

CRAFT JOSEPH W III
Form 4
December 22, 2008

FORM 4

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

OMB APPROVAL

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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

(Last) (First) (Middle)

1717 S. BOULDER AVENUE,
SUITE 600

(Street)

TULSA, OK 74119

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

Alliance Holdings GP, L.P. [AHGP]

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

02/27/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

President and CEO

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 Ownership Indirect Beneficial Ownership (Instr. 4)
				Code V	Amount	(A) or (D)	Price
Common Units					20,641,168	I	By Alliance Resources GP, LLC ⁽¹⁾
Common Units					5,193,759	I	By trust ⁽²⁾
Common Units	02/27/2008		G		4,411,579	D	\$ 0 0 ⁽³⁾
Common Units					523,122	I	By Alliance Management Holdings III, LLC ⁽⁴⁾

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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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned (Instr. 3 and 4)
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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 CEO	

Signatures

/s/ Joseph W. Craft III by Megan Cordle pursuant to Power of Attorney dated 2/13/07 12/22/2008

__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) 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"), and the SGP holds 20,641,168 Common Units of AHGP.
- (2) These 5,193,759 Common Units are held directly by the JWC III Rev Trust and indirectly by Craft as trustee of the trust. These Common Units were previously held directly by Craft (4,693,759 Common Units were transferred to the trust on June 28, 2008 and 500,000 were transferred to the trust on July 31, 2008).
- (3) Prior to February 27, 2008, the 4,411,579 Common Units of AHGP which were previously reported as being indirectly owned by Craft "by GRAT" were held in a grantor retained annuity trust of which Craft was trustee (the "JWC III GRAT"), and accordingly, he was

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deemed to have beneficial ownership of such Common Units. On February 27, 2008, the term of the JWC III GRAT expired, Craft ceased serving as trustee, and the Common Units held by the JWC III GRAT were allocated to trusts for the benefit of Craft's four children. As of February 28, 2008, Craft no longer has beneficial ownership of those 4,411,579 Common Units of AHGP.

- (4) Craft indirectly holds 523,122 Common Units of AHGP through Alliance Management Holdings III, LLC ("AMH III"), of which Craft is the sole director and owns 42.43% of the membership interests. 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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