

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): September 29, 2009

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 2.03 Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of a Registrant.

On September 29, 2009, Gladstone Investment Corporation (the Company) purchased \$85 million of short term United States Treasury securities from Jefferies & Company, Inc. (Jefferies). The securities were purchased with \$10 million in funds drawn on the Company's credit facility, which accrues interest at an annual rate of approximately 7.0%, and the proceeds from a \$75 million short term loan from Jefferies with an effective annual interest rate of approximately 0.65%.

On October 1, 2009, when the securities matured, the Company repaid the \$75 million loan from Jefferies in full. On October 2, 2009 the Company repaid the \$10 million that had been drawn on the credit facility for the transaction.

Item 9.01 Financial Statements and Exhibits.

- (a) Not applicable.
 - (b) Not applicable.
 - (c) Not applicable.
 - (d) Not applicable.
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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/ Mark Perrigo
(Mark Perrigo, Chief Financial Officer)

October 2, 2009