

TCP Capital Corp.
Form 10-Q
November 05, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the Quarter Ended September 30, 2015

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 of Incorporation) (IRS Employer Identification No.)

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

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

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, par value \$0.001 per share NASDAQ Global Select Market
(Title of each class) (Name of each exchange where registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

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Non-accelerated filer Smaller Reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The number of shares of the Registrant's common stock, \$0.001 par value, outstanding as of November 5, 2015 was 48,872,263.

TCP CAPITAL CORP.

FORM 10-Q FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

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TCP Capital Corp.

Consolidated Statements of Assets and Liabilities

	September 30, 2015 (unaudited)	December 31, 2014
Assets		
Investments, at fair value:		
Companies less than 5% owned (cost of \$1,206,750,821 and \$1,097,181,753, respectively)	\$1,187,883,822	\$1,081,901,384
Companies 5% to 25% owned (cost of \$67,502,341 and \$52,103,511, respectively)	66,890,774	48,716,425
Companies more than 25% owned (cost of \$38,631,089 and \$40,213,258 respectively)	14,386,043	15,918,077
Total investments (cost of \$1,312,884,251 and \$1,189,498,522, respectively)	1,269,160,639	1,146,535,886
Cash and cash equivalents	34,582,869	27,268,792
Deferred debt issuance costs	9,844,273	7,700,988
Receivable for investments sold	1,969,722	10,961,369
Accrued interest income:		
Companies less than 5% owned	13,261,132	9,222,001
Companies 5% to 25% owned	750,685	253,987
Companies more than 25% owned	17,493	28,450
Unrealized appreciation on swaps	2,868,748	1,717,610
Options (cost of \$51,750 and \$51,750, respectively)	-	497
Prepaid expenses and other assets	1,381,556	2,177,217
Total assets	1,333,837,117	1,205,866,797
Liabilities		
Debt	575,305,233	328,696,830
Payable for investments purchased	7,847,520	2,049,518
Incentive allocation payable	4,838,534	4,303,040
Interest payable	3,580,028	1,510,981
Payable to the Advisor	731,172	459,827
Accrued expenses and other liabilities	2,635,000	3,219,783
Total liabilities	594,937,487	340,239,979
Commitments and contingencies (Note 5)		
Preferred equity facility		
Series A preferred limited partner interests in Special Value Continuation Partners, LP; \$20,000/interest liquidation preference; 0 and 6,700 interests authorized, issued and outstanding as of September 30, 2015 and December 31, 2014, respectively	-	134,000,000
Accumulated dividends on Series A preferred equity facility	-	497,790
Total preferred limited partner interests	-	134,497,790
Non-controlling interest		
General Partner interest in Special Value Continuation Partners, LP	-	-

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Net assets applicable to common shareholders	\$738,899,630	\$731,129,028
Composition of net assets applicable to common shareholders		
Common stock, \$0.001 par value; 200,000,000 shares authorized, 48,934,498 and 48,710,627 shares issued and outstanding as of September 30, 2015 and December 31, 2014, respectively		
	\$48,934	\$48,710
Paid-in capital in excess of par	880,682,891	877,103,880
Accumulated net investment income	28,066,387	21,884,381
Accumulated net realized losses	(128,426,795)	(126,408,033)
Accumulated net unrealized depreciation	(41,471,787)	(41,499,910)
Net assets applicable to common shareholders	\$738,899,630	\$731,129,028
Net assets per share	\$15.10	\$15.01

See accompanying notes to the consolidated financial statements.

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TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited)

September 30, 2015

Showing Percentage of Total Cash and Investments of the Company

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Value	% of Notes Portfolio
<u>Debt</u>										
<u>Investments</u> ^(A)										
Accounting, Tax and Payroll Services										
EGS Holdings, Inc.	Holdco PIK Notes	LIBOR (A)	3.00%	10.00%	13.00%	10/3/2018	\$57,238	\$57,238	\$57,238	-
Expert Global Solutions, LLC	Second Lien Term Loan	LIBOR (Q)	1.50%							