

GLADSTONE CAPITAL CORP
 Form 4/A
 September 18, 2006

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN 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

(Print or Type Responses)

1. Name and Address of Reporting Person *
BRILL HARRY

2. Issuer Name and Ticker or Trading Symbol
GLADSTONE CAPITAL CORP [GLAD]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
1521 WESTBRANCH DRIVE, SUITE 200
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
09/12/2006

____ Director
 Officer (give title below)
 ____ 10% Owner
 ____ Other (specify below)
CFO

MCLEAN, VA 22102

4. If Amendment, Date Original Filed(Month/Day/Year)
09/13/2006

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 ____ Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)	
				(A) or (D)	Price			
				Code	V	Amount		
Common Stock	09/12/2006		M		5,850	A	\$ 15 16,350	D
Common Stock	09/12/2006		S		5,850	D	\$ 22.7 10,500	D
Common Stock	09/13/2006		M		15,850	A	\$ 15 26,350	D
Common Stock	09/13/2006		S		15,850	D	\$ 22.7 10,500	D

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

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Stock Option	\$ 15	09/12/2006		M	5,850	<u>(1)</u> 09/30/2006	Common Stock	5,850
Stock Options	\$ 15	09/13/2006		M	15,850	<u>(1)</u> 09/30/2006	Common Stock	15,850

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BRILL HARRY 1521 WESTBRANCH DRIVE SUITE 200 MCLEAN, VA 22102			CFO	

Signatures

Paula Novara,
Attorney-in-fact 09/18/2006

**Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(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).

(1) The option vested in two equal installments of 25,000 shares each on 8/23/2001 and 8/23/2002.

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

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