

CRAFT JOSEPH W III  
Form 4  
June 14, 2006

**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 \*  
CRAFT JOSEPH W III

2. Issuer Name and Ticker or Trading Symbol  
Alliance Holdings GP, L.P. [AHGP]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
1717 S. BOULDER AVENUE, SUITE 600  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
06/13/2006

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
President and Chief Executive

TULSA, OK 74119  
(City) (State) (Zip)

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

**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 Indirect Beneficial Ownership (Instr. 4)		
			Code	V	Amount	(A) or (D)	Price		
Common Units	06/13/2006		J		20,641,168	A	\$ 0 20,641,168	I	By Alliance Resource GP, LLC <u>(1)</u> <u>(2)</u>
Common Units	06/13/2006		J		6,863,470	D	\$ 0 0	I	By Alliance Management Holdings, LLC <u>(3)</u>
Common Unit	06/13/2006		J		19,858,362	D	\$ 0 0	I	By AMH II, LLC <u>(4)</u>
Common Unit	06/13/2006		J		4,693,759	A	\$ 0 <u>5,193,759</u> <u>(5)</u>	D	

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Common Units	06/13/2006	J	4,411,579	A	\$ 0	4,411,579 (5)	I	By GRAT
Common Unit	06/13/2006	J	600,000	A	\$ 0	600,000	I	By Alliance Managemetn Holdings III, LLC (6)

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

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(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 (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 of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Beneficially (Instr. 3, 4, and 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CRAFT JOSEPH W III 1717 S. BOULDER AVENUE SUITE 600 TULSA, OK 74119	X	X	President and Chief Executive	

## Signatures

Joseph W. Craft by Megan Cordle, pursuant to power of attorney dated May 9, 2006 06/14/2006

\_\_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).

Joseph W. Craft III ("Craft") indirectly holds 20,641,168 Common Units of AHGP through Alliance Resources Holdings, Inc. ("ARH II"), of which he is sole director and sole shareholder. ARH II holds all of the outstanding shares of Alliance Resource Holdings, Inc. ("ARH"). ARH, in turn, holds all of the outstanding membership interests of Alliance Resources GP, LLC (the "SGP"). Prior to June 13, 2006, Craft was the majority, but not sole, shareholder of ARH II. On June 13, 2006, Craft and ARH II entered into a stock purchase and stock redemption transaction with the other shareholders of ARH II which, after giving effect thereto, resulted in Craft becoming the sole shareholder of ARH II. In a prior Form 4 filing, Craft reported his interest in the 20,641,168 Common Units of AHGP held by the SGP, but disclaimed beneficial ownership in such Common Units except to the extent of his pecuniary interest therein. (Continued in footnote (2)0.

(1) Craft, as sole shareholder of ARH II, no longer disclaims beneficial interest with respect to any of the 20,641,168 AHGP Common Units held by the SGP.

In a prior Form 4 filing, Craft reported an indirect ownership interest in 6,863,470 Common Units of AHGP held by Alliance Management Holdings, LLC ("AMH") (Craft was a sole director and an owner of less than a majority of the membership interests of AMH). On June 13, 2006, AMH liquidated and dissolved and made a pro rata distribution of its assets, including its Common Units of AHGP, to its members (the "AMH Liquidation"). Craft's ownership of the Common Units of AHGP that he received in connection with the AMH Liquidation is described in footnote 5 below.

(2) In a prior Form 4 filing, Craft reported an indirect ownership interest in 19,858,362 Common Units of AHGP held by AMH II, LLC ("AMH II")(Craft was a sole director and the owner of the majority of membership interests of AMH II). On June 13, 2006, AMH II liquidated and dissolved and made a pro rata distribution of its assets, including its Common Units of AHGP, to its members (the "AMH II Liquidation"). Craft's ownership of the Common Units of AHGP that he received in connection with the AMH II Liquidation is described in footnote 5 below.

(3) After giving effect to the AMH Liquidation and the AMH II Liquidation (referenced in footnotes (3) and (4) above, respectively), and the stock purchase and stock redemption transaction referenced in footnote (1) above, Craft directly acquired 4,693,759 Common Units of AHGP, and indirectly acquired, through the Joseph W. Craft III Grantor Retained Annuity Trust dated February 27, 2006, 4,411,479 Common Units of AHGP.

(4) Craft indirectly holds 600,000 Common Units of AHGP through Alliance Management Holdings III, LLC ("AMH III"), which acquired such 600,000 Common Units of AHGP in connection with the AMH Liquidation and the AMH II Liquidation (referenced in footnotes (3) and (4) above, respectively). Craft is the sole director of AMH III and owns 42.43% of the membership interests in AMH III. Craft disclaims beneficial ownership of the reported securities except to the extent of his pecuniary interests therein.

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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