

ROSS EDWARD H  
Form 4  
September 13, 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

2. Issuer Name and Ticker or Trading Symbol  
ALLIED CAPITAL CORP [ALD]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
1919 PENNSYLVANIA AVENUE,  
NW, 3RD FLOOR

3. Date of Earliest Transaction  
(Month/Day/Year)  
09/12/2005

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

(Street)  
WASHINGTON, DC 20006

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(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)	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 Transaction(s) (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)	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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SEC 1474  
(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 of Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares
			Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code V				
Non-Qualified Stock Option (right to buy)	\$ 21.52	09/12/2005	S	2,400	<u>(1)</u>	12/13/2012	Common Stock	2,400
Non-Qualified Stock Option (right to buy)	\$ 21.52	09/12/2005	S	4,400	<u>(1)</u>	12/13/2012	Common Stock	4,400
Non-Qualified Stock Option (right to buy)	\$ 21.52	09/12/2005	S	2,900	<u>(1)</u>	12/13/2012	Common Stock	2,900
Non-Qualified Stock Option (right to buy)	\$ 21.52	09/12/2005	S	4,500	<u>(1)</u>	12/13/2012	Common Stock	4,500
Non-Qualified Stock Option (right to buy)	\$ 21.52	09/12/2005	S	12,000	<u>(1)</u>	12/13/2012	Common Stock	12,000
Non-Qualified Stock Option (right to buy)	\$ 21.52	09/12/2005	S	5,200	<u>(1)</u>	12/13/2012	Common Stock	5,200
Non-Qualified Stock Option (right to buy)	\$ 21.52	09/12/2005	S	5,200	<u>(1)</u>	12/13/2012	Common Stock	5,200
Non-Qualified Stock Option (right to buy)	\$ 21.52	09/12/2005	S	3,600	<u>(1)</u>	12/13/2012	Common Stock	3,600
Non-Qualified Stock Option (right to buy)	\$ 21.52	09/12/2005	S	3,600	<u>(1)</u>	12/13/2012	Common Stock	3,600
Non-Qualified Stock Option (right to buy)	\$ 21.52	09/12/2005	S	3,400	<u>(1)</u>	12/13/2012	Common Stock	3,400
Non-Qualified Stock Option (right to buy)	\$ 21.52	09/12/2005	S	5,800	<u>(1)</u>	12/13/2012	Common Stock	5,800
Non-Qualified Stock Option (right to buy)	\$ 21.52	09/12/2005	S	5,600	<u>(1)</u>	12/13/2012	Common Stock	5,600

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Non-Qualified Stock Option (right to buy)	\$ 21.52	09/12/2005	S	1,400	(1)	12/13/2012	Common Stock	1,400
Non-Qualified Stock Option (right to buy)	\$ 21.52	09/12/2005	S	3,100	(1)	12/13/2012	Common Stock	3,100
Non-Qualified Stock Option (right to buy)	\$ 21.52	09/12/2005	S	3,600	(1)	12/13/2012	Common Stock	3,600
Non-Qualified Stock Option (right to buy)	\$ 21.52	09/12/2005	S	2,600	(1)	12/13/2012	Common Stock	2,600
Non-Qualified Stock Option (right to buy)	\$ 21.52	09/12/2005	S	2,900	(1)	12/13/2012	Common Stock	2,900

## Reporting Owners

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

## Signatures

By: Kelly A. Anderson attorney in fact For: Edward H. Ross  
Date: 09/13/2005

\_\_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) The December 13, 2002 grant vests over a three-year period, commencing on June 30, 2003.

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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