

| 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*<br><u>North Dakota Investors LLC</u><br><br>(Last) (First) (Middle)<br><u>1930 BURNT BOAT DR.</u><br><br>(Street)<br><u>BISMARCK ND 58507</u><br><br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><u>CapStar Financial Holdings, Inc. [ CSTR ]</u> | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><br>Director <input checked="" type="checkbox"/> 10% Owner<br><br>Officer (give title below) Other (specify below)                   |
|  | 3. Date of Earliest Transaction (Month/Day/Year)<br><u>09/21/2016</u>                           |  |
|  | 4. If Amendment, Date of Original Filed (Month/Day/Year)  | 6. Individual or Joint/Group Filing (Check Applicable Line)<br><br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br><input type="checkbox"/> 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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|-------|---|--|---|
|                                 |                                      |  | Code                           | V | Amount  | (A) or (D) | Price |   |  |   |
| Common Stock                    | 09/21/2016                           |  | C                              |   | 810,873 <sup>(1)</sup>  | A          | (2)   | 1,060,873   | D  |   |
| Common Stock                    | 09/21/2016                           |  | S                              |   | 1,060,873 <sup>(2)</sup>  | D          | \$15  | 0   | 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   | Amount or Number of Shares |  |  |   |  |
| Warrants                                   | (3)  | 09/21/2016                           |  | C                              |   |  | 250,000 <sup>(3)</sup> | 07/14/2008   | 07/14/2018      | Common Stock  | 250,000 <sup>(3)</sup>     | (3)  | 0  | D   |  |
| Series A Preferred Stock                   | (4)  | 09/21/2016                           |  | C                              |   |  | 731,707                | (4)  | (4)             | Common Stock  | 731,707                    | (4)  | 0  | D   |  |

**Explanation of Responses:**

- Represents 731,707 shares of Common Stock received upon conversion of preferred securities and 79,166 shares of Common Stock received upon exercise of a warrant into preferred securities and subsequently converted into Common Stock pursuant to a cashless exercise .
- Shares sold pursuant to a registration statement on Form S-1 (333-213367) filed with the SEC in connection with the initial public offering of the Issuer.
- The warrant was originally purchased at a price of \$10.25 per share and had an original exercise price of \$10.25. In connection with the IPO, the warrant was exercised on a cashless basis. Pursuant to the cashless exercise formula, the number of shares into which the warrant was exercised was equal to the (A) the product of (i) the difference between the value of the underlying shares (determined using the initial public offering price of the Issuer's Common Stock of \$15.00 per share) and the exercise price of \$10.25 per share times (ii) the 250,000 common shares for which the warrant was exercisable divided by (B) the value of the underlying shares.
- Pursuant to the Charter of the Issuer, Series A Preferred Stock is convertible into common stock, at the option of the holder, upon the earlier to occur of (i) a firm commitment, underwritten public offering of our capital stock representing at least 20% of the shares of the outstanding common stock of the Issuer, or, when taken together with other prior underwritten public offerings of the Issuer's common stock, results in at least 20% in aggregate of shares of the Issuer's outstanding common stock having been publicly offered in such offerings (in each case, after giving effect to such offering), or (ii) transfers or proposed transfers of the Issuer's common stock by one or more of certain of the Issuer's organizers and directors or any of their respective affiliates in an aggregate amount that equals or exceeds 20% of the outstanding shares of the Issuer's common stock.

**Remarks:**

Reporting Person was a 10% owner prior to the initial public offering of the Issuer but disposed of all of its securities of the Issuer in connection with such initial public offering.

/s/ David Hunter, Executive Director/CIO of North Dakota State Investment Board, its managing member 09/23/2016

\*\* 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.