

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

SCHEDULE 14A
(RULE 14a-101)
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12.

KCAP Financial, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

KCAP Financial, Inc.
Announces Adjournment of Special Meeting and Board Action

NEW YORK, June 23, 2014 (GLOBE NEWSWIRE) — KCAP Financial, Inc. (Nasdaq: KCAP) (“KCAP” or the “Company”) held its 2014 Special Meeting of Shareholders (the “Special Meeting”) on Thursday, June 19, 2014. In order to permit additional time to solicit votes in connection with the proposal to authorize the Company to issue shares below net asset value, the Special Meeting was adjourned until July 8, 2014 at 10:00 a.m. Eastern Time and scheduled to reconvene at that time at the Company’s offices at 295 Madison Avenue, 6th Floor, New York, New York 10017.

The Company seeks the approval of the holders of its common stock to authorize the Company, with approval of its Board of Directors, to sell shares of its common stock at a price below the then current net asset value per share of such common stock, subject to certain limitations described in the Proxy. If approved by stockholders, the authorization would be effective for a period expiring on the earlier of the one-year anniversary of the date of the shareholder approval or the date of our 2015 annual meeting of shareholders.

The Company also announced that it has adopted a policy that, if the proposal found in the Proxy is approved by stockholders at the Special Meeting, the Company shall not seek approval from the Board of Directors to sell or otherwise issue more than 15% of the Company’s then outstanding shares of common stock at a price below its then current net asset value per share.

“We are encouraged by the favorable support that we have received to date from our stockholders,” stated Dayl W. Pearson, CEO of KCAP Financial, Inc. “In light of the Company’s new policy, we encourage stockholders who have not yet voted or wish to change their vote to do so, and let us put our capital to work.”

If you **have not yet voted or wish to change your vote** on the proposal found in the Proxy, we urge you to vote by phone or through the internet using the instructions provided on your proxy ballot. You may also contact Alliance Advisors at 1 (877) 777-8133, Mon. – Fri. from 9 a.m to 10 p.m. ET if you need assistance with voting.

About KCAP Financial, Inc.

KCAP Financial, Inc. is a publicly traded, internally managed business development company. The Company’s middle market investment business originates, structures, finances and manages a portfolio of term loans, mezzanine investments and selected equity securities in middle market companies. The Company’s wholly owned portfolio companies, Trimaran Advisors, L.L.C. and Katonah Debt Advisors, L.L.C., manage collateralized debt obligation funds that invest in broadly syndicated corporate term loans, high-yield bonds and other credit instruments.

KCAP Financial, Inc.’s filings with the Securities and Exchange Commission, earnings releases, press releases and other financial, operational and governance information are available on its website at www.kcapfinancial.com.

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