

TCP Capital Corp.  
Form 10-Q  
August 09, 2016

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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 June 30, 2016

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 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

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 August 9, 2016 was 50,705,049.

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FORM 10-Q FOR THE SIX MONTHS ENDED JUNE 30, 2016

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TCP Capital Corp.

## Consolidated Statements of Assets and Liabilities

	June 30, 2016 (unaudited)	December 31, 2015
<b>Assets</b>		
Investments, at fair value:		
Companies less than 5% owned (cost of \$1,151,564,537 and \$1,123,682,687, respectively)	\$ 1,129,946,177	\$ 1,099,208,475
Companies 5% to 25% owned (cost of \$74,317,200 and \$68,862,518, respectively)	72,159,305	69,008,931
Companies more than 25% owned (cost of \$54,938,136 and \$39,162,221 respectively)	29,395,925	14,702,319
Total investments (cost of \$1,280,819,873 and \$1,231,707,426, respectively)	1,231,501,407	1,182,919,725
Cash and cash equivalents	38,313,586	35,629,435
Receivable for investments sold	27,666,936	-
Accrued interest income:		
Companies less than 5% owned	7,992,011	8,842,528
Companies 5% to 25% owned	784,121	741,306
Companies more than 25% owned	529,885	29,230
Deferred debt issuance costs	4,603,529	5,390,241
Unrealized appreciation on swaps	2,981,525	3,229,442
Options (cost of \$279,327 and \$51,750, respectively)	417,504	-
Prepaid expenses and other assets	821,524	2,331,044
Total assets	1,315,612,028	1,239,112,951
<b>Liabilities</b>		
Debt, net of unamortized issuance costs	516,661,216	498,205,471
Payable for investments purchased	40,952,073	6,425,414
Incentive allocation payable	4,626,745	5,207,606
Interest payable	2,996,217	2,911,257
Payable to the Advisor	749,945	508,334
Accrued expenses and other liabilities	2,434,735	3,877,852
Total liabilities	568,420,931	517,135,934
<b>Commitments and contingencies (Note 5)</b>		
Net assets applicable to common shareholders	\$ 747,191,097	\$ 721,977,017
<b>Composition of net assets applicable to common shareholders</b>		
Common stock, \$0.001 par value; 200,000,000 shares authorized, 50,705,049 and 48,834,734 shares issued and outstanding as of June 30, 2016 and December 31, 2015, respectively	\$ 50,705	\$ 48,834
Paid-in capital in excess of par	906,725,366	878,383,356
Accumulated net investment income	23,279,884	22,261,793
Accumulated net realized losses	(135,815,320 )	(132,483,593 )
Accumulated net unrealized depreciation	(47,049,538 )	(46,233,373 )
Net assets applicable to common shareholders	\$ 747,191,097	\$ 721,977,017

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Net assets per share	\$14.74	\$ 14.78
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See accompanying notes to the consolidated financial statements.

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## Consolidated Schedule of Investments (Unaudited)

June 30, 2016

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% Total Carrying Amount
<u>Debt Investments</u> <sup>(A)</sup>										
Advertising, Public Relations Services										
Doubleplay III Limited										
(Exterion Media) (United Kingdom)	First Lien Facility A1 Term Loan	EURIBOR (Q)	1.25 %	5.75 %	7.00 %	3/18/2018	€12,249,157	\$16,157,454	\$13,603,914	1
InMobi, Inc. (Singapore)	First Lien Delayed Draw Tranche 1 Term Loan (1.25% Exit Fee)	LIBOR (M)	0.33 %	10.17 %	10.86 %	9/1/2018	\$15,000,000	14,663,929	14,727,750	1
InMobi, Inc. (Singapore)	First Lien Delayed Draw Tranche 1 Term Loan	LIBOR (M)	0.33 %	10.17 %	N/A	9/1/2018	\$-	-	-	-
InMobi, Inc. (Singapore)	First Lien Delayed Draw Tranche 1 Term Loan	LIBOR (M)	0.33 %	10.17 %	N/A	9/1/2018	\$-	-	-	-
								30,821,383	28,331,664	2
Air Transportation										
Cargojet Airways LTD. (Canada)	Aircraft Acquisition Loan A	LIBOR (M)	-	8.50 %	9.00 %	1/31/2023	\$13,738,102	13,496,379	13,984,014	1
Cargojet Airways LTD. (Canada)	Aircraft Acquisition Loan A1	LIBOR (M)	-	8.50 %	9.00 %	1/31/2023	\$14,058,316	13,794,314	14,300,119	1
Mesa Air Group, Inc.	Acquisition Delayed Draw Loan	LIBOR (M)	-	7.25 %	N/A	6/17/2019	\$-	-	271,500	0

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Mesa Air Group, Inc.	Acquisition Loan	LIBOR (M)	-	7.25 %	7.75 %	7/15/2022	\$15,038,207	14,799,825	15,338,971	1
								42,090,518	43,894,604	3
Apparel Manufacturing										
Broder Bros., Co.	First Lien Term Loan (First Out)	LIBOR (Q)	1.25 %	5.75 %	7.00 %	6/3/2021	\$9,840,000	9,663,099	9,692,400	0
Broder Bros., Co.	First Lien Term Loan B (Last Out)	LIBOR (Q)	1.25 %	12.25 %	13.50 %	6/3/2021	\$9,860,000	9,687,471	9,712,100	0
JH Apparel Holdings, LLC	First Lien FILO Term Loan	LIBOR (M)	1.00 %	9.60 %	10.60 %	4/8/2019	\$3,192,279	3,175,386	3,224,202	0
								22,525,956	22,628,702	1
Business Support Services										
Enerwise Global Technologies, Inc.	Sr Secured Revolving Loan	LIBOR (Q)	0.23 %	8.52 %	8.75 %	11/30/2018	\$-	(27,602 )	11,600	-
Enerwise Global Technologies, Inc.	Sr Secured Term Loan (1.0% Exit Fee)	LIBOR (Q)	0.23 %	9.27 %	9.92 %	11/30/2019	\$24,250,000	24,018,703	24,320,325	1
STG-Fairway Acquisitions, Inc. (First Advantage)	Second Lien Term Loan	LIBOR (Q)	1.00 %	9.25 %	10.25 %	6/30/2023	\$31,000,000	30,566,061	31,864,900	2
								54,557,162	56,196,825	4
Chemicals										
Anuvia Plant Nutrients Holdings, LLC	Sr Secured Term Loan (8.0% Exit Fee)	LIBOR (Q)	-	10.63 %	11.96 %	2/1/2018	\$10,254,168	10,651,471	10,748,931	0
BioAmber, Inc.	Sr Secured Term Loan (8.0% Exit Fee)	LIBOR (M)	0.23 %	9.27 %	9.96 %	12/1/2017	\$7,982,168	8,346,945	8,675,020	0
	Sr Secured Delayed Draw Term Loan (10.0% Exit Fee)	Prime Rate	-	7.75 %	11.25 %	5/1/2018	\$15,000,000	15,202,033	15,553,500	1
								34,200,449	34,977,451	2
Communications Equipment Manufacturing										
Globecomm Systems, Inc.	First Lien Term Loan	LIBOR (Q)	1.25 %	7.63 %	10.13 %	12/11/2018	\$14,554,640	14,409,094	14,554,640	1
			1.25 %	7.63 %	8.88 %	12/11/2018	\$-	-	-	-



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Globecomm Systems, Inc.	First Lien Series A Term Loan	LIBOR (Q)						14,409,094	14,554,640	1
Computer Equipment										
Manufacturing										
Silicon										
Graphics International Corp.	First Lien Term Loan	LIBOR (Q)	1.00%	9.00%	10.00%	7/27/2018	\$15,949,968	15,757,759	16,069,593	1