

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):
December 30, 2010

Gladstone Investment Corporation
(Exact name of registrant as specified in its charter)

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 22102
(Address of principal executive offices)

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 2.01. Completion of Acquisition or Disposition of Assets

On December 30, 2010, Gladstone Investment Corporation (the "Company") sold its equity investment in Chase II Holding Corporation ("Chase Doors") to Sentinel Capital Partners, L.L.C. and to certain members of the management of Chase Doors and received full repayment of its debt investment in Chase Doors. The net cash proceeds to the Company from the sale of its equity in Chase Doors were \$17.9 million, resulting in a realized gain of \$6.9 million. At the same time, the Company has received \$22.9 million in payment of its principal, accrued interest and fees on the debt investment in Chase Doors. In March 2006, the Company made its original equity investment and provided debt financing in support of a management-led buyout of Chase Doors, which primarily designs and manufactures impact traffic doors.

Item 7.01. Regulation FD Disclosure

On January 3, 2011, Gladstone Investment Corporation issued a press release announcing the above mentioned sale and repayment. The text of the press release is included as an exhibit to this Form 8-K. Pursuant to the rules and regulations of the Securities and Exchange Commission, such exhibit and the information set forth therein and herein are deemed to be furnished and shall not be deemed to be filed.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release issued by Gladstone Investment Corporation on January 3, 2011.

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)

By: /s/ David Watson
(David Watson, Chief Financial Officer)

January 3, 2011

Gladstone Investment Announces Sale of Equity Investment in and Debt Repayment by Chase Doors

MCLEAN, Va., Jan. 3, 2011 /PRNewswire-FirstCall/ -- Gladstone Investment Corporation (Nasdaq: GAIN) (the "Company") announced that on December 30, 2010, it sold its equity investment and received full repayment of its debt investment in Chase II Holding Corporation ("Chase Doors"). In March 2006, the Company made its original equity investment and provided debt financing in support of a management-led buyout of Chase Doors.

(Logo: <http://photos.prnewswire.com/prnh/20101005/GLADSTONEINVESTMENT>)

"Gladstone Investment has enjoyed an excellent relationship with the talented management team at Chase Doors. The team achieved outstanding results in growing the business and building value in a challenging economic environment," said Dave Dullum, the Company's President. "In addition to the monthly dividends we pay to our stockholders from the current income on our debt and mezzanine investments, we also seek to achieve capital gains from the equity portions of our investments. In this regard, the Chase Doors transaction, similar to the A. Stucki Holding Corporation exit in June 2010, is a significant and successful realization of a capital gain from our investment strategy."

Gladstone Investment Corporation is a publicly traded business development company that seeks to make debt and equity investments in small and mid-sized businesses in the United States in connection with acquisitions, changes in control and recapitalizations. Additional information on this sale and the business of all the Gladstone Funds can be found at <http://www.gladstonecompanies.com/>.

For Investor Relations inquiries related to any of the monthly dividend paying Gladstone Funds, please visit <http://www.gladstone.com/>.

Forward-looking Statements:

The statements in this press release regarding the longer-term prospects of the Company's investment strategy, future capital gains, and expected continued payment of dividends are "forward-looking statements." These forward-looking statements inherently involve certain risks and uncertainties, although they are based on the Company's current plans that are believed to be reasonable as of the date of this press release. Factors that may cause the Company's actual results to differ from these forward-looking statements include, among others, the duration and potential future effects of the current economic downturn on its portfolio companies and on the senior loan market and those factors listed under the caption "Risk Factors" of the Company's Form N-2/A, as filed with the SEC on November 22, 2010. The risk factors set forth in the Form N-2/A under the caption "Risk Factors" are specifically incorporated by reference into this press release. 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.

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