

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

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

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|--|--|---|
| 1. Name and Address of Reporting Person* <u>Amall Stephen A.</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> 3. Date of Earliest Transaction (Month/Day/Year) <u>06/01/2018</u> 4. If Amendment, Date of Original Filed (Month/Day/Year) | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Chief Financial Officer</u> 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> 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 | 06/01/2018 | | M | | 8,500 ⁽¹⁾⁽²⁾ | A | ⁽¹⁾⁽²⁾ | 26,885 | D | |

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 | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Awards | ⁽¹⁾⁽²⁾ | 06/01/2018 | | M | | 8,500 | ⁽¹⁾⁽²⁾ | ⁽¹⁾⁽²⁾ | Common Stock, par value \$0.01 per share | 8,500 ⁽¹⁾⁽²⁾ | \$0 | 0 | D | |

Explanation of Responses:

1. Mr. Arnall previously held Awards with respect to 8,500 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"). On June 01, 2018, CRS distributed to Mr. Arnall 8,500 shares of the Issuer's common stock in accordance with the Plan. The Plan and this distribution were previously approved by the Issuer's Board of Directors. There are no further remaining Awards scheduled to vest under the Plan.

2. 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.

/s/ Richard G. Wheelahan, III,
attorney-in-fact 06/04/2018

** 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.