

Murphy Diane Elizabeth
 Form 3
 June 03, 2009

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 | |
| Â Murphy Diane Elizabeth | | (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) |
| | | 05/26/2009 | | |
| 1919 PENNSYLVANIA AVENUE, NW | | | (Check all applicable) | |
| (Street) | | | <input type="checkbox"/> Director | <input type="checkbox"/> 10% Owner |
| | | | <input checked="" type="checkbox"/> Officer | <input type="checkbox"/> Other |
| WASHINGTON, Â DC Â 20006 | | | (give title below) | (specify below) |
| (City) | (State) | (Zip) | Executive Vice President | 6. Individual or Joint/Group Filing(Check Applicable Line) |
| | | | | <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 | 77,992 | D | Â |
| Common Stock | 29,497 | I | by 401(k) |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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) | 4. Conversion or Exercise Price of | 5. Ownership Form of Derivative | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|--|---|------------------------------------|---------------------------------|---|
|--|--|---|------------------------------------|---------------------------------|---|

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| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | Derivative Security | Security: Direct (D) or Indirect (I) (Instr. 5) | |
|---|------------------|-----------------|--------------|----------------------------|---------------------|---|---|
| Incentive Stock Option (right to buy) | Â (1) | 09/20/2011 | Common Stock | 4,631 | \$ 21.59 | D | Â |
| Incentive Stock Option (right to buy) | Â (2) | 12/13/2012 | Common Stock | 4,646 | \$ 21.52 | D | Â |
| Incentive Stock Option (right to buy) | Â (3) | 03/11/2014 | Common Stock | 6,900 | \$ 28.98 | D | Â |
| Non-Qualified Stock Option (right to buy) | Â (3) | 03/11/2014 | Common Stock | 71,350 | \$ 28.98 | D | Â |
| Incentive Stock Option (right to buy) | Â (4) | 08/03/2015 | Common Stock | 3,635 | \$ 27.51 | D | Â |
| Non-Qualified Stock Option (right to buy) | Â (4) | 08/03/2015 | Common Stock | 46,365 | \$ 27.51 | D | Â |
| Incentive Stock Option (right to buy) | Â (5) | 05/15/2014 | Common Stock | 3,380 | \$ 29.58 | D | Â |
| Non-Qualified Stock Option (right to buy) | Â (5) | 05/15/2014 | Common Stock | 66,370 | \$ 29.58 | D | Â |
| Incentive Stock Option (right to buy) | Â (6) | 02/01/2015 | Common Stock | 8,710 | \$ 22.96 | D | Â |
| Non-Qualified Stock Option (right to buy) | Â (6) | 02/01/2015 | Common Stock | 91,290 | \$ 22.96 | D | Â |
| Incentive Stock Option (right to buy) | Â (7) | 03/03/2016 | Common Stock | 50 | \$ 0.73 | D | Â |
| Non-Qualified Stock Option (right to buy) | Â (7) | 03/03/2016 | Common Stock | 299,950 | \$ 0.73 | D | Â |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Murphy Diane Elizabeth 1919 PENNSYLVANIA AVENUE, NW WASHINGTON, DC 20006 | Â | Â | Â Executive Vice President | Â |

Signatures

s/s Diane E. Murphy
06/02/2009

**Signature of Reporting Person

Date

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 September 20, 2001 option grant vested in three annual installments commencing one year from date of grant.

(2) The December 13, 2002 option grant vested over a three-year period commencing on June 30, 2003.

(3) The March 11, 2004 option grant vested evenly over a four-year period commencing on June 30, 2004.

(4) The August 3, 2005 option grant vested in three equal installments on 6/30/06, 6/30/07 and 6/30/08

(5) The May 15, 2007 option grant vests in three equal installments on 06/30/07, 06/30/08 and 06/30/09.

(6) The February 1, 2008 option grant vests in three equal installments on 06/30/09, 06/30/10 and 06/30/11.

(7) The March 3, 2009 option grant vests in three equal installments on 06/30/09, 06/30/10 and 06/30/11.

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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