

Fruehwirth John Martin  
 Form 3  
 April 18, 2007

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
^ Fruehwirth John Martin		(Month/Day/Year)	ALLIED CAPITAL CORP [ALD]	
(Last)	(First)	(Middle)	4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
1919 PENNSYLVANIA AVENUE, NW, ^ 3RD FLOOR			(Check all applicable)	
(Street)			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (give title below)    (specify below) Managing Director	
WASHINGTON, ^ DC ^ 20006			6. Individual or Joint/Group Filing(Check Applicable Line)	
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person	

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	20,435	I	by joint

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

SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) Title	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Amount or Number of Shares			or Indirect (I) (Instr. 5)	
Incentive Stock Option (right to buy)	Â (1)	08/03/2015	Common Stock	3,635	\$ 27.51	D	Â
Incentive Stock Option (right to buy)	Â (2)	03/11/2014	Common Stock	3,450	\$ 28.98	D	Â
Non-Qualified Stock Option (right to buy)	Â (3)	05/13/2013	Common Stock	136,125	\$ 21.62	D	Â
Non-Qualified Stock Option (right to buy)	Â (1)	08/03/2015	Common Stock	196,365	\$ 27.51	D	Â
Non-Qualified Stock Option (right to buy)	Â (2)	03/11/2014	Common Stock	96,550	\$ 28.98	D	Â
Phantom Stock Units	Â (4)	Â (5)	Common Stock	17,884	\$ (6)	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Fruehwirth John Martin 1919 PENNSYLVANIA AVENUE, NW 3RD FLOOR WASHINGTON, DC 20006	Â	Â	Â Managing Director	Â

## Signatures

s/John M Fruehwirth  
Date: 04/17/2007  
\*\*Signature of Reporting Person

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 5(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 August 3, 2005 option grant vests in three installments on 6/30/06, 6/30/07 and 6/30/08.
- (2) The grant issued on March 11, 2004, vests in four installments on 6/30/04, 6/30/05, 6/30/06 and 6/30/07
- (3) The grant issued on May 13, 2003, becomes exercisable in three annual installments commencing one year from grant date.
- (4) The phantom stock units were awarded under the Allied Capital Corporation Deferred Compensation Plan II and are fully vested.
- (5) Upon termination, phantom stock units will be distributed over a two year period or immediately upon a change in control.
- (6) Phantom Stock Units acquired have a 1 for 1 conversion.

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.