVENUE,

NW, 3RD FLOOR

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

Chairman & CEO

(Street)

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

(Instr. 8)

Applicable Line)

\_X\_ Form filed by One Reporting Person

Person

Form filed by More than One Reporting

(Instr. 4)

6. Individual or Joint/Group Filing(Check

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

Owned

WASHINGTON, DC 20006

1.Title of 2. Transaction Date 2A. Deemed

(State)

(Month/Day/Year)

Execution Date, if

(Month/Day/Year)

(Zip)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D)

(Instr. 3, 4 and 5)

5. Amount of Securities Beneficially

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

(A)

Following Reported 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 information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

(Instr. 4)

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

1. Title of Derivative Conversion Security or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year) Execution Date, if

any

4. 5. Number of **Transaction**Derivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of **Underlying Securities** (Instr. 3 and 4)

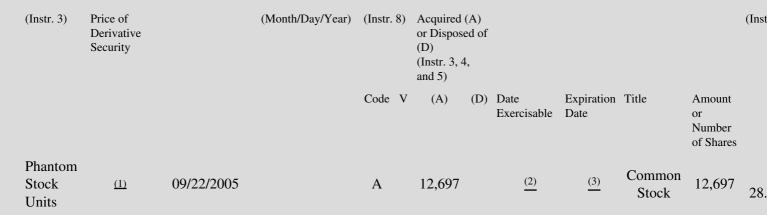
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### Edgar Filing: WALTON WILLIAM L - Form 4



# **Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WALTON WILLIAM L 1919 PENNSYLVANIA AVENUE, NW 3RD FLOOR WASHINGTON, DC 20006	X		Chairman & CEO	

# **Signatures**

s/ William L.

Walton 09/23/2005

\*\*Signature of Pate 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.

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