UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2016

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

COMMISSION FILE NUMBER: 814-00710

PRINCETON CAPITAL CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Maryland	**46-3516073**
(State or other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

700 Alexander Park
Suite 103
Princeton, NJ 08540
(Address of Principal Executive Offices)

(609) 514-9200
(Registrant's Telephone Number, Including Area Code)

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 (or for such shorter period that the registrant was required to file such reports), 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 (§232.405 of this chapter) 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, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
	(do not check if a smaller reporting company)	Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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 issuer's Common Stock, $0.001 par value, outstanding as of July 12, 2017 was 120,486,061.

PRINCETON CAPITAL CORPORATION
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

PRINCETON CAPITAL CORPORATION

STATEMENTS OF ASSETS AND LIABILITIES

	June 30, 2016 (Unaudited)	December 31, 2015
ASSETS		
Control investments at fair value (cost of $22,468,872 and $22,000,463, respectively)	$ 18,718,848	$ 17,249,671
Affiliate investments at fair value (cost of $5,306,750 and $5,306,750, respectively)	7,130,601	5,314,399
Non-control/non-affiliate investments at fair value (cost of $29,027,582 and $28,835,487, respectively)	21,712,174	26,135,450
Investment in U.S. Treasury Bill (cost of $42,999,958 and $0, respectively)	42,999,656	-
Total investments at fair value (cost of $99,803,162 and $56,142,700, respectively)	90,561,279	48,699,520
Cash	254,893	1,022,510
Due from portfolio companies	98,578	84,418
Due from affiliates	43,940	32,348
Interest receivable	101,920	131,367
Prepaid expenses	35,624	48,311
Total assets	91,096,234	50,018,474
LIABILITIES		
Accrued management fees	410,815	175,754
Accounts payable (Note 2)	2,051,751	1,395,597
Term loan – related party	390,000	-
Due to affiliates	37,166	11,949
Dividends payable	-	600
Short term payable for securities purchased	42,569,958	-
Tax expense payable	35,430	-
Accrued expenses and other liabilities	263,091	209,011
Total liabilities	45,758,211	1,792,911
Commitments and contingencies (Note 8)	-	-
Net assets	$ 45,338,023	$ 48,225,563
NET ASSETS		
Common stock, par value $0.001 per share (250,000,000 shares authorized; 120,486,061 shares issued and outstanding at June 30, 2016 and December 31, 2015)	$ 120,486	$ 120,486
Paid-in capital	64,868,884	64,868,284
Accumulated undistributed net realized gain	235,338	235,510
Distributions in excess of net investment income	(10,644,802)	(9,555,537)
Accumulated unrealized loss on investments	(9,241,883)	(7,443,180)
Total net assets	45,338,023	48,225,563
Net asset value per share	$ 0.376	$ 0.400

See notes to financial statements.

PRINCETON CAPITAL CORPORATION

STATEMENTS OF OPERATIONS (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
INVESTMENT INCOME				
Interest income from non-control/non-affiliate investments	$ 224,765	$ 942,962	$ 437,205	$ 1,064,158
Interest income from control investments	242,719	70,889	482,128	71,189
Other income from non-control/non-affiliate investments	-	8,902	-	8,907
Other income from affiliate investments	6,968	-	19,008	-
Other income from non-investment sources	36	-	164	-
Total investment income	474,488	1,022,753	938,505	1,144,254
OPERATING EXPENSES				
Management fees	221,532	237,331	435,061	237,331
Administration fees	97,930	147,371	221,235	168,927
Professional fees [1] (Note 2)	156,131	94,360	659,017	1,081,446
Compliance fees	1,904	66,237	1,904	66,237
Directors' fees	69,976	39,429	111,655	43,029
Bank fees	25	-	25	2,050
Insurance expense	2,443	22,658	44,918	29,355
Interest expense	40,939	2,965	40,939	2,965
Other general and administrative expenses	148,406	97,603	184,010	133,129
Total operating expenses	739,286	707,954	1,698,764	1,764,469
Net investment income (loss) before tax	(264,798)	314,799	(760,259)	(620,215)
Income tax expense	9,006	-	329,006	-
Net investment income (loss) after tax	(273,804)	314,799	(1,089,265)	(620,215)
Net realized gain (loss) on:				
Non-control/non-affiliate investments	-	-	-	104,040
U.S. Treasury Bill	(172)	(533)	(172)	(533)
Cash	-	(10,348)	-	(10,348)
Net realized gain (loss)	(172)	(10,881)	(172)	93,159
Net change in unrealized gain (loss) on investments	(4,700,868)	(1,567,726)	(1,798,703)	(1,689,156)
Net realized and unrealized gain (loss) on investments	(4,701,040)	(1,578,607)	(1,798,875)	(1,595,997)
Net increase (decrease) in net assets resulting from operations	$ (4,974,844)	$ (1,263,808)	$ (2,888,140)	$ (2,216,212)
Net investment income (loss) per share				
Basic	$ (0.002)	$ 0.003	$ (0.009)	$ (0.008)
Diluted	$ (0.002)	$ 0.003	$ (0.009)	$ (0.008)
Net increase (decrease) in net assets resulting from operations per share				
Basic	$ (0.041)	$ (0.010)	$ (0.024)	$ (0.030)
Diluted	$ (0.041)	$ (0.010)	$ (0.024)	$ (0.030)[2]
Weighted average shares of common stock outstanding				
Basic	$120,486,061	$120,486,057	$120,486,061	$ 73,936,133[3]
Diluted	$120,486,061	$120,486,057	$120,486,061	$ 75,897,459[3]

(1) Includes $935,161 of legal and accounting fees related to the transaction that occurred on March 13, 2015 for the six months ended June 30, 2015. See Note 1 of the Notes to Financial Statements.

(2) Includes Series B Preferred Shares convertible at 100 for 1 through March 12, 2015 but is excluded from the diluted calculation for net increase (decrease) in net assets resulting from operations per share and net investment income (loss) per share for the six months ended June 30, 2015 due to it being anti-dilutive.

(3) Includes retroactive application of 2 for 1 stock split.

See notes to financial statements.

PRINCETON CAPITAL CORPORATION

STATEMENTS OF CHANGES IN NET ASSETS (Unaudited)

	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Increase (decrease) in net assets resulting from operations:		
Net investment loss	$ (1,089,265)	$ (620,215)
Net realized gain (loss) on investments	(172)	93,159
Net change in unrealized gain (loss) on investments	(1,798,703)	(1,689,156)
Net increase (decrease) in net assets resulting from operations	(2,888,140)	(2,216,212)
Capital share transactions:		
Unpaid dividend written off	600	-
Issued common stock	-	56,611,576
Net increase in net assets resulting from capital share transactions	600	56,611,576
Total increase (decrease) in net assets	(2,887,540)	54,395,364
Net assets at beginning of period	48,225,563	462,022
Net assets at end of period	$ 45,338,023	$ 54,857,386
Capital share activity:		
Common stock		
Reverse stock split	-	(1,816,534)
Conversion of Regal One Corporation common and preferred shares for Princeton Capital Corporation common shares	-	3,185,201
Issuance of common stock	-	115,484,327(1)
Common stock outstanding at the beginning of period	120,486,061	3,633,067
Common stock outstanding at the end of period	120,486,061	120,486,061
Preferred stock - Series B		
Conversion of Regal One Corporation common and preferred shares for Princeton Capital Corporation common shares	-	(100,000)
Preferred stock outstanding at the beginning of period	-	100,000
Preferred stock outstanding at the end of period	-	-

(1) The shares issued were based on a pre-valuation presumed fair value of $60.9 million.

See notes to financial statements.

PRINCETON CAPITAL CORPORATION

STATEMENTS OF CASH FLOWS (Unaudited)

	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations	$ (2,888,140)	$ (2,216,212)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash used in operating activities:		
Purchases of investments in:		
Portfolio investments	(280,000)	(10,595,000)
U.S. Treasury Bills	(93,000,130)	(97,005,333)
Proceeds from sales, repayments, or maturity of investments in:		
Portfolio investments	-	119,047
U.S. Treasury Bills	50,000,000	40,004,800
Net change in unrealized (gain) loss on investments	1,798,703	1,689,156
Net realized (gain) loss on investments and U.S. Treasury Bill	172	(103,507)
Increase in investments due to PIK	(440,776)	(195,927)
Amortization of fixed income premium or discounts	60,272	7,327
Changes in other assets and liabilities:		
Due from portfolio companies	(14,160)	(111,268)
Due from affiliates	(11,592)	(12,892)
Interest receivable	29,447	(478)
Prepaid expenses	12,687	(68,145)
Accrued management fees	235,061	237,331
Accounts payable	656,154	176,253
Accounts payable – related party	-	(18,500)
Due to affiliates	25,217	8,144
Deposits	-	(2,200,000)
Tax expense payable	35,430	-
Accrued expenses and other liabilities	54,080	210,275
Net cash used in operating activities	(43,727,575)	(70,074,929)
Cash flows from financing activities:		
Deferred offering costs	-	(30,000)
Insurance loan payable	-	58,500
Short term payable for securities purchased	42,569,958	57,000,000
Term loan – related party	390,000	-
Dividends payable to stockholders	(600)	-
Unpaid dividend written off	600	-
Net cash received from common shares issued	-	13,104,381
Net cash provided by financing activities	42,959,958	70,132,881
Net increase (decrease) in cash	(767,617)	57,952
Cash at beginning of period	1,022,510	22,999
Cash at end of period	$ 254,893	$ 80,951
Supplemental and non-cash financing activities:		
Common stock issued in exchange for investments	$ -	$ 43,507,195
Interest expense paid	$ 153,468	$ 3,056
Income tax paid	$ 293,576	$ -
Transfer due to restructuring of investments in Rockfish Seafood Grill, Inc.	$ -	$ 3,250,850

See notes to financial statements.

PRINCETON CAPITAL CORPORATION

SCHEDULE OF INVESTMENTS as of June 30, 2016 (Unaudited)

Investments	Headquarters / Industry		Principal Amount/Shares/% Ownership	Amortized Cost	Fair Value [1]	% of Net Assets
Portfolio Investments						
Control investments						
Rockfish Seafood Grill, Inc.	Richardson, TX					
First Lien Loan, 8% Cash, 6.0% PIK, due 3/31/2018 [(3), (6)]	Casual Dining	$	6,352,944	$ 6,352,944	$ 6,352,944	14.01%
Revolving Loan, 8% Cash, due 6/29/2017 [(6), (7)]		$	1,051,000	1,051,000	1,051,000	2.32%
Rockfish Holdings, LLC						
Warrant for Membership Interest, exercise price $0.001 per 1% membership interest, expires 7/28/2018 [(5), (6)]			10.000%	414,960	300,414	0.66%
Membership Interest – Class A [(5), (6)]			99.997%	3,734,636	2,703,641	5.97%
Total				11,553,540	10,407,999	22.96%
Integrated Medical Partners, LLC	Milwaukee, WI					
Unsecured Loan, 2.0% cash, due 3/1/2018 [(2), (5), (6)]	Medical Business	$	276,922	276,922	276,922	0.61%
Preferred Membership, Class A units [(5), (6)]	Services		800	4,196,937	2,530,215	5.58%
Preferred Membership, Class B units [(5), (6)]			760	29,586	199,747	0.44%
Common Units [(5), (6)]			14,082	-	12,874	0.03%
Total				4,503,445	3,019,758	6.66%
Advantis Certified Staffing Solutions, Inc.	Austin, TX					
Second Lien Loan, 12.5% Cash, due 3/31/2018 [(2), (5), (6)]	Staffing	$	6,435,000	5,954,270	4,856,942	10.71%
Unsecured Loan, 5.0% Cash, due 3/31/2018 [(2), (5), (6)]		$	95,000	95,000	95,000	0.21%
Unsecured Loan, 5.0% Cash, due 3/31/2020 [(2), (5), (6)]		$	195,000	195,000	195,000	0.43%
Unsecured Loan, 5.0% Cash, due 3/31/2018 [(2), (5), (6)]		$	85,000	85,000	85,000	0.20%
Warrant for 250,000 Common Stock Shares, exercise price $0.01 per share, expires 12/09/2017 [(5), (6)]			1	2,071	1,482	-%
Common Stock - Series A Shares [(5), (6)]			225,000	1,864	1,334	-%
Common Stock - Series B Shares [(5), (6)]			9,500,000	78,682	56,333	0.12%
Total				6,411,887	5,291,091	11.67%
Total control investments				22,468,872	18,718,848	41.29%
Affiliate investments						
Spencer Enterprises Holdings, LLC	City of Industry, CA					
Preferred Membership, Class AA units [(5), (6)]	Home Furnishings		500,000	2,391,001	2,933,910	6.47%
Preferred Membership, Class BB units [(5), (6)]	Manufacturing		500,000	2,915,749	4,196,691	9.26%
Total				5,306,750	7,130,601	15.73%
Total affiliate investments				5,306,750	7,130,601	15.73%
Non-control/non-affiliate investments						
Performance Alloys, LLC	Houston, TX					
Second Lien Loan, 12.0% cash, 2.0% PIK, due 3/31/2018 [(2), (3), (5), (6)]	Nickel Pipe, Fittings & Flanges	$	11,881,090	11,881,090	7,503,777	16.55%
Lone Star Brewery Development, Inc.	San Marcos, TX					
Second Lien Loan, 12.0% in cash, 2.0% PIK, due 4/10/2018 [(2), (3), (5), (6)]	Real Estate Development	$	8,076,135	8,076,135	6,002,000	13.24%
Great Value Storage, LLC	Austin, TX					
First Lien Loan, 12.0% cash, 2.0% PIK, due 12/31/2018 [(3), (6)]	Storage Company Property Management	$	6,464,719	6,493,676	6,465,000	14.26%
South Boots Hill, LLC	San Marcos, TX					
First Lien Loan, 12.0% cash, 2.0% PIK, due						

3/31/2018 [(2), (3), (5), (6)]	Energy Services	$	2,525,481	2,525,481	1,740,000	3.84%

See notes to financial statements.

PRINCETON CAPITAL CORPORATION

SCHEDULE OF INVESTMENTS as of June 30, 2016 (Unaudited) (Continued)

Investments	Headquarters / Industry	Principal Amount/Shares/% Ownership	Amortized Cost	Fair Value (1)	% of Net Assets
Non-control/non-affiliate investments (continued)					
Neuralstem, Inc.	Germantown, MD				
Warrant for 1,000,000 shares, exercise price $5.00 per share, expires 8/30/2016 (5), (6)	Biotechnology	1	$ 50,000	$ 197	-%
Rampart Detection Systems, Ltd.	British Columbia, Canada				
Common Stock Shares (4), (5), (6)	Security	600,000	1,200	1,200	-%
Total non-control/non-affiliate investments			29,027,582	21,712,174	47.89%
Total Portfolio Investments			56,803,204	47,561,623	104.91%
United States Treasury					
U. S. Treasury Bill 0.0% 07/06/16		$ 43,000,000	42,999,958	42,999,656	94.84%
Total Investments			**$ 99,803,162**	**$ 90,561,279**	**199.75%**

(1) See Note 5 of the Notes to Financial Statements for a discussion of the methodologies used to value securities in the portfolio.
(2) Investment is on non-accrual status.
(3) Represents a payment-in-kind security (“PIK”). At the option of the issuer, interest can be paid in cash or cash and PIK. The percentage of PIK shown is the maximum PIK that can be elected by the portfolio company.
(4) The investment in Rampart Detection Systems, Ltd does not represent a “qualifying asset” under Section 55(a) of the 1940 Act as the principal place of business is in British Columbia, Canada. As of June 30, 2016, less than 1% of the total fair value of investments represents non-qualifying assets.
(5) Investment is non-income producing as of June 30, 2016.
(6) Represents an illiquid investment. At June 30, 2016, 100% of the total fair value of portfolio investments are illiquid.
(7) On June 29, 2015, the Company entered into a revolving loan commitment with Rockfish Seafood Grill, Inc. for $1,250,000. As June 30, 2016, $199,000 remains unfunded.

See notes to financial statements.

PRINCETON CAPITAL CORPORATION

SCHEDULE OF INVESTMENTS as of June 30, 2016 (Unaudited) (Continued)

The following tables show the fair value of our portfolio of investments (excluding U.S. Treasury Bills) by geography and industry as of June 30, 2016.

Geography	June 30, 2016 Investments at Fair Value	June 30, 2016 Percentage of Net Assets
Canada	$ 1,200	0.00%
United States	47,560,423	104.91
Total	$ 47,561,623	104.91%

Industry	June 30, 2016 Investments at Fair Value	June 30, 2016 Percentage of Net Assets
Casual Dining	$ 10,407,999	22.96%
Nickel Pipe, Fittings and Flanges	7,503,777	16.55
Real Estate Development	6,002,000	13.24
Home Furnishings Manufacturing	7,130,601	15.73
Storage Company Property Management	6,465,000	14.26
Staffing	5,291,091	11.67
Medical Business Services	3,019,758	6.66
Energy Services	1,740,000	3.84
Security	1,200	0.00
Biotechnology	197	0.00
Total	$ 47,561,623	104.91%

See notes to financial statements.

PRINCETON CAPITAL CORPORATION

SCHEDULE OF INVESTMENTS as of December 31, 2015 (Audited)

Investments	Headquarters / Industry	Principal Amount/Shares/% Ownership	Amortized Cost	Fair Value [1]	% of Net Assets
Control investments					
Rockfish Seafood Grill, Inc.	Richardson, TX				
First Lien Loan, 8% Cash, 6.0% PIK, due 3/31/2018 [(4), (7)]	Casual Dining	$ 6,164,535	$ 6,164,535	$ 6,164,535	12.78%
Revolving Loan, 8% Cash, due 6/29/2017 [(7), (8)]		$ 1,051,000	1,051,000	1,051,000	2.18%
Rockfish Holdings, LLC					
Warrant for Membership Interest, exercise price $0.001 per 1% membership interest, expires 7/28/2018 [(6), (7)]		10.000%	414,960	316,531	0.65%
Membership Interest – Class A [(6), (7)]		99.997%	3,734,636	2,848,693	5.91%
Total			11,365,131	10,380,759	21.52%
Integrated Medical Partners, LLC	Milwaukee, WI				
Unsecured Loan, 2.0% cash, due 3/1/2018 [(3), (6), (7)]	Medical Business	$ 276,922	276,922	276,922	0.57%
Preferred Membership, Class A units [(6), (7)]	Services	800	4,196,937	2,331,439	4.83%
Preferred Membership, Class B units [(6), (7)]		760	29,586	32,923	0.08%
Common Units [(6), (7)]		14,082	-	65	0.00%
Total			4,503,445	2,641,349	5.48%
Advantis Certified Staffing Solutions, Inc. [(2)]	Austin, TX				
Second Lien Loan, 12.5% Cash, due 3/31/2018 [(3), (6), (7)]	Staffing	$ 6,435,000	5,954,270	4,104,994	8.51%
Unsecured Loan, 5.0%, Cash due 3/31/2018 [(3), (6), (7)]		$ 95,000	95,000	95,000	0.20%
Warrant for 250,000 Common Stock Shares, exercise price $0.01 per share, expires 12/09/2017 [(6), (7)]		1	2,071	691	0.00%
Common Stock - Series A Shares [(6), (7)]		225,000	1,864	622	0.00%
Common Stock - Series B Shares [(6), (7)]		9,500,000	78,682	26,256	0.06%
Total			6,131,887	4,227,563	8.77%
Total control investments			22,000,463	17,249,671	35.77%
Affiliate investments					
Spencer Enterprises Holdings, LLC	City of Industry, CA				
Preferred Membership, Class AA units [(6), (7)]	Home Furnishings	500,000	2,391,001	2,353,965	4.88%
Preferred Membership, Class BB units [(6), (7)]	Manufacturing	500,000	2,915,749	2,960,434	6.14%
Total			5,306,750	5,314,399	11.02%
Total affiliate investments			5,306,750	5,314,399	11.02%
Non-control/non-affiliate investments					
Performance Alloys, LLC	Houston, TX				
Second Lien Loan, 12.0% cash, 2.0% PIK, due 3/31/2017 [(3), (4), (7)]	Nickel Pipe, Fittings & Flanges	$ 11,881,090	11,881,090	9,205,500	19.09%
Lone Star Brewery Development, Inc.	San Marcos, TX				
Second Lien Loan, 12.0% in cash, 2.0% PIK, due 4/10/2018 [(3), (4), (7)]	Real Estate Development	$ 8,076,135	8,076,135	8,076,000	16.75%
Great Value Storage, LLC	Austin, TX				
First Lien Loan, 12.0% cash, 2.0% PIK, due 12/31/2018 [(4), (7)]	Storage Company Property Management	$ 6,212,352	6,301,581	6,324,000	13.11%
South Boots Hill, LLC	San Marcos, TX				
First Lien Loan, 12.0% cash, 2.0% PIK, due 3/31/2018 [(3), (4), (7)]	Energy Services	$ 2,525,481	2,525,481	2,525,000	5.23%
Neuralstem, Inc.	Germantown, MD				
Warrant for 1,000,000 shares, exercise price $5.00 per share, expires 8/30/2016 [(6), (7)]	Biotechnology	1	50,000	3,750	0.01%

See notes to financial statements.

PRINCETON CAPITAL CORPORATION

SCHEDULE OF INVESTMENTS as of December 31, 2015 (Audited) (Continued)

Investments	Headquarters / Industry	Principal Amount/Shares/% Ownership	Amortized Cost	Fair Value (1)	% of Net Assets
Non-control/non-affiliate investments (continued)					
Rampart Detection Systems, Ltd.	British Columbia, Canada				
Common Stock Shares (5), (6), (7)	Security	600,000	$ 1,200	$ 1,200	0.00%
Total non-control/non-affiliate investments			28,835,487	26,135,450	54.19%
Total portfolio investments			$ 56,142,700	$ 48,699,520	100.98%

(1) See Note 5 of the Notes to Financial Statements for a discussion of the methodologies used to value securities in the portfolio.
(2) Formerly known as Advantis Healthcare Solutions, Inc.
(3) Investment is on non-accrual status.
(4) Represents a payment-in-kind security ("PIK"). At the option of the issuer, interest can be paid in cash or cash and PIK. The percentage of PIK shown is the maximum PIK that can be elected by the portfolio company.
(5) The investment in Rampart Detection Systems, Ltd does not represent a "qualifying asset" under Section 55(a) of the 1940 Act as the principal place of business is in British Columbia, Canada. As of December 31, 2015, less than 1% of the total fair value of investments represents non-qualifying assets.
(6) Investment is non-income producing as of December 31, 2015.
(7) Represents an illiquid investment. At December 31, 2015, 100% of the total fair value of investments are illiquid.
(8) On June 29, 2015 the Company entered into a revolving loan commitment with Rockfish Seafood Grill, Inc. for $1,250,000. As of December 31, 2015, the $199,000 remains unfunded.

See notes to financial statements.

PRINCETON CAPITAL CORPORATION

SCHEDULE OF INVESTMENTS as of December 31, 2015 (Continued)

The following tables show the fair value of our portfolio of investments by geography and industry as of December 31, 2015.

	December 31, 2015	
Geography	**Investments at Fair Value**	**Percentage of Net Assets**
Canada	$ 1,200	0.00%
United States	48,698,320	100.98
Total	$ 48,699,520	100.98%

	December 31, 2015	
Industry	**Investments at Fair Value**	**Percentage of Net Assets**
Casual Dining	$ 10,380,759	21.52%
Nickel Pipe, Fittings and Flanges	9,205,500	19.09
Real Estate Development	8,076,000	16.75
Storage Company Property Management	6,324,000	13.11
Home Furnishings Manufacturing	5,314,399	11.02
Staffing	4,227,563	8.77
Medical Business Services	2,641,349	5.48
Energy Services	2,525,000	5.23
Biotechnology	3,750	0.01
Security	1,200	0.00
Total	$ 48,699,520	100.98%

See notes to financial statements.

PRINCETON CAPITAL CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of June 30, 2016 (Unaudited)

NOTE 1 – NATURE OF OPERATIONS

References herein to "we", "us" or "our" refer to Princeton Capital Corporation (the "Company" or "Princeton Capital"), unless the context specifically requires otherwise.

Princeton Capital Corporation, a Maryland corporation, was incorporated under the general laws of the State of Maryland on July 25, 2013, with its principal office located in Princeton, New Jersey. We are a non-diversified, closed-end investment company that has filed an election to be regulated as a business development company ("BDC"), under the Investment Company Act of 1940, as amended (the "1940 Act"). As a BDC, we expect to annually qualify and elect to be treated as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). It is likely that the Company will not meet the requirements to qualify as a RIC for the 2016 and 2017 tax years and expects to be taxed as a corporation under Subchapter C of the Code. We invest primarily in private small and lower middle-market companies through first lien loans, second lien loans, unsecured loans, unitranche and mezzanine debt financing, often times with a corresponding equity investment. Our investment objective is to maximize the total return to our stockholders in the form of current income and capital appreciation through debt and related equity investments.

Prior to March 13, 2015, Princeton Capital's predecessor operated under the name Regal One Corporation ("Regal One"). Regal One had been located in Scottsdale, Arizona, and was a Florida corporation initially incorporated in 1959 as Electro-Mechanical Services Inc. Since inception, Regal One had been involved in a number of industries. In 1998 the Electro-Mechanical Services Inc. changed its name to Regal One Corporation.

On March 7, 2005, Regal One's board of directors determined it was in the shareholders' best interest to change the focus of its operations to providing financial consulting services through its network of advisors and professionals, and to be regulated as a BDC under the 1940 Act. On September 16, 2005, Regal One filed a Form N54A (Notification of Election by Business Development Companies) with the Securities and Exchange Commission ("SEC"), which transformed Regal One into a BDC in accordance with sections 55 through 65 of the 1940 Act. Regal One reported as an operating BDC from March 31, 2006 until March 13, 2015 and since March 13, 2015 (following the Reincorporation described below) Princeton Capital has reported as an operating BDC.

On July 9, 2014, Regal One acquired Princeton Capital as a wholly owned subsidiary. On July 14, 2014, Regal One, Princeton Capital, Capital Point Partners, LP, a Delaware limited partnership ("CPP"), and Capital Point Partners II, LP, a Delaware limited partnership ("CPPII" and, together with CPP, the "Partnerships"), entered into an Asset Purchase Agreement (the "Purchase Agreement"). Pursuant to the Purchase Agreement, Regal One would acquire cash, equity and debt investments of the Partnerships in exchange for shares of common stock of Regal One. In addition to the customary conditions to closing the transactions contemplated by the Purchase Agreement, Regal One was required to (i) to effect a reverse stock split of Regal One's outstanding common stock at a ratio of 1-for-2 (the "Reverse Stock Split"), (ii) reincorporate from Florida to Maryland by merging into Princeton Capital (the "Reincorporation") and (iii) become an externally managed BDC by entering into an external investment advisory agreement with Princeton Investment Advisors, LLC, ("Princeton Investment Advisors") a Delaware limited liability company.

On March 13, 2015, following the Reverse Stock Split and the Reincorporation, we completed our previously announced acquisition in the approximate amounts of $11.2 million in cash, $43.5 million in equity & debt investments, and $1.9 million in restricted cash escrow deposits of the Partnerships with an aggregate value of approximately $56.6 million and issued approximately 115.5 million shares of our common stock to the Partnerships. The shares issued were based on a pre-valuation presumed fair value of $60.9 million. We also entered into an investment advisory agreement with Princeton Investment Advisors, which subsequently was terminated by the Company's Board of Directors on January 18, 2016, effective as of June 9, 2016.

On January 18, 2016, the Board of Directors of the Company conditionally approved the investment advisory agreement with Princeton Advisory Group, Inc., a New Jersey corporation ("Princeton Advisory Group") (the "New Investment Advisory Agreement"), subject to the approval of the Company's stockholders at the 2016 Annual Meeting of Stockholders. At the 2016 Annual Meeting of Stockholders held on June 9, 2016, the Company's stockholders approved the New Investment Advisory Agreement, effective June 9, 2016. Since June 9, 2016, Princeton Advisory Group has acted as the Company's investment advisor pursuant to the terms of the New Investment Advisory Agreement.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, ("U.S. GAAP"). In accordance with Regulation S-X under the Securities Act of 1933 and Securities Exchange Act of 1934, the Company does not consolidate portfolio company investments. The accounting records of the Company are maintained in U.S. dollars. As an investment company, as defined by the 1940 Act, the Company follows investment company accounting and reporting guidance of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946 – Financial Services - Investment Companies, which is U.S. GAAP.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Changes in the economic environment, financial markets, creditworthiness of our portfolio companies and any other parameters used in determining these estimates could cause actual results to differ.

Portfolio Investment Classification

The Company classifies its investments in accordance with the requirements of the 1940 Act. Under the 1940 Act, "Control Investments" are defined as investments in companies in which the Company owns more than 25% of the voting securities or maintains greater than 50% of the board representation. Under the 1940 Act, "Affiliated Investments" are defined as those non-control investments in companies in which the Company owns between 5% and 25% of the voting securities. Under the 1940 Act, "Non-affiliated Investments" are defined as investments that are neither Control Investments nor Affiliated Investments. As of June 30, 2016, the Company had control investments in Rockfish Seafood Grill Inc., Rockfish Holdings, LLC, Integrated Medical Partners, LLC and Advantis Certified Staffing Solutions, Inc. and affiliated investments in Spencer Enterprises Holdings, LLC, as defined under the 1940 Act.

Investments are recognized when we assume an obligation to acquire a financial instrument and assume the risks for gains or losses related to that instrument. Investments are derecognized when we assume an obligation to sell a financial instrument and forgo the risks for gains and losses related to that instrument. Specifically, we record all security transactions on a trade date basis. Investments in other non-security financial instruments, such as limited partnerships or private companies, are recorded on the basis of subscription date or redemption date, as applicable. Amounts for investments recognized or derecognized but not yet settled are reported as receivables for investments sold or payable for investments acquired, respectively, in the Statements of Assets and Liabilities.

Valuation of Investments

In accordance with U.S. GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, our board of directors uses various valuation approaches. In accordance with U.S. GAAP, ASC 820 establishes a fair value hierarchy for inputs and is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the board of directors. Unobservable inputs reflect our board of director's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

With respect to investments for which market quotations are not readily available, our board of directors undertakes a multi-step valuation process each quarter, as described below:

- Our quarterly valuation process begins with each portfolio company or investment being initially valued by an independent valuation firm, except for those investments where market quotations are readily available;

- Preliminary valuation conclusions are then documented and discussed with our senior management and our investment advisor (our investment advisor, as disclosed in various public filings and elsewhere in this Form 10-Q, changed on June 9, 2016 from Princeton Investment Advisors to Princeton Advisory Group);

- The valuation committee of our board of directors then reviews these preliminary valuations and approves them for recommendation to the board of directors;

- The board of directors then discusses valuations and determines the fair value of each investment in our portfolio in good faith, based on the input of our investment advisor (our investment advisor, as disclosed in various public filings and elsewhere in this Form 10-Q, changed on June 9, 2016 from Princeton Investment Advisors to Princeton Advisory Group), the independent valuation firm and the valuation committee.

U.S. GAAP establishes a framework for measuring fair value that includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1 — Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 — Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors including, the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by the board of directors in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

Valuation Processes

The Company establishes valuation processes and procedures to ensure that the valuation techniques for investments that are categorized within Level 3 of the fair value hierarchy are fair, consistent, and verifiable. The Company's board of directors designates a Valuation Committee (the "Committee") to oversee the entire valuation process of the Company's Level 3 investments. The Committee is comprised of independent directors and reports to the Company's board of directors. The Committee is responsible for developing the Company's written valuation processes and procedures, conducting periodic reviews of the valuation policies, and evaluating the overall fairness and consistent application of the valuation policies.

The Committee meets on a quarterly basis, or more frequently as needed, to determine the valuations of the Company's Level 3 investments. Valuations determined by the Committee are required to be supported by market data, third-party pricing sources, industry accepted pricing models, counterparty prices, or other methods that the Committee deems to be appropriate.

The Company will periodically test its valuations of Level 3 investments through performing back testing of the sales of such investments by comparing the amounts realized against the most recent fair values reported, and if necessary, uses the findings to recalibrate its valuation procedures. On a quarterly basis, the Company engages the services of a nationally recognized third-party valuation firm to perform an independent valuation of the Company's Level 3 investments.

Investment Valuation

We expect that most of our portfolio investments will take the form of securities that are not publicly traded. The fair value of loans, securities and other investments that are not publicly traded may not be readily determinable, and we will value these investments at fair value as determined in good faith by our board of directors, including reflecting significant events affecting the value of our investments. Most, if not all, of our investments (other than cash and cash equivalents) will be classified as Level 3 under Financial Accounting Standards Board Accounting Standards Codification "Fair Value Measurements and Disclosures", or ASC 820. This means that our portfolio valuations will be based on unobservable inputs and our own assumptions about how market participants would price the asset or liability in question. We expect that inputs into the determination of fair value of our portfolio investments will require significant management judgment or estimation. Even if observable market data are available, such information may be the result of consensus pricing information or broker quotes, which include a disclaimer that the broker would not be held to such a price in an actual transaction. The non-binding nature of consensus pricing and/or quotes accompanied by disclaimers materially reduces the reliability of such information. We expect to retain the services of one or more independent service providers to review the valuation of these loans and securities. The types of factors that the board of directors may take into account in determining the fair value of our investments generally include, as appropriate, comparison to publicly traded securities including such factors as yield, maturity and measures of credit quality, the enterprise value of a portfolio company, the nature and realizable value of any collateral, the portfolio company's ability to make payments and its earnings and discounted cash flow, the markets in which the portfolio company does business and other relevant factors. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these loans and securities existed. Our net asset value could be adversely affected if our determinations regarding the fair value of our investments were materially higher than the values that we ultimately realize upon the disposal of such loans and securities.

We will adjust the valuation of our portfolio quarterly to reflect our board of directors' determination of the fair value of each investment in our portfolio. Any changes in fair value are recorded in our statement of operations as net change in unrealized appreciation or depreciation.

Debt Securities

The Company's portfolio consists primarily of first lien loans, second lien loans, and unsecured loans. Investments for which market quotations are readily available ("Level 2 Loans") are generally valued using market quotations, which are generally obtained from an independent pricing service or broker-dealers. For other debt investments ("Level 3 Loans"), market quotations are not available and other techniques are used to determine fair value. The Company considers its Level 3 Loans to be performing if the borrower is not in default, the borrower is remitting payments in a timely manner, the loan is in covenant compliance or is otherwise not deemed to be impaired. In determining the fair value of the performing Level 3 Loans, the Board considers fluctuations in current interest rates, the trends in yields of debt instruments with similar credit ratings, financial condition of the borrower, economic conditions, success and prepayment fees, and other relevant factors, both qualitative and quantitative. In the event that a Level 3 Loan instrument is not performing, as defined above, the Board may evaluate the value of the collateral utilizing the same framework described above for a performing loan to determine the value of the Level 3 Loan instrument.

Equity Investments

Our equity investments, including common stock, membership interests, and warrants, are generally valued using a market approach and income approach. The income approach utilizes primarily the discount rate to value the investment whereas the primary inputs for the market approach are the earnings before interest, taxes, depreciation and amortization ("EBITDA") multiple and revenue multiples. The Black-Scholes Option Pricing Model, a valuation technique that follows the income approach, is used to allocate the value of the equity to the investment. The pricing model takes into account the contract terms (including maturity) as well as multiple inputs, including time value, implied volatility, equity prices, risk free rates, and interest rates.

Valuation of Other Financial Instruments

The carrying amounts of the Company's other, non-investment, financial instruments, consisting of cash, receivables, accounts payable, and accrued expenses, approximate fair value due to their short-term nature.

Cash

The Company deposits its cash in financial institutions and, at times, such balances may be in excess of the Federal Deposit Insurance Corporation insured limit; however, management does not believe it is exposed to any significant credit risk.

U.S. Treasury Bills

At the end of each fiscal quarter, we may take proactive steps to ensure we are in compliance with the RIC diversification requirements under Subchapter M of the Code, which are dependent upon the composition of our total assets at quarter end. We may accomplish this in several ways, including purchasing U.S. Treasury Bills and closing out positions after quarter-end.

Revenue Recognition

Realized gains or losses on the sale of investments are calculated using the specific identification method. The Company measures realized gains or losses by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, without regard to unrealized appreciation or depreciation previously recognized, but considering unamortized upfront fees and prepayment penalties.

Interest income, adjusted for amortization of premium and accretion of discount, is recorded on an accrual basis. Origination, closing and/or commitment fees associated with senior and subordinated secured loans are accreted into interest income over the respective terms of the applicable loans. Upon the prepayment of a senior or subordinated secured loan, any prepayment penalties and unamortized loan origination, closing and commitment fees are recorded as interest income. Generally, when a payment default occurs on a loan in the portfolio, or if the Company otherwise believes that borrower will not be able to make contractual interest payments, the Company may place the loan on non-accrual status and cease recognizing interest income on the loan until all principal and interest is current through payment, or until a restructuring occurs, and the interest income is deemed to be collectible. The Company may make exceptions to this policy if a loan has sufficient collateral value, is in the process of collection or is viewed to be able to pay all amounts due if the loan were to be collected on through an investment in or sale of the business, the sale of the assets of the business, or some portion or combination thereof.

Dividend income is recorded on the ex-dividend date.

Structuring fees, excess deal deposits, prepayment fees and similar fees are recognized as income as earned, usually when paid. Other fee income, including annual fees and monitoring fees are included in Other Income. Income from such sources was $6,968 and $19,008 for the three and six months ended June 30, 2016, respectively. Income from such sources for the three and six months ended June 30, 2015 was $8,902 and $8,907, respectively. Interest income earned on cash in the Company's bank account is included in other income from non-investment sources. Income from such sources was $36 and $164 for the three and six months ended June 30, 2016, respectively. There was no such income for the three and six months ended June 30, 2015.

Payment-in-Kind Interest ("PIK")

We have investments in our portfolio that contain a PIK interest provision. Any PIK interest is added to the principal balance of such investments and is recorded as income, if the portfolio company valuation indicates that such PIK interest is collectible. In order to maintain our status as a RIC, substantially all of this income must be paid out to stockholders in the form of dividends, even if we have not collected any cash. For the quarter ending June 30, 2016 and through the date of issuance of this report, no dividends have been paid out to stockholders.

Net Change in Unrealized Appreciation or Depreciation

Net change in unrealized appreciation or depreciation will reflect the change in portfolio investment values during the reporting period, including any reversal of previously recorded unrealized appreciation or depreciation, when gains or losses are realized.

Legal Fees

The Company incurred legal fees related to the lawsuit captioned *Capital Link Fund I, LLC, et al. v. Capital Point Management, LP, et al.* as disclosed in Note 8. It is undeterminable at this time the ultimate responsibility for amounts invoiced to the Company by two of the law firms that provided services, as these invoices were for the entire law firm's fees even though they represented multiple parties and the Company believes that some of these services rendered were provided for other represented parties. For the three and six months ended June 30, 2016, the Company was invoiced legal fees by these two law firms related to this lawsuit in the amount of $8,387 and $329,219, respectively, which are included in professional fees on the Statements of Operations. As of June 30, 2016, these fees are included in accounts payable on the Statements of Assets and Liabilities. Other legal fees invoiced to the Company for the three and six months ended June 30, 2016, were incurred in the normal operating course of business and are included in professional fees on the Statements of Operations.

Federal and State Income Taxes

The Company is taxed as a regular corporation (a "C corporation") under subchapter C of the Internal Revenue Code of 1986, as amended. The Company uses the liability method of accounting for income taxes. Deferred tax assets and liabilities are recorded for tax loss carryforwards and temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, using statutory tax rates in effect for the year in which the temporary differences are expected to reverse. A valuation allowance is provided against deferred tax assets when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

It is likely that the Company will not meet the qualifications of a RIC for the 2016 and 2017 tax years and expects to be taxed as a corporation under Subchapter C of the Code. In order to qualify as a RIC, among other things, the Company is required to distribute to its stockholders on a timely basis at least 90% of investment company taxable income, as defined by the Code, for each year. So long as the Company maintains its status as a RIC, it generally will not pay corporate-level U.S. federal and state income taxes on any ordinary income or capital gains that it distributes at least annually to its stockholders as dividends. Rather, any tax liability related to income earned by the Company will represent obligations of the Company's investors and will not be reflected in the financial statements of the Company.

The Company evaluates tax positions taken or expected to be taken in the course of preparing its financial statements to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. The Company recognizes the tax benefits of uncertain tax positions only where the position has met the "more-likely-than-not" threshold. The Company classifies penalties and interest associated with income taxes, if any, as income tax expense. Conclusions regarding tax positions are subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analyses of tax laws, regulations and interpretations thereof.

Dividends and Distributions

Dividends and distributions to common stockholders are recorded on the ex-dividend date. The amount, if any, to be paid as a dividend is approved by our board of directors each quarter and is generally based upon our management's estimate of our earnings for the quarter.

Per Share Information

Basic and diluted earnings (loss) per common share is calculated using the weighted average number of common shares outstanding for the period presented.

Basic net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by dividing net loss per share by the weighted average number of shares outstanding, plus, any potentially dilutive shares outstanding during the period. The Company had 100,000 Series B Preferred Shares convertible at 100 for 1 outstanding through March 12, 2015, but were excluded from the calculation of diluted loss per share of common stock because their inclusion would have been antidilutive. Therefore, dilutive loss per share of common stock was equal to basic loss per share of common stock for the three and six months ended June 30, 2015. For the three and six months ended June 30, 2016, basic and diluted earnings (loss) per share were the same, since there were no potentially dilutive securities outstanding.

Transactional Expenses

A portion of the assets acquired on March 13, 2015 from the Partnerships were used for legal and accounting fees related to the acquisition transaction and were expensed as professional fees. The Company incurred $935,161 of professional fees related to the transaction for the period ended June 30, 2015. There were no professional fees related to the transaction for the period ended June 30, 2016.

Capital Accounts

Certain capital accounts including undistributed net investment income, accumulated net realized gain or loss, accumulated net unrealized appreciation or depreciation, and paid-in capital in excess of par, are adjusted, at least annually, for permanent differences between book and tax. In addition, the character of income and gains to be distributed is determined in accordance with income tax regulations that may differ from U.S. GAAP.

Recent Accounting Pronouncements

In May 2015, the FASB issued ASU 2015-07, Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent) ("ASU 2015-07"). ASU 2015-07 removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. ASU 2015-07 is effective for fiscal years beginning after December 15, 2015. The Company does not believe this standard has an impact on its Financial Statements.

In August 2014, the FASB issued ASU 2014-15, Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern ("ASU 2014-15"). ASU 2014-15 requires management to evaluate relevant conditions or events that are known or reasonably knowable as of the evaluation date when determining whether substantial doubt about an entity's ability to continue as a going concern exists. If management concludes that substantial doubt about an entity's ability to continue as a going concern is not alleviated by its plans, the notes to the financial statements are required to include a statement that there is substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or available to be issued, when applicable). ASU 2014-15 is effective for annual periods ending after December 15, 2016 and for annual periods thereafter. The Company does not believe this standard has an impact on its Financial Statements.

In November 2015, the FASB issued ASU 2015-17, Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes ("ASU 2015-17"). ASU 2015-17 requires that all deferred tax assets and liabilities, along with any related valuation allowance, be classified as noncurrent on the balance sheet. As a result, each jurisdiction will now only have one net noncurrent deferred tax asset or liability. ASU 2015-17 is effective for public business entities in fiscal years beginning after December 15, 2016, including interim periods within those years. The Company does not believe this standard has an impact on its Financial Statements.

NOTE 3 – CONCENTRATION OF CREDIT RISK

In the normal course of business, the Company maintains its cash balances in financial institutions, which at times may exceed federally insured limits. The Company is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties.

NOTE 4 – NET INCOME (LOSS) PER COMMON SHARE

The following information sets forth the computation of basic and diluted income (loss) per common share for the six months ended June 30, 2016 and June 30, 2015.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Per Share Data (1):				
Net Increase (Decrease) in Net Assets Resulting from Operations	$ (4,974,844)	$ (1,263,808)	$ (2,888,140)	$ (2,216,212)
Weighted average shares outstanding for period				
Basic	120,486,061	120,486,057	120,486,061	73,936,133(2)
Diluted	120,486,061	120,486,057	120,486,061	75,897,459(2),(3)
Basic and diluted income (loss) per common share				
Basic	$ (0.041)	$ (0.010)	$ (0.024)	$ (0.030)
Diluted	$ (0.041)	$ (0.010)	$ (0.024)	$ (0.030)

(1) Per share data based on weighted average shares outstanding.
(2) Includes retroactive application of 2 for 1 stock split.
(3) Includes Series B Preferred Shares convertible at 100 for 1 through March 12, 2015 but is excluded from the diluted calculation for net increase (decrease) in net assets resulting from operations per share for the six months ended June 30, 2015 due to it being anti-dilutive.

NOTE 5 – FAIR VALUE OF INVESTMENTS

The Company's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with ASC Topic 820 – Fair Value Measurements and Disclosures ("ASC 820"). See Note 2 for a discussion of the Company's policies.

The following table presents information about the Company's assets measured at fair value as of June 30, 2016 and December 31, 2015, respectively:

	As of June 30, 2016 (Unaudited)			
	Level 1	Level 2	Level 3	Total
Portfolio Investments				
First Lien Loans	$ -	$ -	$ 15,608,944	$ 15,608,944
Second Lien Loans	-	-	18,362,719	18,362,719
Unsecured Loans	-	-	651,922	651,922
Equity	-	-	12,938,038	12,938,038
Total Portfolio Investments	-	-	47,561,623	47,561,623
U.S. Treasury Bill	42,999,656	-	-	42,999,656
Total Investments	$ 42,999,656	$ -	$ 47,561,623	$ 90,561,279

	As of December 31, 2015 (Audited)			
	Level 1	**Level 2**	**Level 3**	**Total**
Portfolio Investments				
First Lien Loans	$ -	$ -	$ 16,064,535	$ 16,064,535
Second Lien Loans	-	-	21,386,494	21,386,494
Unsecured Loans	-	-	371,922	371,922
Equity	-	-	10,876,569	10,876,569
Total Portfolio Investments	$ -	$ -	$ 48,699,520	$ 48,699,520

During the six months ended June 30, 2016 and year ended December 31, 2015, there were no transfers between Level, 1, Level 2 or Level 3.

The following table presents additional information about Level 3 assets measured at fair value. Both observable and unobservable inputs may be used to determine the fair value of positions that the Company has classified within the Level 3 category. As a result, the unrealized gains and losses for assets within the Level 3 category may include changes in fair value that were attributable to both observable (e.g., changes in market interest rates) and unobservable (e.g., changes in unobservable long-dated volatilities) inputs.

Changes in Level 3 assets measured at fair value for the six months ended June 30, 2016 are as follows:

	First Lien Loans	**Second Lien Loans**	**Unsecured Loans**	**Equity**	**Total**
Fair value at beginning of period	$ 16,064,535	$ 21,386,494	$ 371,922	$ 10,876,569	$ 48,699,520
Amortization	(60,272)	-	-	-	(60,272)
Purchases of investments	-	-	280,000	-	280,000
Sales of investments	-	-	-	-	-
Payment-in-kind interest	440,776	-	-	-	440,776
Realized gain (loss)	-	-	-	-	-
Change in unrealized gain (loss) on investments	(836,095)	(3,023,775)	-	2,061,469	(1,798,401)
Fair value at end of period	$ 15,608,944	$ 18,362,719	$ 651,922	$ 12,938,038	$ 47,561,623
Change in unrealized gain (loss) on Level 3 investments still held as of June 30, 2016	$ (836,095)	$ (3,023,775)	$ -	$ 2,061,469	$ (1,798,401)

Changes in Level 3 assets measured at fair value for the six months ended June 30, 2015 are as follows:

	First Lien Loans	**Second Lien Loans**	**Unsecured Loans**	**Equity**	**Total**
Fair value at beginning of period	$ -	$ -	$ -	$ 157,260	$ 157,260
Common stock issued in exchange for investments	15,068,117	17,624,442	300,000	10,514,636	43,507,195
Amortization	(7,327)	-	-	-	(7,327)
Purchases of investments	2,500,000	8,000,000	95,000	-	10,595,000
Sales of investments	-	-	(13,506)	-	(13,506)
Payment-in-kind interest	77,249	118,677	-	-	195,926
Change in unrealized gain (loss) on investments	8,200	(306,221)	-	(1,244,522)	(1,542,543)
Transfers due to restructuring	(3,250,850)	-	-	3,250,850	-
Fair value at end of period	$ 14,395,389	$ 25,436,898	$ 381,494	$ 12,678,224	$ 52,892,005
Change in unrealized gain (loss) on Level 3 investments still held as of June 30, 2015	$ 8,200	$ (306,221)	$ -	$ (1,244,522)	$ (1,542,543)

PRINCETON CAPITAL CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of June 30, 2016 (Unaudited)

The following table provides quantitative information regarding Level 3 fair value measurements as of June 30, 2016:

Description	Fair Value	Valuation Technique	Unobservable Inputs	Range (Average)
First Lien Loans	$ 6,465,000	Discounted Cash Flow	Discount Rate	14.00%
	7,403,944	Discounted Cash Flow	Discount Rate	13.10%
		Market Approach	Enterprise Value/Revenue Multiple	0.6x-0.8x (0.7x)
	1,740,000	Market Approach	Real Estate Appraisal Values	N/A
Total	**15,608,944**			
Second Lien Loans	6,002,000	Discounted Cash Flow	Discount Rate	45.00%
	4,856,942	Discounted Cash Flow	Discount Rate	14.40%
		Market Approach	Enterprise Value / Revenue & EBITDA Multiples	0.3x -4.2x (2.25x)
	7,503,777	Discounted Cash Flow	Discount Rate	9.00%
		Market Approach	Enterprise Value/Revenue Multiple	8,6x
		Market Approach	Distressed Debt as a Percentage of Par	70.00%
Total	**18,362,719**			
Unsecured Loans	651,922	Discounted Cash Flow	Discount Rate	10.40%-14.40% (12.40%)
		Market Approach	Enterprise Value / Revenue & EBITDA Multiples	0.3x – 6.0x (3.15x)
Total	**651,922**			
Equity	12,938,038	Black-Scholes Option	Volatility	28.00%-91.60% (59.80%)
		Pricing Model	Discount for lack of marketability	0.00%-9.00% (4.50%)
		Market Approach	Enterprise Value / Revenue & EBITDA Multiples	0.3x – 11.3x (5.8x)
		Income Approach	Discount Rate	10.40% - 14.40% (12.40%)
Total	**12,938,038**			
Total Level 3 Investments	**$ 47,561,623**			

The primary significant unobservable input used in the fair value measurement of the Company's debt securities (first lien loans, second lien loans and unsecured loans), including income-producing investments in funds, is the discount rate. Significant increases (decreases) in the discount rate in isolation would result in a significantly lower (higher) fair value measurement. In determining the discount rate, for the income (discounted cash flow) or yield approach, the Company considers current market yields and multiples, portfolio company performance, leverage levels and credit quality, among other factors in its analysis. Changes in one or more of these factors can have a similar directional change on other factors in determining the appropriate discount rate to use in the income approach.

The primary significant unobservable inputs used in the fair value measurement of the Company's equity investments are the EBITDA multiple and revenue multiple, which is used to determine the Enterprise Value. Significant increases (decreases) in the Enterprise Value in isolation would result in a significantly higher (lower) fair value measurement. To determine the Enterprise Value for the market approach, the Company considers current market trading and/or transaction multiples, portfolio company performance (financial ratios) relative to public and private peer companies and leverage levels, among other factors. Changes in one or more of these factors can have a similar directional change on other factors in determining the appropriate multiple to use in the market approach.

The primary unobservable inputs used in the fair value measurement of the Company's equity investments, when using an option pricing model to allocate the equity value to the investment, are the discount rate for lack of marketability and volatility. Significant increases (decreases) in the discount rate in isolation would result in a significantly lower (higher) fair value measurement. Significant increases (decreases) in the volatility in isolation would result in a significantly higher (lower) fair value measurement. Changes in one or more factors can have a similar directional change on other factors in determining the appropriate discount rate or volatility to use in the valuation of equity using an option pricing model.

NOTE 6 – RELATED PARTY TRANSACTIONS

Transition of Investment Advisory Agreements

On January 18, 2016, the Board of Directors of the Company conditionally approved the New Investment Advisory Agreement between the Company and Princeton Advisory Group, Inc. ("Princeton Advisory Group)", a New Jersey corporation (the "New Investment Advisory Agreement"), subject to the approval of the Company's stockholders at the 2016 Annual Meeting of Stockholders. On June 9, 2016, the Company's stockholders approved the New Investment Advisory Agreement. The effective date of the New Investment Advisory Agreement was June 9, 2016. The Board of Directors of the Company previously approved the termination of the investment advisory agreement between the Company and Princeton Investment Advisors, LLC (the "Terminated Investment Advisory Agreement"), such termination becoming effective on June 9, 2016, the date the New Investment Advisory Agreement was approved and adopted by the stockholders of the Company. Since the transition of investment advisors occurred in the middle of the period covered by this Form 10-Q, we have disclosed below the material terms of both the New Investment Advisory Agreement and the Terminated Advisory Agreement below, beginning with the Terminated Investment Advisory Agreement.

Terminated Investment Advisory Agreement with Princeton Investment Advisors

Our board of directors, including a majority of our independent directors, approved the Terminated Investment Advisory Agreement at its meeting held on March 13, 2015. Subject to the overall supervision of our board of directors and in accordance with the 1940 Act, Princeton Investment Advisors managed our day-to-day operations and provided investment advisory services to us. Under the terms of the Terminated Investment Advisory Agreement, Princeton Investment Advisors was responsible for the following:

- determining the composition of our portfolio, the nature and timing of the changes to our portfolio and the manner of implementing such changes;
- identifying, evaluating and negotiating the structure of the investments we make;
- executing, closing, servicing and monitoring the investments we make;
- determining the securities and other assets that we purchase, retain or sell;
- performing due diligence on prospective portfolio companies; and
- providing us with such other investment advisory, research and related services as we may, from time to time, reasonably require for the investment of our funds.

Pursuant to the Terminated Investment Advisory Agreement, the Company agreed to pay Princeton Investment Advisors a fee for investment advisory and management services consisting of two components — a base management fee and an incentive fee. The cost of both the base management fee and the incentive fee will ultimately be borne by our stockholders.

Management Fee

The base management fee is calculated at an annual rate of 1.75% of our gross assets, including assets purchased with borrowed funds or other forms of leverage and excluding cash and cash equivalents, U.S. Treasury Bills, and deposits. For services rendered under the Terminated Investment Advisory Agreement, the base management fee is payable quarterly in arrears. The base management fee is calculated based on the average value of our gross assets, as adjusted, at the end of the finalized prior quarter and the estimated current quarter. The management fee shown on the statement of operations includes the estimated management fee for the current period as well as a true-up for the prior quarter. Base management fees for any partial month or quarter will be appropriately pro-rated.

Management fees under the Terminated Investment Advisory Agreement for the three and six months ended June 30, 2016 were $170,409 and $383,938, respectively. As of June 30, 2016, management fees of $359,692 were payable to Princeton Investment Advisors. The management fees for both the three and six months ended June 30, 2015 were $237,331.

Incentive Fee

We will pay Princeton Investment Advisors an incentive fee. The incentive fee consists of two components that are independent of each other, with the result that one component may be payable even if the other is not.

The first component, which is income-based, will be calculated and payable quarterly in arrears, commencing with the quarter beginning April 1, 2015, based on our pre-incentive fee net investment income for the immediately preceding calendar quarter. For this purpose, pre-incentive fee net investment income means interest income, distribution income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the administration agreement, any interest expense and any dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

The operation of the first component of the incentive fee for each quarter is as follows:

- no incentive fee is payable to Princeton Investment Advisors in any calendar quarter in which our pre-incentive fee net investment income does not exceed the hurdle rate of 2.00% (8.00% annualized);

- 100% of our pre-incentive fee net investment income with respect to that portion of such pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than 2.50% in any calendar quarter (10.00% annualized) is payable to Princeton Investment Advisors. We refer to this portion of our pre-incentive fee net investment income (which exceeds the hurdle rate but is less than 2.50%) as the “catch-up.” The effect of the “catch-up” provision is that, if such pre-incentive fee net investment income exceeds 2.50% in any calendar quarter, Princeton Investment Advisors will receive 20% of such pre-incentive fee net investment income as if the hurdle rate did not apply; and

- 20% of the amount of such pre-incentive fee net investment income, if any, that exceeds 2.50% in any calendar quarter (10.00% annualized) is payable to Princeton Investment Advisors (once the hurdle rate is reached and the catch-up is achieved).

The portion of such incentive fee that is attributable to deferred interest (such as PIK interest or original issue discount) will be paid to Princeton Investment Advisors, together with interest from the date of deferral to the date of payment, only if and to the extent we actually receive such interest in cash, and any accrual will be reversed if and to the extent such interest is reversed in connection with any write-off or similar treatment of the investment giving rise to any deferred interest accrual. Any reversal of such amounts would reduce net income for the quarter by the net amount of the reversal (after taking into account the reversal of incentive fees payable) and would result in a reduction and possibly elimination of the incentive fees for such quarter.

There is no accumulation of amounts on the hurdle rate from quarter to quarter and, accordingly, there is no clawback of amounts previously paid if subsequent quarters are below the quarterly hurdle rate and there is no delay of payment if prior quarters are below the quarterly hurdle rate. Since the hurdle rate is fixed, as interest rates rise, it will be easier for Princeton Investment Advisors to surpass the hurdle rate and receive an incentive fee based on pre-incentive fee net investment income.

Our net investment income used to calculate this component of the incentive fee is also included in the amount of our gross assets used to calculate the 1.75% base management fee. These calculations will be appropriately prorated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

Percentage of Pre-Incentive Fee Net Investment Income Allocated to First Component of Incentive Fee

The second component, the capital gains component of the incentive fee, will be determined and payable in arrears as of the end of each calendar year (or upon termination of the Terminated Investment Advisory Agreement, which occurred on June 9, 2016, as of the termination date of June 9, 2016), commencing on December 31, 2015, and will equal 20% of our cumulative aggregate realized capital gains from January 1st through the end of that calendar year, computed net of our aggregate cumulative realized capital losses and our aggregate cumulative unrealized capital depreciation through the end of such year, less the aggregate amount of any previously paid capital gains incentive fees. If such amount is negative, then no capital gains incentive fee will be payable for such year. Additionally, if the Terminated Investment Advisory Agreement is terminated as of a date that is not a calendar year end (as is the case with the termination having become effective as of June 9, 2016), the termination date will be treated as though it were a calendar year end for purposes of calculating and paying the capital gains incentive fee. The capital gains component of the incentive fee is not subject to any minimum return to stockholders.

Because of the structure of the incentive fee, it is possible that we may pay an incentive fee in a quarter where we incur a loss. For example, if we receive pre-incentive fee net investment income in excess of the hurdle rate, we will pay the applicable incentive fee even if we have incurred a loss in that quarter due to realized and unrealized capital losses.

There were no incentive fees earned by Princeton Investment Advisors for the three and six months ended June 30, 2016 or June 30, 2015.

Payment of Our Expenses

All investment professionals of Princeton Investment Advisors, when and to the extent engaged in providing investment advisory services to us, and the compensation and routine overhead expenses of personnel allocable to these services to us, will be provided and paid for by Princeton Investment Advisors and not by us. We will bear all other out-of-pocket costs and expenses of our operations and transactions, including, without limitation, those relating to:

- calculating our net asset value (including the cost and expenses of any third party independent valuation firm);
- fees and expenses payable to third parties, including agents, consultants or other advisors, in monitoring financial and legal affairs for us and in monitoring our investments and performing due diligence on our prospective portfolio companies or otherwise relating to, or associated with, evaluating and making investments;
- interest payable on debt, if any, incurred to finance our investments and expenses related to unsuccessful portfolio acquisition efforts;
- offerings of our common stock and other securities;
- base management and incentive fees;
- administration fees and expenses, if any, payable under the administration agreement (including our allocable portion of Princeton Investment Advisors' overhead in performing its obligations under the administration agreement, including rent and the allocable portion of the cost of our chief compliance officer, chief financial officer and their respective staffs);
- transfer agent, dividend agent and custodial fees and expenses;
- U.S. federal and state registration fees;
- all costs of registration and listing our stock on any securities exchange;
- U.S. federal, state and local taxes;
- independent directors' fees and expenses;
- Costs of preparing and filing report or other documents required by the SEC or other regulators;
- costs of any reports, proxy statements or other notices to stockholders, including printing costs;
- costs and fees associated with any fidelity bond, directors and officers/errors and omissions liability insurance, and any other insurance premiums;
- direct costs and expenses of administration, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs;
- proxy voting expenses; and
- all other expenses incurred by us or Princeton Investment Advisors in connection with administering our business.

Duration and Termination

The Terminated Investment Advisory Agreement was to continue in effect for a period of two years from its effective date. It was to remain in effect from year to year thereafter if approved annually by our board of directors or by the affirmative vote of the holders of a majority of our outstanding voting securities, and, in either case, if also approved by a majority of our directors who are not "interested persons." The Terminated Investment Advisory Agreement was to automatically terminate in the event of its assignment, as defined in the 1940 Act, by Princeton Investment Advisors and may be terminated by either party without penalty upon 60 days' written notice to the other. The holders of a majority of our outstanding voting securities could also terminate the Investment Advisory Agreement without penalty upon 60 days' written notice. As described elsewhere in this 10-Q, on January 18, 2016 the Board of Directors of the Company approved the termination of the Terminated Investment Advisory Agreement, such termination becoming effective on June 9, 2016, the date the New Investment Advisory Agreement was approved and adopted by the Company's stockholders. The Company did not pay any early termination penalties as a result of the termination of the Terminated Investment Advisory Agreement.

Indemnification

The Terminated Investment Advisory Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of their duties or by reason of the reckless disregard of their duties and obligations under the Terminated Investment Advisory Agreement, Princeton Investment Advisors and its officers, managers, partners, agents, employees, controlling persons and members, and any other person or entity affiliated with it, are entitled to indemnification from us for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of Princeton Investment Advisors' services under the Terminated Investment Advisory Agreement or otherwise as our investment advisor.

New Investment Advisory Agreement with Princeton Advisory Group

Unlike the separate Administration Agreement that covered administrative services while Princeton Investment Advisors served as the investment advisor to the Company (as described below), under the New Investment Advisory Agreement, the administrative services of the Company are provided by Princeton Advisory Group. Inc. and subject to reimbursement of administrative related expenses under the New Investment Advisory Agreement.

Advisory Services

Princeton Advisory Group is registered as an investment adviser under the 1940 Act, and as of June 9, 2016, will serve as the Company's investment advisor pursuant to the New Investment Advisory Agreement in accordance with the 1940 Act. Princeton Advisory Group is owned by and an affiliate of Mr. Munish Sood, the Company's President and Chief Executive Officer.

Subject to supervision by the Company's Board of Directors, Princeton Advisory Group will oversee the Company's day-to-day operations and provide the Company with investment advisory services. Under the terms of the New Investment Advisory Agreement, Princeton Advisory Group, will among other things: (i) determine the composition and allocation of the portfolio of the Company, the nature and timing of the changes therein and the manner of implementing such changes; (ii) identify, evaluate and negotiate the structure of the investments made by the Company; (iii) execute, monitor and service the Company's investments; (iv) determine the securities and other assets that the Company shall purchase, retain, or sell; (v) perform due diligence on prospective portfolio companies; (vi) provide the Company with such other investment advisory, research and related services as the Company may, from time to time, reasonably require for the investment of its funds; and (vii) if directed by the Board, assist in the execution and closing of the sale of the Company's assets or a sale of the equity of the Company in one or more transactions. Princeton Advisory Group's services under the New Investment Advisory Agreement may not be exclusive and it is free to furnish similar services to other entities so long as its services to the Company are not impaired.

Management Fee

Pursuant to the New Investment Advisory Agreement, the Company pays Princeton Advisory Group a base management fee for investment advisory and management services. The cost of the base management fee will ultimately be borne by the Company's stockholders. The New Investment Advisory Agreement does not include an incentive fee to Princeton Advisory Group.

The base management fee is calculated at an annual rate of 1.00% of the Company's gross assets, including assets purchased with borrowed funds or other forms of leverage and excluding cash and cash equivalents net of all indebtedness of the Company for borrowed money and other liabilities of the Company. The base management fee is payable quarterly in arrears, and determined as set forth in the preceding sentence at the end of the two most recently completed calendar quarters prior to the quarter for which such fees are being calculated. The Board of Directors may retroactively adjust the valuation of the Company's assets and the resulting calculation of the base management fee in the event the Company or any of its assets are sold or transferred to an independent third party or the Company or Princeton Advisory Group receives an audit report or other independent third party valuation of the Company. To the extent that any such adjustment increases or decreases the base management fee of any prior period, the Company will be obligated to pay the amount of increase to Princeton Advisory Group or Princeton Advisory Group will be obligated to refund the decreased amount, as applicable.

Management fees under the New Investment Advisory Agreement were $51,123 for both the three and six months ended June 30, 2016. As of June 30, 2016, management fees of $51,123 were payable to Princeton Advisory Group. The management fees for both the three and six months ended June 30, 2015 were $237,331.

Incentive Fee

We will not pay Princeton Advisory Group an incentive fee.

Payment of Expenses

Princeton Advisory Group will bear all compensation expense (including health insurance, pension benefits, payroll taxes and other compensation related matters) of its employees and bear the costs of any salaries or directors' fees of any officers or directors of the Company who are affiliated persons (as defined in the 1940 Act) of Princeton Advisory Group. However, Princeton Advisory Group, subject to approval by the Board of Directors of the Company, will be entitled to reimbursement for the portion of any compensation expense and the costs of any salaries of any such employees to the extent attributable to services performed by such employees for the Company. During the term of the New Investment Advisory Agreement, Princeton Advisory Group will also bear all of its costs and expenses for office space rental, office equipment, utilities and other non-compensation related overhead allocable to performance of its obligations under the New Investment Advisory Agreement.

Except as provided in the preceding paragraph the Company will reimburse Princeton Advisory Group all direct and indirect costs and expenses incurred by it during the term of the New Investment Advisory Agreement for: (i) due diligence of potential investments of the Company, (ii) monitoring performance of the Company's investments, (iii) serving as officers of the Company, (iv) serving as directors and officers of portfolio companies of the Company, (v) providing managerial assistance to portfolio companies of the Company, and (vi) enforcing the Company's rights in respect of its investments and disposing of its investments; provided, however, that, any third party expenses incurred by Princeton Advisory Group in excess of $50,000 in the aggregate in any calendar quarter will require advance approval by the Board of Directors of the Company.

In addition to the foregoing, the Company will also be responsible for the payment of all of the Company's other expenses, including the payment of the following fees and expenses:

- organizational and offering expenses;
- expenses incurred in valuing the Company's assets and computing its net asset value per share (including the cost and expenses of any independent valuation firm);
- subject to the guidelines approved by the Board of Directors, expenses incurred by Princeton Advisory Group that are payable to third parties, including agents, consultants or other advisors, in monitoring financial and legal affairs for the Company and in monitoring the Company's investments and performing due diligence on the Company's prospective portfolio companies or otherwise related to, or associated with, evaluating and making investments;
- interest payable on debt, if any, incurred to finance the Company's investments and expenses related to unsuccessful portfolio acquisition efforts;
- offerings of the Company's common stock and other securities;
- administration fees;
- transfer agent and custody fees and expenses;
- U.S. federal and state registration fees of the Company (but not Princeton Advisory Group);
- all costs of registration and listing the Company's shares on any securities exchange;

- U.S. federal, state and local taxes;
- independent directors' fees and expenses;
- costs of preparing and filing reports or other documents required of the Company (but not Princeton Advisory Group) by the SEC or other regulators;
- costs of any reports, proxy statements or other notices to stockholders, including printing costs;
- the costs associated with individual or group stockholders;
- the Company's allocable portion of the fidelity bond, directors and officers/errors and omissions liability insurance, and any other insurance premiums;
- direct costs and expenses of administration and operation of the Company, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs;
- and all other non-investment advisory expenses incurred by the Company in connection with administering the Company's business.

Duration and Termination

Unless terminated earlier as described below, the New Investment Advisory Agreement will continue in effect for a period of one (1) year from its effective date. It will remain in effect from year to year thereafter if approved annually by the Company's Board or by the affirmative vote of the holders of a majority of the Company's outstanding voting securities, and, in either case, if also approved by a majority of Company's directors who are neither parties to the New Investment Advisory Agreement nor "interested persons" (as defined under the 1940 Act) of any such party. The New Investment Advisory Agreement may be terminated at any time, without the payment of any penalty, (i) upon written notice, effective on the date set forth in such notice, by the vote of a majority of the outstanding voting securities of the Company or by the vote of the Company's directors, or (ii) upon 60 days' written notice, by Princeton Group. The New Investment Advisory Agreement automatically terminates in the event of its "assignment," as defined in the 1940 Act.

Indemnification

The New Investment Advisory Agreement provides that, absent willful misfeasance, bad faith or negligence in the performance of their duties, or by reason of the material breach or reckless disregard of their duties and obligations under the New Investment Advisory Agreement (and to the extent specified in Section 36(b) of the Investment Company Act concerning loss resulting from a breach of fiduciary duty (as the same is finally determined by judicial proceedings) with respect to the receipt of compensation for services), Princeton Advisory Group and its officers, managers, employees and members are entitled to indemnification from the Company for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of Princeton Advisory Group's services under the New Investment Advisory Agreement or otherwise as the Company's investment advisor. The amounts payable for indemnification will be calculated net of payments recovered by the indemnified party under any insurance policy with respect to such losses.

At all times during the term of the New Investment Advisory Agreement and for one year thereafter, Princeton Advisory Group is obligated to maintain directors and officers/errors and omission liability insurance in an amount and with a provider reasonably acceptable to the Board of Directors of the Company.

Administration Services

Princeton Advisory Group is entitled to reimbursement of expenses under the New Investment Advisory Agreement for administrative services performed for the Company.

On March 13, 2015, the Company entered into an administration agreement (the "Administration Agreement") with PCC Administrator LLC (the "Administrator"), a wholly owned subsidiary of Princeton Investment Advisors. This agreement effectively terminated on June 9, 2016 with the Terminated Investment Advisory Agreement. The Administration Agreement provides that our Administrator furnishes us with office facilities and equipment and provide us with clerical, bookkeeping, recordkeeping and other administrative services at such facilities. Under the Administration Agreement, our Administrator performs, or oversees the performance of, our required administrative services, which include being responsible for the financial and other records that we are required to maintain and preparing reports to our stockholders and reports and other materials filed with the SEC. In addition, our Administrator assists us in determining and publishing our net asset value, oversees the preparation and filing of our tax returns and the printing and dissemination of reports and other materials to our stockholders, and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. Under the Administration Agreement, our Administrator will also provide managerial assistance on our behalf to those portfolio companies that have accepted our offer to provide such assistance.

Payments under the Administration Agreement will be equal to an amount based upon our allocable portion (subject to the review of our board of directors) of our Administrator's overhead in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions and our allocable portion of the cost of our chief financial officer and chief compliance officer and their respective staffs. In addition, if requested to provide significant managerial assistance to our portfolio companies, our Administrator will be paid an additional amount based on the services provided, which shall not exceed the amount we receive from such portfolio companies for providing this assistance. The Administration Agreement will have an initial term of two years and may be renewed with the approval of our board of directors. The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party. To the extent that our Administrator outsources any of its functions, we will pay the fees associated with such functions on a direct basis without any incremental profit to our Administrator. Stockholder approval is not required to amend the Administration Agreement.

Sub-Administration Agreement

Princeton Advisory Group has engaged Conifer Asset Solutions LLC (the "Sub-Administrator") to provide certain administrative services to us. As of December 15, 2016, Conifer Asset Solutions LLC's parent company, Conifer Financial Services, LLC, was acquired by SS&C Technologies Holdings, Inc. In exchange for provided services, the Administrator pays the Sub-Administrator an asset-based fee with a $200,000 annual minimum as adjusted for any reimbursement of expenses. This asset-based fee will vary depending upon our gross assets, as adjusted, as follows:

Gross Assets	Fee
first $150 million of gross assets	20 basis points (0.20%)
next $150 million of gross assets	15 basis points (0.15%)
next $200 million of gross assets	10 basis points (0.10%)
in excess of $500 million of gross assets	5 basis points (0.05%)

Administration fees were $52,257 and $125,562 for the three and six months ended June 30, 2016, respectively, and sub-administration fees were $45,673 and $95,673, respectively, as shown on the Statements of Operations under administration fees. Administration fees were $97,371 for the three and six months ended June 30, 2015 and sub-administration fees were $50,000 and $71,556, respectively, as shown on the Statements of Operations under administration fees

Indemnification

The Administration Agreement provides that, absent criminal conduct, willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, our Administrator, its affiliates and their respective directors, officers, managers, partners, agents, employees, controlling persons and members, and any other person or entity affiliated with it, are entitled to indemnification from us for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of our Administrator's services under the Administration Agreement or otherwise as our administrator.

Managerial Assistance

As a BDC, we offer, and must provide upon request, managerial assistance to our portfolio companies. This assistance could involve monitoring the operations of our portfolio companies, participating in board of directors and management meetings, consulting with and advising officers of portfolio companies and providing other organizational and financial guidance. As of June 30, 2016, none of the portfolio companies had accepted our offer for such services.

Other Related Party Transactions

Gregory J. Cannella served as the Chief Financial Officer of Rockfish Seafood Grill, Inc. ("RSG"), one of the Company's portfolio companies, until September 24, 2015. He had a stock option agreement with RSG, granted on January 28, 2013, with the right to earn up to 103.8961 shares or approximately 8% of RSG. This stock option agreement was canceled on May 12, 2015 with no consideration coming from RSG or the Company.

In May 2015, RSG created a wholly owned subsidiary, Southwest Hospitality Group, LLC ("SHG"), for the purpose of entering into franchise agreement with a new restaurant group. In July 2015, SHG was transferred to Sivco, Inc. and then signed a franchise agreement with this new restaurant group. Sivco, Inc. is majority owned and controlled by Alfred Jackson, a Director of the Company and minority-owned by Munish Sood, a Director, President, and CEO of the Company.

On March 30, 2016, the Company, as Borrower, entered into a Term Loan in the amount of $1,500,000 with Sema4, Inc. and Princeton Advisory Group, Inc., as Lenders in order to purchase certain assets to maintain its RIC status. Sema4, Inc. committed $1,000,000 and Princeton Advisory Group, Inc. committed $500,000. The loan was repaid in full with interest at a rate of 10.0% per annum on April 8, 2016. Sema4, Inc. is the general partner of CPP and CPPII, which own approximately 87% and 9% of our common stock, respectively. Princeton Advisory Group, Inc. is wholly owned by Munish Sood, a Director, President, and CEO of the Company.

As disclosed in the Company's Form 8-K filed with the SEC on June 30, 2016, on June 28, 2016, the Company, as Borrower, entered into a Term Loan in the amount of $390,000 with Munish Sood, as Lender, in order to purchase certain assets to maintain its RIC status. Mr. Sood is the Company's Chief Executive Officer, President, and a director of the Company. The board of directors of the Company, by unanimous written consent, authorized and approved that the Company enter into the Loan Agreement. The loan was repaid in full with interest at a rate of 10.0% per annum on July 11, 2016.

As disclosed in the Company's Form 8-K filed with the SEC on September 16, 2016, on September 12, 2016, the Company, as a Borrower, entered into a Term Loan in the amount of $225,000 with Munish Sood, as Lender, in order to fund capital to one of its portfolio companies, Rockfish Seafood Grill, Inc. Mr. Sood is the Company's Chief Executive Officer, President and a director of the Company. The board of directors of the Company, by unanimous written consent, authorized and approved that the Company enter into the Loan Agreement. The loan will bear interest at a rate of 10.0% per annum and matures on December 12, 2016. As disclosed in the Company's Form 8-K filed with the SEC on October 27, 2016, on October 21, 2016, Munish Sood lent an additional $140,000 under this Term Loan. On March 29, 2017, Munish Sood, in order to purchase certain assets to maintain its RIC status, lent an additional $450,000 under this Term Loan and extended the maturity date to June 30, 2017. On April 10, 2017, the Company made a principal and interest payment totaling $450,984 on this Term Loan.

As disclosed in the Company's Form 8-K filed with the SEC on October 5, 2016, on September 29, 2016 the Company, as Borrower, entered into a Term Loan in the amount of $470,000 with Munish Sood, as Lender, in order to purchase certain assets to maintain its RIC status. Mr. Sood is the Company's Chief Executive Officer, President, and a director of the Company. The board of directors of the Company, by unanimous written consent, authorized and approved that the Company enter into the Loan Agreement. The loan was repaid in full with interest at a rate of 10.0% per annum on October 7, 2016.

On June 28, 2017, Munish Sood made a non-interest bearing short term loan to Advantis Certified Staffing Solutions, Inc., one of the Company's portfolio companies, in the amount of $89,225 for a short term working capital need. The loan was repaid without interest on July 5, 2017.

NOTE 7 – FINANCIAL HIGHLIGHTS

	Six Months Ended June 30, 2016 (Unaudited)	Six Months Ended June 30, 2015 (Unaudited)
Per Share Data [1]:		
Net asset value at beginning of period	$ 0.400	$ 0.254
Net investment loss	(0.009)	(0.008)
Change in unrealized gain (loss)	(0.015)	(0.023)
Realized gain	-	0.001
Change in capital share transactions	-	0.231
Net asset value at end of period	$ 0.376	$ 0.455
Total return based on net asset value [2]	(6.0)%	(11.81)%
Weighted average shares outstanding for period, basic	120,486,061	73,936,133
Ratio/Supplemental Data:		
Net assets at end of period	$ 45,338,023	$ 54,857,386
Average net assets	$ 54,878,301	$ 34,238,803
Annualized ratio of net operating expenses to average net assets[3]	5.6%	7.6%
Annualized ratio of net investment income (loss) to average net assets[3]	(3.4)%	(0.9)%
Annualized ratio of net operating expenses excluding management fees, incentive fees, and interest expense to average net assets[3]	3.9%	6.2%
Annualized ratio of net increase (decrease) in net assets resulting from operations to average net assets[3]	(10.0)%	(10.3)%
Portfolio Turnover	0.2%	0.4%

(1) Financial highlights are based on weighted average shares outstanding.

(2) Total return based on net asset value is based upon the change in net asset value per share between the opening and ending net asset values per share in the period. The total returns are not annualized.

(3) Financial highlights for periods of less than one year are annualized and each of the ratios to average net assets are adjusted accordingly. Non-recurring expenses were not annualized. For the six months ended June 30, 2015, the Company incurred $935,161 of professional fees related to the March 13, 2015 transaction, which were deemed to be non-recurring. For the six months ended June 30, 2016 the Company incurred $329,219 of legal fees that were deemed to be non-recurring.

	Year Ended December 31,				
	2015	2014	2013	2012	2011
Per Share Data [(1)]:					
Net asset value at beginning of period	$ 0.254	$ 0.564	$ 0.174	$ 0.204	$ 0.827
Net investment loss	(0.013)	(0.144)	(0.062)	(0.068)	(0.071)
Change in unrealized gain (loss)	(0.081)	(0.358)	0.388	(0.004)	(0.572)
Realized gain	0.002	0.192	0.064	0.042	0.020
Change in capital share transactions	0.238	-	-	-	-
Net asset value at end of period	$ 0.400	$ 0.254	$ 0.564	$ 0.174	$ 0.204
Total return based on net asset value [(2)]	(36.2)%	(55.0)%	224.1%	(14.7)%	(75.3)%
Weighted average shares outstanding for period, basic	97,402,398	1,816,534	1,816,534	1,816,534	1,816,534
Raito/Supplemental Data:					
Net assets at end of period	$ 48,225,563	$ 462,022	$ 1,025,493	$ 317,502	$ 369,642
Average net assets	$ 45,472,971	$ 743,758	$ 671,498	$ 343,572	$ 935,698
Annualized ratio of net operating expenses to average net assets	9.5%	35.2%	16.6%	35.6%	13.7%
Annualized ratio of net investment loss to average net assets	2.7%	35.2%	16.6%	35.6%	13.7%
Annualized ratio of net operating expenses excluding management fees, incentive fees, and interest expense to average net assets	8.0%	35.2%	16.2%	34.6%	13.5%
Annualized ratio of net increase (decrease) in net assets resulting from operations to average net assets	(19.5)%	(75.8)%[(3)]	105.4%[(3)]	(15.2)%[(3)]	(120.9)[(3)]
Portfolio Turnover	0.7%	31.2%[(3)]	14.7%[(3)]	17.9%[(3)]	3.8%[(3)]

(1) Financial highlights are based on weighted average shares outstanding.
(2) Total return based on net asset value is based upon the change in net asset value per share between the opening and ending net asset values per share in the period. The total returns are not annualized.
(3) Unaudited

NOTE 8 – COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company may enter into investment agreements under which it commits to make an investment in a portfolio company at some future date or over a specified period of time. The Company maintains sufficient assets to provide adequate cover to allow it to satisfy its unfunded commitment amount as of June 30, 2016. The unfunded commitment is accounted for under ASC 820. Below represents the unfunded loan commitment as of June 30, 2016.

Portfolio Company:	Investment Type	Unfunded Commitment
Rockfish Seafood Grill, Inc.	Revolving loan	$ 199,000

On or around September 8, 2015, a lawsuit was filed captioned *Capital Link Fund I, LLC, et al. v. Capital Point Management, LP, et al.*, C.A. No. 11483-VCN in the Delaware Court of Chancery.

The following description of the settlement agreement is qualified in its entirety by reference to the full text of the Settlement Agreement, which is attached as Exhibit 99.1to the 8-K filed on January 22, 2016:

On January 19, 2016, the Company, Princeton Advisory Group, Inc., Gregory J. Cannella, Munish Sood, Thomas Jones, Jr. and Trennis L. Jones (together the “Independent Directors” and the Independent Directors together with the Company, Princeton Advisory Group, Inc., Cannella and Sood, the “Settling Defendants”) on the one hand, entered into a settlement agreement (“Settlement Agreement”) with Capital Link Fund I, LLC (“Capital Link”), CT Horizon Legacy Fund, LP (“CT Horizon”), CPP, and Sema4, Inc. (“Semaphore” and together with Capital Link, CT Horizon and CPP I, the “Plaintiffs” or the “Capital Point Parties”) on the other hand. CPP I is the Company’s largest stockholder.

Subject to the terms and conditions contained therein, the Settlement Agreement settles between the Plaintiffs and the Settling Defendants the disputes described in the lawsuit. No monies were paid or exchanged by any of the parties as a part of the settlement and none of the parties admitted any wrongdoing. For the avoidance of doubt, none of the following is a party to the Settlement Agreement: Alfred Jackson (“Jackson”), Martin Tuchman (“Tuchman”), Capital Point Management, LP (“CPM”), Capital Point Advisors, LP (“CPA”) or Princeton Investment Advisors, LLC (“PIA,” and, together with Jackson, Tuchman, CPM and CPA, collectively the “Non-Settling Defendants”). As part of the terms of the Settlement Agreement, Sood and Cannella waive any rights to indemnification they may have had against the Company as it relates to the lawsuit. Jackson, as a Non-Settling Defendant, does not have a similar prohibition against seeking indemnification.

On June 17, 2016, a Stipulation and Order of Dismissal of Claims (the "Dismissal Order") against the Settling Defendants (which includes the Company) and Tuchman (collectively, the "Dismissed Defendants") was entered in the Delaware Court of Chancery. The Dismissal Order, which was dated June 10, 2016, dismissed with prejudice the claims brought by the Plaintiffs against the Dismissed Defendants. The Dismissal Order did not dismiss the claims against Jackson, CPM, CPA or PIA.

On February 24, 2017, a Stipulation and Order of Dismissal of Claims (the "Dismissal Order II") against Jackson, CPM, CPA and PIA was entered in the Delaware Court of Chancery. The Dismissal Order II, which was dated February 24, 2017, dismissed with prejudice the claims brought by the Plaintiffs against Jackson, CPM, CPA and PIA. Terms of any settlement were not disclosed and all claims with respect to the lawsuit have now been dismissed, signifying that the status quo order that included the Company has now been lifted.

There are no other legal proceedings against the Company or any of its officers or directors.

From time to time, the Company may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of the Company's rights under contracts with its portfolio companies. While the outcome of these legal proceedings cannot be predicted with certainty, the Company does not expect that these proceeding will have a material effect upon its business, financial condition or results of operations.

NOTE 9 – UNCONSOLIDATED SIGNIFICANT SUBSIDIARIES

The Company's investments are primarily in private small and lower middle-market companies. In accordance with Rules 3.09 and 4.08(g) of Regulation S-X, the Company must determine which of its unconsolidated controlled portfolio companies are considered "significant subsidiaries", if any. In evaluating these investments, there are three tests utilized to determine if any of the Company's control investments are considered significant subsidiaries; the investment test, the asset test, and the income test. Rule 3.09 of Regulation S-X, as interpreted by the SEC, requires the Company to include separate audited financial statements of any unconsolidated majority-owned subsidiary in an annual report if any of the three tests exceed 20% of the Company's total investments at fair value, total assets or total income. Rule 4-08(g) of Regulation S-X requires summarized financial information of an unconsolidated subsidiary in an annual report if any of the three tests exceeds 10% of the Company's total investments at fair value, total assets or total income and summarized financial information in a quarterly report if any of the three tests exceeds 20% of the Company's total amounts.

After performing the income test for the six months ended June 30, 2016, the Company has determined that its income from one of its majority owned control investments generated more than 20% of its total income, primarily due to the unrealized appreciation (depreciation) that was recognized on the investments during the six months ended June 30, 2016. As such, Advantis Certified Staffing Solutions, Inc. was considered a significant subsidiary at the 20% level as of June 30, 2016. Additionally, Rockfish Seafood Grill, Inc., a majority owned control investments, was also considered a significant subsidiary at the 10% level at June 30, 2016.

Additionally, Integrated Medical Partners, LLC, an unconsolidated portfolio company that was a control investment, but which was not majority-owned by the Company, was also considered a significant subsidiary at the 10% level at June 30, 2016.

PRINCETON CAPITAL CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of June 30, 2016 (Unaudited)

The following tables shows the summarized financial information for Rockfish Seafood Grill, Inc, Advantis Certified Staffing Solutions, Inc, and Integrated Medical Partners, LLC (numbers in thousands):

	Rockfish Seafood Grill, Inc.	Advantis Certified Staffing Solutions, Inc.	Integrated Medical Partners, LLC
	As of June 30, 2016 (unaudited)	As of June 30, 2016 (unaudited)	As of June 30, 2016 (unaudited)
Balance Sheet			
Current Assets	$ 151	$ 3,199	$ 2,621
Noncurrent Assets	4,306	2,434	5,752
Current Liabilities	2,478	11,180	3,449
Noncurrent Liabilities	7,159	10,850	653

	Rockfish Seafood Grill, Inc.	Advantis Certified Staffing Solutions, Inc.	Integrated Medical Partners, LLC
	Six Months Ended June 30, 2016 (unaudited)	Six Months Ended June 30, 2016 (unaudited)	Six Months Ended June 30, 2016 (unaudited)
Income Statement			
Net Revenue	$ 11,964	$ 8,854	$ 7,468
Gross Profit	8,271	2,011	3,084
Net Income (Loss)	(238)	(1,033)	54

NOTE 10 – SUBSEQUENT EVENTS

Portfolio Activity

- On August 16, 2016, the Company entered into a Note Purchase and Sale Agreement with NCC Financial, LLC ("NCC"), pursuant to which the Company agreed to sell to NCC, for an amount equal to $6,000,000, a Senior Secured Promissory Note issued to the Company by Lone Star Brewery Development, Inc. Pursuant to the terms of the aforesaid Note Purchase and Sale Agreement, closing is to occur on or before September 30, 2017. NCC has an option to extend the closing date until December 31, 2017 for an extension fee in the amount of $50,000. Furthermore, NCC has the right to terminate the Note Purchase and Sale Agreement upon the non-occurrence of certain specified events.

- Effective July 1, 2016, the Company re-structured its investment in Performance Alloys, LLC ("PALLC") to provide PALLC with much needed liquidity. The Company and PALLC entered into Amendment No. 4 to Subordinated Note and Securities Purchase Agreement, effective as of July 1, 2016 (the "Fifth Amendment"), pursuant to which the Company reduced the outstanding principal balance owed from PALLC to the Company to $6,750,000, reduced the interest rate to 6%, and extended the maturity date to March 31, 2018 (subject to a PALLC's conditional right to further extend the maturity date to March 31, 2019, which if so elected would result in an increase of the interest rate to 9%). In consideration for the principal reduction, the Company was granted an equity interest in PALLC, namely: one Class B Membership unit in PALLC, which entitles the Company to (a) certain net cash flow distributions from PALLC as follow: (i) of the first $16,101,881 of net cash flow distributions (the "Tranche 1 Net Cash Flow Distributions"), the Company shall be entitled to 29.18% of such Tranche 1 Net Cash Flow Distributions, and (ii) to the extent that any additional net cash flow distributions are made in excess of the Tranche 1 Net Cash Flow Distributions, the Company shall be entitled to 9.51% of such additional net cash flow distributions; and (b) certain liquidation event net proceeds from PALLC as follows: (i) of the first $18,092,001 of liquidity event net proceeds, less any Tranche 1 Net Cash Flow Distributions (the "Tranche 1 Liquidity Event Net Proceeds"), the Company shall be entitled to the lesser of (x) 25.97% of the Tranche 1 Liquidity Event Net Proceeds, or (y) $4,698,500 less any Tranche 1 Net Cash Flow Distributions previously made to the Company; and (ii) to the extent that there are liquidity event net proceeds in excess of the Tranche 1 Liquidity Event Net Proceeds, the Company shall be entitled to 8.46% of such excess liquidity event net proceeds. At closing of the Fourth Amendment, PALLC cured all defaults with the Company along with its first lienholder and tendered to the Company its August interest making this a performing note again for the Company. The Company also received an amendment fee in the amount of $33,750 with the Fourth Amendment.

- Effective June 29, 2016, the Company amended the terms and conditions of its revolving loan (the "RSG Revolver") to Rockfish Seafood Grill, Inc. ("RSG Inc.") for the purpose of extending the maturity date to June 29, 2017 to increase the maximum principal amount of the RSG Revolver to $1,276,000.

- On September 12, 2016, the Company funded $75,000 on the RSG Revolver.

- On September 20, 2016, the Company funded $150,000 on the RSG Revolver.

- On October 21, 2016, the Company amended the revolving loan with RSG Revolver to increase the maximum principal amount of the RSG Revolver to $1,416,000.

- On October 21, 2016, the Company funded $140,000 on the RSG Revolver.

- On November 18, 2016, the Company amended the RSG Revolver to increase the maximum principal amount to $1,491,000.

- On November 18, 2016, the Company funded $30,000 on the RSG Revolver.

- On December 1, 2016, the Company amended its Subordinated Note with Performance Alloys, LLC in order to facilitate a refinance of their first lienholder with a new bank. The Company agreed to extend its maturity date to May 31, 2020 and include an automatic increase in its interest rate to 9% on July 1, 2018.

- On December 7, 2016, the Company funded $35,000 on the RSG Revolver.

- On December 22, 2016, due to the need for additional capital to fund an increase in work orders for PALLC, the Company agreed to defer the January 1, 2017, February 1, 2017, and March 1, 2017 interest payments to be due on April 1, 2017.

- Effective December 31, 2016, the Company sold its equity interests in Advantis Certified Staffing Solutions, Inc. for the amount of $500,000 to Offisol Solutions LLC ("Offisol"). $50,000 in cash was received at closing and the remaining $450,000 is to be paid in four equal quarterly installments beginning on March 31, 2017 and ending on December 31, 2017, pursuant to the terms and conditions of a Term Promissory Note, executed by Offisol and payable to the order of the Company (the "Term Note"). The Term Note is secured by a pledge of the stock of Advantis Certified Staffing Solutions, Inc. that was sold by the Company to Offisol. The Company also amended its Senior Secured Subordinated Promissory Note (the "Advantis Note") by reducing the principal balance to $4.5 million, forgiving any accrued interest under the Advantis Note, and forgiving all amounts owed under the three outstanding unsecured notes. The interest rate on the Advantis Note was reduced to 6% with an automatic increase to 12% on the second anniversary of the amendment. The maturity date was extended to November 30, 2021. The Company also received a Warrant for a 5% common equity interest in the company.

- On January 18, 2017, the Company amended the RSG Revolver to increase the maximum principal amount to $1,621,000.

- On January 18, 2017, the Company funded $140,000 on the RSG Revolver.

- On February 6, 2017, the Company assigned its notes, liens and security interests in its investment in South Boots Hill, LLC to a wholly owned subsidiary, PCC SBH SUB, Inc. ("PCC SBH"). On February 7, 2017, PCC SBH foreclosed on the real estate collateral assets and other personal property assets of South Boots Hill, LLC.

- On June 1, 2017, the Company issued notices of default on the Advantis Note and the associated Term Note for payment default. After giving 30 days to cure all defaults, the Company exercised its rights under the corresponding Stock Pledge Agreement to initiate the transfer of the pledged stock certificates and warrants into the Company's name on July 3, 2017.

- On June 30, 2017, Princeton Capital Corporation made a short term bridge loan to Advantis Certified Staffing Solutions, Inc. in the amount of $89,225 for working capital needs. The note will bear an annual interest rate of 5% with all interest and principal due on maturity of October 31, 2017.

- On July 12, 2017, Princeton Capital Corporation made a short term bridge loan to Advantis Certified Staffing Solutions, Inc. in the amount of $69,000 for working capital needs. The note will bear an annual interest rate of 5% with all interest and principal due on maturity of October 31, 2017.

PRINCETON CAPITAL CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of June 30, 2016 (Unaudited)

Schedule 12-14

The table below represents the fair value of control and affiliate investments at December 31, 2015 and any amortization, purchases, sales, and realized and change in unrealized gain (loss) made to such investments, as well as the ending fair value as of June 30, 2016.

Portfolio Company/Type of Investment	Principal Amount/Shares/ Ownership % at June 30, 2016	Amount of Interest and Dividends Credited in Income	Fair Value at December 31, 2015	Purchases [2]	Realized and Change in Unrealized Gains/Losses	Fair Value at June 30, 2016
Control Investments						
Rockfish Seafood Grill, Inc.						
First Lien Loan	$ 6,352,944	$ 482,128	$ 6,164,535	$ 188,409	$ -	$ 6,352,944
Revolving Loan	$ 1,051,000	-	1,051,000	-	-	1,051,000
Rockfish Holdings, LLC						
Warrant [1]	10.00%	-	316,531	-	(16,117)	300,414
Membership Interest [1]	99.997%	-	2,848,693	-	(145,052)	2,703,641
Integrated Medical Partners, LLC						
Unsecured Loan [1]	$ 276,922	-	276,922	-	-	276,922
Preferred Membership – Class A [1]	800	-	2,331,439	-	198,776	2,530,215
Preferred Membership – Class B [1]	760	-	32,923	-	166,824	199,747
Common Stock [1]	14,082	-	65	-	12,809	12,874
Advantis Certified Staffing Solutions, Inc.						
Second Lien Loan [1]	$ 6,435,000	-	4,104,994	-	751,948	4,856,942
Unsecured Loan [1] (due 3/31/2018)	$ 95,000	-	95,000	-	-	95,000
Unsecured Loan [1] (due 3/31/2020)	$ 195,000	-	-	195,000	-	195,000
Unsecured Loan [1] (due 3/31/2018)	$ 85,000	-	-	85,000	-	85,000
Warrant [1]	1	-	691	-	791	1,482
Common Stock – Series A [1]	225,000	-	622	-	712	1,334
Common Stock – Series B [1]	9,500,000	-	26,256	-	30,077	56,333
Total Control Investments		$ 482,128	$ 17,249,671	$ 468,409	$ 1,000,768	$ 18,718,848
Affiliate Investments						
Spencer Enterprises Holdings, LLC						
Preferred Membership, Class AA units [1]	500,000	$ -	$ 2,353,965	$ -	$ 579,945	$ 2,933,910
Preferred Membership, Class BB units [1]	500,000	-	2,960,434	-	1,236,257	4,196,691
Total Affiliate Investments		$ -	$ 5,314,399	$ -	$ 1,816,202	$ 7,130,601

(1) Non-income producing security.

(2) Includes PIK interest and common stock issued in exchange for investments.

PRINCETON CAPITAL CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of June 30, 2016 (Unaudited)

The table below represents the fair value of control and affiliate investments at December 31, 2014 and any amortization, purchases, sales, and realized and change in unrealized gain (loss) made to such investments, as well as the ending fair value as of June 30, 2015.

Portfolio Company/Type of Investment	Principal Amount/Shares/ Ownership % at June 30, 2015	Amount of Interest and Dividends Credited in Income	Fair Value at December 31, 2014	Purchases (2)	Change in Unrealized Gains/Losses	Transfer from Restructuring	Fair Value at June 30, 2015
Control Investments							
Rockfish Seafood Grill, Inc.							
First Lien Loan	$ 5,979,750	$ 69,417	$ -	$ 9,230,600	$ -	$ (3,250,850)	$ 5,979,750
Warrant (1)	10%	-	-	-	-	-	-
Membership Interest (1)	99.997%	-	-	898,746	(985,075)	3,250,850	3,164,521
Integrated Medical Partners, LLC							
Unsecured Loan	$ 286,494	1,772	-	286,494	-	-	286,494
Preferred Membership – Class A (1)	800	-	-	4,196,937	(268,363)	-	3,928,574
Preferred Membership – Class B (1)	760	-	-	29,586	(1,892)	-	27,694
Common Stock (1)	14,082	-	-	-	-	-	-
Advantis Certified Staffing Solutions, Inc.							
Second Lien Loan (1)	$ 6,435,000	-	-	5,954,270	(306,439)	-	5,647,831
Unsecured Loan (1)	$ 95,000	-	-	95,000	-	-	95,000
Warrant (1)	1	-	-	2,025	(645)	-	1,380
Common Stock – Series A (1)	225,000	-	-	1,822	(580)	-	1,242
Common Stock – Series B (1)	9,500,000	-	-	78,770	(26,342)	-	52,428
Total Control Investments		$ 71,189	$ -	$ 20,774,250	$ (1,589,336)	$ -	$ 19,184,914
Affiliate Investments							
Spencer Enterprises Holdings, LLC							
Preferred Membership, Class AA units (1)	500,000	$ -	$ -	$ 2,391,001	$ 5,108	$ -	$ 2,396,109
Preferred Membership, Class BB units (1)	500,000	-	-	2,915,749	6,229	-	2,921,978
Total Affiliate Investments		$ -	$ -	$ 5,306,750	$ 11,337	$ -	$ 5,318,087

(1) Non-income producing security.

(2) Includes PIK interest and common stock issued in exchange for investments.

End of notes to financial statements.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

References herein to "we", "us" or "our" refer to Princeton Capital Corporation (the "Company" or "Princeton Capital"), unless the context specifically requires otherwise.

Forward-Looking Statements

Some of the statements in this quarterly report on Form 10-Q constitute forward-looking statements, which relate to future events or our future performance or financial condition. Such forward-looking statements may include statements preceded by, followed by or that otherwise include the words "may," "might," "will," "intend," "should," "could," "can," "would," "expect," "believe," "estimate," "anticipate," "predict," "potential," "plan" or similar words. The forward-looking statements contained in this quarterly report on Form 10-Q involve risks and uncertainties, including statements as to:

- our future operating results;
- our business prospects and the prospects of our portfolio companies;
- the effect of investments that we expect to make;
- our contractual arrangements and relationships with third parties;
- actual and potential conflicts of interest with Princeton Advisory Group and/or Princeton Investment Advisors;
- the dependence of our future success on the general economy and its effect on the industries in which we invest;
- the ability of our portfolio companies to achieve their objectives;
- the use of borrowed money to finance a portion of our investments;
- the adequacy of our financing sources and working capital;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the ability of Princeton Advisory Group to locate suitable investments for us and to monitor and administer our investments;
- the ability of Princeton Advisory Group to attract and retain highly talented professionals;
- our ability to qualify and maintain our qualification as a regulated investment company and as a business development company; and
- the effect of future changes in laws or regulations (including the interpretation of these laws and regulations by regulatory authorities) and conditions in our operating areas, particularly with respect to business development companies or regulated investment companies.

We have based the forward-looking statements included in this quarterly report on Form 10-Q on information available to us on the date of this quarterly report on Form 10-Q, and we assume no obligation to update any such forward-looking statements. Actual results could differ materially from those anticipated in our forward-looking statements, and future results could differ materially from historical performance. We undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law or Securities and Exchange Commission ("SEC") rule or regulation. You are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

The following analysis of our financial condition and results of operations should be read in conjunction with our financial statements and the related notes thereto contained elsewhere in this quarterly report on Form 10-Q.

Overview

We are an externally managed, non-diversified, closed-end investment company that has elected to be treated as a business development company ("BDC") under the Investment Company Act of 1940 (the "1940 Act"). We originate and invest primarily in private small and lower middle-market companies (typically those with less than $20.0 million of EBITDA) through first lien loans, second lien loans, unsecured loans, unitranche and mezzanine debt financing, often times with a corresponding equity investment. Our investment objective is to maximize the total return to our stockholders in the form of current income and capital appreciation through debt and related equity investments in private small and lower middle-market companies. Until June 9, 2016, we were managed by Princeton Investment Advisors, LLC ("Princeton Investment Advisors"). Since June 9, 2016, the date that the Company's stockholders approved the investment advisory agreement with Princeton Advisory Group, Inc. ("Princeton Advisory Group" or the "Investment Advisor"), we have been managed by Princeton Advisory Group, who also provides the administrative services necessary for us to operate.

As a BDC, we must not acquire any assets other than "qualifying assets" specified in the 1940 Act unless, at the time the acquisition is made, at least 70% of our total assets are qualifying assets (with certain limited exceptions). Qualifying assets include investments in "eligible portfolio companies." Under the relevant SEC rules, the term "eligible portfolio company" includes all private companies, companies whose securities are not listed on a national securities exchange, and certain public companies that have listed their securities on a national securities exchange and have a market capitalization of less than $250 million, in each case organized in the United States.

Corporate History

In order to expedite the ramp-up of our investment activities and further our ability to meet our investment objectives on March 13, 2015, we (i) acquired approximately $11.2 million in cash, $43.5 million in equity and debt investments, and $1.9 million in restricted cash escrow deposits of Capital Point Partners, L.P. ("CPP") and Capital Point Partners II, L.P. ("CPPII") (together, the "Partnerships"), (ii) issued approximately 115.5 million shares of our common stock based on a pre-valuation presumed fair value of $60.9 million and on a price of approximately $0.53 per share. We will now seek to invest primarily in private small and lower middle market companies in various industries.

On an annual basis, we intend to elect to be treated for tax purposes as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986 (the "Code"). To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements. As a RIC, we generally will not have to pay corporate-level taxes on any income we distribute to our stockholders. We do not believe it is likely that the Company will meet the qualifications of a RIC for the 2016 tax year and we expect to be taxed as a corporation under Subchapter C of the Code.

Portfolio Composition and Investment Activity

Portfolio Composition

We originate and invest primarily in private small and lower middle-market companies through first lien loans, second lien loans, unsecured loans, unitranche and mezzanine debt financing, and corresponding equity investments.

At June 30, 2016, the Company had investments in 10 portfolio companies. At June 30, 2016, the Company also held one U.S. Treasury Bill. The total cost and fair value of the total investments were approximately $99.8 million and $90.6 million, respectively. The composition of our investments by asset class as of June 30, 2016 is as follows:

Investments	Cost	Fair Value	Percentage of Total Portfolio
Portfolio Investments			
First Lien Loans	$ 16,423,101	$ 15,608,944	17.20%
Second Lien Loans	25,911,495	18,362,719	20.30
Unsecured Loans	651,922	651,922	0.70
Equity	13,816,686	12,938,038	14.30
Total Portfolio Investments	56,803,204	47,561,623	52.50
U.S. Treasury Bill	42,999,958	42,999,656	47.50
Total Investments	$ 99,803,162	$ 90,561,279	100.00%

At December 31, 2015, the Company had investments in 10 portfolio companies. The total cost and fair value of the positions were $56.1 million and $48.7 million, respectively. The Company did not hold any U.S. Treasury Bills at December 31, 2015. The composition of our investments by asset class as of December 31, 2015 is as follows:

Investments	Cost	Fair Value	Percentage of Total Portfolio
Portfolio Investments			
First Lien Loans	$ 16,042,597	$ 16,064,535	33.0%
Second Lien Loans	25,911,495	21,386,494	43.9
Unsecured Loans	371,922	371,922	0.8
Equity	13,816,686	10,876,569	22.3
Total Portfolio Investments	$ 56,142,700	$ 48,699,520	100.0%

At June 30, 2016, our weighted average yield based upon cost of our portfolio investments was approximately 13.55% of which approximately 9.87% is current cash interest, all bearing a fixed rate of interest. At December 31, 2015, our weighted average yield based upon cost of our portfolio investments was approximately 13.53% of which approximately 9.86% is current cash interest, all bearing a fixed rate of interest.

At June 30, 2016, we held approximately $43.0 million of United States Treasury securities. At December 31, 2015, we did not hold any United States Treasury securities. The United States Treasury securities may be purchased and temporarily held in connection with complying with RIC diversification requirements under Subchapter M of the Code.

Investment Activity

On March 13, 2015, we acquired the equity and debt investments of the Partnerships for shares of our common stock based on a price of $0.53 per share. This portfolio was comprised of equity investments and loans to middle-market companies that were originated over the previous 8 years by certain members of the investment team of Princeton Investment Advisors during their time with the investment advisor to the Partnerships and are similar to the type of investments we originate. These middle-market loans had an internal risk rating of 2 or better (e.g., investments that were performing at or above expectations and whose risks were neutral or favorable compared to the expected risk at the time of the original investment).

Our level of investment activity can vary substantially from period to period depending on many factors, including the amount of debt and equity capital to middle market companies, the level of merger and acquisition activity, the general economic environment and the competitive environment for the types of investments we make.

The primary portfolio investment activities for the six months ended June 30, 2016 are as follows:

- On February 17, 2016, the Company invested an additional $195,000 in Advantis Certified Staffing Solutions, Inc. as unsecured debt at 5.0% interest with a maturity date of March 31, 2020.

- In February 2016, the Company entered into a modification agreement of the Senior Secured Note Purchase Agreement with Lone Star Brewery Development, Inc. to defer the interest payment due on December 31, 2015 to March 31, 2016. The company earned a $25,000 modification fee for the modification. Lone Star Brewery Development, Inc. defaulted on the payments due on March 31, 2016.

- On May 19, 2016, the Company amended the Note Purchase Agreement with Great Value Storage, LLC to defer interest payments until June 30, 2016 and extend the maturity of the note until December 31, 2018. The Company earned a $50,000 modification fee for this amendment. Great Value Storage, LLC resumed interest payment on June 30, 2016.

- On May 24, 2016, the Company invested an additional $85,000 in Advantis Certified Staffing Solutions, Inc. as unsecured debt at 5.0% interest.

- On June 30, 2016, Rockfish Seafood Grill, Inc. made a partial interest payment on the first lien loan with an indication for the remaining amount to come by the end of the month. Since that time, Rockfish Seafood Grill, Inc. has notified the Company that it will not be able to make the remaining interest payment due for the second quarter 2016 and will not be able to make future interest payments on the first lien loan or the revolver at the present time.

Asset Quality

In addition to various risk management and monitoring tools, Princeton Advisory Group uses an investment rating system to characterize and monitor the quality of our debt investment portfolio. Equity securities and Treasury Bills are not graded. This debt investment rating system uses a five-level numeric scale. The following is a description of the conditions associated with each investment rating:

Investment Rating	Summary Description
1	Investments that are performing above expectations, and whose risks remain favorable compared to the expected risk at the time of the original investment.
2	Investments that are performing within expectations and whose risks remain neutral compared to the expected risk at the time of the original investment. All new loans will initially be rated 2.
3	Investments that are performing below expectations and that require closer monitoring, but where no loss of return or principal is expected. Portfolio companies with a rating of 3 may be out of compliance with financial covenants.
4	Investments that are performing substantially below expectations and whose risks have increased substantially since the original investment. These investments are often in work out. Investments with a rating of 4 will be those for which some loss of return but no loss of principal is expected.
5	Investments that are performing substantially below expectations and whose risks have increased substantially since the original investment. These investments are almost always in work out. Investments with a rating of 5 are those for which some loss of return and principal is expected.

The following table shows the investment rankings of our debt investments at fair value as of June 30, 2016 and December 31, 2015:

	As of June 30, 2016			As of December 31, 2015		
Investment Rating	Fair Value	% of Total Portfolio	Number of Portfolio Companies	Fair Value	% of Total Portfolio	Number of Portfolio Companies
1	$ —	—	—	$ —	—	—
2	13,868,944	15.3%	2	7,215,535	14.8%	1
3	—	—	—	6,324,000	13.0%	1
4	20,754,641	22.9%	5	24,283,416	49.9%	5
5	—	—	—	—	—	—
	$ 34,623,585	38.2%	7	$ 37,822,951	77.7%	7

Loans and Debt Securities on Non-Accrual Status

We will not accrue interest on loans and debt securities if we have reason to doubt our ability to collect such interest. As of June 30, 2016, we had 8 loans on non-accrual status and as of December 31, 2015, we had 6 loans on non-accrual status.

Results of Operations

An important measure of our financial performance is net increase (decrease) in net assets resulting from operations, which includes net investment income (loss), net realized gain (loss) and net unrealized appreciation (depreciation). Net investment income (loss) is the difference between our income from interest, dividends, fees and other investment income and our operating expenses including interest on borrowed funds. Net realized gain (loss) on investments is the difference between the proceeds received from dispositions of portfolio investments and their amortized cost. Net unrealized appreciation (depreciation) on investments is the net change in the fair value of our investment portfolio.

Revenues

We generate revenue in the form of interest income on debt investments and capital gains and distributions, if any, on investment securities that we may acquire in portfolio companies. Our debt investments typically have a term of five to seven years and bear interest at a fixed or floating rate. Interest on our debt securities is generally payable quarterly. Payments of principal on our debt investments may be amortized over the stated term of the investment, deferred for several years or due entirely at maturity. In some cases, our debt investments may pay interest in-kind, or PIK. Any outstanding principal amount of our debt securities and any accrued but unpaid interest will generally become due at the maturity date. The level of interest income we receive is directly related to the balance of interest-bearing investments multiplied by the weighted average yield of our investments. We expect that the dollar amount of interest and any dividend income that we earn to increase as the size of our investment portfolio increases. In addition, we may generate revenue in the form of prepayment fees, commitment, loan origination, structuring or due diligence fees, fees for providing managerial assistance and possibly consulting fees. These fees will be reorganized as they are earned.

Expenses

Our primary operating expenses include the payment of fees to Princeton Advisory Group (and to Princeton Investment Advisors for the period prior to June 9, 2016) and our allocable portion of overhead expenses under the investment advisory agreements and other operating costs described below. We bear all other out-of-pocket costs and expenses of our operations and transactions, which may include:

- organizational and offering expenses;
- expenses incurred in valuing the Company's assets and computing its net asset value per share (including the cost and expenses of any independent valuation firm);
- subject to the guidelines approved by the Board of Directors, expenses incurred by Princeton Advisory Group that are payable to third parties, including agents, consultants or other advisors, in monitoring financial and legal affairs for the Company and in monitoring the Company's investments and performing due diligence on the Company's prospective portfolio companies or otherwise related to, or associated with, evaluating and making investments;
- interest payable on debt, if any, incurred to finance the Company's investments and expenses related to unsuccessful portfolio acquisition efforts;
- offerings of the Company's common stock and other securities;
- administration fees;
- transfer agent and custody fees and expenses;
- U.S. federal and state registration fees of the Company (but not Princeton Advisory Group);

- all costs of registration and listing the Company's shares on any securities exchange;
- U.S. federal, state and local taxes;
- independent directors' fees and expenses;
- costs of preparing and filing reports or other documents required of the Company (but not Princeton Advisory Group) by the SEC or other regulators;
- costs of any reports, proxy statements or other notices to stockholders, including printing costs;
- the costs associated with individual or group stockholders;
- the Company's allocable portion of the fidelity bond, directors' and officers'/errors and omissions liability insurance, and any other insurance premiums;
- direct costs and expenses of administration and operation of the Company, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs;
- and all other non-investment advisory expenses incurred by the Company in connection with administering the Company's business.

Comparison of the Three Months Ended June 30, 2016 and June 30, 2015

	Three Months Ended June 30, 2016		Three Months Ended June 30, 2015	
	Total	Per Share (1)	Total	Per Share (1)
Investment Income				
Interest Income (2)	$ 467,484	$ 0.004	$ 1,013,851	$ 0.008
Other Income	7,004	0.000	8,902	0.000
Total Investment Income	474,488	0.004	1,022,753	0.008
Operating Expenses				
Management Fees	221,532	0.002	237,331	0.002
Administration Fees	97,930	0.001	147,371	0.001
Professional Fees	156,131	0.001	94,360	0.001
Compliance Fees	1,904	0.000	66,237	0.001
Directors' Fees	69,976	0.001	39,429	0.000
Bank Fees	25	0.000	-	-
Insurance Expense	2,443	0.000	22,658	0.000
Interest Expense	40,939	0.000	2,965	0.000
Other General and Administrative Expenses	148,406	0.001	97,603	0.001
Total Operating Expenses	739,286	0.006	707,954	0.006
Net Investment Income (Loss) (before tax)	(264,798)	(0.002)	314,799	0.003
Income tax expense	9,006	0.000	**-**	-
Net Investment Income (Loss) (after tax)	**(273,804)**	**(0.002)**	**314,799**	**0.003**
Net Change in Unrealized Gain (Loss)	**(4,700,868)**	**(0.039)**	**(1,567,726)**	**(0.013)**
Net Realized Gain (Loss)	**(172)**	**(0.000)**	**(10,881)**	**(0.000)**

(1) The basic per share figures noted above are based on a weighted average of 120,486,061 and 120,486,057 shares outstanding for the three months ended June 30, 2016 and June 30, 2015, respectively, except where such amounts need to be adjusted to be consistent with what is disclosed in the financial highlights of our Financial Statements.

(2) Interest income includes PIK interest of $127,432 and $176,924 for the three months ended June 30, 2016 and 2015 respectively.

Operating Expenses

Net operating expenses increased from $707,954 for the three months ended June 30, 2015 to $739,286 for the three months ended June 30, 2016. The increase is primarily due to legal fees in the amount of $102,536 for the three months ended June 30, 2016.

For the three months ended June 30, 2016 and June 30, 2015, net operating expenses per share remained the same at $0.006 per share.

Net Investment Income (Loss)

Net investment income (loss) (after tax) decreased from income of $314,799 for the three months ended June 30, 2015 to a loss of $(273,804) for the three months ended June 30, 2016. This decrease was primarily due to a decrease in interest income received from our portfolio companies and in increase in legal fees.

Net investment income (loss) (after tax) per share decreased from income of $0.003 per share for the three months ended June 30, 2015 to a loss of $(0.002) per share for the three months ended June 30, 2016.

Net Realized Gain (Loss)

We measure realized gains (losses) by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, using the specific identification method, without regard to unrealized appreciation or depreciation previously recognized.

For the three months ended June 30, 2016, we recognized $(172) of realized loss in connection with the sale of a U.S. Treasury Bill.

For the three months ended June 30, 2015, we recognized $(10,881) of realized loss primarily in connection with the Big Lake escrow payment.

Net Change in Unrealized Gain (Loss)

Net change in unrealized gain (loss) primarily reflects the change in portfolio investment values during the reporting period, including the reversal of previously recorded appreciation or depreciation when gains or losses are realized.

Net change in unrealized gain (loss) on investments totaled a loss of $(4,700,868) for the three months ended June 30, 2016 primarily in connection with a loss of $2,074,000 on the second line loan to Lone Star Brewery Development Inc. and a loss of $1,522,723 on the second lien loan to Performance Alloys, Inc.

Net change in unrealized gain (loss) on investments totaled a loss of $(1,567,726) for the three months ended June 30, 2015 primarily in connection with a loss of $985,075 on the membership interest in Rockfish Holdings, LLC, a loss of $306,439 on the second lien loan to Advantis Certified Staffed Solutions Inc. and a loss of $268,363 on the membership interest – Class A units in Integrated Medical Partners, LLC.

Comparison of the Six Months Ended June 30, 2016 and June 30, 2015

	Six Months Ended June 30, 2016		Six Months Ended June 30, 2015	
	Total	Per Share (1)	Total	Per Share (1)
Investment Income				
Interest Income (2)	$ 919,333	$ 0.008	$ 1,135,347	$ 0.015
Other Income	19,172	0.000	8,907	0.000
Total Investment Income	938,505	0.008	1,144,254	0.015
Operating Expenses				
Management Fees	435,061	0.004	237,331	0.003
Administration Fees	221,235	0.002	168,927	0.002
Professional Fees	659,017	0.005	1,081,446	0.015
Compliance Fees	1,904	0.000	66,237	0.001
Directors' Fees	111,655	0.001	43,029	0.001
Bank Fees	25	0.000	2,050	0.000
Insurance Expense	44,918	0.000	29,355	0.000
Interest Expense	40,939	0.000	2,965	0.000
Other General and Administrative Expenses	184,010	0.002	133,129	0.002
Total Operating Expenses	1,698,764	0.014	1,764,469	0.024
Net Investment Income (Loss) (before tax)	(760,259)	(0.006)	(620,215)	(0.008)
Income tax expense	329,006	0.003	-	-
Net Investment Income (Loss) (after tax)	**(1,089,265)**	**(0.009)**	**(620,215)**	**(0.008)**
Net Change in Unrealized Gain (Loss)	**(1,798,703)**	**(0.015)**	**(1,689,156)**	**(0.023)**
Net Realized Gain (Loss)	**(172)**	**0.000**	**93,159**	**0.001**

(1) The basic per share figures noted above are based on a weighted average of 120,486,061 and 73,936,133 shares outstanding for the six months ended June 30, 2016 and June 30, 2015, respectively, except where such amounts need to be adjusted to be consistent with what is disclosed in the financial highlights of our Financial Statements.

(2) Interest income includes PIK interest of $440,776 and $195,926 for the six months ended June 30, 2016 and 2015 respectively.

Operating Expenses

Net operating expenses decreased from $1,764,469 for the six months ended June 30, 2015 to $1,698,764 for the six months ended June 30, 2016. The decrease is primarily due to $935,161 of legal and accounting fees related to the transaction that occurred on March 13, 2015 for the six months ended June 30, 2015.

Net operating expenses per share decreased from $0.024 per share for the six months ended June 30, 2015 to $0.014 per share for the six months ended June 30, 2016.

Net Investment Income (Loss)

Net investment income (loss) (after tax) increased from a loss of $(620,215) for the six months ended June 30, 2015 to a loss of $(1,089,265) for the six months ended June 30, 2016. This increase was primarily due to income tax expense in the amount of $329,006 for the six months ended June 30, 2016.

Net investment income (loss) (after tax) per share increased from a loss of $(0.008) per share for the six months ended June 30, 2015 to a loss of $(0.009) per share for the six months ended June 30, 2016.

Net Realized Gain (Loss)

We measure realized gains (losses) by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, using the specific identification method, without regard to unrealized appreciation or depreciation previously recognized.

For the six months ended June 30, 2016, we recognized $(172) of realized loss in connection with the sale of a U.S. Treasury Bill.

For the six months ended June 30, 2015, we recognized $93,159 of realized gain primarily in connection with a gain of $104,040 on the sale of common stock in Neuralstem, Inc.

Net Change in Unrealized Gain (Loss)

Net change in unrealized gain (loss) primarily reflects the change in portfolio investment values during the reporting period, including the reversal of previously recorded appreciation or depreciation when gains or losses are realized.

Net change in unrealized gain (loss) on investments totaled a loss of $(1,798,703) for the six months ended June 30, 2016 primarily in connection with a loss of $2,074,000 on the second lien loan to Lone Star Brewery Development Inc. and a loss of $1,522,723 on the second lien loan to Performance Alloys, Inc. The loss was offset by a gain of $1,816,202 on the preferred stock in Spencer Enterprises Holdings, LLC.

Net change in unrealized gain (loss) on investments totaled a loss of $(1,689,156) for the six months ended June 30, 2015 primarily in connection with a loss of $985,075 on the membership interest in Rockfish Holdings, LLC, a loss of $306,439 on the second lien loan to Advantis Certified Staffed Solutions Inc. and a loss of $268,363 on the membership interest – Class A units in Integrated Medical Partners, LLC.

Financial Condition, Liquidity and Capital Resources

We intend to continue to generate cash from future offerings of securities and cash flows from operations, including earnings on investments in our portfolio and future investments, as well as interest earned from the temporary investment of cash in U.S. government securities and other high-quality debt investments that mature in one year or less. We may, if permitted by regulation, seek various forms of leverage and borrow funds to make investments.

As of June 30, 2016, we had $254,893 in cash, and our net assets totaled $45,338,023. We believe that our current cash on hand, and our anticipated cash flows from operations will be adequate to meet our cash needs for our daily operations for at least the next 12 months.

Contractual Obligations

As of June 30, 2016, we did not have any contractual obligations that would trigger the tabular disclosure of contractual obligations under Section 303(a)(5) of Regulation S-K.

We have entered into one contract under which we have material future commitments, the New Investment Advisory Agreement, pursuant to which the Princeton Advisory Group serves as our investment adviser. Payments under the New Investment Advisory Agreement in future periods will be equal to a percentage of the value of our net assets.

The New Investment Advisory Agreement is terminable by either party without penalty upon written notice by the Company or 60 days' written notice by Princeton Advisory Group. If this agreement is terminated, the costs we incur under a new agreement may increase. In addition, we will likely incur significant time and expense in locating alternative parties to provide the services we expect to receive under our New Investment Advisory Agreement. Any new investment advisory agreement would also be subject to approval by our stockholders.

On January 18, 2016, the Board of Directors of the Company conditionally approved the New Investment Advisory Agreement between the Company and Princeton Advisory Group, Inc., a New Jersey corporation (the "New Investment Advisory Agreement"), subject to the approval of the Company's stockholders at the 2016 Annual Meeting of Stockholders. On June 9, 2016, the Company's stockholders approved the New Investment Advisory Agreement. The effective date of the New Investment Advisory Agreement was June 9, 2016. The Board of Directors of the Company previously approved the termination of the investment advisory agreement between the Company and Princeton Investment Advisors, LLC (the "Terminated Investment Advisory Agreement"), such termination becoming effective on June 9, 2016, the date the New Investment Advisory Agreement was approved and adopted by the stockholders of the Company. The administrative services of the Company are also provided by Princeton Advisory Group. Inc. and subject to reimbursement of administrative related expenses under the New Investment Advisory Agreement.

Distributions

In order to qualify as a RIC and to avoid U.S. federal corporate level income tax on the income we distribute to our stockholders, we are required to distribute at least 90% of our net ordinary income and our net short-term capital gains in excess of net long-term capital losses, if any, to our stockholders on an annual basis. Additionally, we must distribute an amount at least equal to the sum of 98% of our net ordinary income (during the calendar year) plus 98.2% of our net capital gain income (during each 12-month period ending on October 31) plus any net ordinary income and capital gain net income for preceding years that were not distributed during such years and on which we paid no U.S. federal income tax to avoid a U.S. federal excise tax. To the extent that we have income available, we intend to make quarterly distributions to our stockholders. Our stockholder distributions, if any, will be determined by our board of directors on a quarterly basis. Any distribution to our stockholders will be declared out of assets legally available for distribution. As of the date of this filing, we do not believe it is likely that the Company will meet the requirements to qualify as a RIC for the 2016 tax year.

We may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of our distributions from time to time. In addition, we may be limited in our ability to make distributions due to the asset coverage requirements applicable to us as a BDC under the 1940 Act. If we do not distribute a certain percentage of our income annually, we could suffer adverse tax consequences, including the possible loss of any qualification as a RIC. We cannot assure stockholders that they will receive any distributions.

To the extent our taxable earnings fall below the total amount of our distributions for that fiscal year, a portion of those distributions may be deemed a return of capital to our stockholders for U.S. federal income tax purposes. Thus, the source of a distribution to our stockholders may be the original capital invested by the stockholder rather than our income or gains. Stockholders should read any written disclosure accompanying any stockholder distribution carefully and should not assume that the source of any distribution is our ordinary income or capital gains.

We have adopted an "opt out" dividend reinvestment plan for our common stockholders. As a result, if we declare a distribution, the stockholders' cash distributions will be automatically reinvested in additional shares of our common stock unless a stockholder specifically "opts out" of our dividend reinvestment plan. If a stockholder opts out, that stockholder will receive cash distributions. Although distributions paid in the form of additional shares of our common stock will generally be subject to U.S. federal, state and local taxes in the same manner as cash distributions, stockholders participating in our dividend reinvestment plan will not receive any corresponding cash distributions with which to pay any such applicable taxes.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Related Party Transactions

Management Fees

Management fees under the New Investment Advisory Agreement were $51,123 for both the three and six months ended June 30, 2016. Management fees under the Terminated Investment Advisory Agreement for the three and six months ended June 30, 2016 were $170,409 and $383,938, respectively. As of June 30, 2016, management fees of $51,123 and $359,692 were payable to Princeton Advisory Group and Princeton Investment Advisors, respectively. Management fees for the three and six months ended June 30, 2015 were $237,331.

Incentive Fees

There were no incentive fees earned by Princeton Investment Advisors for the three or six months ended June 30, 2016 or June 30, 2015.

There were no incentive fees earned by Princeton Advisory Group for the three or six months ended June 30, 2016 as the New Investment Advisory Agreement does not provide for an incentive fee.

Other Related Party Transactions

Gregory J. Cannella served as the Chief Financial Officer of Rockfish Seafood Grill, Inc. ("RSG"), one of the Company's portfolio companies, until September 24, 2015. He had a stock option agreement with RSG, granted on January 28, 2013, with the right to earn up to 103.8961 shares or approximately 8% of RSG. This stock option agreement was canceled on May 12, 2015 with no consideration coming from RSG or the Company.

In May 2015, RSG created a wholly owned subsidiary, Southwest Hospitality Group, LLC ("SHG"), for the purpose of entering into franchise agreement with a new restaurant group. In July 2015, SHG was transferred to Sivco, Inc. and then signed a franchise agreement with this new restaurant group. Sivco, Inc. is majority owned and controlled by Alfred Jackson, a Director of the Company and minority-owned by Munish Sood, a Director, President, and CEO of the Company.

On March 30, 2016, the Company, as Borrower, entered into a Term Loan in the amount of $1,500,000 with Sema4, Inc. and Princeton Advisory Group, Inc., as Lenders in order to purchase certain assets to maintain its RIC status. Sema4, Inc. committed $1,000,000 and Princeton Advisory Group, Inc. committed $500,000. The loan was repaid in full with interest at a rate of 10.0% per annum on April 8, 2016. Sema4, Inc. is the general partner of CPP and CPPII, which own approximately 87% and 9% of our common stock, respectively. Princeton Advisory Group, Inc. is wholly owned by Munish Sood, a Director, President, and CEO of the Company.

As disclosed in the Company's Form 8-K filed with the SEC on June 30, 2016, on June 28, 2016, the Company, as Borrower, entered into a Term Loan in the amount of $390,000 with Munish Sood, as Lender, in order to purchase certain assets to maintain its RIC status. Mr. Sood is the Company's Chief Executive Officer, President, and a director of the Company. The board of directors of the Company, by unanimous written consent, authorized and approved that the Company enter into the Loan Agreement. The loan was repaid in full with interest at a rate of 10.0% per annum on July 11, 2016.

As disclosed in the Company's Form 8-K filed with the SEC on September 16, 2016, on September 12, 2016, the Company, as a Borrower, entered into a Term Loan in the amount of $225,000 with Munish Sood, as Lender, in order to fund capital to one of its portfolio companies, Rockfish Seafood Grill, Inc. Mr. Sood is the Company's Chief Executive Officer, President and a director of the Company. The board of directors of the Company, by unanimous written consent, authorized and approved that the Company enter into the Loan Agreement. The loan will bear interest at a rate of 10.0% per annum and matures on December 12, 2016. As disclosed in the Company's Form 8-K filed with the SEC on October 27, 2016, on October 21, 2016, Munish Sood lent an additional $140,000 under this Term Loan. On March 29, 2017, Munish Sood, in order to purchase certain assets to maintain its RIC status, lent an additional $450,000 under this Term Loan and extended the maturity date to June 30, 2017. On April 10, 2017, the Company made a principal and interest payment totaling $450,984 on this Term Loan.

As disclosed in the Company's Form 8-K filed with the SEC on October 5, 2016, on September 29, 2016 the Company, as Borrower, entered into a Term Loan in the amount of $470,000 with Munish Sood, as Lender, in order to purchase certain assets to maintain its RIC status. Mr. Sood is the Company's Chief Executive Officer, President, and a director of the Company. The board of directors of the Company, by unanimous written consent, authorized and approved that the Company enter into the Loan Agreement. The loan was repaid in full with interest at a rate of 10.0% per annum on October 7, 2016.

On June 28, 2017, Munish Sood made a non-interest bearing short term loan to Advantis Certified Staffing Solutions, Inc., one of the Company's portfolio companies, in the amount of $89,225 for a short term working capital need. The loan was repaid without interest on July 5, 2017.

Recent Accounting Pronouncements

See Note 2 of the financial statements for a description of recent accounting pronouncements, if any, including the expected dates of adoption and the anticipated impact on the financial statements.

Critical Accounting Policies

The preparation of our financial statements and related disclosures in conformity with U.S. Generally Accepted Accounting Principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Changes in the economic environment, financial markets and any other parameters used in determining such estimates could cause actual results to differ. In addition to the discussion below, our significant accounting policies are further described in the notes to the financial statements.

Valuation of Portfolio Investments

As a BDC, we generally invest in illiquid loans and securities including debt and equity securities of middle-market companies. Under procedures established by our board of directors, we value investments for which market quotations are readily available at such market quotations. We obtain these market values from an independent pricing service or at the mean between the bid and ask prices obtained from at least two brokers or dealers (if available, otherwise by a principal market maker or a primary market dealer). Debt and equity securities that are not publicly traded or whose market prices are not readily available are valued at fair value as determined in good faith by our board of directors. Such determination of fair values may involve subjective judgments and estimates, although we engage independent valuation providers to review the valuation of each portfolio investment that does not have a readily available market quotation at least twice annually. Investments purchased within 60 days of maturity are valued at cost plus accreted discount, or minus amortized premium, which approximate fair value. With respect to unquoted securities, our board of directors, together with our independent valuation advisors, values each investment considering, among other measures, discounted cash flow models, comparisons of financial ratios of peer companies that are public and other factors.

When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, our board of directors uses the pricing indicated by the external event to corroborate and/or assist us in our valuation. Because there is not a readily available market for substantially all of the investments in our portfolio, we value our portfolio investments at fair value as determined in good faith by our board of directors using a documented valuation policy and a consistently applied valuation process. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may differ significantly from the values that would have been used had a readily available market value existed for such investments, and the differences could be material.

With respect to investments for which market quotations are not readily available, our board of directors undertakes a multi-step valuation process each quarter, as described below:

- Our quarterly valuation process begins with each portfolio company or investment being initially valued by an independent valuation firm, except for those investments where market quotations are readily available;
- Preliminary valuation conclusions are then documented and discussed with our senior management, Princeton Advisory Group and our auditors;
- The valuation committee of our board of directors then reviews these preliminary valuations and approves them for recommendation to the board of directors;
- The board of directors then discusses valuations and determines the fair value of each investment in our portfolio in good faith, based on the input of Princeton Advisory Group, the independent valuation firm and the valuation committee.

Revenue Recognition

Realized gain (loss) on the sale of investments is the difference between the proceeds received from dispositions of portfolio investments and their stated costs. Realized gains or losses on the sale of investments are calculated using the specific identification method.

Interest income, adjusted for amortization of premium and accretion of discount, is recorded on an accrual basis to the extent that we expect to collect such amounts. For loans and debt securities with contractual PIK interest, which represents contractual interest accrued and added to the loan balance that generally becomes due at maturity, we do not accrue PIK interest if the portfolio company valuation indicates that such PIK interest is not collectible. Generally, we will not accrue interest on loans and debt securities if we have reason to doubt our ability to collect such interest. Loan origination fees, original issue discount and market discount or premium are capitalized, and we then accrete or amortize such amounts using the effective interest method as interest income. Upon the prepayment of a loan or debt security, any unamortized loan origination is recorded as interest income. We record prepayment premiums on loans and debt securities as interest income.

Dividend income, if any, will be recognized on the ex-dividend date.

Generally, when a payment default occurs on a loan in the portfolio, or if the Company otherwise believes that borrower will not be able to make contractual interest payments, the Company may place the loan on non-accrual status and cease recognizing interest income on the loan until all principal and interest is current through payment, or until a restructuring occurs, and the interest income is deemed to be collectible. The Company may make exceptions to this policy if a loan has sufficient collateral value, is in the process of collection or is viewed to be able to pay all amounts due if the loan were to be collected on through an investment in or sale of the business, the sale of the assets of the business, or some portion or combination thereof.

Recent Developments

Portfolio Activity

- On August 16, 2016, the Company entered into a Note Purchase and Sale Agreement with NCC Financial, LLC ("NCC"), pursuant to which the Company agreed to sell to NCC, for an amount equal to $6,000,000, a Senior Secured Promissory Note issued to the Company by Lone Star Brewery Development, Inc. Pursuant to the terms of the aforesaid Note Purchase and Sale Agreement, closing is to occur on or before September 30, 2017. NCC has an option to extend the closing date until December 31, 2017 for an extension fee in the amount of $50,000. Furthermore, NCC has the right to terminate the Note Purchase and Sale Agreement upon the non-occurrence of certain specified events.

- Effective July 1, 2016, the Company re-structured its investment in Performance Alloys, LLC ("PALLC") to provide PALLC with much needed liquidity. The Company and PALLC entered into Amendment No. 4 to Subordinated Note and Securities Purchase Agreement, effective as of July 1, 2016 (the "Fifth Amendment"), pursuant to which the Company reduced the outstanding principal balance owed from PALLC to the Company to $6,750,000, reduced the interest rate to 6%, and extended the maturity date to March 31, 2018 (subject to a PALLC's conditional right to further extend the maturity date to March 31, 2019, which if so elected would result in an increase of the interest rate to 9%). In consideration for the principal reduction, the Company was granted an equity interest in PALLC, namely: one Class B Membership unit in PALLC, which entitles the Company to (a) certain net cash flow distributions from PALLC as follow: (i) of the first $16,101,881 of net cash flow distributions (the "Tranche 1 Net Cash Flow Distributions"), the Company shall be entitled to 29.18% of such Tranche 1 Net Cash Flow Distributions, and (ii) to the extent that any additional net cash flow distributions are made in excess of the Tranche 1 Net Cash Flow Distributions, the Company shall be entitled to 9.51% of such additional net cash flow distributions; and (b) certain liquidation event net proceeds from PALLC as follows: (i) of the first $18,092,001 of liquidity event net proceeds, less any Tranche 1 Net Cash Flow Distributions (the "Tranche 1 Liquidity Event Net Proceeds"), the Company shall be entitled to the lesser of (x) 25.97% of the Tranche 1 Liquidity Event Net Proceeds, or (y) $4,698,500 less any Tranche 1 Net Cash Flow Distributions previously made to the Company; and (ii) to the extent that there are liquidity event net proceeds in excess of the Tranche 1 Liquidity Event Net Proceeds, the Company shall be entitled to 8.46% of such excess liquidity event net proceeds. At closing of the Fourth Amendment, PALLC cured all defaults with the Company along with its first lienholder and tendered to the Company its August interest making this a performing note again for the Company. The Company also received an amendment fee in the amount of $33,750 with the Fourth Amendment.

- Effective June 29, 2016, the Company amended the terms and conditions of its revolving loan (the "RSG Revolver") to Rockfish Seafood Grill, Inc. ("RSG Inc.") for the purpose of extending the maturity date to June 29, 2017 to increase the maximum principal amount of the RSG Revolver to $1,276,000.

- On September 12, 2016, the Company funded $75,000 on the RSG Revolver.

- On September 20, 2016, the Company funded $150,000 on the RSG Revolver.

- On October 21, 2016, the Company amended the RSG Revolver to increase the maximum principal amount of the RSG Revolver to $1,416,000.

- On October 21, 2016, the Company funded $140,000 on the RSG Revolver

- On November 18, 2016, the Company amended the RSG Revolver to increase the maximum principal amount to $1,491,000.

- On November 18, 2016, the Company funded $30,000 on the RSG Revolver.

- On December 1, 2016, the Company amended its Subordinated Note with Performance Alloys, LLC in order to facilitate a refinance of their first lienholder with a new bank. The Company agreed to extend its maturity date to May 31, 2020 and include an automatic increase in its interest rate to 9% on July 1, 2018.

- On December 7, 2016, the Company funded $35,000 on the RSG Revolver.

- On December 22, 2016, due to the need for additional capital to fund an increase in work orders for PALLC, the Company agreed to defer the January 1, 2017, February 1, 2017, and March 1, 2017 interest payments to be due on April 1, 2017.

- Effective December 31, 2016, the Company sold its equity interests in Advantis Certified Staffing Solutions, Inc. for the amount of $500,000 to Offisol Solutions LLC (“Offisol”). $50,000 in cash was received at closing and the remaining $450,000 is to be paid in four equal quarterly installments beginning on March 31, 2017 and ending on December 31, 2017, pursuant to the terms and conditions of a Term Promissory Note, executed by Offisol and payable to the order of the Company (the “Term Note”). The Term Note is secured by a pledge of the stock of Advantis Certified Staffing Solutions, Inc. that was sold by the Company to Offisol. The Company also amended its Senior Secured Subordinated Promissory Note (the “Advantis Note”) by reducing the principal balance to $4.5 million, forgiving any accrued interest under the Advantis Note, and forgiving all amounts owed under the three outstanding unsecured notes. The interest rate on the Advantis Note was reduced to 6% with an automatic increase to 12% on the second anniversary of the amendment. The maturity date was extended to November 30, 2021. The Company also received a Warrant for a 5% common equity interest in the company.

- On January 18, 2017, the Company amended the RSG Revolver to increase the maximum principal amount to $1,621,000.

- On January 18, 2017, the Company funded $140,000 on the RSG Revolver.

- On February 6, 2017, the Company assigned its notes, liens and security interests in its investment in South Boots Hill, LLC to a wholly owned subsidiary, PCC SBH SUB, Inc. (“PCC SBH”). On February 7, 2017, PCC SBH foreclosed on the real estate collateral assets and other personal property assets of South Boots Hill, LLC.

- On June 1, 2017, the Company issued notices of default on the Advantis Note and the associated Term Note for payment default. After giving 30 days to cure all defaults, the Company exercised its rights under the corresponding Stock Pledge Agreement to initiate transfer of the pledged stock certificates and warrants into the Company’s name on July 3, 2017.

- On June 30, 2017, Princeton Capital Corporation made a short term bridge loan to Advantis Certified Staffing Solutions, Inc. in the amount of $89,225 for working capital needs. The note will bear an annual interest rate of 5% with all interest and principal due on maturity of October 31, 2017.

- On July 12, 2017, Princeton Capital Corporation made a short term bridge loan to Advantis Certified Staffing Solutions, Inc. in the amount of $69,000 for working capital needs. The note will bear an annual interest rate of 5% with all interest and principal due on maturity of October 31, 2017.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are subject to financial market risks, including changes in interest rates. Changes in interest rates may affect both our cost of funding and our interest income from portfolio investments and cash and cash equivalents. Our investment income will not be affected by changes in variable interest rates, including LIBOR as all of our outstanding loan portfolio bore interest as fixed rates as of June 30, 2016.

While management believes that our investment income will not be affected by changes in variable interest rates, it could be affected by the changes in the credit quality, size and composition of our portfolio, and other business developments that could affect the net increase or decrease in net assets resulting from operations. Accordingly, no assurances can be given that actual results would not differ materially from the results under this analysis.

Item 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

The Company’s management, under the supervision and with the participation of various members of management, including its Chief Executive Officer (“CEO”) and its Chief Financial Officer (“CFO”), has evaluated the effectiveness of its disclosure controls and procedures (as defined in Rule 13a-15(e) or Rule 15d-15(e) of the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, the Company’s CEO and CFO have concluded that except for the late filing of the Form 10-Q due to delays experienced in finalizing the accounting for the transaction on March 13, 2015, the Company’s disclosure controls and procedures are effective as of the end of the period covered by this report.

(b) Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) that occurred during the quarter ended June 30, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On or around September 8, 2015 a lawsuit was filed captioned *Capital Link Fund I, LLC, et al. v. Capital Point Management, LP, et al.*, C.A. No. 11483-VCN in the Delaware Court of Chancery.

The following description of the Settlement Agreement is qualified in its entirety by reference to the full text of the Settlement Agreement, which is attached as Exhibit 99.1 to the 8-K filed on January 22, 2016:

On January 19, 2016, the Company, Princeton Advisory Group, Inc., Gregory J. Cannella ("Cannella"), Munish Sood ("Sood"), Thomas Jones, Jr. ("Jones Jr.") and Trennis L. Jones ("Jones" and together with Jones Jr., the "Independent Directors" and the Independent Directors together with the Company, Princeton Advisory Group, Inc., Cannella and Sood, the "Settling Defendants") on the one hand, entered into a settlement agreement ("Settlement Agreement") with Capital Link Fund I, LLC ("Capital Link"), CT Horizon Legacy Fund, LP ("CT Horizon"), CPP, and Sema4, Inc. ("Semaphore" and together with Capital Link, CT Horizon and CPP I, the "Plaintiffs" or the "Capital Point Parties") on the other hand. CPP is the Company's largest stockholder.

Subject to the terms and conditions contained therein, the Settlement Agreement settles between the Plaintiffs and the Settling Defendants the disputes described in the lawsuit. No monies were paid or exchanged by any of the parties as a part of the settlement and none of the parties admitted any wrongdoing. For the avoidance of doubt, none of the following is a party to the Settlement Agreement: Alfred Jackson ("Jackson"), Martin Tuchman ("Tuchman"), Capital Point Management, LP ("CPM"), Capital Point Advisors, LP ("CPA") or Princeton Investment Advisors, LLC ("PIA," and, together with Jackson, Tuchman, CPM and CPA, collectively the "Non-Settling Defendants"). As part of the terms of the Settlement Agreement, Sood and Cannella waive any rights to indemnification they may have had against the Company as it relates to the lawsuit. Jackson, as a Non-Settling Defendant, does not have a similar prohibition against seeking indemnification.

On June 17, 2016, a Stipulation and Order of Dismissal of Claims (the "Dismissal Order") against the Settling Defendants (which includes the Company) and Tuchman (collectively, the "Dismissed Defendants") was entered in the Delaware Court of Chancery. The Dismissal Order, which was dated June 10, 2016, dismissed with prejudice the claims brought by the Plaintiffs against the Dismissed Defendants. The Dismissal Order did not dismiss the claims against Jackson, CPM, CPA or PIA.

On February 24, 2017, a Stipulation and Order of Dismissal of Claims (the "Dismissal Order II") against Jackson, CPM, CPA and PIA was entered in the Delaware Court of Chancery. The Dismissal Order II, which was dated February 24, 2017, dismissed with prejudice the claims brought by the Plaintiffs against Jackson, CPM, CPA and PIA. Terms of any settlement were not disclosed and all claims with respect to the lawsuit have now been dismissed, signifying that the status quo order that included the Company has now been lifted.

As of June 30, 2016, there were no other legal proceedings against the Company or any of its officers or directors.

From time to time, the Company may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of the Company's rights under contracts with its portfolio companies. While the outcome of these legal proceedings cannot be predicted with certainty, the Company does not expect that these proceeding will have a material effect upon its business, financial condition or results of operations.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, which could materially affect our business, financial condition and/or operating results. The risks described in our Annual Report on Form 10-K are not the only risks we face. Additional risks and uncertainties are not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. There have been no material changes from the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2015.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

The following exhibits are filed as part of this report or hereby incorporated by reference to exhibits previously filed with the SEC:

Exhibit	Description
3.1	Articles of Amendment of Princeton Capital Corporation (Incorporated by reference from Exhibit 3.2 of the Registrant's Annual Report on Form 10-K, filed on December 14, 2016)
10.1*	Investment Advisory Agreement between Registrant and Princeton Advisory Group, Inc.
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended.
32*	Certification of Chief Executive Officer and the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.

* Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PRINCETON CAPITAL CORPORATION

Date: July 12, 2017	/s/ Munish Sood Munish Sood Chief Executive Officer (Principal Executive Officer)
Date: July 12, 2017	/s/ Gregory J. Cannella Gregory J. Cannella Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 10.1

INVESTMENT ADVISORY AGREEMENT

BETWEEN

PRINCETON CAPITAL CORPORATION

AND

PRINCETON ADVISORY GROUP, INC.

AGREEMENT, dated as of June 9, 2016, between Princeton Capital Corporation, a Maryland corporation (the "Corporation"), and Princeton Advisory Group, Inc. (the "Adviser"), a New Jersey corporation. The date on which this Agreement becomes effective as provide in Section 9(a) hereof is referred to herein as the "Effective Date."

WHEREAS, the Adviser has agreed to furnish investment advisory services to the Corporation, which intends to elect to operate as a business development company under the Investment Company Act of 1940, as amended (the "Investment Company Act"); and

WHEREAS, this Agreement has been approved in accordance with the provisions of the Investment Company Act, and the Adviser is willing to furnish such services upon the terms and conditions herein set forth.

NOW, THEREFORE, in consideration of the mutual premises and covenants herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, it is agreed by and between the parties hereto as follows:

1 . In General. During the term of this Agreement, the Adviser agrees, all as more fully set forth herein, to act as investment advisor to the Corporation with respect to the investment of the Corporation's assets and to supervise and arrange for the day-to-day operations of the Corporation and the purchase of assets for and the sale of assets held in the investment portfolio of the Corporation.

2. Duties and Obligations of the Adviser with Respect to Investment of Assets of the Corporation.

(a) Subject to the succeeding provisions of this paragraph and subject to the direction and control of the Corporation's board of directors (the "Board of Directors"), during the term of this Agreement, the Adviser shall act as the investment advisor to the Company and to manage the investment and reinvestment of the assets of the Company. Without limiting the generality of the foregoing, the Adviser shall, during the term and subject to the provisions of this Agreement, (i) determine the composition of the portfolio of the Corporation, the nature and timing of the changes therein and the manner of implementing such changes; (ii) identify, evaluate and negotiate the structure of the investments made by the Corporation; (iii) execute, close, service and monitor the investments that the Corporation makes; (iv) determine the securities and other assets that the Corporation will purchase, retain or sell; (v) perform due diligence on prospective portfolio companies; (vi) provide the Corporation with such other investment advisory, research and related services as the Corporation may, from time to time, reasonably require for the investment of its funds; and (vii) if directed by the Board of Directors, assist in the execution and closing of the sale of the Corporation's assets or a sale of the equity of the Corporation in one or more transactions, however structured, in each case as approved by the Board of Directors. Nothing contained herein shall be construed to restrict the Corporation's right to hire its own employees or to contract for administrative services to be performed by third parties, including but not limited to, the calculation of the net asset value of the Corporation's shares.

(b) In the performance of its duties under this Agreement, the Adviser shall at all times conform to, act in accordance with, and act so that the Corporation is in compliance with, any requirements imposed by (i) the provisions of the Investment Company Act and the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and of any rules or regulations in force thereunder, subject to the terms of any exemptive order applicable to the Corporation; (ii) any other applicable provision of law; (iii) the provisions of the Articles of Amendment and Restatement and the Bylaws of the Corporation, as such documents are amended from time to time; (iv) the investment objectives, policies and restrictions applicable to the Corporation as set forth in the Corporation's proxy or information statement as it may be amended from time to time by the Board of Directors of the Corporation; and (v) any policies and determinations of the Board of Directors that are provided in writing to the Adviser.

(c) The Adviser will provide qualified personnel to fulfill its duties hereunder and, except as set forth in the following sentence, will bear all costs and expenses incurred in connection with its investment advisory duties hereunder. Except as provided in Section 5 hereof, the Corporation shall reimburse the Adviser for all direct and indirect costs and expenses incurred by the Adviser during the term of this Agreement for (i) due diligence of potential investments of the Corporation, (ii) monitoring performance of the Corporation's investments, (iii) serving as officers of the Corporation, (iv) serving as directors and officers of portfolio companies of the Corporation, (v) providing managerial assistance to portfolio companies of the Corporation, and (vi) enforcing the Corporation's rights in respect of its investments and disposing of its investments; provided, however, that, any third party expenses incurred by the Adviser in excess of $50,000 in the aggregate in any calendar quarter require advance approval by the Board of Directors. All allocations of costs and expenses made pursuant to this paragraph (c) shall be made pursuant to allocation guidelines approved from time to time by the Board of Directors. The Corporation shall also be responsible for the payment of all the Corporation's other expenses, including payment of the fees payable to the Adviser under Section 6 hereof; organizational and offering expenses; expenses incurred in valuing the Corporation's assets and computing its net asset value per share (including the cost and expenses of any independent valuation firm); subject to the limitations in the proviso in the immediately preceding sentence, expenses incurred by the Adviser that are payable to third parties, including agents, consultants or other advisors, in monitoring financial and legal affairs for the Corporation and in monitoring the Corporation's investments and performing due diligence on the Corporation's prospective portfolio companies or otherwise related to, or associated with, evaluating and making investments; interest payable on debt, if any, incurred to finance the Corporation's investments and expenses related to unsuccessful portfolio acquisition efforts; offerings of the Corporation's common stock and other securities; administration fees; transfer agent and custody fees and expenses; federal and state registration fees of the Corporation (but not the Adviser); all costs of registration and listing the Corporation's shares on any securities exchange; federal, state and local taxes; independent directors' fees and expenses; costs of preparing and filing reports or other documents required of the Corporation (but not the Adviser) by the Securities and Exchange Commission ("SEC") or other regulators; costs of any reports, proxy statements or other notices to stockholders, including printing costs; the costs associated with individual or group stockholders; the Corporation's allocable portion of the fidelity bond, directors and officers/errors and omissions liability insurance, and any other insurance premiums; direct costs and expenses of administration and operation of the Corporation, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs; and all other non-investment advisory expenses incurred by the Corporation in connection with the administering the Corporation's business.

(d) The Adviser shall, at all times during the term of this Agreement and for one year thereafter, maintain directors and officers/errors and omissions liability insurance in an amount and with a provider reasonably acceptable to the Board of Directors.

(e) The Adviser will place orders either directly with the issuer or with any broker or dealer. Subject to the other provisions of this paragraph, in placing orders with brokers and dealers, the Adviser will attempt to obtain the best price and the most favorable execution of its orders. In placing orders, the Adviser will consider the experience and skill of the firm's securities traders as well as the firm's financial responsibility and administrative efficiency. Consistent with this obligation, the Adviser may select brokers on the basis of the research, statistical and pricing services they provide to the Corporation and other clients of the Adviser.

Information and research received from such brokers will be in addition to, and not in lieu of, the services required to be performed by the Adviser hereunder. A commission paid to such brokers may be higher than that which another qualified broker would have charged for effecting the same transaction, provided that the Adviser determines in good faith that such commission is reasonable in terms either of the transaction or the overall responsibility of the Adviser to the Corporation and its other clients and that the total commissions paid by the Corporation will be reasonable in relation to the benefits to the Corporation over the long term, subject to review by the Board of Directors of the Corporation from time to time with respect to the extent and continuation of such practice to determine whether the Corporation benefits, directly or indirectly, from such practice.

(f) The Adviser may not assign or delegate, whether to a sub-adviser or otherwise, and whether by operation of law, merger or otherwise, all or any portion of its obligations under this Agreement without the prior written consent of the Board of Directors, which consent the Board of Directors may give, withhold, delay or condition for any reason or no reason in its sole discretion. Any purported assignment or delegation in violation of the immediately preceding sentence shall be void and of no force or effect.

3 . Services Not Exclusive. Nothing in this Agreement shall prevent the Adviser or any officer, employee or other affiliate thereof from acting as investment advisor for any other person, firm or corporation, or from engaging in any other lawful activity, and shall not in any way limit or restrict the Adviser or any of its officers, employees or agents from buying, selling or trading any securities for its or their own accounts or for the accounts of others for whom it or they may be acting; provided, however, that the Adviser will not undertake, and will cause its employees not to undertake, activities which, in its reasonable judgment, will adversely affect the performance of the Adviser's obligations under this Agreement.

4. No Agency Cross Transactions. From time to time, the Adviser or brokers or dealers affiliated with it may find themselves in a position to buy for certain of their brokerage clients (each an "Account") securities which the Adviser's investment advisory clients wish to sell, and to sell for certain of their brokerage clients securities which advisory clients wish to buy. Where one of the parties is an advisory client, the Adviser or the affiliated broker or dealer cannot participate in this type of transaction (known as a cross transaction) on behalf of an advisory client and retain commissions from one or both parties to the transaction without the advisory client's consent. This is because in a situation where the Adviser is making the investment decision (as opposed to a brokerage client who makes his own investment decisions), and the Adviser or an affiliate is receiving commissions from both sides of the transaction, there is a potential conflicting division of loyalties and responsibilities on the Adviser's part regarding the advisory client. The SEC has adopted a rule under the Advisers Act which permits the Adviser or its affiliates to participate on behalf of an Account in agency cross transactions if the advisory client has given written consent in advance. Neither the Adviser nor its affiliates may participate in agency cross transactions involving an Account without the prior written consent of the Board of Directors, which consent the Board of Directors may give, withhold, delay or condition for any reason or no reason in its sole discretion.

5 . Expenses. During the term of this Agreement, the Adviser will bear all compensation expense (including health insurance, pension benefits, payroll taxes and other compensation related matters) of its employees and shall bear the costs of any salaries or directors' fees of any officers or directors of the Corporation who are affiliated persons (as defined in the Investment Company Act) of the Adviser; provided, however, that the Adviser, subject to approval by the Board of Directors, shall be entitled to reimbursement for the portion of any compensation expense and the costs of any salaries of any such employees to the extent attributable to services performed by such employees for the Corporation. During the term of this Agreement, the Adviser will also bear all costs and expenses incurred by the Adviser for office space rental, office equipment, utilities and other non-compensation related overhead allocable to performance of its obligations under this Agreement.

6 . Compensation of the Adviser. During the term of this Agreement, the Adviser, for its services to the Corporation, will be entitled to receive a management fee (the "Base Management Fee") from the Corporation. The Base Management Fee will be calculated at an annual rate of 1.00% of the Corporation's gross assets, including assets purchased with borrowed funds or other forms of leverage and excluding cash and cash equivalents, net of all indebtedness of the Corporation for borrowed money and other liabilities of the Corporation. The Base Management Fee is payable quarterly in arrears on a calendar quarter basis. The Base Management Fee will be calculated based on the average value of the Corporation's net assets, determined as set forth in the second sentence of this Section 6, at the end of the two most recently completed calendar quarters prior to the quarter for which such fees are being calculated. In the event that (a) the Corporation or any of its assets are sold or transferred to an independent third party or (b) the Corporation or the Adviser receives an audit report or other independent third party valuation of any asset of the Corporation, the Board of Directors may adjust the value of the Corporation's assets, and the resulting calculations of Base Management Fee, on a retroactive basis to account for the value of such asset in such sale, audit report or valuation. To the extent that any such adjustment increases the Base Management Fee payable with respect to any prior period, the Corporation shall promptly pay the amount of such increase to the Adviser. To the extent than any such adjustment decreases the Base Management Fee payable with respect to any prior period, the Adviser shall promptly refund the amount of such decrease to the Corporation; provided, that if the Adviser has not refunded any such amount prior to the date that the next Base Management Fee payment is due, then the Corporation may offset the amount of such refund against the Base Management Fee payment then due. Base Management Fees for any partial month or quarter will be appropriately pro-rated.

7. Indemnification. The Adviser (and its officers, managers, employees and members) shall not be liable to the Corporation for any action taken or omitted to be taken by the Adviser in connection with the performance of any of its duties or obligations under this Agreement or otherwise as an investment adviser of the Corporation (except to the extent specified in Section 36(b) of the Investment Company Act concerning loss resulting from a breach of fiduciary duty (as the same is finally determined by judicial proceedings) with respect to the receipt of compensation for services), and the Corporation shall indemnify, defend and protect the Adviser (and its officers, managers, employees and members) (collectively, the "Indemnified Parties") and hold them harmless from and against all damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by the Indemnified Parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of the Corporation or its security holders) arising out of or otherwise based upon the performance of any of the Adviser's duties or obligations under this Agreement or otherwise as an investment adviser of the Corporation. Notwithstanding the preceding sentence of this Section 7 to the contrary, nothing contained herein shall protect or be deemed to protect the Indemnified Parties against or entitle or be deemed to entitle the Indemnified Parties to indemnification in respect of, any liability to the Corporation or its security holders to which the Indemnified Parties would otherwise be subject by reason of willful misfeasance, bad faith or negligence in the performance of the Adviser's duties, or by reason of the material breach or reckless disregard of the Adviser's duties and obligations under this Agreement, and nothing contained herein shall constitute a waiver of any rights which the Corporation may have which may not be waived under applicable law. In calculating amounts payable to an Indemnified Party hereunder, the amount of any indemnified losses shall be computed net of any payments recovered by the Indemnified Party under any insurance policy with respect to such losses. If the amount recovered by an Indemnified Party under any insurance policy is received after payment by the Corporation to an Indemnified Party of any amount required to be paid by the Corporation under this Section 7, the Indemnified Party shall promptly repay to Corporation the amount of such insurance recovery.

8. Representations, Warranties and Covenants of Adviser. The Adviser represents, warrants and covenants to the Corporation as follows:

(a) The Adviser is a corporation duly organized, validly existing and in good standing under the laws of the state of New Jersey. The Adviser has all necessary power and authority to enter into this Agreement and to perform its obligations under this Agreement. The execution and delivery by the Adviser of this Agreement and the performance by the Adviser of its obligations under this Agreement have been duly authorized by all requisite action on the part of the Adviser. This Agreement has been duly executed and delivered by the Adviser, and this Agreement constitutes a legal, valid and binding obligation of the Adviser, enforceable against the Adviser in accordance with its terms.

(b) The Adviser is duly registered as an investment adviser under the Advisers Act. The Adviser will at all times have in effect all registrations, licenses, bonds and approvals necessary for it to perform all of its obligations under this Agreement.

(c) The Adviser shall at all times comply in all respects with all applicable federal and state laws governing its operations, including, without limitation, the Investment Company Act and the Advisers Act.

(d) There has been no event, fact or circumstance that would require disclosure by or regarding the Adviser or any of its advisory affiliates (as defined in Form ADV) in response to Item 11 of Part 1 A of Form ADV.

(e) Except as the Adviser has disclosed to the Corporation in writing prior to the date of this Agreement, (i) there are no actions, suits, claims, investigations or other legal proceedings pending or threatened by or against the Adviser or any of its affiliates, members or executive officers, and (ii) there is no outstanding order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any governmental authority or arbitrator against the Adviser or any of its affiliates, members or executive officers.

(f) The Adviser will promptly (and in any event within three business days) advise the Board of Directors in writing of any event, fact or circumstance that results in any of the foregoing representations, warranties or covenants being or becoming incorrect in any respect as of the date of this Agreement or as of any time during the term of this Agreement.

9. Effectiveness; Duration and Termination.

(a) A condition precedent to the effectiveness of this Agreement is the approval of this Agreement by the vote of a majority of the outstanding voting securities of the Corporation entitled to be cast by the holders thereof, and this Agreement shall not become effective until such approval is obtained. In the event such approval is not obtained by June 30, 2016, this Agreement shall be null and void and of no force or effect, *ab initio.*

(b) This Agreement may be terminated at any time, without the payment of any penalty, (i) upon written notice, effective on the date set forth in such notice, by the vote of a majority of the outstanding voting securities of the Corporation or by the vote of the Corporation's Directors, or (ii) upon 60 days' written notice, by the Adviser. From and after the Effective Date, the provisions of Section 7 of this Agreement shall remain in full force and effect, and the Adviser and the other Indemnified Parties shall remain entitled to the benefits thereof, notwithstanding any termination of this Agreement. Further, notwithstanding the termination or expiration of this Agreement as aforesaid, the Adviser shall be entitled to amounts owed under Section 6 through the date of termination or expiration, if any.

(c) Unless earlier terminated in accordance with its terms, this Agreement shall commence on the Effective Date and continue in effect for one year from the Effective Date and thereafter shall continue automatically for successive annual periods, provided that such continuance is specifically approved at least annually by (A) the vote of the Board, or by the vote of a majority of the outstanding voting securities of the Corporation and (B) the vote of a majority of the members of the Corporation's Board who are not parties to this Agreement or "interested persons" (as such term is defined in Section 2(a)(19) of the Investment Company Act) of any such party, in accordance with the requirements of the Investment Company Act.

(d) This Agreement will automatically terminate in the event of its "assignment" (as such tennis defined for purposes of Section 15(a)(4) of the Investment Company Act).

10. Notices. Any notice under this Agreement shall be in writing to the other party at such address as the other party may designate from time to time for the receipt of such notice and shall be deemed to be received on the earlier of the date actually received, the second business day after sending the same (charges prepaid) if such notice is sent via reputable overnight delivery service or on the fourth day after the postmark if such notice is mailed first class postage prepaid.

11. Amendment of this Agreement. This Agreement may only be amended by mutual consent, but the consent of the Corporation must be obtained in conformity with the requirements of the Investment Company Act. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege

12. Entire Agreement. This Agreement contains the entire agreement of the parties and supersedes all prior agreements, understandings and arrangements with respect to the subject matter hereof.

13. Governing Law; Consent to Jurisdiction; Jury Trial Waiver.

(a) This Agreement and all claims arising hereunder or relating hereto shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any conflict of laws principles that would result in the application of the laws of any other jurisdiction, and in accordance with the applicable provisions of the Investment Company Act. In such case, to the extent the applicable laws of the State of Delaware, or any of the provisions herein, conflict with the provisions of the Investment Company Act, the latter shall control.

(b) Each of the parties to this Agreement consents to submit to the exclusive personal jurisdiction of the Delaware Chancery Court, or if such court does not have proper jurisdiction, any other state or federal court sitting in the State of Delaware in connection with any action or proceeding arising out of or relating to this Agreement and agrees that all claims in respect of any such action or proceeding may be heard and determined in any such court. Each of the parties to this Agreement agrees not to assert in any action or proceeding arising out of or relating to this Agreement that venue in Delaware is improper, and waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives and bond, surety or other security that might be required of any other party with respect thereto.

(c) EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION THEREWITH OR ARISING FROM ANY RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT OR ANY RELATED TRANSACTION, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

14. Miscellaneous.

(a) The captions in this Agreement are included for convenience of reference only and in no way define or delimit any of the provisions hereof or otherwise affect their construction or effect. If any provision of this Agreement shall be held or made invalid by a court decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby. This Agreement shall be binding on, and shall inure to the benefit of the parties hereto and their respective successors.

(b) This Agreement has been freely and fairly negotiated between the parties hereto. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties and no presumption or burden of proof will arise favoring or disfavoring any party because of the authorship of any provision of this Agreement. Unless the context requires otherwise, any agreements, documents, instruments or laws defined or referred to in this Agreement will be deemed to mean or refer to such agreements, documents, instruments or laws as from time to time amended, modified or supplemented, including (i) in the case of agreements, documents or instruments, by consent and (ii) in the case of laws, by succession of comparable successor statutes. All references in this Agreement to any particular law will be deemed to refer also to any rules and regulations promulgated under that law. The words "include," "includes" and "including" will be deemed to be followed by "without limitation." The word "or" is used in the inclusive sense of "and/or" unless the context requires otherwise. References to a person or entity are also to their permitted successors and assigns. Pronouns in masculine, feminine and neuter genders will be construed to include any other gender, and words in the singular form will be construed to include the plural and vice versa, unless the context requires otherwise. When a reference in this Agreement is made to an Article or Section, such reference is to an Article or Section of this Agreement unless otherwise indicated. The words "this Agreement," "herein," "hereof," "hereby," "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited.

(c) Subject to Section 2(f) hereof, all of the terms, agreements, covenants, representations, warranties and conditions of this Agreement are binding upon, and inure to the benefit of and are enforceable by, the parties and their respective successors and permitted assigns.

15. Counterparts. This Agreement may be executed in counterparts by the parties hereto, each of which shall constitute an original counterpart, and all of which, together, shall constitute one Agreement. The exchange of copies of this Agreement and of executed signature pages by facsimile transmission or by electronic mail in "portable document format" (".pdf") or by a combination of such means, will constitute effective execution and delivery of this Agreement as to the parties hereto and may be used in lieu of an original Agreement for all purposes. Signatures of the parties transmitted by facsimile or by .pdf shall be deemed to be their original signatures for all purposes.

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IN WITNESS WHEREOF, the parties hereto have caused this Investment Advisory Agreement to be executed by their duly authorized officers, all as of the day and the year first above written.

PRINCETON CAPITAL CORPORATION

By: /s/ Munish Sood
Name: Munish Sood
Title: Chief Executive Officer

PRINCETON ADVISORY GROUP, INC.

By: /s/ Munish Sood
Name: Munish Sood
Title: President

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER
THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Munish Sood, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Princeton Capital Corporation (the “Registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in the Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: July 12, 2017

/s/ Munish Sood
Munish Sood
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Gregory J. Cannella, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Princeton Capital Corporation (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in the Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: July 12, 2017

/s/ Gregory J. Cannella
Gregory J. Cannella
Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, who are the Chief Executive Officer and Chief Financial Officer of Princeton Capital Corporation (the “Company”), each hereby certify that to the best of his knowledge (1) this Quarterly Report on Form 10-Q for the period ended June 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the “Quarterly Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and (2) the information contained in this Quarterly Report fairly presents, in all material respects, the financial condition of the Company as of June 30, 2016 and December 31, 2015 and its results of operations for the period ended June 30, 2016.

Date: July 12, 2017

/s/ Munish Sood
Munish Sood
Chief Executive Officer
(Principal Executive Officer)

Date: July 12, 2017

/s/ Gregory J. Cannella
Gregory J. Cannella
Chief Financial Officer
(Principal Financial and Accounting Officer)