

ALLIANCE RESOURCE PARTNERS LP
 Form 4
 November 02, 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 *
CRAFT JOSEPH W III

2. Issuer Name and Ticker or Trading Symbol
ALLIANCE RESOURCE PARTNERS LP [ARLP]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 Director 10% Owner
 Officer (give title below) Other (specify below)
 President and Chief Executive

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

3. Date of Earliest Transaction (Month/Day/Year)
 11/01/2005

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)
Common Unit					288,000 ⁽¹⁰⁾	D	
Common Unit	11/01/2005		M	90,000 A ⁽¹¹⁾	378,000	D	
Common Unit	11/01/2005		F	37,800 D ⁽¹²⁾	\$ 42.24 340,200	D	
Common Unit	11/02/2005		G	9,500 D	\$ 0 330,700	D	
					2,000 ⁽¹⁰⁾	I	By sons

Common Unit						
Common Unit		2,465,560 <u>(10)</u>	I			See footnote <u>(5)</u>
Common Unit		19,522 <u>(10)</u>	I			See footnote <u>(6)</u>
Common Unit		220,484 <u>(10)</u>	I			See footnote <u>(7)</u>

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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Am Nur Sha
Phantom unit	<u>(2)</u>					<u>(1)</u>	<u>(4)</u>	Common unit	38
Restricted unit	<u>(11)</u>	11/01/2005		M	90,000 <u>(11)</u>	11/01/2005	<u>(4)</u>	Common unit	90
Restricted unit	<u>(2)</u>					<u>(3)</u>	<u>(4)</u>	Common unit	56
Restricted unit	<u>(2)</u>					<u>(9)</u>	<u>(4)</u>	Common unit	30
Subordinated units	<u>(2)</u>					<u>(8)</u>	<u>(4)</u>	Subordinated units	12

Reporting Owners

Reporting Owner Name / Address

Relationships

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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 11/02/2005

**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 Phantom units are to be settled in either cash or ARLP common units, at the election of the Compensation Committee, upon the reporting person's death or termination.
- (2) 1 for 1
- (3) The Restricted units will vest on December 31, 2006 provided that the issuer meets certain financial tests. Once vested the restricted units are to be settled in either cash or ARLP common units, at the election of Compensation Committee.
- (4) Not applicable
- (5) The reporting person indirectly holds 2,465,560 Common Units of ARLP though ARH-II, of which he is the sole director and majority shareholder. ARH-II holds all of the outstanding shares of Alliance Resource Holdings, Inc. ("ARH"). ARH, in turn holds all of the outstanding shares of Alliance Resource GP, LLC ("SGP"). The SGP directly holds 2,465,560 Common Units of ARLP as well as other assets. The reporting person disclaims beneficial ownership of the reported securities except to the extent of his pecuniary interest therein.
- (6) Following the reported transaction the reporting person indirectly holds 19,522 Common Units of ARLP through Alliance Management Holdings, LLC ("AMH") of which he is the sole director. The reporting person disclaims beneficial ownership of the reported securities except to the extent of his pecuniary interest therein.
- (7) Following the reported transaction the reporting person indirectly holds 220,484 Common Units of ARLP through AMH-II, LLC ("AMH-II"). The reporting person is the majority member of AMH-II and sole director. The reporting person disclaims beneficial ownership of the reported securities except to the extent of his pecuniary interest therein.
- (8) The reporting person indirectly holds 12,845,062 Subordinated Units of ARLP though ARH-II, of which he is the sole director and majority shareholder. ARH-II holds all of the outstanding shares of ARH. ARH, in turn holds all of the outstanding shares of SGP. The SGP directly holds 12,845,062 Subordinated Units of ARLP as well as other assets. The reporting person disclaims beneficial ownership of the reported securities except to the extent of his pecuniary interest therein. The Subordinated Units will convert into Common Units if the issuer meets certain financial tests described in the Agreement of Limited Partnership of the Issuer. IF these tests are met, one-half of the Subordinated Units will automatically convert into Common Units no earlier than September 30, 2003. The balance would be eligible for conversion no earlier than September 30, 2004.
- (9) The Restricted units will vest on January 1, 2008 provided that the issuer meets certain financial tests. Once vested the restricted units are to be settled in either cash or ARLP common units, at the election of the Compensation Committee.
- (10) This common unit amount has been adjusted to reflect the completion by the issuer of a two-for-one split of its common units representing limited partner interests effective September 15, 2005.
- (11) On October 25, 2005, the Partnership's Compensation Committee determined that the vesting requirement for the 2003 Long-Term Incentive Plan grants had been satisfied as of September 30, 2005. As a result restricted units were vested on November 1, 2005 based upon the closing price of the common units at October 31, 2005 of \$42.24.
- (12) Upon vesting, restricted units are withheld by the Partnership for payment of tax liability at the vesting price of \$42.24.

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.