

Smith J Albert III
 Form 3
 April 14, 2014

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 | |
| GSO CAPITAL PARTNERS LP | | | (Month/Day/Year) | FS Investment Corp III [NONE] | |
| (Last) | (First) | (Middle) | 4. Relationship of Reporting Person(s) to Issuer | | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| 345 PARK AVENUE,Â | | | (Check all applicable) | | 6. Individual or Joint/Group Filing(Check Applicable Line) |
| (Street) | | | ___ Director ___X___ 10% Owner | | ___ Form filed by One Reporting Person |
| NEW YORK,Â NYÂ 10154 | | | ___ Officer ___ Other | | ___X___ Form filed by More than One Reporting Person |
| (City) | (State) | (Zip) | (give title below) | | (specify below) |

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 | 555,556 | I | See Footnotes (1) (2) (3) (4) (5) (6) |

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

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| | | | |
|---------------------|--------------------|----------------------------------|----------------------------------|
| Date Exercisable | Expiration Date | Amount or Number of Shares | or Indirect (I) (Instr. 5) |
|---------------------|--------------------|----------------------------------|----------------------------------|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| GSO CAPITAL PARTNERS LP 345 PARK AVENUE NEW YORK, NY 10154 | ^ | ^ X | ^ | ^ |
| GSO Advisor Holdings L.L.C. C/O THE BLACKSTONE GROUP L.P. 345 PARK AVENUE NEW YORK, NY 10154 | ^ | ^ X | ^ | ^ |
| Blackstone Holdings I L.P. C/O THE BLACKSTONE GROUP L.P. 345 PARK AVENUE NEW YORK, NY 10154 | ^ | ^ X | ^ | ^ |
| Blackstone Holdings I/II GP Inc C/O THE BLACKSTONE GROUP L.P. 345 PARK AVENUE NEW YORK, NY 10154 | ^ | ^ X | ^ | ^ |
| Blackstone Group L.P. 345 PARK AVENUE NEW YORK, NY 10154 | ^ | ^ X | ^ | ^ |
| Blackstone Group Management L.L.C. C/O THE BLACKSTONE GROUP L.P. 345 PARK AVENUE NEW YORK, NY 10154 | ^ | ^ X | ^ | ^ |
| Ostrover Douglas I C/O GSO CAPITAL PARTNERS LP 345 PARK AVENUE NEW YORK, NY 10154 | ^ | ^ X | ^ | ^ |
| Goodman Bennett J C/O GSO CAPITAL PARTNERS LP 345 PARK AVENUE NEW YORK, NY 10154 | ^ | ^ X | ^ | ^ |
| Smith J Albert III C/O GSO CAPITAL PARTNERS LP 345 PARK AVENUE NEW YORK, NY 10154 | ^ | ^ X | ^ | ^ |
| SCHWARZMAN STEPHEN A C/O THE BLACKSTONE GROUP L.P. 345 PARK AVENUE | ^ | ^ X | ^ | ^ |

NEW YORK, NY 10154

Signatures

| | |
|---|------------|
| GSO CAPITAL PARTNERS LP, By: /s/ Marisa Beeney, Name: Marisa Beeney, Title: Chief Legal Officer | 04/14/2014 |
| **Signature of Reporting Person | Date |
| GSO ADVISOR HOLDINGS L.L.C., By: Blackstone Holdings I L.P., its sole member, By: Blackstone Holdings I/II GP Inc., its general partner, By: /s/ John G. Finley, Name: John G. Finley, Title: Chief Legal Officer | 04/14/2014 |
| **Signature of Reporting Person | Date |
| BLACKSTONE HOLDINGS I L.P., By: Blackstone Holdings I/II GP Inc., its general partner, By: /s/ John G. Finley, Name: John G. Finley, Title: Chief Legal Officer | 04/14/2014 |
| **Signature of Reporting Person | Date |
| BLACKSTONE HOLDINGS I/II GP INC., By: /s/ John G. Finley, Name: John G. Finley, Title: Chief Legal Officer | 04/14/2014 |
| **Signature of Reporting Person | Date |
| THE BLACKSTONE GROUP L.P., By: Blackstone Group Management L.L.C., its general partner, By: /s/ John G. Finley, Name: John G. Finley, Title: Chief Legal Officer | 04/14/2014 |
| **Signature of Reporting Person | Date |
| BLACKSTONE GROUP MANAGEMENT L.L.C., By: /s/ John G. Finley, Name: John G. Finley, Title: Chief Legal Officer | 04/14/2014 |
| **Signature of Reporting Person | Date |
| BENNETT J. GOODMAN, By: /s/ Marisa Beeney, Name: Marisa Beeney, Title: Attorney-in-Fact | 04/14/2014 |
| **Signature of Reporting Person | Date |
| J. ALBERT SMITH III, By: /s/ Marisa Beeney, Name: Marisa Beeney, Title: Attorney-in-Fact | 04/14/2014 |
| **Signature of Reporting Person | Date |
| DOUGLAS I. OSTROVER, By: /s/ Marisa Beeney, Name: Marisa Beeney, Title: Attorney-in-Fact | 04/14/2014 |
| **Signature of Reporting Person | Date |
| STEPHEN A. SCHWARZMAN, By: /s/ Stephen A. Schwarzman, Name: Stephen A. Schwarzman | 04/14/2014 |
| **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).
 Reflects shares of Common Stock, \$0.001 par value per share ("Common Stock") of FS Investment Corporation III (the "Issuer"), in which GSO FSIC III Holdings LLC holds a direct beneficial interest. GSO Capital Partners LP serves as a managing member of GSO
 - (1) FSIC III Holdings LLC. The general partner of GSO Capital Partners LP is GSO Advisor Holdings L.L.C. The managing member of GSO Advisor Holdings L.L.C. is Blackstone Holdings I L.P. Blackstone Holdings I/II GP Inc. is the general partner of Blackstone Holdings I L.P. The Blackstone Group L.P. is the controlling shareholder of Blackstone Holdings I/II GP Inc.
 - (2) Blackstone Holdings III L.P. holds 100% of the economic membership interests in GSO FSIC III Holdings LLC.
 - (3)

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The general partner of Blackstone Holdings III L.P. is Blackstone Holdings III GP L.P. The general partner of Blackstone Holdings III GP L.P. is Blackstone Holdings III GP Management L.L.C. The sole member of Blackstone Holdings III GP Management L.L.C. is The Blackstone Group L.P. The general partner of The Blackstone Group L.P. is Blackstone Group Management L.L.C. Blackstone Group Management L.L.C. is wholly-owned by Blackstone's senior managing directors and controlled by its founder, Steven A. Schwarzman. In addition, each of Bennett J. Goodman, J. Albert Smith III and Douglas I. Ostrover may be deemed to have shared investment control with respect to the Common Stock held by GSO FSIC III Holdings LLC.

- (4) Due to the limitations of the Securities and Exchange Commission's EDGAR system, GSO FSIC III Holdings LLC, Blackstone Holdings III L.P., Blackstone Holdings III GP L.P. and Blackstone Holdings III GP Management L.L.C. are filing a separate Form 3.
- (5) Information with respect to each of the Reporting Persons is given solely by such Reporting Person, and no Reporting Person has responsibility for the accuracy or completeness of information supplied by another Reporting Person.

Each of the Reporting Persons (other than GSO FSIC III Holdings LLC to the extent it directly holds securities reported herein), disclaims beneficial ownership of the securities held by GSO FSIC III Holdings LLC, except to the extent of such Reporting Person's pecuniary interest therein, and, pursuant to Rule 16a-1(a)(4) under the Securities Exchange Act of 1934, each of the Reporting Persons

- (6) (other than GSO FSIC III Holdings LLC to the extent it directly holds securities reported herein) states that the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership of all of the reported securities for purposes of Section 16 or for any other purpose.

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Remarks:

Exhibit 24.1 - Power of Attorney - Bennett J. Goodman

Exhibit 24.2 - Power of Attorney - J. Albert Smith III

Exhibit 24.3 - Power of Attorney - Douglas I. Ostrover

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.