

Lauer Thomas Charles
Form 3
January 25, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

INITIAL STATEMENT OF 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 *

^ Lauer Thomas Charles

(Last) (First) (Middle)

1919 PENNSYLVANIA AVENUE, NW, ^ 3RD FLOOR

(Street)

WASHINGTON, ^ DC ^ 20006

(City) (State) (Zip)

2. Date of Event Requiring Statement

(Month/Day/Year)

01/20/2006

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

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner

Officer Other
(give title below) (specify below)

Managing Director

5. 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

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)

2. Amount of Securities Beneficially Owned (Instr. 4)

3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)

4. Nature of Indirect Beneficial Ownership (Instr. 5)

Common Stock

3,921

D

^

Common Stock

639

I

by 401K

Common Stock

500

I

by IRA

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

SEC 1473 (7-02)

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.

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

1. Title of Derivative Security (Instr. 4)

2. Date Exercisable and Expiration Date (Month/Day/Year)

3. Title and Amount of Securities Underlying

4. Conversion

5. Ownership

6. Nature of Indirect Beneficial

Edgar Filing: Lauer Thomas Charles - Form 3

	Date Exercisable	Expiration Date	Derivative Security (Instr. 4) Title	Amount or Number of Shares	or Exercise Price of Derivative Security	Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	Ownership (Instr. 5)
Incentive Stock Option (right to buy)	Â (1)	05/24/2014	Common Stock	11,763	\$ 25.5	D	Â
Incentive Stock Option (right to buy)	Â (2)	08/03/2015	Common Stock	3,635	\$ 27.51	D	Â
Non-Qualified Stock Option (right to buy)	Â (1)	05/24/2014	Common Stock	134,316	\$ 25.5	D	Â
Non-Qualified Stock Option (right to buy)	Â (2)	08/03/2015	Common Stock	121,365	\$ 27.51	D	Â
Phantom Stock Units	Â (3)	Â (4)	Common Stock	2,266	\$ (5)	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Lauer Thomas Charles 1919 PENNSYLVANIA AVENUE, NW 3RD FLOOR WASHINGTON, DC 20006	Â	Â	Â Managing Director	Â

Signatures

s/ Thomas C Lauer
Date: 01/24/2006

**Signature of Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 5(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 24, 2004, option grant vests in 4 equal installments on 6/30/04, 6/30/05, 6/30/06 and 6/30/07
- (2) The August 3, 2005 option grant vests in three installments on 6/30/06, 6/30/07 and 6/30/08.
- (3) The phantom stock units were awarded under the Allied Capital Corporation Deferred Compensation Plan II and are fully vested.
- (4) Upon termination, phantom stock units will be distributed over a two year period or immediately upon a change in control.
- (5) Phantom Stock Units acquired have a 1 for 1 conversion.

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.