

**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 Investment Corporation

(Exact name of registrant as specified in its chapter)

Delaware
(State or other jurisdiction
of incorporation)

814-00704
(Commission
File Number)

83-0423116
(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 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

On July 10, 2007, the Board of Directors of Gladstone Investment 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 clarify that the Board of Directors of the Company may 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 First Amendment to Amended and Restated Bylaws of Gladstone Investment 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 Investment Corporation
(Registrant)

July 10, 2007

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

FIRST AMENDMENT TO AMENDED AND RESTATED BYLAWS

OF

GLADSTONE INVESTMENT CORPORATION

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

1. Article IV, Section 15 is hereby deleted in its entirety, and replaced with the following:

Section 15. Number And Term Of Office. The authorized number of directors of the corporation shall be fixed exclusively by resolutions adopted by the Board of Directors. Directors need not be stockholders unless so required by the Certificate of Incorporation. If for any cause, the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient at a special meeting of the stockholders called for that purpose in the manner provided in these Bylaws.

2. Article IV, Section 24 is hereby deleted in its entirety, and replaced with the following:

Section 24. Fees And Compensation. Directors shall be entitled to such compensation for their services as may be approved by the Board of Directors, including, if so approved, by resolution of the Board of Directors, a fixed sum and 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 and at any meeting of a committee of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation therefor.

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