

CAPITALA FINANCE CORP.

Reported by
WHEELAHAN RICHARD

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 09/25/17 for the Period Ending 09/24/17

| | |
|-------------|---|
| 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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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 * Wheelahan Richard (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] | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director _____ 10% Owner <input checked="" type="checkbox"/> X Officer (give title below) _____ Other (specify below) Chief Compliance Officer |
| 3. Date of Earliest Transaction (MM/DD/YYYY) <p align="center">9/24/2017</p> | | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person |
| 4. If Amendment, Date Original Filed (MM/DD/YYYY) | | |

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 | | 2250 (2) (3) | A | (2)(3) | 15948 | D | |

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 | (1)(3) | 9/24/2017 | | D | | 24000 | | (1)(3) | (1)(3) | Common Stock, par value \$0.01 per share | 24000 (1) (3) | \$0 | 2250 | D | |
| Awards | (2)(3) | 9/25/2017 | | M | | 2250 | | (2)(3) | (2)(3) | Common Stock, par value \$0.01 per share | 2250 (2) (3) | \$0 | 0 | D | |

Explanation of Responses:

- (1) Mr. Wheelahan previously held Awards with respect to 26,250 shares 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"). On September 24, 2017, Mr. Wheelahan voluntarily forfeited Awards relating to 24,000 shares of the Issuer's common stock. The Plan and such forfeiture were previously approved by the Issuer's Board of Directors.
- (2) Immediately following his forfeiture of Awards with respect to 24,000 shares of the Issuer's common stock, Mr. Wheelahan held Awards with respect to 2,250 shares of the Issuer's common stock. On September 25, 2017, CRS distributed to Mr. Wheelahan 2,250 shares of the Issuer's common stock in accordance with the vesting schedule under the Plan. The Plan and such acquisition were previously approved by the Issuer's Board of Directors.
- (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.

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Wheelahan Richard C/O CAPITALA FINANCE CORP. 4201 CONGRESS STREET, SUITE 360 | | | Chief Compliance Officer | |

Signatures

Richard G. Wheelahan, III

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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