FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPRO	DVAL					
OMB Number:	3235-0287					
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	Check this box if no longer subject to								
١	Section 16. Form 4 or Form 5								
J	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* VIRGINIA RETIREMENT SYSTEM						2. Issuer Name and Ticker or Trading Symbol BlackRock Kelso Capital CORP [BKCC]								5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director X 10% Owner					
(Last) (First) (Middle) 1200 E MAIN ST						3. Date of Earliest Transaction (Month/Day/Year) 08/15/2012									er (give title	Α	Other	(specify	
(Street) RICHMOND VA 23219 (City) (State) (Zip)					4. If Amendment, Date of Original Filed (Month/Day/Year)									6. Individual or Joint/Group Filing (Check Applicable Line) X Form filed by One Reporting Person Form filed by More than One Reporting Person					
	Tabl	e I - No	n-Deriv	ative	Sec	curitie	s Ac	quired,	Dis	posed o	f, or I	3ene	ficia	lly Own	ed				
Date					Execution Date,		Transaction Disposed Of (D) (Instr. 3, Code (Instr.			A) or , 4 and	Secur Benef Owne	ities icially d Following	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)		7. Nature of Indirect Beneficial Ownership (Instr. 4)				
								Code	v	Amount	(A) (D)	or	Price	Trans	action(s)			(111341.4)	
Common Stock, par value \$0.001 08/15/2						2012		S		31,796	5 D \$9		\$9.62	26 13,733,413		D			
	Та													Owned					
/e Conversion or Exercise (Month/Day/Year) if any (Month/Day/Year) berivative Security		Transa Code (8)	ransaction of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		rative rities iired r osed) : 3, 4	6. Date Exercisable and Expiration Date (Month/Day/Year) Date Expiration			Amoun or Numbe of		unt ber	Derivative Security	derivative Securities Beneficially Owned Following Reported	Own Forn Dire or In (I) (II	n: ct (D) direct	11. Nature of Indirect Beneficial Ownership (Instr. 4)			
	(Find MAIN ST) OND VA (State of Conversion or Exercise Price of Derivative)	(First) (MAIN ST OND VA (State) (Table Security (Instr. 3) Stock, par value \$0.001 Table Security (Instr. 3) Stock, par value \$0.001	(First) (Middle) MAIN ST OND VA 23219 (State) (Zip) Table I - No Security (Instr. 3) Stock, par value \$0.001 Table II - Conversion or Exercise Price of Derivative (Month/Day/Year) Price of Derivative (Month/Day/Year)	(First) (Middle) MAIN ST OND VA 23219 (State) (Zip) Table I - Non-Deriv Security (Instr. 3) Stock, par value \$0.001 Table II - Derivati (e.g., pt Conversion or Exercise Price of Derivative Security 2. Transaction Date (Month/Day/Year) 3. Transaction Date (Month/Day/Year) (Month/Day/Year) 3. Transaction Date (Month/Day/Year)	(First) (Middle) (First) (Middle) (All ST (State) (Zip) Table I - Non-Derivative Security (Instr. 3) Stock, par value \$0.001 Table II - Derivative S (e.g., puts, concerning or Exercise Price of Derivative (Month/Day/Year) 3. Deemed Execution Date (Month/Day/Year) 3. Deemed Execution Date (Month/Day/Year) 3. Deemed Execution Date (Month/Day/Year) 4. Transaction Date (Month/Day/Year) (Month/Day/Year) 3. Deemed Execution Date (Month/Day/Year) 4. Transaction Date (Month/Day/Year)	(First) (Middle) (First) (Middle) (All ST (State) (Zip) Table I - Non-Derivative Security (Instr. 3) Stock, par value \$0.001 Table II - Derivative Security (e.g., puts, calls (Month/Day/Year) 2. Transaction Date (Month/Day/Year) (Month/Day/Year) 3. Date of 08/15/20 4. If Ame 3. Date of 08/15/20 4. If Ame 3. Date of 08/15/20 2. Transaction Date (Month/Day/Year) 3. Transaction Date (if any (Month/Day/Year) (Month/Day/Year) 3. Transaction Date (if any (Month/Day/Year) (Month/Day/Year) 3. Transaction Date (Instr. 3)	(First) (Middle) (First) (Middle) (All N ST (State) (Zip) Table I - Non-Derivative Securities (Month/Day/Year) Stock, par value \$0.001 Table II - Derivative Securities (e.g., puts, calls, warr (Month/Day/Year) 2. Transaction Date (e.g., puts, calls, warr (Month/Day/Year) 2. Table II - Derivative Securities (e.g., puts, calls, warr (Month/Day/Year) (Month/Day/Year) 3. Transaction Date (Month/Day/Year) 3. Transaction Date (e.g., puts, calls, warr (Month/Day/Year) (Month/Day/Year) 3. Transaction Date (Instr. 8) 3. Transaction Date (Instr. 8) 3. Transaction Date (Instr. 8) 3. Date of Earlies (08/15/2012) 4. If Amendment (Month/Day/Year)	State Conversion or Exercise Price of Derivative Security Stock, par value \$0.001	State Capi	BlackRock Kelso Capital Capi	BlackRock Kelso Capital CORP	Security (Instr. 3) Stock, par value \$0.001 Stock, par value \$0.	Stock, par value \$0.001 Stock, par value	Code V Amount Code (Instr. 3) Stock, par value \$0.001 O8/15/2012 Stock Ose of Execution Date (e.g., puts, calls, warrants, options, convertible securities Code (Instr. 3) Ose of Execution Date (in Execution Date (in Execution Date) Ose of Code (Instr. 3) Ose of Code	Security (Instr. 3) Date Code V Amount Code Code	BlackRock Kelso Capital CORP BKCC Check all applicable Director Officer (give title below)	Stock, par value \$0.001 OB/15/2012 Stock of Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities) Objectivative Securities Acquired, Disposed of, or Beneficially Owned Following Reported (e.g., puts, calls, warrants, options, convertible securities) Objectivative Securities Acquired, Disposed of, or Beneficially Owned Following Reported (e.g., puts, calls, warrants, options, convertible securities) Objectivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities) Objectivative Securities Acquired (A) or Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities) Objectivative Securities Acquired (A) or Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities) Objectivative Securities Acquired (A) or Disposed of, or Beneficially Owned (Berviative Securities Acquired, Disposed of, or Beneficially Owned (Berviative Securities) Objectivative Securities Acquired (A) or	BlackRock Kelso Capital CORP BKCC Check all applicable) Director Officer (give title below) Officer (give title below)	

Explanation of Responses:

/s/ Curtis M. Mattson

08/16/2012

** 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.