

OMB APPROVAL	
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**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

1. Name and Address of Reporting Person* <u>Kratzman E A</u>  (Last) (First) (Middle) <u>C/O KOHLBERG CAPITAL CORPORATION</u> <u>295 MADISON AVENUE, 6TH FLOOR</u>  (Street) <u>NEW YORK NY 10017</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Kohlberg Capital CORP [ KCAP ]</u>	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>Vice President</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>07/01/2008</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	

**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	07/01/2008		A		30,000	A	(1)	74,272	D	
Common Stock	07/01/2008		A		41,771 <sup>(2)</sup>	A	\$0	116,043	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	(A)	(D)	Date Exercisable	Expiration Date						Title
Option to Purchase Common Stock	\$15	07/01/2008		D		150,000		(3)	12/11/2016	Common Stock	150,000	(1)	0	D	

**Explanation of Responses:**

- On July 1, 2008, the issuer canceled, pursuant to an option cancellation and restricted stock issuance agreement, an option granted to Mr. Kratzman on December 11, 2006. In exchange for cancellation of such option, Mr. Kratzman received 30,000 shares of restricted stock under the Company's Amended and Restated 2006 Equity Incentive Plan, based upon an exchange ratio of one share of restricted stock for every five shares under the cancelled option. One half of the restricted stock award will vest on each of the first and second anniversaries of the grant date.
- Represents shares of restricted stock granted to Mr. Kratzman under the Company's Amended and Restated 2006 Equity Incentive Plan. One half of the restricted stock award will vest on each of the third and fourth anniversaries of the grant date.
- The canceled option provided for vesting in three equal annual installments on each of the first three anniversaries of the grant date.

/s/ Michael I. Wirth 07/02/2008  
 \*\* 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.

## CONFIRMING STATEMENT

This Statement confirms that the undersigned, E.A. Kratzman III, has authorized and designated Michael I. Wirth to execute and file on the undersigned's behalf all Forms 3, 4, and 5 (including any amendments thereto) that the undersigned may be required to file with the U.S. Securities and Exchange Commission as a result of the undersigned's ownership of or transactions in securities of Kohlberg Capital Corporation. The authority of Michael I. Wirth under this Statement shall continue until the undersigned is no longer required to file Forms 3, 4, and 5 with regard to his ownership of or transactions in securities of Kohlberg Capital Corporation, unless earlier revoked in writing. The undersigned acknowledges that Michael I. Wirth is not assuming any of the undersigned's responsibilities to comply with Section 16 of the Securities Exchange Act of 1934.

Date: July 2, 2008

/s/ E.A. Kratzman III

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E.A. Kratzman III