LIDDY EDWARD M

Form 4

December 11, 2006

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

Expires:

January 31, 2005

0.5

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subject to Section 16. Form 4 or Form 5 obligations may continue.

See Instruction

Check this box

if no longer

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 * LIDDY EDWARD M

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

below)

ALLSTATE CORP [ALL]

(Check all applicable)

(Last)

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

12/07/2006

_X__ Director X_ Officer (give title

10% Owner Other (specify

C/O THE ALLSTATE CORPORATION, 2775 SANDERS **ROAD**

Chairman and CEO

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

(Street)

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

X Form filed by One Reporting Person Form filed by More than One Reporting

NORTHBROOK, IL 60062-6127

| (City) | (State) | (Zip) 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) | Execution Date, if TransactionDisposed of (D) any Code (Instr. 3, 4 and 5) | | | | 5. Amount of Securities Ownership Beneficially Form: Owned Direct (D) Following or Indirect Reported (I) Transaction(s) (Instr. 4) | | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
| _ | | | Code V | Amount | (D) | Price | (Instr. 3 and 4) | | |
| Common Stock | 12/07/2006 | | M | 400,000 | A | \$ 35 | 819,669 (1) | D | |
| Common Stock | 12/07/2006 | | M | 100,000 | A | \$ 42.41 | 919,669 (1) | D | |
| Common Stock | 12/07/2006 | | M | 125,000 | A | \$ 42.5 | 1,044,669 (1) | D | |
| Common Stock | 12/07/2006 | | M | 21,788 | A | \$ 61.39 | 1,066,457 (1) | D | |
| Common Stock | 12/07/2006 | | S | 518,994 | D | \$ 63.8477 | 547,463 (1) | D | |

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| Common Stock | 12/07/2006 | F(2) | 101,606 | D | \$ 63.95 | 445,857 (1) | D | |
|-----------------|------------|------|---------|---|----------|-------------------|---|-------------------|
| Common Stock | | | | | | 3,613.2294 (3) | I | by 401(k) Plan |

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

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SEC 1474

(9-02)

$\label{thm:convergence} \begin{tabular}{ll} Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned \\ (e.g., puts, calls, warrants, options, convertible securities) \end{tabular}$

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of tiorDerivative Securities) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | |
|-----------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------|---------|----------------------------------------------------------|--------------------|---------------------------------------------------------------|--------------------------|
| | | | | Code V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amoun Numbe Shares |
| Employee Stock Option (right to buy) | \$ 35 | 12/07/2006 | | M | | 400,000 | 08/12/2003 | 08/12/2009 | Common Stock | 400,0 |
| Employee Stock Option (right to buy) | \$ 42.41 | 12/07/2006 | | M | | 100,000 | 11/10/2002 | 11/10/2008 | Common Stock | 100,0 |
| Employee Stock Option (right to buy) | \$ 42.5 | 12/07/2006 | | M | | 125,000 | 08/13/2002 | 08/13/2008 | Common Stock | 125,0 |
| Employee Stock Option (right to buy) | \$ 61.39 | 12/07/2006 | | M | | 21,788 | <u>(4)</u> | 08/14/2007 | Common Stock | 21,78 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners 2

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Director 10% Owner Officer Other

LIDDY EDWARD M C/O THE ALLSTATE CORPORATION 2775 SANDERS ROAD NORTHBROOK, IL 60062-6127

Chairman and CEO

Signatures

EDWARD M LIDDY 12/11/2006

**Signature of Date
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).
- (3) Reflects acquisition of 213.7730 shares of The Allstate Corporation common stock since July 15, 2005 under The Savings and Profit Sharing Fund of Allstate Employees, a 401(k) plan, pursuant to the most recent plan statement, dated December 7, 2006.
- (1) The transactions reported in this Form 4 were effected pursuant to a Rule 10b5-1(c) trading plan adopted by the reporting person on November 22, 2006.
- (2) Delivery of shares to issuer to pay minimum tax withholding liability incurred in connection with the exercise.

X

(4) Remaining increments of employee stock option to purchase 43,576 shares of common stock to vest in two equal installments on July 14, 2007 and July 14, 2008.

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.

Signatures 3