

Capitala Finance Corp.
Form 4/A
September 22, 2015

FORM 4

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

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

OMB APPROVAL

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(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)
09/15/2015

4. If Amendment, Date Original
Filed(Month/Day/Year)
09/16/2015

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 Indirect Beneficial Ownership (Instr. 4)					
			Code	V	Amount (A) or (D) Price										
Common Stock	09/15/2015		M		89,119.77	(1)	(2)	(3)	(4)	D	(1) (2) (3)	505,479.08	(6)	I	via Capitala Restricted Shares I, LLC
Common Stock	09/15/2015		M		25,102.17	(4)	(5)			A	(1) (2) (3)	188,784.17	(6)	I	via Capitala Private Investments LLC
Common Stock												2,705	(6)	I	via Capitala Transaction Corp.

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Common Stock	972 ⁽⁶⁾	I	via CapitalSouth Corporation
Common Stock	100 ⁽⁶⁾	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 Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount of Number of Shares
Awards	(4) (5)	09/15/2015		M	25,102.17	(4)(5)	(4)(5)	Common Stock, par value \$0.01 per share	25,102.1 (4) (5)
Awards	(1) (2) (3) (4)	09/15/2015		M	89,119.77 (1) (2) (3) (4)	(1)(2)(3)(4)	(1)(2)(3)(4)	Common Stock, par value \$0.01 per share	89,119.7 (1) (2) (3)

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

09/22/2015

__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).

On February 26, 2015, Capitala Restricted Shares I, LLC ("CRS") granted Awards with respect to 594,598.85 shares of Capitala Finance Corp.'s (the "Issuer") common stock held by CRS, which is controlled by Mr. Alala and is an affiliate of Capitala Investment Advisors, LLC (the "Adviser"), to certain of the Adviser's employees pursuant to CRS's 2015 Equity Compensation Plan, dated February 26, 2015 (the "Plan"). The Plan was previously approved by the Issuer's Board of Directors. This Form 4 amendment is being filed to correct the number of Awards previously reported as having vested on September 15, 2015 pursuant to the Plan. Awards with respect to approximately 17,949.77 shares of the Issuer's common stock were previously inadvertently not reported as having vested on September 15, 2015 pursuant to the Plan.

(Continued from footnote 1). On September 15, 2015, 10% of the Awards (or 20% in the case of Awards that were 0% vested as of February 26, 2015) vested and, as a result, CRS distributed an aggregate of 89,119.77 shares of the Issuer's common stock to certain of the Adviser's employees. 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.

(Continued from footnote 1). On September 18, 2015, CRS entered into an Amended and Restated 2015 Equity Compensation Plan (the "A&R Plan") pursuant to which certain employees of the Adviser were granted Awards with respect to additional shares of the Issuer's common stock held by CRS, which Awards were previously forfeited by a former employee of the Adviser. As of September 18, 2015, unvested Awards with respect to 505,479.08 shares of the Issuer's common stock have been granted pursuant to the A&R Plan. Unvested Awards under the A&R Plan are scheduled to vest as follows: 10% on September 25, 2016, 30% on September 25, 2017 and 40% on September 25, 2018. Upon settlement, the unvested Awards will become payable on a one-for-one basis in shares of the Issuer's common stock. The A&R Plan was previously approved by the Issuer's Board of Directors.

Pursuant to the SEC staff no-action letter to Babson Capital Management LLC (pub. Avail. Dec. 14, 2006), an employee benefit plan 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.

On February 26, 2015, Mr. Alala was granted Awards with respect to 185,510.85 shares of the Issuer's common stock held by CRS. On September 15, 2015, Capitala Private Investments LLC, an entity controlled by Mr. Alala, received 25,102.17 shares of the Issuer's common stock in accordance with the vesting schedule under the Plan. The shares of the Issuer's common stock that may be deemed to have been acquired by Mr. Alala were previously reported as beneficially owned by Mr. Alala due his controlling interest in CRS. The acquisition was approved in advance by the Board of Directors of the Issuer.

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.

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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