

ROLL PENELOPE F

Form 4

April 05, 2010

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
ROLL PENELOPE F

(Last) (First) (Middle)

1919 PENNSYLVANIA AVENUE,
NW, 3RD FLOOR

(Street)

WASHINGTON, DC 20006

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
04/01/2010

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
__X__ Officer (give title below) ____ Other (specify below)

Chief Financial Officer

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

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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock	04/01/2010		D	175,138	D	61,189	D
Common Stock	04/01/2010		D	61,189	D	0	D
Common Stock	04/01/2010		D	22,696	D	0	I by 401K

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

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information contained in this form are not
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SEC 1474
(9-02)

number.

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

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 Derivative 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 Underlying Security (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number of Shares
Incentive Stock Option (right to buy)	\$ 0.73	04/01/2010		D		50		<u>(2)</u>	03/03/2016	Common Stock	
Non-Qualified Stock Option (right to buy)	\$ 0.73	04/01/2010		D		399,950		<u>(2)</u>	03/03/2016	Common Stock	39

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

ROLL PENELOPE F
1919 PENNSYLVANIA AVENUE, NW
3RD FLOOR
WASHINGTON, DC 20006

Chief Financial Officer

Signatures

By: s/Kelly A. Anderson attorney in fact For: Penelope F.
Roll

04/05/2010

__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).

On April 1, 2010, ARCC Odyssey Corp., a wholly owned subsidiary of Ares Capital Corporation ("Ares Capital"), was merged with and into Allied Capital Corporation (the "Company") pursuant to an Agreement and Plan of Merger, dated as of October 26, 2009, among the

- (1) Company, Ares Capital and ARCC Odyssey Corp. (the "Merger Agreement"). Immediately thereafter, Allied Capital merged with and into Ares Capital. Pursuant to the Merger Agreement, each Company stockholder received 0.325 shares of Ares Capital common stock for each share of Company common stock owned (the "Exchange Ratio").

This option, which provided for vesting in three equal annual installments commencing June 30, 2009, was cancelled in connection with the merger in exchange for a cash payment equal to the product of (1) the excess of the option closing amount (calculated as the

- (2) difference between the exercise price of the option and the five-day average closing price of Ares Capital multiplied by 0.325, the Exchange Ratio, or \$4.758 per share) over the exercise price per share for such option multiplied by (2) the total number of shares of Company common stock subject to such option, less applicable withholdings.

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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