

Alala Joseph B III
Form 4
August 15, 2017

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2015
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Alala Joseph B III

(Last) (First) (Middle)

C/O CAPITALA FINANCE
CORP., 4201 CONGRESS
STREET, SUITE 360

(Street)

CHARLOTTE, NC 28209

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Capitala Finance Corp. [CPTA]

3. Date of Earliest Transaction
(Month/Day/Year)
08/11/2017

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
See Remarks

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)			
				(A) or (D)	Price					
Common Stock	08/11/2017		P	V	9,611	A	\$ 8,9998	9,611	D	
Common Stock					442,294.08	I		<u>(5)</u>		via Capitala Restricted Shares I, LLC
Common Stock					305,280.17	I		<u>(5)</u>		via Capitala Private Investments, LLC

Edgar Filing: Alala Joseph B III - Form 4

Common Stock		2,705 <u>(5)</u>	I	via Capitala Transaction Corp.
Common Stock		972 <u>(5)</u>	I	via CapitalSouth Corporation
Common Stock		100 <u>(5)</u>	I	via Capitala Investment Advisors, LLC

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price		
				Code	V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Awards	<u>(3)</u> <u>(4)</u> <u>(5)</u>						<u>(3)</u> <u>(4)</u> <u>(5)</u>	<u>(3)</u> <u>(4)</u> <u>(5)</u>	Common Stock, par value \$0.01 per share	140,357.68 <u>(3)</u> <u>(4)</u> <u>(5)</u>
Awards	<u>(1)</u> <u>(2)</u> <u>(4)</u>						<u>(1)</u> <u>(2)</u> <u>(4)</u>	<u>(1)</u> <u>(2)</u> <u>(4)</u>	Common Stock, par value \$0.01 per share	442,294.08 <u>(1)</u> <u>(2)</u> <u>(4)</u>

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Reporting Owners

Alala Joseph B III
C/O CAPITALA FINANCE CORP.,
4201 CONGRESS STREET, SUITE 360
CHARLOTTE, NC 28209

X

See Remarks

Signatures

/s/ Richard G. Wheelahan, III,
attorney-in-fact

08/15/2017

 **Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Capitala Restricted Shares I, LLC ("CRS") previously granted Awards with respect to the 442,294.08 shares of Capitala Finance Corp.'s (the "Issuer") common stock held by CRS, which is controlled by Mr. Alala and is an affiliate of Capitala Investment Advisors, LLC, to certain of Capitala Investment Advisors, LLC's employees pursuant to CRS's 2015 Amended and Restated Equity Compensation Plan, dated September 18, 2015 (the "Plan"). The Plan was previously approved by the Issuer's Board of Directors.
 - (2) Outstanding Awards under the Plan are scheduled to vest as follows: 30% on September 25, 2017 and 40% on September 25, 2018. Upon settlement, the additional Awards will become payable on a one-for-one basis in shares of the Issuer's common stock.
 - (3) Capitala Private Investments, LLC holds Awards with respect to 140,357.68 shares of the Issuer's common stock held by CRS.
Pursuant to the SEC staff no-action letters to Babson Capital Management LLC (pub. Avail. Dec. 14, 2006) and Carlyle GMS Finance, Inc. (pub. Avail. Oct. 8, 2015), an employee benefit plan sponsored by an investment adviser (or an affiliated person of an investment adviser) to a registered closed-end investment company or a business development company regulated under the Investment Company Act of 1940, as amended, that offers plan participants equity securities of such registered investment company or business development company is considered an "employee benefit plan sponsored by the issuer" for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended.
 - (5) Mr. Alala disclaims beneficial ownership of any of the Issuer's shares directly held by Capitala Private Investments, LLC, CRS, Capitala Transaction Corp., CapitalSouth Corporation and Capitala Investment Advisors, LLC, except to the extent of his pecuniary interest therein, and this report shall not be deemed an admission that Mr. Alala is the beneficial owner of such securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or any other purpose.
 - (6) This row reflects all of the Awards of CRS currently outstanding under the Plan. As CRS is controlled by Mr. Alala, this row is included to show the one-to-one relationship between the Awards issued under the Plan and CRS's ownership of shares of the common stock of the Issuer.

Remarks:

Chairman of the Board of Directors, Chief Executive Officer and President

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.