

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

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**FORM 8-K**

Current Report Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 22, 2013

**KCAP FINANCIAL, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**814-00735**  
(Commission File Number)

**20-5951150**  
(I.R.S. Employer Identification No.)

**295 MADISON AVENUE**  
**NEW YORK, NY 10017**  
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(212) 455-8300**

Not applicable

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Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On April 22, 2013, KCAP Financial, Inc. (the “Company”) and each of Dayl Pearson, its Chief Executive Officer and President, Edward U. Gilpin, its Chief Financial Officer, R. Jon Corless, its Chief Investment Officer and Daniel P. Gilligan, its Chief Compliance Officer and Director of Portfolio Administration (together, the “Executives”), entered into letter agreements (collectively, the “Letter Agreements”) to amend Section 4(c) of such Executive’s employment agreement to delete the following provision:

“In addition, a termination of your employment by you for any reason during the 90-day period immediately following a Change in Control shall be deemed to be a termination for Good Reason for all purposes of this letter agreement.” (The language deleted in Mr. Gilpin’s agreement referred to “this agreement” rather than “this letter agreement.”)

The above summary of the Letter Agreements does not purport to be complete and is qualified in its entirety by reference to the Letter Agreements, a copies of which are filed as Exhibits 10.1, 10.2, 10.3 and 10.4 to this Form 8-K and incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

(d) Exhibits.

**Exhibit**

**No. Description**

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10.1	Letter Agreement between KCAP Financial, Inc. and Dayl Pearson.
10.2	Letter Agreement between KCAP Financial, Inc. and Edward U. Gilpin.
10.3	Letter Agreement between KCAP Financial, Inc. and R. Jon Corless.
10.4	Letter Agreement between KCAP Financial, Inc. and Daniel P. Gilligan.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 22, 2013

**KCAP Financial, Inc.**

By: /s/ Edward U. Gilpin

Name: Edward U. Gilpin

Title: Chief Financial Officer

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[KCAP Financial letterhead]

April 22, 2013

Mr. Dayl Pearson  
KCAP Financial, Inc.  
295 Madison Avenue, 6<sup>th</sup> Floor  
New York, NY 10017

Dear Dayl:

This letter constitutes an amendment to your employment agreement with Kohlberg Capital Corporation, now known as KCAP Financial, Inc., dated June 27, 2012 (the "Employment Agreement"), pursuant to Section 11(a) of the Employment Agreement. Except as specifically stated herein, the terms and conditions described in your Employment Agreement will remain in effect.

Effective as of the date first written above, Section 4(c) of the Employment Agreement is hereby amended by deleting the last sentence thereof.

If the foregoing is acceptable to you, please sign this letter in the space provided and return it to me. We will provide a countersigned copy for your records.

Very truly yours,

/s/ Edward U. Gilpin

Edward U. Gilpin  
Chief Financial Officer

Accepted by:

/s/ Dayl W. Pearson

Dayl W. Pearson

Date: April 22, 2013

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[KCAP Financial letterhead]

April 22, 2013

Mr. Edward Gilpin  
KCAP Financial, Inc.  
295 Madison Avenue, 6<sup>th</sup> Floor  
New York, NY 10017

Dear Ted:

This letter constitutes an amendment to your employment agreement with Kohlberg Capital Corporation, now known as KCAP Financial, Inc., dated May 18, 2012 (the "Employment Agreement"), pursuant to Section 11(a) of the Employment Agreement. Except as specifically stated herein, the terms and conditions described in your Employment Agreement will remain in effect.

Effective as of the date first written above, Section 4(c) of the Employment Agreement is hereby amended by deleting the last sentence thereof.

If the foregoing is acceptable to you, please sign this letter in the space provided and return it to me. We will provide a countersigned copy for your records.

Very truly yours,

/s/ Dayl W. Pearson

Dayl W. Pearson  
President and Chief Executive Officer

Accepted by:

/s/ Edward Gilpin  
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Edward Gilpin

Date: April 22, 2013

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[KCAP Financial letterhead]

April 22, 2013

Mr. R. Jon Corless  
KCAP Financial, Inc.  
295 Madison Avenue, 6<sup>th</sup> Floor  
New York, NY 10017

Dear Jon:

This letter constitutes an amendment to your employment agreement with Kohlberg Capital Corporation, now known as KCAP Financial, Inc., dated June 27, 2012 (the "Employment Agreement"), pursuant to Section 11(a) of the Employment Agreement. Except as specifically stated herein, the terms and conditions described in your Employment Agreement will remain in effect.

Effective as of the date first written above, Section 4(c) of the Employment Agreement is hereby amended by deleting the last sentence thereof.

If the foregoing is acceptable to you, please sign this letter in the space provided and return it to me. We will provide a countersigned copy for your records.

Very truly yours,

/s/ Dayl W. Pearson

Dayl W. Pearson  
President and Chief Executive Officer

Accepted by:

/s/ R. Jon Corless  
R. Jon Corless

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Date: April 22, 2013

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[KCAP Financial letterhead]

April 22, 2013

Mr. Daniel Gilligan  
KCAP Financial, Inc.  
295 Madison Avenue, 6<sup>th</sup> Floor  
New York, NY 10017

Dear Dan:

This letter constitutes an amendment to your employment agreement with Katonah Debt Advisors, L.L.C. and Kohlberg Capital Corporation, now known as KCAP Financial, Inc., dated June 27, 2012 (the "Employment Agreement"), pursuant to Section 11(a) of the Employment Agreement. Except as specifically stated herein, the terms and conditions described in your Employment Agreement will remain in effect.

Effective as of the date first written above, Section 4(c) of the Employment Agreement is hereby amended by deleting the last sentence thereof.

If the foregoing is acceptable to you, please sign this letter in the space provided and return it to me. We will provide a countersigned copy for your records.

Very truly yours,

/s/ Dayl W. Pearson

Dayl W. Pearson  
President and Chief Executive Officer

Accepted by:

/s/ Daniel Gilligan  
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Daniel Gilligan

Date: April 22, 2013

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