
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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): January 22, 2013

OFS Capital Corporation

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-35728
(Commission
File Number)

46-1339639
(I.R.S. Employer
Identification No.)

**2850 West Golf Road, 5th Floor,
Rolling Meadows, Illinois**
(Address of principal executive offices)

60008
(Zip Code)

Registrant's telephone number, including area code: (847) 734-2060

Not applicable
(Former name or former address, if changed since last report)

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 1.01. Entry into a Material Definitive Agreement.

On January 22, 2013, OFS Capital WM, LLC (“OFS Capital WM”), a wholly-owned subsidiary of OFS Capital Corporation (the “Company”), amended its \$180 million secured revolving credit facility (the “WM Credit Facility”) with Wells Fargo Bank, N.A. (“Wells Fargo”) and Madison Capital Funding LLC (“Madison Capital”) to terminate the Class B commitments offered by Madison Capital in the amount of \$45 million and remove Madison Capital as a lender under the WM Credit Facility (the “Fourth Amendment”). After giving effect to the Fourth Amendment, the WM Credit Facility is reduced from \$180 million to \$135 million. Wells Fargo continues to hold a \$135 million commitment under the WM Credit Facility. Madison Capital waived its right to receive any fee in connection with the termination of the Class B commitments.

The foregoing description of the WM Credit Facility does not purport to be complete and is qualified in its entirety by reference to the Fourth Amendment to the Loan and Security Agreement, as amended by the first amendment to the loan and security agreement dated as of November 27, 2010, the second amendment to the loan and security agreement dated as of January 26, 2011, the third amendment to the loan and security agreement dated as of September 28, 2012 and the Fourth Amendment, incorporated herein by reference. The full text of the Fourth Amendment is attached hereto as Exhibit 10.1. A press release announcing the Fourth Amendment is attached hereto as Exhibit 99.1.

Item 1.02. Termination of a Material Definitive Agreement.

The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated herein by this reference.

Item 9.01. Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Fourth Amendment to Loan and Security Agreement, dated as of January 22, 2013, among OFS Capital WM, LLC, MCF Capital Management LLC, as loan manager, Wells Fargo Bank, National Association, as Class A Lender, Madison Capital Funding LLC, as Class B Lender, Wells Fargo Securities, LLC, as administrative agent and Wells Fargo Delaware Trust Company, N.A., as trustee.
99.1	Press Release, dated January 23, 2013

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

OFS Capital Corporation

Date: January 23, 2013

By: /s/ Robert S. Palmer
Chief Financial Officer

FOURTH AMENDMENT TO LOAN AND SECURITY AGREEMENT (this "Amendment"), dated as of January 22, 2013, among OFS Capital WM, LLC (the "Borrower"), MCF Capital Management LLC, as loan manager (in such capacity, the "Loan Manager"), Wells Fargo Bank, National Association, as a Class A Lender (the "Class A Lender"), Madison Capital Funding LLC, as a Class B Lender (the "Class B Lender" and together, with the Class A Lender, the "Lenders"), Wells Fargo Securities, LLC, as administrative agent (in such capacity, the "Administrative Agent") and Wells Fargo Delaware Trust Company, N.A., as trustee (in such capacity, the "Trustee").

WHEREAS, the Borrower, the Loan Manager, the Administrative Agent, the Lenders, the other lenders party from time to time thereto and the Trustee are party to the Loan and Security Agreement, dated as of September 28, 2010 (as amended from time to time prior to the date hereof and as may be further amended, supplemented or otherwise modified, the "Loan and Security Agreement"), providing, among other things, for the making and the administration of the Advances by the lenders to the Borrower; and

WHEREAS, the Borrower, the Loan Manager, the Administrative Agent, the Trustee and the Lenders desire to amend the Loan and Security Agreement, in accordance with Section 13.1 of the Loan and Security Agreement and subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing premises and the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

Definitions

SECTION 1.1. Defined Terms. Terms used but not defined herein have the respective meanings given to such terms in the Loan and Security Agreement.

ARTICLE II

Amendments to Loan and Security Agreement

SECTION 2.1. Amendments.

(a) Section 1.1 of the Loan and Security Agreement shall be amended by deleting the definition of "Commitment Reduction Percentage" and inserting the following in lieu thereof:

"Commitment Reduction Percentage": (a) On or prior to (i) with respect to the Class A Commitments, March 31, 2013 and (ii) with respect to the Class B Commitments, January 10, 2013, a rate per annum equal to 1.00% and (b) thereafter, zero.

(b) Section 2.3 of the Loan and Security Agreement shall be amended by inserting the following as a new sentence at the end of clause (a)(ii):

“Upon the repayment of the Class B Obligations in full, all rights and obligations of the Class B Lenders, and all provisions and references in this Agreement relating to the Class B Lenders, shall have no further force and effect except for those provisions of this Agreement that would otherwise survive the termination of this Agreement which shall remain in full force and effect for the benefit of the Class B Lenders.”

(c) A new Section 6.2(m) is hereby added to the Loan and Security Agreement immediately after Section 6.2(l) as follows:

“(m) The Borrower and the Collateral Manager agree that the Collateral Manager shall not, unless the Collateral Manager otherwise consents, allocate any Loans to the Borrower if, after giving effect thereto, the aggregate principal amount of all Loans owned by the Borrower would exceed \$245,000,000.”

ARTICLE III

Class B Commitment Termination

SECTION 3.1. Pursuant to Section 2.3(a)(ii) of the Loan and Security Agreement, the Borrower and each Class B Lender hereby agrees to permanently and irrevocably reduce the Class B Commitments to \$0 and agrees that the related Commitment Reduction Fee is \$0. This reduction shall be effective as of the date set forth above.

ARTICLE IV

Representations and Warranties

SECTION 4.1. The Borrower hereby represents and warrants to the Administrative Agent, the Trustee and the Lenders that, as of the date first written above, (i) with respect to the Borrower and the OFS Seller, no event has occurred and is continuing that constitutes either a Default or an Event of Default and (ii) the representations and warranties of the Borrower contained in the Loan and Security Agreement are true and correct in all material respects on and as of such day (other than any representation or warranty that is made as of a specific date).

SECTION 4.2. The Loan Manager hereby represents and warrants to the Administrative Agent, the Trustee and the Lenders that, as of the date first written above, (i) with respect to the Loan Manager and the Madison Seller, no event has occurred that constitutes either a Default, an Event of Default or a Loan Manager Termination Event and (ii) the representations and warranties of the Loan Manager contained in the Loan and Security Agreement are true and correct in all material respects on and as of such day (other than any representation or warranty that is made as of a specific date).

ARTICLE V

Conditions Precedent

SECTION 5.1. This Amendment shall become effective upon the execution and delivery of this Amendment by the Borrower, the Loan Manager, the Administrative Agent, the Trustee, the Required Lenders and the Class B Lenders representing one hundred (100) percent of the outstanding Class B Commitments.

ARTICLE VI

Miscellaneous

SECTION 6.1. Governing Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 6.2. Severability Clause. In case any provision in this Amendment shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 6.3. Ratification. Except as expressly amended hereby, the Loan and Security Agreement is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Amendment shall form a part of the Loan and Security Agreement for all purposes.

SECTION 6.4. Counterparts. The parties hereto may sign one or more copies of this Amendment in counterparts, all of which together shall constitute one and the same agreement. Delivery of an executed signature page of this Amendment by facsimile or email transmission shall be effective as delivery of a manually executed counterpart hereof.

SECTION 6.5. Headings. The headings of the Articles and Sections in this Amendment are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first written above.

BORROWER:

OFS CAPITAL WM, LLC

By: OFS Capital Corporation, its Administrative Manager

By: /s/ Robert S. Palmer

Name: Robert S. Palmer

Title: Chief Financial Officer

LOAN MANAGER:

MCF CAPITAL MANAGEMENT LLC

By: /s/ Joshua Niedner
Name: Joshua Niedner
Title: Director

CLASS B LENDER:

MADISON CAPITAL FUNDING LLC representing 100% of the aggregate Class B Commitments in effect as of the date hereof

By: /s/ Joshua Niedner
Name: Joshua Niedner
Title: Director

THE ADMINISTRATIVE AGENT:

WELLS FARGO SECURITIES, LLC, in its capacity as
Administrative Agent

By: /s/ Mike Romanzo

Name: Mike Romanzo

Title: Director

CLASS A LENDER:

WELLS FARGO BANK, NATIONAL ASSOCIATION
representing 100% of the aggregate Class A Commitments in
effect as of the date hereof

By: /s/ Raj Shah

Name: Raj Shah

Title: Managing Director

THE TRUSTEE:

WELLS FARGO DELAWARE TRUST COMPANY, N.A.,
not in its individual capacity but solely as Trustee

By: /s/ Michael Roth

Name: Michael Roth

Title: Vice President

OFS CAPITAL CORPORATION AMENDS LOAN AND SECURITY AGREEMENT TO REDUCE COSTS

Rolling Meadows, IL—January 23, 2013—OFS Capital Corporation (NASDAQ: OFS) announced today that its wholly owned subsidiary, OFS Capital WM, LLC, held approximately \$234.6 million in debt investments at par value as of December 31, 2012, compared with approximately \$213.8 million as of September 30, 2012. The OFS WM credit facility with Wells Fargo Bank, National Association and Madison Capital Funding, LLC amounted to \$180 million. As of December 31, 2012, there was approximately \$99.2 million outstanding, and \$34.9 million in availability, on the \$135 million Wells Fargo Class A revolving credit facility, borrowings under which are priced at LIBOR + 2.75%. There was no outstanding balance on the \$45 million Madison Capital Class B revolving credit facility, borrowings under which are priced at LIBOR + 6.50%.

During 2013, owing largely to regulatory leverage restrictions, OFS does not anticipate accessing the Madison Capital Class B revolving credit facility. As a consequence, OFS has elected to terminate the \$45 million Madison Capital Class B revolving loan commitment, via execution of the Fourth Amendment to the Loan and Security Agreement, which is effective as of January 22, 2013. In terminating the Class B commitment, OFS expects to realize annual savings of \$225,000 by eliminating OFS WM's cost of non-usage fees that would otherwise be due to Madison Capital. No cancellation fees were required by Madison Capital. The Wells Fargo Class A revolving facility will remain in effect, and OFS WM expects to continue to utilize that facility to meet its funding needs.

About OFS Capital Corporation

OFS Capital is an externally managed, closed-end, non-diversified management investment company that has elected to be regulated as a business development company under the Investment Company Act of 1940. For tax purposes, OFS Capital intends to be treated as a regulated investment company under the Internal Revenue Service Code. OFS Capital's investment objective is to provide its shareholders with both current income and capital appreciation primarily through debt investments and, to a lesser extent, equity investments.

Headquartered in Rolling Meadows, Illinois, with additional offices in New York and Los Angeles, OFS Capital invests primarily in middle-market companies in the United States. OFS Capital generally focuses its investment activities on private companies that are owned by private equity sponsors or owner/operators, and have annual EBITDA between \$5 million and \$50 million. OFS Capital offers flexible solutions through a variety of asset classes including senior secured, unitranche, second-lien and mezzanine loans, and to a lesser extent, equity securities.

OFS Capital's investment activities are managed by OFS Capital Management, LLC, which is an investment adviser registered under the Investment Advisers Act of 1940.

Contact

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