
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

GLADSTONE CAPITAL CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box)

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:

2. Aggregate number of securities to which transaction applies:

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

4. Proposed maximum aggregate value of transaction:

5. Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1. Amount Previously Paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

On Wednesday, January 8, 2014, at 9:00 a.m. Eastern Standard Time, Gladstone Capital Corporation (the “Company”) held a conference call regarding the proposals included in the Company’s Definitive Proxy Statement (the “Proxy”), which was filed with the U.S. Securities and Exchange Commission on December 12, 2013.

A script of the call follows:

Hello and good morning. This is David Gladstone, Chairman and CEO.

This is a special call to explain the items in the proxy for shareholders and analysts of Gladstone Capital Corporation, common stock NASDAQ trading symbol GLAD and preferred stock NASDAQ trading symbol GLADP.

Thank you all for calling in. We are happy to talk to shareholders and you always have an open invitation to visit us here in the Washington, DC area. Please stop by our office in McLean, Virginia and say hello. You will see some of the finest people in the business.

We invite you all to come to the shareholders meeting on February 13, 2014 at 11am at the Hilton Hotel in McLean VA., located at 7920 Jones Branch Drive.

If you are not coming to the meeting, then please vote your shares using your proxy so that we get the votes in.

You can vote your proxy by mailing in your proxy card. Or you can vote by calling (800) 690-6903, but if you call you have to have your proxy card with the proxy control number to give to the operator. Another way to vote with that proxy control number is to go to www.proxyvote.com, and vote on-line. And you can also vote by calling your broker and your broker can help you vote too.

Your brokerage firm is not permitted to vote your shares for you on non-routine matters – incidentally, all matters up for vote at our meeting this year are non-routine matters – thus, your brokerage firm may not vote your shares for you. As a result we need you to vote your shares, as the cost to your fund to round up the votes by calling and asking shareholders to vote their shares to ensure a quorum is now a major expense. And that takes away dollars that could be paid in dividends to shareholders. More government regulations for us to comply with make it less profitable for us and all public companies.

Before I begin to review the matters up for vote at this year’s annual meeting, I need to read a statement about forward looking statements.

This conference call may include statements that may constitute “forward-looking statements” within the meaning of Securities Act of 1933 and of the Securities Exchange Act of 1934 including statements with regard to the future performance of the Company.

These forward-looking statements inherently involve certain risks and uncertainties, even though they are based on our current plans. We believe those plans to be reasonable.

There are many factors that may cause our actual results to be materially different from any future results that are expressed or implied by these forward-looking statements, including those factors listed under the caption “Risk Factors” in all our Form 10K filings as filed with the Securities and Exchange Commission that can be found on our web site at www.GladstoneCapital.com and the SEC’s web site.

The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Before starting with the matters in this year’s Proxy, I want you to know that we will have our quarterly earnings call for the quarter ended December 31, 2013, in the beginning of February so I will not be able to answer questions about the 10-Q we are planning to file for the December quarter end on this call. Look for that press release or go to our web site and sign up for email notification of events at your company so you get the information when it is posted. You can also follow us on Twitter, user name ‘GladstoneComps’ or on Facebook, keyword ‘The Gladstone Companies.’

I can report to you that our fund is performing well.

But please do not ask any questions about the earnings for the December quarter because until we release our quarterly numbers I cannot discuss them at all.

I can tell you that yesterday we announced our board's declaration of the monthly common and preferred distributions to our stockholders for the March quarter end, and it was \$0.07 per share per month for common for January February and March and we will have another board meeting in April and I expect our board to declare our monthly distributions as we have before.

And the board elected a new president to the fund. He is Bob Marcotte, a veteran in the investment area of senior and subordinated debt. He is a great addition to our team. Please read the press release at www.GladstoneCapital.com.

Now let's turn to the Proxy. In the Proxy we have asked shareholders to vote on a number of things. Some are easy to understand and others are not as easy.

1. First we are asking you to re-elect directors. No need to explain that because we do that every year.
2. Second we are asking shareholders to approve a proposal to authorize our fund to sell shares of our common stock at a price below the then current net asset value per share. Many Business Development Companies, or BDCs, are asking shareholders to do this because many of their stock prices trade below net asset value per share. We are asking you to do this because as the stock continues to recover and gets closer to net asset value we may need to issue new shares to make new investments or pay off debt.

As you all know our fund must pay out 98% of our income to avoid paying taxes. And we do that each year.

This means the only way to grow is to raise equity or debt. We are limited by law to having less than our equity in the amount of debt (in other words, a 1:1 debt to equity ratio) so none of the companies like ours are highly leveraged. And that is a good thing.

In order to grow the assets and earnings of our fund we will need to raise equity. With the stock price at or below net asset value, it is not possible in the current environment except by doing a rights offering. And rights offerings are very expensive to existing shareholders because the short sellers come in and knock down the price of the stock. We had that happen to us in 2008. So we do not want to do that except as an emergency.

But as the stock price rises, we need your vote to put in place this ability to sell shares below net asset value in order not to have to do a rights offering. Doing overnight offerings does not let the short seller come in and push down the stock price. But to do an overnight offering, we need your approval to sell at below net asset value. Net asset value per share at September 30, 2013, was \$9.81, while the current stock price yesterday was \$9.80.

Let me add one other item. We have not discussed and do not have a plan to sell stock today below net asset value. But if the stock is selling at something closer to net asset value then it might be advantageous to raise some equity as that would not cause meaningful dilution of our existing shareholders and it would permit the fund to grow and hopefully increase the dividend.

We asked you to do this the last four years and you gave us that ability, but we did not use that right because the stock price did not get high enough. We did not use the authority you gave us last year and will not use it unless we see a good reason to do so.

We need this proposal to pass so we have an alternative to a right offering. And the government requires us to get this item passed by shareholders every year and that too runs up the cost of running this fund because of the cost of getting this Proxy out and gathering votes. So we ask you to please review the Proxy and vote for this one.

Now I must ask all of you to please vote your shares. It is ever so costly and time consuming to get shareholders to vote. The fund spends thousands of dollars trying to contact voters to vote on these issues, so please vote your shares. I would like to pay that money out as a dividend and not spend it on efforts like this.

Our common dividend, by the way, has been \$0.07 per month, a run rate of \$0.84 per year. Yesterday, the board declared a \$0.07 common dividend for each of January, February and March. The board will meet the first part of April to vote on declaring the dividend for April, May and June.

Summary

As far as we can see the economy is turning around every so slowly. There is a credit squeeze because banks have curtailed their lending. That hurts the economy a lot. The government is borrowing so much money that there does not seem to be much left for businesses. They are crowding out the little guy.

But we can only see a couple of quarters out so we want to be careful. We are stewards of your money. We will stay the course and continue to be conservative in our investment approach.

We invite you all to come to the shareholders meeting on February 13, 2014 at 11:00 a.m. at the Hilton Hotel in McLean VA., 7920 Jones Branch Drive. We would like to see you all and talk about the Company at that meeting. If you are not coming, then please vote your shares of stock so that we get past this. You can vote your stock by mailing in your proxy card.

Or you can vote by calling your broker.

You can also vote by calling (800) 690-6903, but you have to have your proxy card with the proxy control number to vote by phone.

If you have your proxy control number you can vote on the Internet by going to www.proxyvote.com.

If you haven't received your proxy in the mail yet, you should call your broker and get them to send you a replacement. But please vote so we can continue to grow the Company.

That is the end of the call.