

TCP Capital Corp.  
Form 10-Q  
August 07, 2014

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, DC 20549**

**FORM 10-Q**

**x Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the Quarter Ended June 30, 2014**

**Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Commission File Number: 814-00899**

**TCP CAPITAL CORP.**

(Exact Name of Registrant as Specified in Charter)

**Delaware**                                 **56-2594706**  
(State or Other Jurisdiction   (IRS Employer  
of Incorporation)                         Identification No.)

**2951 28<sup>th</sup> Street, Suite 1000**  
**Santa Monica, California**                 **90405**  
(Address of Principal Executive Offices)   (Zip Code)

Registrant's telephone number, including area code **(310) 566-1000**



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**TCP CAPITAL CORP.**

**FORM 10-Q FOR THE SIX MONTHS ENDED JUNE 30, 2014**

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TCP Capital Corp.

## Consolidated Statements of Assets and Liabilities

	June 30, 2014 (unaudited)	December 31, 2013
<b>Assets</b>		
Investments, at fair value:		
Companies less than 5% owned (cost of \$825,953,904 and \$684,569,508, respectively)	\$ 827,560,564	\$ 678,326,915
Companies 5% to 25% owned (cost of \$54,237,483 and \$73,946,547, respectively)	50,409,131	69,068,808
Companies more than 25% owned (cost of \$41,400,990 and \$42,588,724 respectively)	16,699,429	18,867,236
Total investments (cost of \$921,592,377 and \$801,104,779, respectively)	894,669,124	766,262,959
Cash and cash equivalents	29,379,532	22,984,182
Receivable for investments sold	17,396,874	3,605,964
Accrued interest income:		
Companies less than 5% owned	8,213,741	6,282,353
Companies 5% to 25% owned	372,400	415,061
Companies more than 25% owned	35,257	41,691
Deferred debt issuance costs	7,351,121	2,969,085
Options (cost \$51,750)	1,855	14,139
Prepaid expenses and other assets	1,185,503	753,768
Total assets	958,605,407	803,329,202
<b>Liabilities</b>		
Debt		
Payable for investments purchased	250,500,788	95,000,000
Incentive allocation payable	8,561,631	14,706,942
Payable to the Investment Manager	3,613,830	3,318,900
Interest payable	1,750,735	1,121,108
Unrealized depreciation on swaps	882,820	430,969
Accrued expenses and other liabilities	208,862	331,183
Total liabilities	2,598,420	3,136,010
	268,117,086	118,045,112
<b>Commitments and contingencies (Note 5)</b>		
Preferred equity facility		
Series A preferred limited partner interests in Special Value Continuation Partners, LP; \$20,000/interest liquidation preference; 6,700 interests authorized, issued and outstanding	134,000,000	134,000,000
Accumulated dividends on Series A preferred equity facility	494,140	504,252

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Total preferred limited partner interests	134,494,140	134,504,252
Non-controlling interest		
General Partner interest in Special Value Continuation Partners, LP	1,602,199	1,168,583
Net assets applicable to common shareholders	\$554,391,982	\$ 549,611,255
Composition of net assets applicable to common shareholders		
Common stock, \$0.001 par value; 200,000,000 shares authorized, 36,200,130 and 36,199,916 shares issued and outstanding as of June 30, 2014 and December 31, 2013, respectively	36,200	36,200
Paid-in capital in excess of par	670,361,329	667,842,020
Accumulated net investment income	24,543,049	24,016,095
Accumulated net realized losses	(111,661,878)	(105,800,278 )
Accumulated net unrealized depreciation	(27,284,519 )	(35,314,199 )
Non-controlling interest	(1,602,199 )	(1,168,583 )
Net assets applicable to common shareholders	\$554,391,982	\$ 549,611,255
Net assets per share	\$15.31	\$ 15.18

*See accompanying notes.*

TCP Capital Corp.

Consolidated Statement of Investments (Unaudited)

June 30, 2014

Showing Percentage of Total Cash and Investments of the Company

Issuer	Instrument Ref	Ref	Spread	Floor	Maturity	Principal	Cost	Value	% of Portfolio	N
<b>Debt Investments</b> <sup>(A)</sup>										
Accounting, Tax Preparation, Bookkeeping, and Payroll Services										
Expert Global Solutions, LLC	First Lien Term Loan B	LIBOR (Q)	7.25%	1.25%	4/3/2018	\$689,015	\$697,904	\$688,154	0.07 %	
Expert Global Solutions, LLC	Second Lien Term Loan	LIBOR (Q)	11.00%	1.50%	10/3/2018	\$7,434,877	7,243,959	7,241,571	0.78 %	
							7,941,863	7,929,725	0.85 %	
Activities Related to Real Estate										
Greystone Select Holdings, LLC	First Lien Term Loan	LIBOR (Q)	8.00%	1.00%	3/26/2021	\$16,552,744	16,325,144	16,602,402	1.80 %	
Advertising, Public Relations, and Related Services										
Doubleplay III Limited (United Kingdom)	First Lien Facility A1 Term Loan	EURIBOR (Q)	6.25%	1.25%	3/18/2018	€3,165,705	16,565,886	17,575,821	1.90 %	D
Artificial Synthetic Fibers and Filaments Manufacturing										
AGY Holding Corp.	Sr Secured Term Loan	Fixed	12.00%	-	9/15/2016	\$2,056,927	2,056,927	2,056,927	0.22 %	B
		Fixed	11.00%	-	11/15/2016	\$9,268,000	7,586,317	8,767,528	0.95 %	B

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AGY Holding Corp.	Second Lien Notes						9,643,244	10,824,455	1.17 %	
Basic Chemical Manufacturing M&G Chemicals S.A. (Luxembourg)	Sr Secured Term Loan	LIBOR (Q)	7.50%	-	3/18/2016	\$15,632,077	15,632,077	15,632,077	1.69 %	I
PeroxyChem, LLC	First Lien Term Loan	LIBOR (Q)	6.50%	1.00%	2/28/2020	\$8,977,500	8,806,735	9,067,275	0.98 %	
							24,438,812	24,699,352	2.67 %	
Beverage Manufacturing Carolina Beverage Group, LLC	Secured Notes	Fixed	10.625%	-	8/1/2018	\$7,780,000	7,780,000	8,421,850	0.91 %	E
Business Support Services STG-Fairway Acquisitions, Inc.	Second Lien Term Loan	LIBOR (Q)	9.25%	1.25%	8/28/2019	\$14,643,455	13,988,543	14,833,820	1.61 %	
Chemical Manufacturing Archroma	Term Loan B	LIBOR (Q)	8.25%	1.25%	9/30/2018	\$19,996,931	19,662,046	20,321,881	2.20 %	
Communications Equipment Manufacturing Globecomm Systems, Inc.	First Lien Term Loan	LIBOR (Q)	7.625%	1.25%	12/11/2018	\$14,925,000	14,775,750	14,805,600	1.60 %	B
Computer Equipment Manufacturing ELO Touch Solutions, Inc.	Second Lien Term Loan	LIBOR (Q)	10.50%	1.50%	12/1/2018	\$10,000,000	9,691,295	9,100,000	0.99 %	
Computer Systems Design and Related Services Autoalert, LLC	First Lien Term Loan	LIBOR (Q)	4.75% Cash + 4% PIK	0.25%	3/31/2019	\$30,303,333	29,726,913	30,591,215	3.31 %	
Blue Coat Systems, Inc.	First Lien Revolver	LIBOR (Q)	3.50%	1.00%	5/31/2018	\$-	(834,605 )	(455,460 )	(0.05%)	L
Blue Coat Systems, Inc.	Second Lien Term Loan	LIBOR (Q)	8.50%	1.00%	6/28/2020	\$15,000,000	14,878,125	15,275,025	1.65 %	
MSC Software Corporation	Second Lien Term Loan	LIBOR (M)	7.50%	1.00%	5/29/2021	\$11,993,035	11,873,105	12,112,966	1.31 %	
OnX Enterprise	First Lien Term	LIBOR (Q)	8.00%	-	9/3/2018	\$2,373,333	2,373,333	2,394,693	0.26 %	



Solutions, Ltd. Loan B