

Alala Joseph B III
 Form 4
 December 04, 2017

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
 (Month/Day/Year)
 12/01/2017

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

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

(Street)

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

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

CHARLOTTE, NC 28209

(City) (State) (Zip)

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 Ownership (Instr. 4)	
				(A) or (D)	Amount				
Common Stock	12/01/2017		P	V	260	\$ 7.62	360	I	via Child
Common Stock	12/01/2017		P	V	260	\$ 7.62	360	I	via Child
Common Stock							9,611	D	
Common Stock							454,433.425 (4)	I	via Capitala Private Investments, LLC

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Common Stock	21,245.278 <u>(4)</u>	I	via Capitala Investment Advisors, LLC
Common Stock	5,559.722 <u>(4)</u>	I	via Capitala Transaction Corp.
Common Stock	237,739.425 <u>(4)</u>	I	via Capitala Restricted Shares I, LLC
Common Stock	972 <u>(4)</u>	I	via CapitalSouth Corporation

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

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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. P Der Sec (Ins	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Awards	<u>(2)</u> <u>(3)</u> <u>(4)</u>					<u>(2)(3)(4)</u>	<u>(2)(3)(4)</u>	Common Stock, par value \$0.01 per share	80,204.425 <u>(2)</u> <u>(3)</u> <u>(4)</u>
Awards	<u>(1)</u> <u>(3)</u>					<u>(1)(3)</u>	<u>(1)(3)</u>	Common Stock, par value \$0.01 per share	237,739.425 <u>(1)</u> <u>(3)</u>

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
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

12/04/2017

**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 237,739,425 shares of Capitala Finance Corp.'s (the "Issuer") common stock held by CRS 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. The remaining Awards under the Plan are scheduled to vest on September 25, 2018. Upon settlement, the remaining Awards will become payable on a one-for-one basis in shares of the Issuer's common stock.

(2) Capitala Private Investments, LLC ("CPI") holds Awards with respect to 80,204,425 shares of the Issuer's common stock held by CRS.

(3) 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.

(4) Mr. Alala disclaims beneficial ownership of any of the Issuer's shares directly held by CPI, 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.

(5) 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.

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