

Pearson Dayl W
Form 4
July 03, 2008

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Pearson Dayl W

(Last) (First) (Middle)

C/O KOHLBERG CAPITAL CORPORATION, 295 MADISON AVENUE, 6TH FLOOR

(Street)

NEW YORK, NY 10017

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

Kohlberg Capital CORP [KCAP]

3. Date of Earliest Transaction (Month/Day/Year)

07/01/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

Chief Executive Officer

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting 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)	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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	07/01/2008		A		50,000	A	11
Common Stock	07/01/2008		A		41,771 ⁽²⁾	A	\$ 0
Common Stock					118.09	I	As USGMA custodian for Erica Pearson ⁽³⁾
Common					118.09	I	As

Stock

USGMA
custodian
for Scott
Pearson ⁽⁴⁾

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

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 Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount of Number of Shares
Option to Purchase Common Stock	\$ 15	07/01/2008		D	250,000	⁽⁵⁾ 12/11/2016	Common Stock 250,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Pearson Dayl W
C/O KOHLBERG CAPITAL CORPORATION
295 MADISON AVENUE, 6TH FLOOR
NEW YORK, NY 10017

X

Chief Executive Officer

Signatures

/s/ Michael I.

Wirth

07/02/2008

**Signature of Reporting Person

Date

Explanation of Responses:

* 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).

(1) On July 1, 2008, the issuer canceled, pursuant to an option cancellation and restricted stock issuance agreement, an option granted to Mr. Pearson on December 11, 2006. In exchange for cancellation of such option, Mr. Pearson received 50,000 shares of restricted stock under

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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 third of the restricted stock award will vest on each of the first three anniversaries of the grant date.

- (2) Represents shares of restricted stock granted to Mr. Pearson 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.
Shares held by Mr. Pearson, as custodian, for daughter Erica Pearson under the Uniform Gifts to Minors Act. Mr. Pearson disclaims
- (3) beneficial ownership of these shares, and this report shall not be deemed an admission that Mr. Pearson is the beneficial owner of these shares for purposes of Section 16 or for any other purposes.
- (4) Shares owned by Scott Pearson, Mr. Pearson's son. Mr. Pearson disclaims beneficial ownership of these shares, and this report shall not be deemed an admission that Mr. Pearson is the beneficial owner of these shares for purposes of Section 16 or for any other purposes.
- (5) The canceled option provided for vesting in four equal annual installments of 25% on each of the first four anniversaries of the grant date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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