

FERRIS BAKER WATTS INCORPORATED  
Form SC 13G/A  
February 04, 2008

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

SCHEDULE 13G/A  
Under the Securities Exchange Act of 1934  
Amendment No. 2

Gladstone Investment Corporation  
(Name of Issuer)

Common Stock Shares  
(Title of Class of Securities)

376546107  
(CUSIP Number)

December 31, 2007

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 376546107

1. Names of Reporting Persons.  
I.R.S. Identification Nos. of above persons (entities only).  
  
Ferris, Baker Watts, Incorporated
2. Check the Appropriate Box if a Member Of a Group (See Instructions)  
  
 (a)  
 (b)

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3. SEC Use Only
4. Citizenship or Place of Organization  
Delaware
5. Sole Voting Power: 0
- Number of  
Shares Beneficially  
Owned by  
Each Reporting  
Person With
6. Shared Voting Power: 0
7. Sole Dispositive Power: 0
8. Shared Dispositive Power: 680,873
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
680,873
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares  
(See Instructions)
11. Percent of Class Represented by Amount in Row (9) 4.11%
12. Type of Reporting Person (See Instructions) IA

Item 1. (a) Issuer: Gladstone Investment Corporation

1. Address:  
1521 Westbranch Road  
Suite 200  
McLean, VA 22102

Item 2. (a) Name of Person Filing:  
Ferris, Baker Watts, Inc.

(b) Address of Principal Business Offices:

100 Light Street  
Baltimore, MD 21202

(c) Citizenship:  
Delaware Corporation

(d) Title of Class of Securities  
Common stock

(e) CUSIP Number: 376546107

Item 3. Ferris, Baker Watts, Inc. is a broker or dealer in accordance with ss.240.13d-1(b)(1)(ii)(A).

Item 4. Ownership

Please see Items 5 - 9 and 11 for each cover sheet for each filing separately

Item 5. Ownership of Five Percent or Less of a Class

[X]

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Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Not Applicable

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company

Not Applicable

Item 8. Identification and Classification of Members of the Group

Not Applicable

Item 9. Notice of Dissolution of Group

Not Applicable

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 04, 2008

Ferris, Baker Watts, Inc.

By: /s/ Dana Gloor

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Name: Dana Gloor

Title: General Counsel