

Capitala Finance Corp.
Form 4
March 02, 2015

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

(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)
02/26/2015

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 Ownership (Instr. 4)
Common Stock				(A) or (D)	594,598.85 (1) (2)	I	via Capitala Restricted Shares I, LLC
Common Stock				(A) or (D)	130,573 (2)	I	via Capitala Private Investments LLC
Common Stock				(A) or (D)	2,705 (2)	I	via Capitala Transaction Corp.

Common Stock	972 ⁽²⁾	I	via CapitalSouth Corporation
Common Stock	100 ⁽²⁾	I	via Capitala Investment Advisors, LLC

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 Underlying Security (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
Awards	<u>(3)</u>	02/26/2015		A ⁽⁴⁾			594,598.85 ⁽⁴⁾	<u>(3)</u>	<u>(3)</u>	Common Stock, par value \$0.01 per share
Awards	<u>(5)</u>	02/26/2015		A ⁽⁴⁾			185,510.85 ⁽⁵⁾	<u>(5)</u>	<u>(5)</u>	Common Stock, par value \$0.01 per share

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

03/02/2015

__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) Mr. Alala previously inadvertently reported having direct beneficial ownership of 320,916 shares of Capitala Finance Corp. (the "Issuer"), which were actually held indirectly through Capitala Restricted Shares I, LLC ("CRS"). As a result, CRS owns an aggregate of 594,598.85 shares of the Issuer as of February 26, 2015. Mr. Alala may be deemed to beneficially own the shares held by CRS by virtue of his position as manager thereof. CRS has adopted an equity compensation plan pursuant to which it has granted awards with respect to the 594,598.85 shares of the Issuer's common stock held by CRS to certain employees of Capitala Investment Advisors, LLC. *See* note 3 below.

(2) 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.

(3) Grant of Awards with respect to 594,598.85 shares 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 Equity Compensation Plan, dated February 26, 2015. Mr. Alala may be deemed to beneficially own the shares held by CRS by virtue of his position as manager thereof but he disclaims beneficial ownership of any of the Issuer's shares directly held by CRS, except to the extent of his pecuniary interest therein. Shares of the Issuer's common stock underlying the Awards are scheduled to vest in installments of 10% (or 20% in the case of Awards that are 0% vested as of February 26, 2015) on September 25, 2015, 10% on September 25, 2016, 30% on September 25, 2017 and 40% on September 25, 2018. Upon settlement, the Awards will become payable on a one-for-one basis in shares of the Issuer's common stock.

(4) Pursuant to the SEC staff no-action letter to Babson Capital Management LLC (pub. Avail. Dec. 14, 2006), an employee benefit plans sponsored by an investment adviser (or an affiliated person of an investment adviser) to a closed-end investment company regulated under the Investment Company Act of 1940, as amended, that offers plan participants equity securities of such investment 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) Receipt by Mr. Alala of Awards with respect to 185,510.85 shares held by CRS, which is controlled by Mr. Alala and is an affiliate of Capitala Investment Advisors, LLC, pursuant to CRS's 2015 Equity Compensation Plan, dated February 26, 2015. Shares of the Issuer common stock underlying the Awards are scheduled to vest in installments of 10% on September 25, 2015, 10% on September 25, 2016, 30% on September 25, 2017 and 40% on September 25, 2018. Upon settlement, the Awards will become payable on a one-for-one basis in shares of the Issuer's common stock.

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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