ALLIED CAPITAL CORP Form SC 13G/A February 12, 2007

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. 4) *

Allied Capital Corporation (Name of Issuer)

Common Stock (Title of Class of Securities)

01903Q108 (CUSIP Number)

December 29, 2006 (Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- [X] Rule 13d-1(b)
- [] Rule 13d-1(c)
- [] Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP: 01903Q108 Page 1 of 5

1	I.R.S.	F REPORTING PERSONS IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Research and Management Company 037	
2	CHECK TI	THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE TIONS)	(a)
3	SEC USE	CONLY	(b)
4	CITIZEN	SHIP OR PLACE OF ORGANIZATION	
	Delawar	re	
		5 SOLE VOTING POWER	
		3,798,000	
NUMI	BER OF	6 SHARED VOTING POWER	
SHARES BENEFICIALL		NONE	
	NNED BY	7 SOLE DISPOSITIVE POWER	
REPORTING PERSON		7,646,020	
W	ITH:	8 SHARED DISPOSITIVE POWER	
		NONE	
9	AGGREGA'	TE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
	7,646,0	20 Beneficial ownership disclaimed pursuant to Rule	13d-4
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN (SEE INSTRUCTIONS)		SHARES
11	PERCENT	OF CLASS REPRESENTED BY AMOUNT IN ROW 9	
	5.2%		
12	TYPE OF	REPORTING PERSON (SEE INSTRUCTIONS)	
	IA		

CUSIP: 01903Q108 Page 2 of 5

SECURITIES AND EXCHANGE COMMISSION Washington, DC 20549

Schedule 13G Under the Securities Exchange Act of 1934

Amendment No. 4

- Item 2(b) Address of Principal Business Office or, if none,
 Residence:
 333 South Hope Street
 Los Angeles, CA 90071
- Item 2(c) Citizenship: N/A

- Item 3 If this statement is filed pursuant to sections 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:
 - (d) [X] Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
 - (e) [X] An investment adviser in accordance with section 240.13d-1 (b) (1) (ii) (E).

Item 4 Ownership

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

See page 2

- (a) Amount beneficially owned:
- (b) Percent of class:
- (c) Number of shares as to which the person has:
- (i) Sole power to vote or to direct the vote:

- (ii) Shared power to vote or to direct the vote:
- (iii) Sole power to dispose or to direct the disposition of:
- (iv) Shared power to dispose or to direct the disposition of:

CUSIP: 01903Q108 Page 3 of 5

Capital Research and Management Company, an investment adviser registered under Section 203 of the Investment Advisers Act of 1940 is deemed to be the beneficial owner of 7,646,020 shares or 5.2% of the 145,743,123 shares of Common Stock believed to be outstanding as a result of acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940.

- Item 5 Ownership of Five Percent or Less of a Class. If this
 statement is being filed to report the fact that as of the date
 hereof the reporting person has ceased to be the beneficial
 owner of more than five percent of the class of securities,
 check the following: []
- Item 6 Ownership of More than Five Percent on Behalf of Another Person: N/A
- Item 7 Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person.: N/A
- Item 8 Identification and Classification of Members of the Group: $\ensuremath{\text{N/A}}$
- Item 9 Notice of Dissolution of Group: N/A
- Item 10 Certification

By signing below, I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 6, 2007

Signature: *Paul G. Haaga, Jr.

Name/Title: Paul G. Haaga, Jr., Executive Vice

President

Capital Research and Management Company

CUSIP: 01903Q108 Page 4 of 5

*By /s/ James P. Ryan James P. Ryan Attorney-in-fact

Signed pursuant to a Power of Attorney dated November 14, 2006 included as an Exhibit to Schedule 13F filed with the Securities and Exchange Commission by Capital Research and Management Company on November 14, 2006.

CUSIP: 01903Q108 Page 5 of 5