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**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): **July 10, 2007**

**Gladstone Capital Corporation**

(Exact name of registrant as specified in its chapter)

**Maryland**  
(State or other jurisdiction  
of incorporation)

**814-00237**  
(Commission  
File Number)

**54-2040781**  
(IRS Employer  
Identification No.)

**1521 Westbranch Drive, Suite 200**  
**McLean, Virginia**  
(Address of principal executive offices)

**22102**  
(Zip Code)

Registrant's telephone number, including area code: **(703) 287-5800**

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))
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**Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year**

On July 10, 2007, the Board of Directors of Gladstone Capital Corporation (the "Company") approved two amendments to the Company's bylaws. The amendments are effective as of July 10, 2007. The amendments were made to allow the Board of Directors of the Company to establish the number of directors of the Company by resolution, and to clarify that directors may be reimbursed for the reasonable out-of-pocket expenses of their board service, including attendance at meetings of the board of directors.

**Item 9.01 Financial Statements and Exhibits.**

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

99.1 Second Amendment to Bylaws of Gladstone Capital Corporation.

**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.

Gladstone Capital Corporation  
(Registrant)

July 10, 2007

By: /s/ Harry Brill  
(Harry Brill, Chief Financial Officer)

SECOND AMENDMENT TO BYLAWS

OF

GLADSTONE CAPITAL CORPORATION

The following Amendment is hereby made to the Bylaws (the "Bylaws") of Gladstone Capital Corporation, a Maryland corporation, as of July 10, 2007:

1. Article III, Section 13(a) is hereby deleted in its entirety, and replaced with the following:

**Section 13. Number and Term.**

(a) The number of directors of the Corporation shall be fixed exclusively by resolutions adopted by the Board of Directors. The composition of the board of directors must satisfy the independence standards of the Nasdaq Stock Market (or such other securities market on which the Corporation's securities are listed for trading) and the applicable rules and regulations of the Securities and Exchange Commission ("SEC"). A majority of the entire Board of Directors may, at any time and from time to time, increase or decrease the number of directors of the Corporation as set forth in the Articles of Incorporation or these Bylaws; provided, however, that the number of directors shall not be increased by fifty percent (50%) or more in any twelve (12) month period without the approval of two-thirds (2/3rds) of the members of the Board of Directors then in office. The tenure of office of a director shall not be affected by any decrease in the number of directors so made by the Board of Directors. The directors shall be elected by a majority of all the votes cast at the annual meeting of the stockholders, except as provided in Section 15 of this Article.

2. Article III, Section 25 is hereby deleted in its entirety, and replaced with the following:

**Section 25. Compensation Of Directors.** Directors, as such, shall not receive any stated salary for their services but, by resolution of the Board of Directors, non-employed directors may be entitled to receive (a) an annual fee, (b) a fixed cash sum, (c) a stock or stock option grant, or (d) a combination of the above, along with the reimbursement of reasonable out-of-pocket expenses incurred in connection with their services, including those incurred for attendance at each regular or special meeting of the Board of Directors, or of any committee thereof, but nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

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