

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>Alala Joseph B III</u>  (Last) (First) (Middle) <u>C/O CAPITALA FINANCE CORP.</u> <u>4201 CONGRESS STREET, SUITE 360</u>  (Street) <u>CHARLOTTE NC 28209</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Capitala Finance Corp. [ CPTA ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  <input checked="" type="checkbox"/> Director 10% Owner  <input checked="" type="checkbox"/> Officer (give title below) Other (specify below)  See Remarks
	3. Date of Earliest Transaction (Month/Day/Year) <u>09/23/2014</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	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

**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	09/23/2014		j <sup>(1)</sup>		15,000	A	\$20 <sup>(2)</sup>	111,822	I	via Capitala Private Investments LLC
Common Stock	09/23/2014		j <sup>(3)</sup>		40,500	D	\$20 <sup>(2)</sup>	311,365	I	via Capitala Restricted Shares I LLC
Common Stock	09/23/2014		j <sup>(3)</sup>		14,700	D	\$18.41 <sup>(4)</sup>	296,665	I	via Capitala Restricted Shares I LLC
Common Stock								320,916	D	
Common Stock								2,705	I	via Capitala Transaction Corp.
Common Stock								972	I	via CapitalSouth Corporation
Common Stock								100	I	via Capitala Investment Advisors, LLC

**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 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: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					

**Explanation of Responses:**

- The shares were transferred from Capitala Restricted Shares I, LLC to Capitala Private Investments, LLC on September 23, 2014.
- The price reported is the initial public offering price per share of Capitala Finance Corp.'s common stock, which was completed on September 30, 2013.
- The shares were transferred to certain employees of Capitala Investment Advisors, LLC on September 23, 2014.
- The price reported is the closing price on September 23, 2014.

**Remarks:**

Chairman of the Board of Directors, Chief Executive Officer and President

/s/ Richard G. Wheelahan, III, 09/30/2014  
attorney-in-fact

\*\* 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.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.**