

Alala Joseph B III
Form 4
June 05, 2018

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

OMB APPROVAL

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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

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)

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

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

06/01/2018

See Remarks

(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 Indirect Beneficial Ownership (Instr. 4)		
			Code	V	Amount	(A) or (D)	Price		
Common Stock	06/01/2018		M		80,204.245	A	<u>(3)</u> <u>(4)</u> 534,637.85 <u>(5)</u>	I	via Capitala Private Investments, LLC
Common Stock	06/01/2018		M		237,739.425	D	<u>(1)</u> <u>(2)</u> <u>(4)</u> 0 <u>(5)</u>	I	via Capitala Restricted Shares I, LLC
Common Stock							360	I	via Child

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Common Stock	360	I	via Child
Common Stock	9,611	D	
Common Stock	21,245.278 <u>(5)</u>	I	via Capitala Investment Advisors, LLC
Common Stock	5,559.722 <u>(5)</u>	I	via Capitala Transaction Corp.
Common Stock	972 <u>(5)</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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(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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount Number of Shares
Awards	<u>(1)</u> <u>(2)</u> <u>(4)</u>	06/01/2018		M	237,739.425	<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 237,739 <u>(1)</u> <u>(2)</u>
Awards	<u>(3)</u> <u>(4)</u>	06/01/2018		M	80,204.425	<u>(3)</u> <u>(4)</u> <u>(3)</u> <u>(4)</u>	Common Stock, par value \$0.01 per share 80,204 <u>(3)</u> <u>(4)</u>

Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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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

06/04/2018

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.

On June 1, 2018, the remaining outstanding Awards issued under the Plan vested in a transaction previously approved by the Issuer's Board of Directors and, as a result, CRS distributed an aggregate of 237,739.425 shares of the Issuer's common stock to certain of Capitala Investment Advisors, LLC's employees and related vehicles. The shares of the Issuer's common stock that may be deemed to have been disposed of were previously reported as beneficially owned by Mr. Alala due to his controlling interest in CRS. There are no remaining Awards under the Plan following these transactions.
 - (2) Capitala Private Investments, LLC ("CPI") previously held Awards with respect to 80,204.425 shares of the Issuer's common stock held by CRS. On June 01, 2018, CPI received 80,204.425 shares of the Issuer's common stock in accordance with the Plan. The shares of the Issuer's common stock that may be deemed to have been acquired by CPI were previously reported as beneficially owned by Mr. Alala due to his controlling interest in CRS. The acquisition was approved in advance by the Board of Directors of the Issuer. There are no further remaining unvested Awards scheduled to vest under the Plan.
 - (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)

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.