

SECURITIES AND EXCHANGE  
COMMISSION  
Washington, D.C. 20549

SCHEDULE 13G  
(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULES 13d-1(b), (c) AND (d) AND AMENDMENTS THERETO FILED  
PURSUANT TO RULE 13d-2(b)

Amendment No. |\_|

KCAP Financial, Inc  
(Name of Issuer)

Common Stock, \$0.01 par value per share  
(Title of Class of Securities)

48668E101  
(CUSIP Number)

December 31, 2018  
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)  
 Rule 13d-1(c)  
 Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 48668E101

13G

Page 2 of 6 Pages

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1. NAMES OF REPORTING PERSONS

Private Management Group, Inc.

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2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

- (a)   
(b)

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3. SEC USE ONLY

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4. CITIZENSHIP OR PLACE OF ORGANIZATION

State of California

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5. SOLE VOTING POWER

2,463,905 shares

NUMBER OF  
SHARES

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6. SHARED VOTING POWER

BENEFICIALLY  
OWNED BY EACH  
REPORTING  
PERSON WITH

n/a

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7. SOLE DISPOSITIVE POWER

2,463,905 shares

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8. SHARED DISPOSITIVE POWER

n/a

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9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,463,905 shares

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10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

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11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

6.59%

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12. TYPE OF REPORTING PERSON

IA

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Item 1(a) Name of Issuer:

KCAP Financial, Inc

Item 1(b) Address of Issuer's Principal Executive Offices:

295 Madison Avenue, 6th Floor  
New York, New York 10017

Item 2(a) Name of Person Filing:

Private Management Group, Inc.

Item 2(b) Address of Principal Business Office or, if None, Residence:

15635 Alton Parkway, Suite 400  
Irvine, CA 92618

Item 2(c) Citizenship:

The Adviser is a corporation organized under the laws of the State of CA

Item 2(d) Title of Class of Securities:

Common Stock, \$0.01 par value per share

Item 2(e) CUSIP Number:

48668E101

Item 3. If this statement is filed pursuant to Rules 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a)  Broker or dealer registered under Section 15 of the Act (15 U.S.C.78o);
- (b)  Bank as defined in Section 3(a)(6) of the Act (15 U.S.C.78c);
- (c)  Insurance company as defined in Section 3(a)(19) of the Act (15 U.S.C.78c);
- (d)  Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C.8a-8);
- (e)  An Investment Adviser in accordance with Section 240. 13d-1(b)(1)(ii)(E);
- (f)  An employee benefit plan or endowment fund in accordance with Section 240. 13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person in accordance with Section 240. 13d-1(b)(1)(ii)(G);
- (h)  A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i)  A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C.80a-3);
- (j)  A non-U.S. institution in accordance with Section 240. 13d-1(b)(1)(ii)(J).
- (k)  Group, in accordance with Section 240. 13d-1(b)(1)(ii)(K). If filing as a non-U.S. institution in accordance with 240.13d-1(b)(1)(ii)(J), please specify the type of institution:\_\_\_\_\_.

Item 4. Ownership.

- (a) Amount beneficially owned:  
2,463,905 shares shares
- (b) Percent of class:  
6.59%
- (c) Number of shares as to which such person has:
  - (i) Sole power to vote or to direct the vote  
2,463,905 shares
  - (ii) Shared power to vote or to direct the vote  
n/a
  - (iii) Sole power to dispose or to direct the disposition of  
2,463,905 shares
  - (iv) Shared power to dispose or to direct the disposition of  
n/a

Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [ ].

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Various separately managed accounts for whom the reporting person acts as investment advisor have the right to receive dividends from, and the proceeds of the sale of, the shares reported by the reporting person.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.

n/a

Item 8. Identification and Classification of Members of the Group.

n/a

Item 9. Notice of Dissolution of Group.

n/a

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired and are not held in connection with or as a participant in any transaction having such purpose or effect, other than activities solely in connection with a nomination under 240.14a-11.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

January 23, 2019

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(Date)

/s/ Robert T. Summers, CFA

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(Signature)

Robert T. Summers, CFA  
Chief Financial Officer  
Private Management Group, Inc.

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(Name/Title)

Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (see 18 U.S.C. 1001).