

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

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**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): **April 13, 2011**

**FS Investment Corporation**

(Exact name of Registrant as specified in its charter)

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

**0-53424**  
(Commission  
File Number)

**26-1630040**  
(I.R.S. Employer  
Identification No.)

**Cira Centre**  
**2929 Arch Street, Suite 675**  
**Philadelphia, Pennsylvania**  
(Address of principal executive offices)

**19104**  
(Zip Code)

Registrant's telephone number, including area code: **(215) 495-1150**

**None**  
(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 2.02. Results of Operations and Financial Condition.**

On April 13, 2011, the board of directors (the “Board”) of FS Investment Corporation (“FSIC”) determined to increase its annual distribution yield from 7.18% to 7.5% (based on the current public offering price of \$10.75 per share) by increasing the amount of the regular semi-monthly cash distributions payable to FSIC’s stockholders of record from \$0.032156 per share to \$0.033594 per share. The increase in the regular semi-monthly cash distributions to \$0.033594 per share is expected to commence with the semi-monthly distributions to be declared in May 2011 for stockholders of record as of May 13, 2011 and May 30, 2011, which are expected to be paid on May 31, 2011.

In addition, on April 13, 2011, the Board declared two regular semi-monthly cash distributions of \$0.032156 per share each. Both distributions will be paid on April 29, 2011, the first to stockholders of record on April 14, 2011 and the second to stockholders of record on April 28, 2011. The Board also declared a special one-time cash distribution of \$0.04 per share that will be paid on April 29, 2011 to stockholders of record on April 14, 2011.

A copy of the press release announcing the foregoing is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On April 13, 2011, the Board elected Michael J. Hagan as a new member of the Board, effective as of such date. Mr. Hagan was appointed to fill the vacancy on the Board created by the resignation of Mr. Herbert Lotman, which was effective as of November 9, 2010.

Mr. Hagan, 48, has significant experience as an entrepreneur and senior executive at public and private organizations, including experience in corporate finance, financial reporting and accounting and controls. Since December 2009, Mr. Hagan has been the President and Chief Executive Officer of LifeShield Security, Inc. (“LifeShield”), a leading wireless home security company. Prior to his employment by LifeShield, Mr. Hagan served as Chairman and Chief Executive Officer of NutriSystem, Inc. (“NutriSystem”) from 2002 to 2008 and as President of NutriSystem from 2006 to 2007. Prior to joining NutriSystem, Mr. Hagan was the co-founder of Verticalnet Inc. (“Verticalnet”) and held a number of executive positions at Verticalnet since its founding in 1995, including Chairman of the Board from 2002 to 2005, President and Chief Executive Officer from 2001 to 2002, Executive Vice President and Chief Operating Officer from 2000 to 2001 and Senior Vice President prior to that time. Mr. Hagan currently serves on the board of directors of Internet Capital Group, Inc. and has held such position since June 2007. Mr. Hagan served as a director of NutriSystem from 2002 to 2008 and Verticalnet from 1995 to 2008. Mr. Hagan also served as a member of the Board of Trustees of American Financial Realty Trust from 2003 to 2007. Mr. Hagan holds a B.S. in Accounting from Saint Joseph’s University.

Mr. Hagan was not elected to serve as a member of the Board pursuant to any agreement or understanding with FSIC or any other person.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<b>EXHIBIT NUMBER</b>	<b>DESCRIPTION</b>
99.1	Press release dated April 18, 2011.

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**SIGNATURE**

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.

**FS Investment Corporation**

Date: April 18, 2011

By: /s/ Michael C. Forman  
Michael C. Forman  
President and Chief Executive Officer

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**EXHIBIT INDEX**

**EXHIBIT  
NUMBER**

**DESCRIPTION**

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99.1

Press release dated April 18, 2011.

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**FOR IMMEDIATE RELEASE**

**FS Investment Corporation Increases Its Distribution Yield;**

**Also Announces Two Regular Cash Distributions and a Special One-Time Cash Distribution to be Paid in April**

PHILADELPHIA, PA, April 18, 2011 – On April 13, 2011, the board of directors (the “Board”) of FS Investment Corporation (“FSIC”) determined to increase its annual distribution yield to 7.5% (based on the current public offering price of \$10.75 per share), beginning with FSIC’s regular semi-monthly distributions scheduled to be paid in May 2011, and pay two regular semi-monthly cash distributions and a special one-time cash distribution in the month of April.

*Increase in Distribution Yield*

The Board determined to increase the amount of its regular semi-monthly distributions payable to stockholders of record from \$0.032156 per share to \$0.033594 per share, beginning with the regular semi-monthly distributions that are scheduled to be paid in May 2011. Based on the current public offering price of \$10.75 per share, this increase would result in an increase in the annual distribution yield on FSIC’s common stock from 7.18% to 7.5% per year. With respect to FSIC’s regular semi-monthly cash distributions for May 2011, stockholders of record as of May 13, 2011 and May 30, 2011 will be eligible to receive the increased distributions, which are expected to be paid on May 31, 2011.

*Regular and Special Cash Distributions*

The Board also declared two regular semi-monthly cash distributions of \$0.032156 per share each (an annualized rate of 7.18%) for the month of April. Both distributions will be paid on April 29, 2011, the first to stockholders of record on April 14, 2011 and the second to stockholders of record on April 28, 2011.

Finally, the Board declared a special one-time cash distribution in an amount of \$0.04 per share that will be paid on April 29, 2011 to stockholders of record on April 14, 2011. This special one-time cash distribution will serve to distribute to stockholders capital gains realized by FSIC as a result of its recent strong portfolio performance. Given such gains, the special distribution will also ensure that FSIC’s net asset value (“NAV”) per share does not exceed its net offering price, as required by the Investment Company Act of 1940. The Board determined that FSIC’s recent portfolio performance and current and projected market conditions warranted taking this action.

“Despite tightening market conditions, we have been able to enhance the portfolio’s performance because of several important advantages of our approach,” stated FSIC’s Chairman and Chief Executive Officer, Michael C. Forman. “We have seen an increase in our proprietary deal flow brought to us by our investment sub-adviser, GSO / Blackstone; we have strategically and carefully used low-cost leverage; and our asset base has been growing steadily, allowing us to spread our costs. FSIC is pleased to deliver to investors the increase in the amount of regular cash distributions and the special one-time distribution. We believe these results underscore the effectiveness of FSIC’s investment strategy.”

**Guidance Regarding Public Offering Price**

If FSIC’s strong portfolio performance continues, causing FSIC’s NAV per share to exceed FSIC’s net offering price, the Board may increase the per share offering price of its common stock for its future semi-monthly closings. The Board expects that, if adjusted, the per share offering price will be between \$10.75 and \$11.00 per share. The Board has not yet determined that an adjustment to the current offering price of \$10.75 per share will be necessary. FSIC will announce any change in its current offering price and will update this guidance should its anticipated public offering price move outside of this range.

## **About FS Investment Corporation**

FSIC, an investment fund sponsored by Franklin Square Capital Partners (“Franklin Square”), is a publicly registered, non-traded business development company (“BDC”). A BDC such as FSIC is a type of investment fund that enables investors, including non-accredited investors (subject to certain state-specific suitability standards), to access the private debt asset class. FSIC focuses primarily on investing in the debt securities of private companies throughout the United States, with the investment objectives of generating current income and, to a lesser extent, long-term capital appreciation for its investors. FSIC is managed by FB Income Advisor, LLC and is sub-advised by GSO / Blackstone Debt Funds Management LLC, an affiliate of GSO Capital Partners LP (“GSO”). GSO, with \$31.0 billion in assets under management together with certain of its affiliates as of December 31, 2010, is the credit platform affiliate of The Blackstone Group L.P. For more information, please visit [www.fsinvestmentcorp.com](http://www.fsinvestmentcorp.com).

## **About Franklin Square Capital Partners**

Franklin Square is a national sponsor and distributor of alternative investment products structured for the mainstream investor. Founded in 2007 by an experienced group of alternative investment industry professionals, Franklin Square’s goal is to bring the benefits of an institutional-class investment portfolio to investors through exposure to innovative alternative investment products managed by what it deems to be best-in-class alternative asset managers. Franklin Square believes that institutional investment portfolios, with their access to the strong return potential and diversifying power of alternative assets, are better-suited to manage risk and generate above-market returns than their traditional counterparts. Franklin Square distributes its sponsored financial products to the broker-dealer community through its affiliated wholesaling broker-dealer, FS<sup>2</sup> Capital Partners, LLC. For more information, please visit [www.franklinsquare.com](http://www.franklinsquare.com).

## **Certain Information About Distributions**

The determination of the tax attributes of FSIC’s distributions is made annually as of the end of FSIC’s fiscal year based upon its taxable income and distributions paid, in each case, for the full year. Therefore, a determination as to the tax attributes of the distributions made on a quarterly basis may not be representative of the actual tax attributes for a full year. FSIC intends to update stockholders quarterly with an estimated percentage of its distributions that resulted from taxable ordinary income. The actual tax characteristics of distributions to stockholders will be reported to stockholders annually on a Form 1099-DIV.

The payment of future distributions on FSIC’s common stock is subject to the discretion of the Board and applicable legal restrictions, and therefore, there can be no assurance as to the amount or timing of any such future distributions.

## **Forward-Looking Statements**

This announcement may contain certain forward-looking statements, including statements with regard to the future performance of FSIC. Words such as “believes,” “expects,” “projects,” and “future” or similar expressions are intended to identify forward-looking statements. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors could cause actual results to differ materially from those projected in these forward-looking statements, and some of these factors are enumerated in the filings FSIC makes with the Securities and Exchange Commission. FSIC undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.