

GLADSTONE CAPITAL CORP
Form 40-17G
November 22, 2017
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November 22, 2017

Office of Registration and Reports

Securities and Exchange Commission

100 F Street, NE

Washington, DC 20549

RE: Gladstone Capital Corporation Fidelity Bond

Ladies and Gentlemen:

On behalf of Gladstone Capital Corporation (the Company), I enclose the following documents for filing pursuant to Rule 17g-1 of the Investment Company Act of 1940, as amended (the 1940 Act):

1. A copy of the Company's Investment Company Bond No. 106628403, in the amount of \$3,000,000, effective as of November 25, 2017, covering the Company, and its subsidiaries (the Bond). The Bond was received by the Company on November 16, 2017.
2. A copy of the resolutions adopted by written consent of the Board of Directors dated November 25, 2017, in which a majority of the Directors who are not interested ratified and approved the amendment to the Bond. The period for which premiums have been paid on behalf of the Company is November 25, 2017 to November 25, 2018. The Company's premium is \$7,998.

Thank you for your assistance. Should you have any questions, please feel free to call me at 703-287-5872.

Sincerely,

GLADSTONE CAPITAL CORPORATION

/s/ John A. Dellafiora Jr.

John A. Dellafiora Jr.

Chief Compliance Officer

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November 13, 2017

GLADSTONE CAPITAL CORPORATION

1521 WESTBRANCH DRIVE SUITE 100

MC LEAN, VA 22102

Re: Important Information about **Claims Information Line**

Dear **GLADSTONE CAPITAL CORPORATION**

Travelers Bond & Specialty Insurance is pleased to announce its **1-800-842-8496** Claims Information Line. This line is designed to provide insureds with an additional resource on how to report claims or those circumstances or events which may become claims.

Policyholders will be able to obtain assistance on the following topics from the Claims Information Line:

The information that needs to be included with the claim notice

The address, electronic mail address and/or facsimile number to which the policyholder can send claims related information

Get questions on the claim process answered

The Declarations Page of your policy sets forth where you should report claims and claims related information. You should also review the policy's reporting requirements to be aware of how much time you have to report a claim to Travelers. The sooner Travelers is notified, the sooner we can become involved in the process and offer assistance to our policyholder. A delay in reporting may result in all or part of a matter to fall outside of the coverage provided.

The Claims Information Line should streamline the claim reporting process and allow policyholders to ask questions on what information is needed as well as other questions which will assist them in working with Travelers. While the Claims Information Line provides policyholders a valuable resource by answering questions and providing information, the line does not replace the reporting requirements contained in the Policy.

We hope this improvement to customer service is something our policyholders will find helps them understand the claim process and provides them a resource for reporting.

Best regards,

Richard R Allsop

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One Tower Square

Hartford, CT 06183

11/13/2017

GLADSTONE CAPITAL CORPORATION

1521 WESTBRANCH DRIVE SUITE 100

MC LEAN, VA 22102

RE: Risk Management PLUS+ Online® from Travelers Bond & Specialty Insurance (www.rmplusonline.com)

As a Travelers Bond & Specialty Insured you receive risk management services, at no cost, to help protect you and your business.

Risk Management PLUS+ Online, is a robust website to assist you in the mitigation of risk relative to employment practices, directors and officers, fiduciary liability, cyber, crime, kidnap & ransom, and identity fraud exposures.

Highlights of Risk Management PLUS+ Online include:

Thousands of articles on a variety of risk management topics

Topical webinars and podcasts on current issues

Checklists to assist in managing risk

Web based training

Model Employee Handbook, including policies and forms for downloading or printing that reduce risks in the workplace.

The following Risk Management PLUS+ Online Registration Instructions contain easy, step-by-step instructions to register for this valuable tool. For more information, call 1-888-712-7667 and ask for your Risk Management PLUS+ Online representative. It's that simple.

Thank you for choosing Travelers Bond & Specialty Insurance for your insurance needs. Travelers is a market leader in providing management liability and crime coverages that are specifically customized for your organization.

[Instructions for Registration & Orientation to Risk Management PLUS+ Online®](#)

Registration for Site Administrators:

The Site Administrator is the person in your organization who will oversee Risk Management PLUS+ Online for the organization. The Site Administrator is typically a person who leads human resources and/or financial functions or is responsible for legal matters pertaining to personnel. The Site Administrator may add other Site Administrators later to assist with their responsibilities. To register:

1. Go to www.rmplusonline.com.
2. In the Sign-In box, click **Register**.
3. Enter the password/passcode: <TRVP300100 for Insurance Companies> <TRVP300400 for Banks and Diversified> <TRV300300 for Asset Management>
4. Fill in the Registration Information and click **Submit**.
5. Your organization is registered, and you are registered as Site Administrator.

Learning to Navigate the Site:

1. Go to www.rmplusonline.com. On each page, you will see a box outlined in blue that contains the instructions for use of that page.
2. If you have any questions, just click on **Contact Us** on the front page. Enter your question in the form provided, and the System Administrator will get back to you quickly with the answer.
3. You can also schedule a live walk-through of the site by sending a request for a walk-through via the contact link on the front page.

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**IMPORTANT NOTICE REGARDING INDEPENDENT AGENT AND
BROKER COMPENSATION**

For information on how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html

If you prefer, you can call the following toll-free number: 1-866-904-8348. Or you can write to us at Travelers, Agency Compensation, One Tower Square, Hartford, CT 06183.

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VIRGINIA POLICYHOLDERS NOTICE - IMPORTANT CONTACT INFORMATION

Should you need to contact anyone about this insurance for any reason, please contact your agent. If you have additional questions you may contact Travelers at:

WASHINGTON, D.C. OFFICE

14048 Parkeast Circle

Chantilly, Virginia 20151

(800) 328-2189

Travelers.com

If you have been unable to contact or obtain satisfaction from Travelers or your agent, you may contact the Virginia State Corporate Commission's Bureau of Insurance at:

Property and Casualty Consumer Outreach

PO Box 1157

Richmond, VA 23218

Toll free: 1-877-310-6560

Richmond, VA area: 804-371-9092

Email: PCOutreach@scc.virginia.gov

Written correspondence is preferable so that a record of your inquiry is maintained. When contacting your agent, company or the Bureau of Insurance, have your policy number available.

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Investment Company Bond

Declarations

BOND NO. 106628403

Travelers Casualty and Surety Company of America

One Tower Square

Hartford, Connecticut 06183

(A Stock Insurance Company, herein called the Company)

ITEM 1 INSURED:

GLADSTONE CAPITAL CORPORATION

Principal Address:

1521 WESTBRANCH DRIVE SUITE 100
MC LEAN, VA 22102

(hereinafter, Insured)

ITEM 2 POLICY PERIOD:

Inception Date: November 25, 2017 Expiration Date: November 25, 2018
12:01 A.M. local time as to both dates at the Principal Address stated in ITEM 1.

ITEM 3 ALL NOTICES OF CLAIM OR LOSS MUST BE SENT TO THE COMPANY BY EMAIL, FACSIMILE, OR MAIL AS SET FORTH BELOW:

Email: BSIclaims@travelers.com

Fax: (888) 460-6622

Mail: Travelers Bond & Specialty Insurance Claim
385 Washington St. Mail Code 9275-NB03F
St Paul, MN 55102

Travelers Bond & Specialty Insurance Claim telephone number: 800-842-8496

ITEM 4 If *Not Covered* is inserted opposite any specified Insuring Agreement below, or if no amount is included in the Single Loss Limit of Insurance, such Insuring Agreement and any other reference thereto is deemed to be deleted from this bond.

INSURING AGREEMENT	SINGLE LOSS LIMIT OF INSURANCE	SINGLE LOSS DEDUCTIBLE AMOUNT
A. FIDELITY		
Coverage A.1. Larceny or Embezzlement	\$ 3,000,000	\$ 100,000
Coverage A.2. Restoration Expenses	\$ 3,000,000	\$ 100,000
B. ON PREMISES	\$ 3,000,000	\$ 100,000
C. IN TRANSIT	\$ 3,000,000	\$ 100,000

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D. FORGERY OR ALTERATION	\$ 3,000,000	\$ 100,000
E. SECURITIES	\$ 3,000,000	\$ 100,000
F. COUNTERFEIT MONEY AND COUNTERFEIT MONEY ORDERS	\$ 3,000,000	\$ 100,000
G. CLAIM EXPENSE	\$ 100,000	\$ 5,000
H. STOP PAYMENT ORDERS OR WRONGFUL DISHONOR OF CHECKS	\$ 100,000	\$ 5,000
I. COMPUTER SYSTEMS		
Coverage I.1. Computer Fraud	\$ 3,000,000	\$ 100,000
Coverage I.2. Fraudulent Instructions	\$ 3,000,000	\$ 100,000
Coverage I.3. Restoration Expense	\$ 3,000,000	\$ 100,000
J. UNCOLLECTIBLE ITEMS OF DEPOSIT	\$ 100,000	\$ 5,000

ITEM 5 PREVIOUS BONDS OR POLICIES:

The Insured, by acceptance of this bond, gives notice to the Company canceling or terminating prior bond or policy numbers:

Not Applicable

such cancellation or termination to be effective as of the time this bond becomes effective.

ITEM 6 DISCOVERY PERIOD:

Additional Premium Percentage: 100% of the annualized premium

Additional Months: 12 months

(If exercised in accordance with section VI. CONDITIONS, S. DISCOVERY PERIOD)

ITEM 7 FORMS AND ENDORSEMENTS ATTACHED AT ISSUANCE:

IVBB-16001-0116; IVBB-19003-0116; IVBB-19004-0116; IVBB-19010-0116; IVBB-19014-0116;
IVBB-18032-0116

PRODUCER INFORMATION:

AON RISK SERVS CENTRAL

200 E RANDOLPH ST 13TH FL

CHICAGO, IL 60601

Countersigned By

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IN WITNESS WHEREOF, the Company has caused this bond to be signed by its authorized officers.

President, Bond & Specialty Insurance

Corporate Secretary

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Investment Company Bond

with Extended Coverages

I. CONSIDERATION CLAUSE

IN CONSIDERATION of the payment of an agreed premium and subject to the Declarations and pursuant to all the terms, conditions, exclusions and limitations of this bond, the Company agrees to indemnify the Insured as set forth in ITEM 1 of the Declarations (herein called Insured) for:

II. INSURING AGREEMENTS

A. FIDELITY

Coverage A.1. Larceny or Embezzlement

Loss resulting directly from **Larceny or Embezzlement** committed by an **Employee** acting alone or in collusion with others.

Coverage A.2. Restoration Expenses

Restoration Expenses incurred by the Insured and resulting directly from a **Computer Violation** by an **Employee**.

B. ON PREMISES

1. Loss of **Property** resulting directly from:

- a. robbery, burglary, mysterious unexplainable disappearance or misplacement and damage or destruction; or
- b. theft, false pretenses, or common law or statutory larceny, committed by a person physically present in an office of, or on the premises of, the Insured at the time the **Property** was surrendered,

while the **Property** is lodged or deposited within offices or premises located anywhere. The premises of a **Depository** will be deemed premises of the Insured, but solely as respects loss of **Certificated Securities**. Coverage for **Certificated Securities** held by such **Depository** is limited to the extent of the Insured's interest therein as effected by the making of appropriate entries on the books and records of such **Depository**. The Company will not be liable under Insuring Agreement B for loss in connection with the central handling of securities within the systems established and maintained by any **Depository** unless the amount of such loss exceeds the amount recoverable or recovered under any bond or policy or participants' fund insuring the **Depository** against such loss.

This bond does not afford any coverage in favor of any **Depository** or exchange or any nominee in whose name is registered any security included within the **Depository**'s systems.

2. Direct loss, through any hazard specified in Insuring Agreement B.1. of any **Property** while such **Property** is within any of the Insured's or an **Investment Adviser**'s offices and in the possession of any customer of the Insured, any representative of such customer or any **Employee** whether or not the Insured is liable for the loss thereof, and provided such loss, at the option of the Insured, is included in the Insured's proof of loss, but excluding, in any event, loss caused by such customer, any representative of such customer, or any **Employee**.

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C. IN TRANSIT

Loss of **Property** (occurring with or without negligence or violence) resulting directly from robbery, larceny, theft, holdup, mysterious unexplainable disappearance, misplacement, being lost or otherwise made away with, damage thereto or destruction thereof, and loss of subscription, conversion, redemption or deposit privileges through the misplacement or loss of **Property**, while the **Property** is in transit anywhere in the custody of any person or persons acting as **Messenger**, except while in the mail or with a carrier for hire other than an armored motor vehicle company, for the purpose of transportation, such transit to begin immediately upon receipt of such **Property** by the transporting person or persons, and to end immediately upon delivery thereof at destination, but only while the **Property** is being conveyed.

D. FORGERY OR ALTERATION

Loss resulting directly from the Insured having, in good faith, paid or transferred any **Property** in reliance on any **Written, Original**:

1. **Negotiable Instrument** (except an **Evidence of Debt**);
2. **Certificate of Deposit**;
3. **Letter of Credit**;
4. **Withdrawal Order**;
5. **Acceptance**;
6. receipt for the withdrawal of **Property**; or
7. instruction or advice directed to the Insured or an **Investment Adviser** and purportedly signed by a **Customer** of the Insured or by a **Financial Institution**, which (a) bears a handwritten signature which is a **Forgery**; or (b) is altered, but only to the extent the **Forgery** or alteration causes the loss.

Actual physical possession of the items listed in 1. through 7. above by the Insured is a condition precedent to the Insured s having relied on the items.

E. SECURITIES

Loss resulting directly from the Insured having, in good faith, for its own account or for the account of others:

1. acquired, sold, delivered, or given value, extended credit or assumed liability, on the faith of any **Original Written** document that is a (an):
 - a. **Certificated Security;**
 - b. **Document of Title;**
 - c. deed, mortgage, or other instrument conveying title to, or creating or discharging a lien on, real property;
 - d. **Certificate of Origin or Title;**
 - e. **Certificate of Deposit;**
 - f. **Evidence of Debt;**
 - g. corporate, partnership, or personal **Guarantee;**
 - h. **Security Agreement;**

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i. **Instruction;**

j. **Statement of Uncertificated Security,**

that

- (1) bears a handwritten signature material to the validity or enforceability of the **Original Written** document that is a **Forgery**, but only to the extent the **Forgery** causes the loss;
 - (2) is altered, but only to the extent the alteration causes the loss; or
 - (3) is lost or stolen;
2. guaranteed in writing or witnessed any handwritten signature upon any transfer, assignment, bill of sale, power of attorney, **Guarantee**, endorsement, or any items listed in items 1.a. through 1.i. above; or
 3. acquired, sold or delivered, given value, extended credit or assumed liability, on the faith of any item listed in 1.a. through 1.d. above, that is a **Counterfeit**, but only to the extent the **Counterfeit** causes the loss.

Actual physical possession, and continued actual physical possession if taken as collateral, of the items listed in 1.a. through 1.j. above by the Insured, an **Investment Adviser**, a **Custodian**, or a Federal or State chartered deposit institution of the Insured is a condition precedent to the Insured's having relied on the faith of such items. Release or return of such collateral is an acknowledgment by the Insured that it no longer relies on such collateral.

F. COUNTERFEIT MONEY AND COUNTERFEIT MONEY ORDERS

Loss resulting directly from the receipt by the Insured, in good faith, of any **Counterfeit Money** of the United States of America and its territories and possessions, Canada or any other country, or of **Counterfeit** money orders denominated in United States or Canadian currency.

G. CLAIM EXPENSE

Reasonable expenses necessarily incurred and paid by the Insured in preparing any covered claim for loss under any Insuring Agreement covered under this bond, which loss exceeds the Single Loss Deductible Amount applicable to such Insuring Agreement. Such expenses include costs incurred (including necessary wages of **Employees**) for that part of audits or examinations performed, whether or not required by State or Federal supervisory authorities and conducted either by such authorities or by independent accountants, by reason of the discovery of loss sustained by the Insured.

H. STOP PAYMENT ORDERS OR WRONGFUL DISHONOR OF CHECKS

Damages that the Insured becomes legally liable to pay its customers resulting directly from the Insured or an **Investment Adviser** having:

1. failed to comply with any notice of any customer of the Insured or any authorized representative of such customer to stop payment on any check or draft made or drawn by such customer; or
2. wrongfully dishonored or wrongfully failed to certify any check or draft made or drawn by the customer of the Insured or any authorized representative of such customer.

Notwithstanding any other provision of this bond, damages under paragraph 2. above do not include the amount of any check or draft in question, or any amounts paid to the payee, endorser, or accommodation party of such check or draft.

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I. COMPUTER SYSTEMS

Coverage I.1. Computer Fraud

Loss resulting directly from **Computer Fraud**.

Coverage I.2. Fraudulent Instructions

Loss resulting directly from the Insured or an **Investment Adviser** having, in good faith, caused a transfer of funds as a result of a **Fraudulent Instruction** when the Insured or an **Investment Adviser**, prior to causing the transfer of the funds, used its best efforts to verify the identity of the person transmitting the instruction; provided that if the instruction is purported to be from a **Customer**, the Insured, or an **Investment Adviser**:

- a. performed a **Callback Verification** with respect to such instruction; or
- b. followed commercially reasonable **Security Procedures** applicable to the transaction and instruction.

Such **Fraudulent Instruction** received and, if applicable, **Callback Verification** performed, must be either recorded, logged, or documented by the Insured or an **Investment Adviser**.

Coverage I.3. Restoration Expenses

Restoration Expenses incurred by the Insured or an **Investment Adviser** and resulting from a **Computer Violation** by someone other than an **Employee**.

J. UNCOLLECTIBLE ITEMS OF DEPOSIT

Loss, including dividends and interest accrued not to exceed 15% of the value of each **Item of Deposit** that is deposited, resulting directly from the Insured or **Investment Adviser** having credited an account of a customer, shareholder or subscriber on the faith of any **Items of Deposit** that prove to be uncollectible, provided that the crediting of such account causes:

1. redemptions or withdrawals to be permitted;
2. shares to be issued; or
3. dividends to be paid.

It is a condition precedent to coverage under this Insuring Agreement that the Insured or **Investment Adviser** hold funds represented in **Items of Deposit** for the maximum number of days allowable under Regulation CC before permitting any redemptions or withdrawals, or issuing any shares or paying any dividends with respect to such **Items of Deposit**.

Items of Deposit will not be deemed to be uncollectible until the Insured's or **Investment Adviser's** standard collection procedures have failed.

This Insuring Agreement applies to Insureds with exchange privileges if all funds in the exchange program are insured by the Company for **Uncollectible Items of Deposit**. Regardless of the number of transactions between funds, the maximum number of days allowable under Regulation CC begins from the date a deposit was first credited to any fund in the exchange program.