

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): August 31, 2016

**Stellus Capital Investment Corporation**  
(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction of incorporation)

**814-00971**  
(Commission File Number)

**46-0937320**  
(I.R.S. Employer Identification No.)

**4400 Post Oak Parkway, Suite 2200**  
**Houston, Texas 77027**  
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(713) 292-5400**

Not Applicable

---

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K 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))
-

**Item 1.01 Entry into a Material Definitive Agreement.**

On August 31, 2016, Stellus Capital Investment Corporation (the “**Company**”) entered into a Fourth Amendment to Senior Secured Revolving Credit Agreement (the “**Amendment**”), by and among the Company, SunTrust Bank, as a lender and the administrative agent, and the lenders named therein. The Amendment amends the Company’s Senior Secured Revolving Credit Agreement dated as of November 13, 2012 (the “**Credit Facility**”).

The Amendment modifies one of the conditions that the Company must satisfy before each draw under the Credit Facility. Under the existing Credit Facility, the Company is effectively prohibited from increasing its borrowings under the existing Credit Facility unless, after giving effect to a proposed borrowing, the Company has an asset coverage ratio equal to or exceeding 2.25 to 1. The Amendment permits the Company to also borrow under the Credit Facility if (i), after giving effect to the borrowing, the Company has an asset coverage ratio equal to or exceeding 2.20 to 1 (but less than 2.25 to 1) and (ii) certain other financial-condition and liquidity metrics are satisfied at the time of such incurrence, including relating to (A) the percentage of PIK interest received for the prior quarter; (B) the percentage of non-accrual investments at the time of such draw; and (C) the percentage of liquid assets held by the Company at such time (if the Company is already 80% drawn under the Credit Facility at the time of the proposed draw).

Stifel Bank and Trust Company and the other lenders under the Credit Facility, and their respective affiliates, may from time to time receive customary fees and expenses in the performance of investment banking, financial advisory, or other services for the Company.

The above summary is not complete and is qualified in its entirety by the full text of the Amendment, which is filed as an exhibit hereto.

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

The information set forth under Item 1.01 is hereby incorporated by reference into this Item 2.03.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

10.1 Fourth Amendment to Senior Secured Revolving Credit Agreement, dated as of August 31, 2016.

---

**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.

Date: September 2, 2016

**Stellus Capital Investment Corporation**

By: /s/ W. Todd Huskinson  
Name: W. Todd Huskinson  
Title: Chief Financial Officer

---

## FOURTH AMENDMENT

## TO SENIOR SECURED REVOLVING CREDIT AGREEMENT

THIS FOURTH AMENDMENT TO SENIOR SECURED REVOLVING CREDIT AGREEMENT, dated as of August 31, 2016 (this "Amendment"), to the Existing Credit Agreement (capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in Article I) is among STELLUS CAPITAL INVESTMENT CORPORATION, a Maryland corporation (the "Borrower"), the LENDERS party hereto and SUNTRUST BANK, as Administrative Agent.

WITNESSETH:

WHEREAS, the Borrower, the Lenders and the Administrative Agent are parties to the Senior Secured Revolving Credit Agreement, dated as of November 13, 2012 (as amended by that certain First Amendment to Senior Secured Revolving Credit Agreement dated as of November 21, 2014, that certain Second Amendment to Senior Secured Revolving Credit Agreement dated as of May 31, 2016 and that certain Third Amendment to Senior Secured Revolving Credit Agreement dated as of July 29, 2016 and as otherwise amended, supplemented, amended and restated or otherwise modified from time to time through the date hereof, the "Existing Credit Agreement"); and

WHEREAS, the Borrower has requested that the Lenders agree to amend the Existing Credit Agreement, and the Lenders are willing, on the terms and subject to the conditions hereinafter set forth, to agree to the amendment set forth below and the other terms hereof;

NOW, THEREFORE, the parties hereto hereby covenant and agree as follows:

## ARTICLE I

## DEFINITIONS

SECTION 1.1. Certain Definitions. The following terms when used in this Amendment shall have the following meanings (such meanings to be equally applicable to the singular and plural forms thereof):

"Amendment" is defined in the preamble.

"Borrower" is defined in the preamble.

"Existing Credit Agreement" is defined in the first recital.

"Fourth Amendment Effective Date" is defined in Article III.

SECTION 1.2. Other Definitions. Capitalized terms for which meanings are provided in the Existing Credit Agreement are, unless otherwise defined herein or the context otherwise requires, used in this Amendment with such meanings.

---

## ARTICLE II

### AMENDMENT TO EXISTING CREDIT AGREEMENT

Subject to the occurrence of the Fourth Amendment Effective Date (as hereinafter defined), the Existing Credit Agreement is amended in accordance with this Article II.

(a) The following terms are hereby added to Section 1.01 of the Existing Credit Agreement in their appropriate alphabetical sequence:

“Non-Accrual Investment” means any Investment designated as “non-accrual” in accordance with Borrower’s Investment Policies.

“PIK Investment” means an Investment that permits the Obligor thereon to defer or capitalize any portion of the accrued interest thereon.

(b) Section 4.02(d) of the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

“(d) until the Borrower shall have cumulatively raised at least \$250,000,000 in gross proceeds from the sale of equity securities in one or more offerings (including rollover equity, preferred stock or convertible notes), the Borrower shall not be permitted to increase the Revolving Credit Exposure unless, (i) after giving effect to such increase, the Asset Coverage Ratio would equal or exceed 2.25 to 1 or (ii) (w) after giving effect to such increase, the Asset Coverage Ratio would equal or exceed 2.20 to 1; (x) the aggregate amount of interest that has been deferred or capitalized under all PIK Investments during the most recently ended fiscal quarter of the Borrower does not exceed 2% of the aggregate amount of interest income that the Borrower has received on all Portfolio Investments during such fiscal quarter; (y) the sum of the Value of all Non-Accrual Investments does not exceed 5% of the Value of all Portfolio Investments at such time; and (z) if at the time of, and giving effect to, such increase the Adjusted Covered Debt Balance would be greater than 80% of the Adjusted Borrowing Base, the aggregate Value of the Portfolio Investments that are Cash (excluding Cash Collateral for outstanding Letters of Credit) or that can be converted to Cash in fewer than 10 Business Days without more than a 5% change in price, after giving effect to such increase, would be greater than or equal to 20% of the Covered Debt Amount.”

## ARTICLE III

### CONDITIONS TO EFFECTIVENESS

SECTION 3.1. Effective Date. This Amendment shall become effective on the date (the “Fourth Amendment Effective Date”) when the Administrative Agent shall have received counterparts of this Amendment duly executed and delivered on behalf of the Borrower and each of the Lenders party hereto.

---

## ARTICLE IV

### MISCELLANEOUS

SECTION 4.1. Representations. The Borrower hereby represents and warrants that (i) this Amendment constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with its terms, (ii) upon the effectiveness of this Amendment, no Event of Default shall exist and (iii) its representations and warranties as set forth in the Loan Documents, as applicable, are true and correct in all material respects (except those representations and warranties qualified by materiality or by reference to a material adverse effect, which are true and correct in all respects) on and as of the date hereof as though made on and as of the date hereof (unless such representations and warranties specifically refer to a previous day, in which case, they shall be complete and correct in all material respects (or, with respect to such representations or warranties qualified by materiality or by reference to a material adverse effect, complete and correct in all respects) on and as of such previous day).

SECTION 4.2. Cross-References. References in this Amendment to any Article or Section are, unless otherwise specified, to such Article or Section of this Amendment.

SECTION 4.3. Loan Document Pursuant to Existing Credit Agreement. This Amendment is a Loan Document executed pursuant to the Existing Credit Agreement and shall (unless otherwise expressly indicated therein) be construed, administered and applied in accordance with all of the terms and provisions of the Existing Credit Agreement, as amended hereby, including Article IX thereof.

SECTION 4.4. Successors and Assigns. The provisions of this Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 4.5. Counterparts. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by telecopy electronically (e.g. pdf) shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 4.6. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 4.7. Full Force and Effect; Limited Amendment. Except as expressly amended hereby, all of the representations, warranties, terms, covenants, conditions and other provisions of the Existing Credit Agreement and the other Loan Documents shall remain unchanged and shall continue to be, and shall remain, in full force and effect in accordance with their respective terms. The amendment set forth herein shall be limited precisely as provided for herein to the provisions expressly amended and shall not be deemed to be an amendment to, consent to or modification of any other terms or provisions of the Existing Credit Agreement or any other Loan Document or of any transaction or further or future action on the part of the Borrower which would require the consent of the Lenders under the Existing Credit Agreement or any of the Loan Documents. Upon and after the execution of this Amendment by each of the parties hereto, each reference in the Existing Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Existing Credit Agreement, and each reference in the other Loan Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Existing Credit Agreement, shall mean and be a reference to the Existing Credit Agreement as modified hereby.

---

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment as of the date first above written.

BORROWER:

**STELLUS CAPITAL INVESTMENT  
CORPORATION**

By: /s/ W. Todd Huskinson

Name: W. Todd Huskinson

Title: Chief Financial Officer

---

*SIGNATURE PAGE TO FOURTH AMENDMENT – STELLUS*

LENDERS:

**SUNTRUST BANK**

as Administrative Agent, Swingline Lender, Issuing Bank and as a Lender

By: /s/ Doug Kennedy

Name: Doug Kennedy

Title: Director

---

*SIGNATURE PAGE TO FOURTH AMENDMENT – STELLUS*



**ZB, N.A. DBA AMEGY BANK**, as a Lender

By: /s/ Kelly Nash

Name: Kelly Nash

Title: Vice President

---

*SIGNATURE PAGE TO FOURTH AMENDMENT – STELLUS*

**CADENCE BANK, N.A.**, as a Lender

By: /s/ Phillip Bannon

Name: Phillip Bannon

Title: Vice President

---

*SIGNATURE PAGE TO FOURTH AMENDMENT – STELLUS*

**FROST BANK**, as a Lender

By: /s/ Jake Fitzpatrick

Name: Jake Fitzpatrick

Title: Assistant Vice President

---

*SIGNATURE PAGE TO FOURTH AMENDMENT – STELLUS*

**STIFEL BANK AND TRUST, as a Lender**

By: /s/ Joseph L. Sooter, Jr.

Name: Joseph L. Sooter, Jr.

Title: Senior Vice President

---

*SIGNATURE PAGE TO FOURTH AMENDMENT – STELLUS*