

# **CAPITALA FINANCE CORP.**

Reported by  
**ALALA JOSEPH B III**

## **FORM 4**

(Statement of Changes in Beneficial Ownership)

Filed 11/15/17 for the Period Ending 11/13/17

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

# FORM 4

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

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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>Alala Joseph B III</b>			<b>Capitala Finance Corp. [ CPTA ]</b>			<input checked="" type="checkbox"/> Director _____ 10% Owner <input type="checkbox"/> Officer (give title below) _____ Other (specify below) _____ <b>See Remarks</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>11/13/2017</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	11/13/2017		P		60000	A	\$7.76 (U)	425433.425 (S)	I	via Capitala Private Investments, LLC
Common Stock	11/14/2017		P		20000	A	\$7.7794	445433.425 (S)	I	via Capitala Private Investments, LLC
Common Stock	11/14/2017		P		9000	A	\$7.7971	454433.425 (S)	I	via Capitala Private Investments, LLC
Common Stock								9611	D	
Common Stock								100	I	via Child
Common Stock								100	I	via Child
Common Stock								21245.278 (S)	I	via Capitala Investment Advisors, LLC
Common Stock								5559.722 (S)	I	via Capitala Transaction Corp.
Common Stock								237739.425 (S)	I	via Capitala Restricted Shares I, LLC
Common Stock								972 (S)	I	via CapitalSouth Corporation

**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	Amount or Number of Shares				
Awards	(3) (4) (5)							(3) (4) (5)	(3) (4) (5)	Common Stock, par value \$0.01 per share	80204.425 (3) (4) (5)		80204.425	I	Capitala Private Investments, LLC (S)

**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	Amount or Number of Shares				
Awards	(2)(4)							(2)(4)	(2)(4)	Common Stock, par value \$0.01 per share	237739.425 (2)(4)		237739.425	I	Capitala Restricted Shares I, LLC (5)(6)

**Explanation of Responses:**

- (1) The price reported is the weighted average price. The shares were purchased in multiple transactions at prices ranging from \$7.646 to \$7.80. The reporting person undertakes to provide to the SEC, the issuer and any security holder, upon request, full information regarding the number of shares and the prices at which the shares were purchased.
- (2) 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.
- (3) Capitala Private Investments, LLC ("CPI") holds Awards with respect to 80,204.425 shares of the Issuer's common stock held by CRS.
- (4) 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 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.
- (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

**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

11/14/2017

\*\*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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