

# GLADSTONE CAPITAL CORP

Reported by  
**WATSON DAVID HIBBERT**

## FORM 3

(Initial Statement of Beneficial Ownership)

Filed 01/28/10 for the Period Ending 01/25/10

Address	1521 WESTBRANCH DRIVE MCLEAN, VA 22102
Telephone	703-287-5851
CIK	0001143513
Symbol	GLAD
Industry	Misc. Financial Services
Sector	Financial
Fiscal Year	09/30

# 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

1. Name and Address of Reporting Person *	2. Date of Event Requiring Statement (MM/DD/YYYY)	3. Issuer Name and Ticker or Trading Symbol
<b>Watson David Hibbert</b>	<b>1/25/2010</b>	<b>GLADSTONE CAPITAL CORP [GLAD]</b>
(Last) (First) (Middle)	4. Relationship of Reporting Person(s) to Issuer (Check all applicable)	
<b>1521 WESTBRANCH DRIVE, SUITE 200</b>	<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input checked="" type="checkbox"/> Other (specify below) <b>/ Affiliate of External Adviser</b>	
(Street)	5. If Amendment, Date Original Filed (MM/DD/YYYY)	6. Individual or Joint/Group Filing (Check Applicable Line)
<b>MCLEAN, VA 22102</b>		<input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
(City) (State) (Zip)		

### 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)

### Table II - Derivative Securities Beneficially Owned ( e.g. , puts, calls, warrants, options, convertible securities)

1. Title of Derivate Security (Instr. 4)	2. Date Exercisable and Expiration Date (MM/DD/YYYY)		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) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			

#### Explanation of Responses:

No securities are beneficially owned.

#### Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
<b>Watson David Hibbert 1521 WESTBRANCH DRIVE SUITE 200 MCLEAN, VA 22102</b>				<b>Affiliate of External Adviser</b>

#### Signatures

**Paula Novara, Attorney-in-fact**

**1/28/2010**

\*\* Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

POWER OF ATTORNEY

Know all by these presents, that the undersigned hereby constitutes and appoints

each of David Gladstone, Terry Brubaker, George Stelljes III, John Dellafiora, Paula Novara, Michael LiCalsi, Allyson Williams, Madeleine Burton, Malinda Ortega, Darren DeStefano, Christi Novak, and Courtney Roche,

signing

individually, the undersigned's true and lawful attorneys-in fact and agents to: (1)

execute for and on behalf of the undersigned, an officer, director or holder of 10% or more of a registered class of securities of Gladstone Capital Corporation, a Maryland corporation (the Company),

Forms 3, 4 and 5 in accordance with Section 16(a) of the Securities

Exchange Act of 1934, as amended (the Exchange Act) and the rules thereunder;

(2) do and perform any and all acts for and on behalf of the undersigned that may

be necessary or desirable to complete and execute such Form 3, 4 or 5, complete and

execute

any amendment or amendments thereto, and timely file such forms or amendments with the

United States Securities and Exchange Commission and any stock exchange or similar

authority; and (3) take any other action of any nature whatsoever in connection with the

foregoing

which, in the opinion of such attorney-in-fact, may be of benefit, in the best

interest of,

or legally required by, the undersigned, it being understood that the documents

executed

by such attorney-in-fact on behalf of the undersigned pursuant to this

Power of

Attorney

shall be in such form and shall contain such terms and conditions as

such

attorney-in-fact

may approve in such attorney-in-fact's discretion.

The undersigned hereby grants to each such attorney-in-fact full power

and

authority

to do and perform any and every act and thing whatsoever requisite,

necessary,

or proper

to be done in the exercise of any of the rights and powers herein

granted,

as fully to

all intents and purposes as the undersigned might or could do if

personally

present,

with full power of substitution or revocation, hereby ratifying and

confirming

all that

such attorney-in-fact, or such attorney-in-fact's substitute or

substitutes,

shall

lawfully

do or cause to be done by virtue of this power of attorney and the

rights

and

powers herein granted. The undersigned acknowledges that the foregoing

attorneys-in-fact,

in serving in such capacity at the request of the undersigned, are not

assuming,

nor is the Company assuming, any of the undersigned's responsibilities  
to comply

with Section 16 of the Exchange Act.

This Power of Attorney shall remain in full force and effect until the  
earliest to occur of (a) the undersigned is no longer required to file  
Forms 3, 4

and 5 with

respect to the undersigned's holdings of and transactions in securities  
issued by the Company,

(b) revocation by the undersigned in a signed writing

delivered to the

foregoing attorneys-in-fact or (c) as to any attorney-in-fact

individually, until

such attorney-in-fact shall no longer be employed by the

Company,

Gladstone Management Corporation, Gladstone Administration, LLC or

Cooley Godward

LLP.

IN WITNESS WHEREOF, the undersigned has caused this Power of

Attorney to be

executed as of this 27th day of January, 2010.

/s/ David Watson

David Watson