

**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 26, 2008**

**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.)

**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))

**Item 1.01. Entry into a Material Definitive Agreement**

On February 26, 2008, Gladstone Capital Corporation (the "Company"), through its wholly-owned subsidiary, Gladstone Business Loan LLC, amended its credit agreement which was originally established on May 19, 2003. In conjunction with this amendment, Gladstone Business Loan LLC, Gladstone Management Corporation (an affiliated entity), Deutsche Bank AG and certain other parties listed from time to time as committed lenders entered into the Amended and Restated Credit Agreement dated February 26, 2008 (the "Amendment"). The Amendment increased the capacity of the credit facility to \$250 million and modified existing definitions to the credit agreement.

In connection with this amendment, Gladstone Business Loan LLC paid a \$300,000 amendment fee.

A copy of the Amendment No. 5 to the Amended and Restated Credit Agreement is filed herewith as Exhibit 10.1.

**Item 8.01. Other Events**

On February 26, 2008, the underwriters of the Company's recent public offering of common stock had fully exercised their over-allotment option to purchase an additional 450,000 shares of common stock at a price of \$16.065 per share, which includes an underwriting discount of \$0.935 per share. The over-allotment option was granted in connection with the Company's previously announced public offering of 3,000,000 shares of common stock completed on February 5, 2008. The underwriters of the offering were Deutsche Bank Securities, Inc., Oppenheimer & Co. Inc. and Robert W. Baird & Co. Incorporated.

This additional purchase increased the aggregate number of shares sold in the offering to 3,450,000. Including the over-allotment option, net proceeds from the offering, after deducting expenses, are expected to be approximately \$55.1 million. The proceeds will be used for the repayment of existing short-term debt under the Company's line of credit.

**Item 9.01. Financial Statements and Exhibits**

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

- (d) Exhibit 10.1 — Amendment No. 5 to the Amended and Restated Credit Agreement by and among Gladstone Business Loan LLC, Deutsche Bank AG, and certain other parties, dated as of February 26, 2008.

**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)

February 26, 2008

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

AMENDMENT NO. 5  
TO  
AMENDED AND RESTATED CREDIT AGREEMENT

THIS AMENDMENT NO. 5 TO AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment") dated as of February 26, 2008, is entered into among GLADSTONE BUSINESS LOAN, LLC, (the "Borrower"), TAHOE FUNDING CORP., as CP Lender, RELATIONSHIP FUNDING COMPANY, LLC, as CP Lender, DEUTSCHE BANK AG, NEW YORK BRANCH ("Deutsche Bank") and KEYBANK, NATIONAL ASSOCIATION ("KeyBank"), as Committed Lenders (collectively, the "Committed Lenders"), Deutsche Bank and KeyBank as Managing Agents (in such capacity, collectively the "Managing Agents") and Deutsche Bank as Administrative Agent (in such capacity, the "Administrative Agent"). Capitalized terms used herein without definition shall have the meanings ascribed thereto in the "Credit Agreement" referred to below.

PRELIMINARY STATEMENTS

A. Reference is made to that certain Amended and Restated Credit Agreement, dated as of May 26, 2006, among the Borrower, Gladstone Management Corporation, as Servicer, the CP Lenders, the Committed Lenders, the Managing Agents and the Administrative Agent (as amended, modified or supplemented from time to time, the "Credit Agreement").

B. The parties hereto have agreed to amend certain provisions of the Credit Agreement upon the terms and conditions set forth herein.

SECTION 1. Amendment. Subject to the satisfaction of the condition set forth in Section 3 hereof, the parties hereto hereby agree:

(a) to delete clause (a) in the definition of "Commitment" in Section 1.1 of the Credit Agreement and substitute the following therefor:

(a) For each Committed Lender, the commitment of such Committed Lender to fund any Advance to the Borrower in an amount not to exceed \$125,000,000, as such amount may be modified in accordance with the terms hereof;

(b) to delete the definition of "Facility Amount" in Section 1.1 of the Credit Agreement and substitute the following therefor:

Facility Amount: At any time, \$250,000,000; provided, however, that on or after the Termination Date, the Facility Amount shall be equal to the amount of Advances outstanding.

SECTION 2. Representations and Warranties. The Borrower hereby represents and warrants to each of the other parties hereto, that:

(a) this Amendment constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms; and

(b) on the date hereof, before and after giving effect to this Amendment, other than as amended or waived pursuant to this Amendment, no Early Termination Event or Unmatured Termination Event has occurred and is continuing.

SECTION 3. Condition.

(a) This Amendment shall become effective on the first Business Day (the "Effective Date") on which the Administrative Agent or its counsel has received counterpart signature pages of this Amendment, executed by each of the parties hereto.

SECTION 4. Reference to and Effect on the Transaction Documents.

(a) Upon the Effective Date, (i) each reference in the Credit Agreement to "this Credit Agreement", "this Agreement", "hereunder", "hereof", "herein" or words of like import shall mean and be a reference to the Credit Agreement as amended or otherwise modified hereby, and (ii) each reference to the Credit Agreement in any other Transaction Document or any other document, instrument or agreement executed and/or delivered in connection therewith, shall mean and be a reference to the Credit Agreement as amended or otherwise modified hereby.

(b) Except as specifically amended, terminated or otherwise modified above, the terms and conditions of the Credit Agreement (including all other amendments thereto), of all other Transaction Documents and any other documents, instruments and agreements executed and/or delivered in connection therewith, shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent, any Managing Agent or any Lender under the Credit Agreement or any other Transaction Document or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, in each case except as specifically set forth herein.

SECTION 5. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by telecopier or electronic delivery shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 6. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York, with reference to Sections 5-1401 and 5-

1402 of the New York General Obligations Law but otherwise without regard to conflict of law provisions.

SECTION 7. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this

Amendment for any other purpose.

SECTION 8. Fees and Expenses. The Borrower further hereby confirms its agreement to pay on demand all reasonable costs and expenses of the Administrative Agent, Managing Agents or Lenders in connection with the preparation, execution and delivery of this Amendment and any of the other instruments, documents and agreements to be executed and/or delivered in connection herewith, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel to the Administrative Agent, Managing Agents or Lenders with respect thereto.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective officers as of the date first above written.

GLADSTONE BUSINESS LOAN, LLC, as Borrower

By: \_\_\_\_\_  
Name:  
Title:

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DEUTSCHE BANK AG, NEW YORK BRANCH,  
as a Committed Lender, Managing Agent and  
Administrative Agent

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

TAHOE FUNDING CORP., as CP Lender

By: \_\_\_\_\_  
Name:  
Title:

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KEYBANK, NATIONAL ASSOCIATION,  
as a Committed Lender and Managing  
Agent

By: \_\_\_\_\_  
Name:  
Title:

RELATIONSHIP FUNDING COMPANY, LLC,  
as CP Lender

By: \_\_\_\_\_  
Name:  
Title: