

# **CAPITALA FINANCE CORP.**

Reported by  
**ARNALL STEPHEN A.**

## **FORM 4**

(Statement of Changes in Beneficial Ownership)

Filed 09/25/17 for the Period Ending 09/25/17

Address	4201 CONGRESS STREET SUITE 360 CHARLOTTE, NC, 28209
Telephone	704-376-5502
CIK	0001571329
Symbol	CPTA
Fiscal Year	12/31

# FORM 4

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

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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 or  
Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *			2. Issuer Name and Ticker or Trading Symbol			5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
<b>Arnall Stephen A.</b>			<b>Capitala Finance Corp. [ CPTA ]</b>			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> <b>X</b> Officer (give title below) <input type="checkbox"/> Other (specify below) <b>Chief Financial Officer</b>		
(Last) (First) (Middle)			3. Date of Earliest Transaction (MM/DD/YYYY)					
<b>C/O CAPITALA FINANCE CORP., 4201 CONGRESS STREET, SUITE 360</b>			<b>9/25/2017</b>					
(Street)			4. If Amendment, Date Original Filed (MM/DD/YYYY)			6. Individual or Joint/Group Filing (Check Applicable Line)		
<b>CHARLOTTE, NC 28209</b>						<input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		
(City) (State) (Zip)								

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

1. Title of Security (Instr. 3)	2. Trans. Date	2A. Deemed Execution Date, if any	3. Trans. 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	9/25/2017		M		6375	(1)	A	(1)(2)	18385	D
					(2)					

**Table II - Derivative Securities Beneficially Owned ( e.g. , puts, calls, warrants, options, convertible securities)**

1. Title of Derivate Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Trans. Date	3A. Deemed Execution Date, if any	4. Trans. 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		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Awards	(1)(2)	9/25/2017		M		6375		(1)(2)	(1)(2)	Common Stock, par value \$0.01 per share	6375	(1)	\$0	8500	D
											(2)				

**Explanation of Responses:**

- Mr. Arnall previously held Awards with respect to 14,875 shares of of Capitala Finance Corp.'s (the "Issuer") common stock held by Capitala Restricted Shares I, LLC ("CRS"), which is controlled by Joseph B. Alala, III and is an affiliate of Capitala Investment Advisors, LLC, pursuant to CRS's 2015 Amended and Restated Equity Compensation Plan, dated September 18, 2015 (the "Plan"). The Plan and this acquisition were previously approved by the Issuer's Board of Directors. On September 25, 2017, CRS distributed to Mr. Arnall 6,375 shares of the Issuer's common stock in accordance with the vesting schedule under the Plan. 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.
- 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.

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
<b>Arnall Stephen A. C/O CAPITALA FINANCE CORP. 4201 CONGRESS STREET, SUITE 360 CHARLOTTE, NC 28209</b>			<b>Chief Financial Officer</b>	

**Signatures**

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

9/25/2017

—Signature of Reporting Person

Date

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

\* 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).

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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