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## 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)
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

OWB APPRC	IVAL
OMB Number:	3235-0287
Estimated average burde	en
hours per response:	0.5

1. Name and Address of Reporting Person <sup>*</sup> Gilpin Edward U		1*	2. Issuer Name <b>and</b> Ticker or Trading Symbol <u>KCAP Financial, Inc.</u> [KCAP]	(Check	tionship of Reporting Pers all applicable) Director Officer (give title	n(s) to Issuer 10% Owner Other (specify
(Last) (First) (Middle) C/O KCAP FINANCIAL, INC. 295 MADISON AVENUE, 6TH FLOOR		× ,	3. Date of Earliest Transaction (Month/Day/Year) 05/06/2013	Х	below) CFO, Treasurer and	below)
(Street) NEW YORK (City)	NY (State)	10017 (Zip)	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Indiv Line) X	idual or Joint/Group Filing Form filed by One Repo Form filed by More than Person	rting Person

## Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

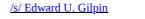
1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)							6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	v	Amount	(A) or (D)	Price	Transaction(s) (Instr. 3 and 4)		(1150.4)
Common Stock	05/06/2013		A		55,556 <sup>(1)</sup>	A	\$ <mark>0</mark>	79,403	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. Transa Code ( 8)		of Deriv Secu Acqu (A) of Dispo of (D) (Instr	Derivative (Month/Day/Year) Securities Acquired A) or Disposed		tion Date Amount of			8. Price of Derivative Security (Instr. 5)	derivative Securities Beneficially Owned	Ownership Form: Direct (D)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	v	(A)	,) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				

Explanation of Responses:

1. Shares of restricted stock granted to the reporting person pursuant to the Company's 2006 Amended and Restated Equity Incentive Plan. One half of the restricted stock award will vest on each of the third and fourth anniversaries of the grant date.



\*\* Signature of Reporting Person

05/21/2013

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.