Alliance Holdings GP, L.P. Form 4 December 19, 2012

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

Check this box if no longer STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF subject to **SECURITIES** Section 16. Form 4 or

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 may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(City)

(State)

Form 5

obligations

(Print or Type Responses)

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading Alliance Management Holdings III, Issuer Symbol LLC Alliance Holdings GP, L.P. [AHGP] (Check all applicable) (Last) (First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year) Director 10% Owner __X__ Other (specify Officer (give title 1717 SOUTH BOULDER 12/18/2012 below) below) **AVENUE. SUITE 400** Member of 13d group (over 10%)

(Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line)

> _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person

TULSA, OK 74119

(Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1.Title of 2. Transaction Date 2A. Deemed 3. 4. Securities 5. Amount of 6. Ownership 7. Nature of Security (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Securities Form: Direct Indirect (Instr. 3) Code Disposed of (D) Beneficially (D) or Beneficial (Instr. 3, 4 and 5) Indirect (I) Ownership (Month/Day/Year) (Instr. 8) Owned Following (Instr. 4) (Instr. 4) Reported (A) Transaction(s) or (Instr. 3 and 4) Code V Amount (D) Price

Common 12/18/2012 S 5,975 D \$ 30 354,341 D Units

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

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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3235-0287

January 31,

2005

0.5

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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. Transacti Code (Instr. 8)	5. Number owf Derivativ Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and A Underlying S (Instr. 3 and	Securities
				Code V	(A) (D	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Call option (obligation to sell) (1)	\$ 30	12/18/2012		P	5,975	07/01/2011	07/01/2013	Common units	5,975

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Alliance Management Holdings III, LLC 1717 SOUTH BOULDER AVENUE, SUITE 400 TULSA, OK 74119

Member of 13d group (over 10%)

Signatures

/s/ Alliance Managment Holdings III, LLC, by Mindy Kerber, pursuant to power of attorney dated March 5, 2007

12/19/2012

**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).

AMH III entered into option agreements to sell 314,005common units of AHGP for an excercise price of \$30.00 per common unit, the options are exercisable from July 1, 2011 through July 1, 2013. AMH III received consideration of \$3.36 per common unit for each option.

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.

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