

ALLIANCE RESOURCE PARTNERS LP

Form 4

February 15, 2006

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 *
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)

(Last) (First) (Middle)

1717 S. BOULDER
AVENUE, SUITE 600

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
02/14/2006

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

TULSA, OK 74119

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

(City) (State) (Zip)

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 Unit					330,700	D	
Common Unit					2,000	I	By sons
Common Unit					2,465,560	I	See footnote ⁽⁵⁾
Common Unit					19,522	I	See footnote ⁽⁶⁾
Common Unit					220,484	I	See footnote ⁽⁷⁾

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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	Amount Number of Shares
Phantom unit	(2)							(1)	(4)	Common unit	40,55
Phantom unit	(2)	02/14/2006		A		480		(1)	(4)	Common unit	480
Restricted unit	(2)							(3)	(4)	Common unit	56,00
Restricted unit	(2)							(9)	(4)	Common unit	30,00
Subordinated units	(2)							(8)	(4)	Subordinated units	12,845

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 September 13, 2002

02/15/2006

__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).
- (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 ARLP common units.
- (4) Not applicable
- (5) The reporting person indirectly holds 2,465,560 Common Units of ARLP through 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 through 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 ARLP common units.

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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