

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **February 9, 2005**

Gladstone Capital Corporation

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

814-00237
(Commission
File Number)

54-2040781
(IRS Employer
Identification No.)

**1616 Anderson Road, Suite 208
McLean, Virginia**
(Address of principal executive offices)

22102
(Zip Code)

Registrant's telephone number, including area code: **(703) 286-7000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On February 9, 2005, Gladstone Capital Corporation (the "Company") held its 2005 annual meeting of stockholders at which the Company's stockholders approved an amendment to the Company's Amended and Restated 2001 Equity Incentive Plan (the "Plan"). The amendment increased the aggregate number of shares of capital stock authorized for issuance under the Plan to 2,250,000 shares. The amendment also gives the Company's Board of Directors the discretion to elect to reduce the exercise price of any outstanding stock option by an amount equal to the cash dividend per share paid to all holders of the Company's outstanding common stock.

Item 9.01 Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.30	Fourth Amendment to Amended and Restated 2001 Equity Incentive Plan

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

February 15, 2005

Gladstone Capital Corporation
(Registrant)
By: /s/ Harry Brill
(Harry Brill, Chief Financial Officer)

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
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GLADSTONE CAPITAL CORPORATION
FOURTH AMENDMENT TO
AMENDED AND RESTATED 2001 EQUITY INCENTIVE PLAN

RECITALS

- A. On June 2, 2001, the Board of Directors of **GLADSTONE CAPITAL CORPORATION**, a Maryland corporation (the “*Company*”), adopted the 2001 Equity Incentive Plan.
- B. On July 23, 2001, the Board of Directors and stockholders of the Company approved the Amended and Restated 2001 Equity Incentive Plan (the “*Plan*”).
- C. On December 7, 2004, the Board of Directors of the Company approved the forgoing Fourth Amendment to the Plan, which was ratified by the Company’s stockholders on February 9, 2005.

AMENDMENT

1. Section 4(a) of the Plan shall be amended and restated in its entirety to read as follows:
- “(a) **Share Reserve.** Subject to the provisions of Section 11(a) relating to Capitalization Adjustments, the capital stock that may be issued pursuant to Stock Awards shall be two million two hundred fifty thousand (2,250,000) shares of capital stock. Stock Awards shall be comprised of Common Stock or Preferred Stock as determined by the Board in its discretion.”
2. Article 6 of the Plan shall be amended by adding a new section 6(n) thereto as follows:
- “(n) **Adjustment to Exercise Price for Dividends.** In its sole discretion, the Board may elect that, in the event that the Company should pay a dividend in cash to all holders of outstanding Common Stock, the exercise price for each outstanding Option designated by the Board in its sole discretion will be reduced by an amount equal to the per share amount of such dividend; provided, that the exercise price for an Option shall not be reduced below zero. Notwithstanding the foregoing, no reduction in the exercise of any Option held by a Non-Employee Director may occur pursuant to this section 6(n) unless (i) the Company receives confirmation from the staff of the Securities and Exchange Commission that such reductions are permissible under the Company’s exemptive order granted January 29, 2003, or (ii) the Company receives an order from the Securities and Exchange Commission explicitly permitting such reductions. If the Board elects to so adjust the exercise prices of Options pursuant to this authority, the Board shall have the right at any time to discontinue the applicability of this section to any or all Options.”
3. Except as set forth in this Fourth Amendment, the Plan shall be unaffected hereby and shall remain in full force and effect.
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