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

FORM 10-K

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

For the fiscal year ended December 31, 2015

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)	**(Zip code)**

Registrant's telephone number, including area code: (609) 514-9200

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

NONE

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

Common Stock, par value $.001 per share

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Sec. 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Sec. 229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of accelerated filer, large accelerated filer and smaller reporting company in rule 12b-2 of the Exchange Act. (Check one.)

Large accelerated filer ☐	Accelerated filer ☐
Non Accelerated filer ☒	Smaller Reporting Company ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant was approximately $1,000,347 based on the closing price of $0.20 on the over-the-counter pink sheet market (OTC Pink Sheets) on June 30, 2016, the last business day of the registrant's most recently completed second fiscal quarter.

As of December 14, 2016, there were 120,486,061 shares of common stock, $.001 par value, issued and outstanding.

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PART I

Item 1. DESCRIPTION OF BUSINESS

Except as otherwise indicated, the terms "we," "us," "our," and the "Company" refer to Princeton Capital Corporation; and "Princeton Investment Advisors" refers to our investment adviser Princeton Investment Advisors, LLC.

Overview and Background

Princeton Capital Corporation's predecessor, was initially incorporated in Florida in 1959 as Electro-Mechanical Services, Inc. In 1998 it changed its name from Electro-Mechanical Services, Inc. to Regal One Corporation ("Regal One"). In 2005, the then board of directors of Regal One determined it would be in the best interest of shareholders to change the focus of Regal One's operations to providing financial services through a network of advisors and professionals.

On July 14, 2014, Regal One, the Company (then a wholly-owned subsidiary of Regal One), 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 which we would acquire certain equity and debt investments of the Partnerships in exchange for shares of common stock. In addition to the customary conditions to closing the transactions contemplated by the Purchase Agreement, Regal One was required to (i) effect a reverse stock split of its then outstanding common stock at a ratio of 1-for-2, (ii) reincorporate from Florida to Maryland by merging with and into the Company with the Company continuing as the surviving corporation (the "Reincorporation") and (iii) become an externally managed business development company ("BDC") by entering into an external investment advisory agreement with Princeton Investment Advisors.

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 the investment advisory agreement ("Investment Advisory Agreement") with Princeton Investment Advisors.

General

We are an externally managed, non-diversified, closed-end investment company that has elected to be treated as a 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. We are managed by Princeton Investment Advisors and PCC Administrator LLC (the "Administrator") 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 Securities and Exchange Commission ("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.

Our investment objective is to maximize the total return to our stockholders in the form of current income and capital appreciation by:

- accessing the extensive origination channels that have been developed and established by the Princeton

- Investment Advisors' investment team that include long-standing relationships with private equity firms, commercial banks, investment banks and other financial services firms;

- investing in what we believe to be companies with strong business fundamentals, generally within our core small and lower middle-market company focus;

- focusing on a variety of industry sectors, including business services, energy, general industrial, government services, healthcare, software and specialty finance;

- directly originating transactions rather than participating in broadly syndicated financings;

- applying the disciplined underwriting standards that the Princeton Investment Advisors' investment team has developed over their extensive investing careers; and

- capitalizing upon the experience and resources of the Princeton Investment Advisors' investment team to monitor our investments.

As a BDC, we are required to comply with regulatory requirements, including limitations on our use of debt. We are permitted to, and expect to continue to, finance our investments through borrowings. However, as a BDC, we are only generally allowed to borrow amounts such that our asset coverage, as defined in the 1940 Act, equals at least 200% after such borrowing. The amount of leverage that we employ will depend on our assessment of market conditions and other factors at the time of any proposed borrowing, such as the maturity, covenant package and rate structure of the proposed borrowings, our ability to raise funds through the issuance of our securities and the risks of such borrowings within the context of our investment outlook. Ultimately, we only intend to use leverage if the expected returns from borrowing to make investments will exceed the cost of such borrowings.

The Company will be taxed as a C corporation and subject to federal and state corporation income taxes for its 2015 and 2014 taxable years.

Our principal executive office is currently located at 700 Alexander Park, Suite 103, Princeton, NJ 08540, and our telephone number is (609) 514-9200. We maintain a website on the Internet at www.princetoncapitalcorp.com. Information contained on our website is not incorporated by reference into this annual report on Form 10-K and you should not consider information contained on our website to be part of this annual report on Form 10-K.

Princeton Investment Advisors

Since March 13, 2015, Princeton Investment Advisors manages our investment activities and is responsible for analyzing investment opportunities, conducting research and performing due diligence on potential investments, negotiating and structuring our investments, originating prospective investments and monitoring our investments and portfolio companies on an ongoing basis. Princeton Investment Advisors is a newly formed investment advisory firm led by certain senior investment professionals of the advisor for the Partnerships. The senior investment professionals of Princeton Investment Advisors have an average of over twenty years of investing, corporate finance, restructuring, consulting and accounting experience and have worked together at several companies during their investing career. The Princeton Investment Advisors' investment team has a wide range of experience in middle-market investing, including originating, structuring and managing loans and debt securities through market cycles.

Princeton Investment Advisors is headquartered in Houston, Texas, with offices in Kingston, New Jersey.

Market Opportunity

We originate and invest primarily in private small and lower middle-market companies through first lien, second lien, unitranche and mezzanine debt financing, often times with a corresponding equity investment. We believe the environment for investing in small and lower middle-market companies is attractive for several reasons, including:

Increased M&A and Leveraged Buy-out Activity. We believe that large amounts of private equity capital raised over the past 5-7 years remain available for investment. We expect the large amount of uninvested capital commitments will drive buyout activity over the next several years, which should, in turn, create lending opportunities for us. In addition to increased buyout activity, a high volume of senior secured and high yield debt was originated prior to the credit crisis from 2007 through 2009 and will come due in the near term and, accordingly, we believe that new financing opportunities will increase as many companies seek to refinance this indebtedness.

Reduced Availability of Capital for Middle-Market Companies. We believe there are fewer providers of, and less capital available for financing to the small and lower middle-market companies we seek to make investments in, as a result of consolidation in the banking and asset management industry. We believe that many financing providers are constrained by their larger economies of scale and have chosen to focus on large, liquid corporate loans and managing capital markets transactions rather than lending to middle-market businesses. In addition, we believe recent regulatory changes, including the adoption of the Dodd-Frank Act and the introduction of new international capital and liquidity requirements under Basel III Accords, have disrupted their securitization activities, and forced a reduction of their loan portfolio and due to their refocusing on larger clients have caused them to curtail their lending to middle-market-companies. We also believe hedge funds and collateralized loan obligation managers are less likely to pursue investment opportunities in our target market because of reduced availability of funding for new investments. As a result, we believe that less competition will facilitate higher quality deal flow and allow for greater selectivity throughout the investment process.

Attractive Deal Pricing and Structures. We believe that the pricing of middle-market debt investments in fundless equity sponsored transactions, which are more prevalent in our target market, is higher, and the terms of such investments are more conservative, compared to larger liquid, public debt financings, due to the more limited universe of lenders as well as the highly negotiated nature of these financings. These transactions tend to offer stronger covenant packages, higher interest rates, lower leverage levels and better call protection compared to larger financings. In addition, middle-market loans typically offer other investor protections such as default penalties, lien protection, change of control provisions and information rights for lenders.

Specialized Lending Requirements. Lending to small and lower middle-market companies requires in depth diligence, credit expertise, restructuring experience and active portfolio management. We believe that several factors render many U.S. financial institutions ill-suited to lend to small and lower middle-market companies. For example, based on the experience of Princeton Investment Advisors' investment team, lending to small and lower middle-market companies in the United States (a) is generally more labor intensive than lending to larger companies due to the smaller size of each investment and the fragmented nature of the information available with respect to such companies, (b) requires specialized due diligence and underwriting capabilities, and (c) may also require more extensive ongoing monitoring by the lender. We believe that, through Princeton Investment Advisors, we have the experience and expertise to meet these specialized lending requirements.

Competitive Strengths

We believe that the following competitive strengths will allow us to achieve positive returns for our investors:

Experienced Investment Team. Through our investment advisor, Princeton Investment Advisors, we have access to the experience and expertise of the Princeton Investment Advisors' investment team, including its senior investment professionals who have an average of over twenty years of experience and have worked together at several companies. The Princeton Investment Advisors' investment team has a wide range of experience in middle-market investing, including originating, structuring and managing loans and debt securities through market cycles. We believe the members of Princeton Investment Advisors' investment team are proven and experienced, with extensive capabilities in leveraged credit investing, having participated in these markets for the predominant portion of their careers. We believe that the experience and demonstrated ability of the Princeton Investment Advisors' investment team to complete transactions will enhance the quantity and quality of investment opportunities available to us.

Established, Rigorous Investment and Monitoring Process. The Princeton Investment Advisors' investment team has developed an extensive review and credit analysis process over the past nine years with the advisor for the Partnerships. Each investment opportunity that is reviewed by Princeton Investment Advisors is brought through a structured, multi-stage approval process. Of the over 750 investment transactions reviewed by Princeton Investment Advisors' investment professionals from 2006 through 2014, 13, or approximately 1.7%, were fully approved and the transactions consummated. Princeton Investment Advisors will take an active approach in monitoring all investments, including reviews of financial performance on at least a quarterly basis and regular discussions with management. Princeton Investment Advisors' investment and monitoring process and the depth and experience of its investment team should allow it to conduct the type of due diligence and monitoring that enables it to identify and evaluate risks and opportunities.

Ability to Structure Investments. Princeton Investment Advisors has the expertise and ability to structure investments across all levels of a company's capital structure. The Princeton Investment Advisors' investment team has collectively invested over $1.0 billion across the entire capital structure in numerous small and lower middle-market companies. These investments included secured and unsecured debt and related equity securities. Furthermore, we believe that current market conditions will allow us to structure attractively priced debt investments and may allow us to incorporate other return-enhancing mechanisms such as commitment fees, original issue discounts, early redemption premiums, payment-in-kind, or "PIK", interest or some form of equity securities.

Resources of Princeton Investment Advisors Platform. We have access to the resources and capabilities of Princeton Investment Advisors, which has seven investment professionals. These individuals have developed long-term relationships with small and lower middle-market companies, management teams, equity sponsors, lending institutions and deal intermediaries by providing flexible financing throughout the capital structure. The Princeton Investment Advisors' investment team has completed several financing transactions with funded and fundless equity sponsors. In some cases, we have completed multiple financing transactions with those equity sponsors. We believe that these relationships will provide us with a competitive advantage in identifying investment opportunities in our target market. We also expect to benefit from Princeton Investment Advisors' due diligence, credit analysis, origination and transaction execution experience and capabilities, including the support provided with respect to those functions by our network of third-party service professionals.

Investment Strategy

The Princeton Investment Advisors' investment team will employ an opportunistic and flexible investing approach, combined with strong risk management processes, which we believe will yield a highly diversified portfolio across companies, industries, and investment types. We will seek direct origination opportunities of first lien, second lien, unitranche and mezzanine debt financing, often times with modest corresponding equity investments, in small and lower middle-market companies. We believe that businesses in this size range often have limited access to public financial markets, and will benefit from Princeton Investment Advisors' reliable lending partnership. Many financing providers have chosen to focus on large corporate clients and managing capital markets transactions rather than lending to middle-market businesses. Further, many financial institutions and traditional lenders are faced with constrained balance sheets and are requiring existing borrowers to reduce leverage. We also believe hedge funds and collateralized debt obligation/collateralized loan obligation managers are less likely to pursue investment opportunities in our target market as a result of reduced liquidity for new investments.

With an average of over twenty years of investing, corporate finance, restructuring, consulting and accounting experience, the senior investment team of Princeton Investment Advisors has demonstrated investment expertise throughout the balance sheet and in a variety of situations, including financial sponsor buyouts, growth capital, debt refinancings, balance sheet recapitalizations, rescue financings, distressed opportunities, and acquisition financings. Our investment philosophy emphasizes capital preservation through superior credit selection and risk mitigation. We expect our targeted portfolio to provide downside protection through conservative cash flow and asset coverage requirements, priority in the capital structure and information requirements. We also anticipate benefiting from equity participation through warrants and other equity instruments structured as part of our investments. This flexible approach enables Princeton Investment Advisors to respond to market conditions and offer customized lending solutions.

Princeton Investment Advisors invests across a wide range of industries with deep expertise in select verticals including, but not limited to, business services, energy, general industrial, government services, healthcare software and specialty finance. We will seek to maintain a diversified portfolio of investments as a method to manage risk and capitalize on specific sector trends. Our objective is to act as the lead or largest investor in transactions, generally investing between $1.0 million and $5.0 million per transaction. We expect the average investment holding period to be between three and five years, depending upon portfolio company objectives and conditions in the capital markets.

We expect to focus on small and lower middle-market companies with less than $20.0 million of EBITDA in a variety of industry sectors with positive long-term dynamics and dependable cash flows. We will seek businesses with management teams with demonstrated track records and economic incentives in strong franchises and sustainable competitive advantages with dependable and predictable cash flows.

We intend to employ leverage prudently and within the limitations of the applicable laws and regulations for a BDC. Any decision on our part to use leverage will depend upon our assessment of the attractiveness of available investment opportunities in relation to the costs and perceived risks of such leverage.

Transaction Sourcing

As access to investment opportunities is highly relationship driven, the senior investment team and other investment professionals of Princeton Investment Advisors spend considerable time developing and maintaining contacts with key deal sources, including private equity firms, investment banks, and senior lenders. The senior investment team and other investment professionals of Princeton Investment Advisors have been actively investing in the middle-market sector for the past decade and have focused on extensive calling and marketing efforts via speaking engagements, sponsorships, industry events, and referrals to broaden their relationship network. Existing relationships are constantly cultivated through transactional work and other personal contacts.

In addition to financial sponsors, Princeton Investment Advisors has developed a network of other deal sources, including:

- management teams and entrepreneurs;
- portfolio companies of private equity firms;
- other investment firms that have strategies similar to Princeton Investment Advisors and are seeking co-investors;
- placement agents and investment banks representing financial sponsors and issuers;
- corporate operating advisors and other financial advisors; and
- consultants, attorneys and other service providers to small and lower middle-market companies and financial sponsors.

We believe that Princeton Investment Advisors' broad network of deal origination contacts will afford us with a continuous source of investment opportunities.

These origination relationships provide access not only to potential investment opportunities but also to market intelligence on trends across the credit markets. Princeton Investment Advisors has completed several financing transactions with funded and fundless equity sponsors. In some cases, affiliates of Princeton Investment Advisors have completed multiple financing transactions with those equity sponsors.

We believe that over the past decade, the senior investment team and other investment professionals of Princeton Investment Advisors have built a reputation as a thoughtful and disciplined provider of capital to small and lower middle-market companies and a preferred financing source for private equity sponsors and management teams. We believe these factors give Princeton Investment Advisors a competitive advantage in sourcing investment opportunities, which will be put to use for our benefit.

Investment Structuring

Princeton Investment Advisors believes that each investment has unique characteristics that must be considered, understood and analyzed. Princeton Investment Advisors structures investment terms based on the business, credit profile, the outlook for the industry in which a potential portfolio company operates, the competitive landscape, the products or services which the company sells and the management team and ownership of the company, among other factors. Princeton Investment Advisors will rely upon the analysis conducted and information gathered through the investment process to evaluate the appropriate structure for our investments.

We invest primarily in the debt securities of small and lower middle-market companies. Our investments will typically carry a high level of cash pay interest and may incorporate other return-enhancing mechanisms such as commitment fees, original issue discounts, early redemption premiums, PIK interest and some form of equity participation, including preferred stock, common stock, warrants and other forms of equity participation. We expect that a typical debt investment in which we invest will have a maturity of between three and five years. We expect to hold most of our investments to maturity or repayment, but we may sell some of our investments earlier if a liquidity event occurs, such as a sale, recapitalization or worsening of the credit quality of the portfolio company.

Princeton Investment Advisors negotiates covenants in connection with debt investments that provide protection for us but allow appropriate flexibility for the portfolio company. Such covenants may include affirmative and negative covenants, default penalties, lien protection and change of control provisions. Princeton Investment Advisors will require comprehensive information rights including access to management, financial statements and budgets and, in some cases, membership on the board of directors or board of directors observation rights. Additionally, Princeton Investment Advisors will generally require financial covenants and terms that restrict an issuers use of leverage and limitations on asset sales and capital expenditures.

Secured Debt

Secured debt, including first lien, second lien and unitranche financing, will have liens on the assets of the borrower that will serve as collateral in support of the repayment of such loans.

First Lien Debt. First lien debt will be structured with first-priority liens on the assets of the borrower that will serve as collateral in support of the repayment of such loans. First lien loans may provide for moderate loan amortization in the early years of the loan, with the majority of the amortization deferred until loan maturity. Under market conditions as of the date of this filing, we expect that the interest rate on senior secured loans will range between 5% and 8% over applicable LIBOR.

Second Lien Debt. Second lien debt will be structured as junior, secured loans, with second priority liens on an issuer’s assets. These loans typically provide for moderate loan amortization in the initial years of the loan, with the majority of the amortization deferred until loan maturity. Under market conditions as of the date of this filing, we expect that the interest rate on second lien loans will generally range between 8% and 12% over applicable LIBOR.

Unitranche Debt. Unitranche debt typically will be structured as first lien loans with certain risk characteristics of mezzanine debt. Unitranche debt typically provides for moderate loan amortization in the initial years of the debt, with the majority of the principal payment deferred until loan maturity. Since unitranche debt generally allows the borrower to make a large lump sum payment of principal at the end of the loan term, there is a risk of loss if the borrower is unable to pay the lump sum or refinance the amount owed at maturity. In some cases, we will be the sole lender, or we together with our affiliates will be the sole lender, of unitranche debt, which can provide us with more influence interacting with a borrower in terms of monitoring and, if necessary, remediation in the event of underperformance. Under market conditions as of the date of this filing, we expect that the interest rate on unitranche debt will range between 8% and 12% over applicable LIBOR.

Mezzanine Debt

Mezzanine debt, including senior unsecured and subordinated loans, will not be secured by any collateral and will be effectively subordinated to the borrower's secured indebtedness (to the extent of the collateral securing such indebtedness), including pursuant to one or more intercreditor agreements that we enter into with holders of a borrower's senior debt. Under market conditions as of the date of this filing, we expect the interest rate on mezzanine debt will generally range between 12% and 16%.

Senior Unsecured Loans. Senior unsecured loans will be structured as loans that rank senior in right of payment to any of the borrower's unsecured indebtedness that is contractually subordinated to such loans. These loans generally provide for fixed interest rates and amortize evenly over the term of the loan. Senior unsecured loans are generally less volatile than subordinated loans due to their priority to creditors over subordinated loans. Under market conditions as of the date of this filing, we expect the interest rate on senior unsecured loans will generally range between 10% and 14%.

Subordinated Loans. Subordinated loans will be structured as unsecured, subordinated loans that provide for relatively high, fixed interest rates that provide us with significant current interest income. These loans typically will have interest-only payments (often representing a combination of cash pay and PIK interest) in the early years, with amortization of principal deferred to maturity. Subordinated loans generally allow the borrower to make a large lump sum payment of principal at the end of the loan term, and there is a risk of loss if the borrower is unable to pay the lump sum or refinance the amount owed at maturity. Subordinated loans are generally more volatile than secured loans and may involve a greater risk of loss of principal. Subordinated loans often include a PIK feature, which effectively operates as negative amortization of loan principal, thereby increasing credit risk exposure over the life of the loan. Under market conditions as of the date of this filing, we expect the interest rate on subordinated loans will generally range between 11% and 17%.

Equity Securities

In connection with some of our debt investments, we will also invest in preferred or common stock or receive nominally priced warrants or options to buy an equity interest in the portfolio company. As a result, as a portfolio company appreciates in value, we may achieve additional investment return from this equity interest. We may structure such equity investments and warrants to include provisions protecting our rights as a minority-interest holder, as well as a "put," or right to sell such securities back to the issuer, upon the occurrence of specified events. In many cases, we may also seek to obtain registration rights in connection with these equity interests, which may include demand and "piggyback" registration rights.

Invested Industries

We invest in portfolio companies in a variety of different industries where some aspect of tangible or intangible assets are available for collateral protection. Our portfolio contains investments in the Casual Dining, Business Services, Manufacturing, Energy Services, Nickel Pipe, Fittings and Flanges to the Specialty Chemical Industry and Real Estate industries as well as others. However, these industries are not our only focus and we seek investments across a broad range of industries to diversify the portfolio and minimize risk within any specific industry. As of December 31, 2015, our three largest industry concentrations as a percentage of net assets has been 21.52% in Casual Dining, 19.09% in Nickel Pipe, Fittings and Flanges to the Specialty Chemical Industry and 16.75% in Real Estate Development.

Investment Process

Through the resources of Princeton Investment Advisors, we have access to significant research resources, experienced investment professionals, internal information systems and a credit analysis framework and investment process. Princeton Investment Advisors has designed a highly involved and interactive investment management process, which is the core of its culture and the basis for what we believe is a strong track record of investment returns. The investment process seeks to select only those investments which it believes have the most attractive risk/reward characteristics. The process involves several levels of review and is coordinated in an effort to identify risks in potential investments. Princeton Investment Advisors will apply its expertise to screen many of our investment opportunities as described below. This rigorous process combined with our broad origination capabilities have allowed the Princeton Investment Advisors team to be prudent in selecting opportunities in which to make an investment. From

2006 through 2014, the Princeton Investment Advisors' team reviewed over 750 transactions, which resulted in 13 investments, or approximately 1.7% of total investments reviewed.

All potential investment opportunities undergo an initial informal review by Princeton Investment Advisors' investment professionals. Each potential investment opportunity that an investment professional determines merits investment consideration will be presented and evaluated at a weekly meeting in which Princeton Investment Advisors' investment professionals discuss the merits and risks of a potential investment opportunity as well as the due diligence process and the pricing and structure. If Princeton Investment Advisors' investment professionals believe an investment opportunity merits further review, the deal team will prepare and present to the investment committee for initial review a prescreen memorandum that generally describes the potential transaction and includes a description of the risks, due diligence process and proposed structure and pricing for the proposed investment opportunity.

Prior to making an investment, Princeton Investment Advisors conducts a rigorous diligence on each investment opportunity. In connection with its due diligence on a potential investment opportunity, Princeton Investment Advisors utilizes its internal diligence resources which include its internally developed credit analytical framework, subscriptions to third party research resources, discussions with industry experts, internal information sharing systems, and the analytical expertise of its investment professionals. Princeton Investment Advisors will typically review the company's historical financials; industry drivers and outlook, competitive threats, customer concentration, asset coverage, projected financials, and credit metrics; management background checks; and, if applicable, the track record and funding capabilities of the private equity sponsor.

Upon review of the prescreen memorandum, if the investment committee determines to proceed with the review of an investment opportunity, the deal team will continue its diligence and deal structuring plans, and prepare a credit approval memorandum for review by the investment committee. The credit approval memorandum, updates the prescreen memorandum with more deal specific detail, including an update to the diligence process and any changes in the structure and pricing of the proposed investment. Upon unanimous approval by the investment committee of the proposed investment as presented in the credit approval memorandum, the Chief Investment Officer will review any amendments before finalizing and closing negotiations with the prospective portfolio company.

Investment Committee

Each new investment opportunity is unanimously approved by Princeton Investment Advisors' investment committee. Follow-on investments in existing portfolio companies will require the investment committee's approval beyond that obtained when the initial investment in the company was made. In addition, temporary investments, such as those in cash equivalents, U.S. government securities and other high quality debt investments that mature in one year or less, may require approval by the investment committee. The purpose of Princeton Investment Advisors' investment committee, which is provided under the Investment Advisory Agreement, is to evaluate and approve all of our investments, subject at all times to the oversight and approval of our board of directors. The investment committee process is intended to bring the diverse experience and perspectives of the committee's members to the analysis and consideration of each investment. As of December 31, 2015, the investment committee consisted of Alfred Jackson and Munish Sood. Refer to Note 11 in the Notes to financial statements for further information. The investment committee serves to provide investment consistency and adherence to our core investment philosophy and policies. The investment committee also determines appropriate investment sizing and suggests ongoing monitoring requirements.

In addition to reviewing investments, investment committee meetings serve as a forum to discuss credit views and outlooks. Potential transactions and deal flow are reviewed on a regular basis. Members of the investment team are encouraged to share information and views on credits with the investment committee early in their analysis. We believe this process improves the quality of the analysis and assists the deal team members to work more efficiently.

We expect that each transaction will be presented to the investment committee in a formal written report. All of our new investments will require unanimous approval by the investment committee. Each member of the investment committee performs a similar role for other accounts managed by Princeton Investment Advisors. In certain instances, our board of directors may also determine that its approval is required prior to the making of an investment.

Monitoring Investments

In most cases, we do not have board of directors' influence over portfolio companies. In some instances, Princeton Investment Advisors' investment professionals may obtain board of directors representation or observation rights in conjunction with our investments. Princeton Investment Advisors will take an active approach in monitoring all investments, including reviews of financial performance on at least a quarterly basis and regular discussions with management. The monitoring process will begin with structuring terms and conditions which require the timely delivery and access to critical financial and business information on portfolio companies.

Specifically, Princeton Investment Advisors' monitoring system will consist of the following activities:

Regular Investment Committee Updates. Key portfolio company developments will be discussed each week as part of the standard investment committee agenda.

Written Reports. The deal teams will provide written updates as appropriate for key events that impact portfolio company performance or valuation. In addition, deal teams will provide written updates following each portfolio company board of directors meeting.

Quarterly Full Portfolio Review. Princeton Investment Advisor's chief investment officer and chief compliance officer will perform a quarterly comprehensive review of every portfolio company with the deal teams. This process will include a written performance and valuation update, and credit-specific discussion on each of our portfolio companies. In addition, pursuant to our valuation policy, quarterly valuations are reviewed by our independent third party valuation firm.

As part of the monitoring process, Princeton Investment Advisors will also track developments in the broader marketplace. Princeton Investment Advisors' investment professionals have a wealth of information on the competitive landscape, industry trends, relative valuation metrics, and analyses that will assist in the execution of our investment strategy. In addition, Princeton Investment Advisors' extensive communications with brokers and dealers allow its investment professionals to monitor market and industry trends that could affect portfolio investments. Princeton Investment Advisors may provide ongoing strategic, financial and operational guidance to some portfolio companies either directly or by recommending its investment professionals or other experienced representatives to participate on the board of directors. Princeton Investment Advisors maintains a vast network of strategic and operational advisors to call upon for industry expertise or to supplement existing management teams.

Asset Quality

In addition to various risk management and monitoring tools, Princeton Investment Advisors 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.

Determination of Net Asset Value

We will determine the net asset value of our investment portfolio each quarter. Securities that are publicly-traded will be valued at the reported closing price on the valuation date. Securities that are not publicly-traded will be valued at fair value as determined in good faith by our board of directors.

The Accounting Standards Codification under Topic 820, or ASC Topic 820 clarifies the definition of fair value for accounting purposes and requires companies to expand their disclosure about the use of fair value to measure assets and liabilities in interim and annual periods subsequent to initial recognition. ASC Topic 820 defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 also establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, which includes inputs such as quoted prices for similar securities in active markets and quoted prices for identical securities where there is little or no activity in the market; and Level 3, defined as unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions.

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.

Determination of fair values involves subjective judgments and estimates. Accordingly, the notes to our financial statements refer to the uncertainty with respect to the possible effect of such valuations, and any change in such valuations on our financial statements. Below is a description of factors that our board of directors may consider when valuing our equity and debt investments.

Valuation of fixed income investments, such as loans and debt securities, depends upon a number of factors, including prevailing interest rates for like securities, expected volatility in future interest rates, call features, put features and other relevant terms of the debt. For investments without readily available market prices, we will incorporate these factors into discounted cash flow models to arrive at fair value. Other factors that our board will consider include the borrower's ability to adequately service its debt, the fair market value of the portfolio company in relation to the face amount of its outstanding debt and the quality of collateral securing our debt investments.

Our equity interests in portfolio companies for which there is no liquid public market are valued at fair value. The board of directors, in its analysis of fair value, may consider various factors, such as multiples of EBITDA, cash flows, net income, revenues or in limited instances book value or liquidation value. All of these factors may be subject to adjustments based upon the particular circumstances of a portfolio company or our actual investment position. For example, adjustments to EBITDA may take into account compensation to previous owners or acquisition, recapitalization, restructuring or other related items.

We may also look to private merger and acquisition statistics, public trading multiples discounted for illiquidity and other factors, valuations implied by third-party investments in the portfolio companies or industry practices in determining fair value. We may also consider the size and scope of a portfolio company and its specific strengths and weaknesses, as well as any other factors we deem relevant in assessing the value. Generally, the value of our equity interests in public companies for which market quotations are readily available is based upon the most recent closing public market price. Portfolio securities that carry certain restrictions on sale are typically valued at a discount from the public market value of the security.

Realization of Investments

The potential exit scenarios of a portfolio company will play an important role in evaluating investment decisions. As such, Princeton Investment Advisors will formulate specific exit strategies at the time of investment. Our debt-orientation will provide for increased potential exit opportunities, including (a) the sale of investments in the private markets, (b) the refinancing of investments held, often due to maturity or recapitalizations, and (c) other liquidity events including the sale or merger of the portfolio company. Since we seek to maintain a debt orientation in our investments, we expect to receive interest income over the course of the investment period, receiving a significant return on invested capital well in advance of final exit.

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. Our Administrator will provide such managerial assistance on our behalf to portfolio companies that request this assistance. We may receive fees for these services and will reimburse our Administrator for its allocated costs in providing such assistance, subject to the review by our board of directors, including our independent directors. See “Management Agreements — Administration Agreement.”

Competition

Our primary competitors in providing financing to small and lower middle-market companies include public and private funds, other BDC’s, commercial and investment banks, commercial financing companies and, to the extent they provide an alternative form of financing, private equity and hedge funds. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, we believe some competitors may have access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC or to the distribution and other requirements we must satisfy to maintain our qualification as a regulated investment company or “RIC”. We did not meet the qualifications of a RIC for the 2015 tax year.

We expect to use the expertise of the investment professionals of Princeton Investment Advisors to which we will have access to assess investment risks and determine appropriate pricing for our investments in portfolio companies. In addition, we expect that the relationships of the investment professionals of Princeton Investment Advisors will enable us to learn about, and compete effectively for, financing opportunities with attractive small and lower middle-market companies in the industries in which we seek to invest. For additional information concerning the competitive risks we face, see “Risk Factors — Risks Relating to our Business and Structure — We operate in a highly competitive market for investment opportunities, which could reduce returns and result in losses.”

Employees

We do not have any direct employees, and our day-to-day investment operations are managed by Princeton Investment Advisors. We have a chief executive officer and president, chief financial officer and chief compliance officer. To the extent necessary, our board of directors may hire additional personnel going forward. Our officers are employees of

Princeton Investment Advisors and our allocable portion of the cost of our chief executive officer and president, chief financial officer and chief compliance officer and their respective staffs is paid by us pursuant to the administration agreement (the “Administration Agreement”) that we have entered into with PCC Administrator LLC, our Administrator. Our Administrator is a wholly-owned subsidiary of Princeton Investment Advisors.

Management Agreements

Princeton Investment Advisors serves as our investment advisor and is registered as an investment advisor under the 1940 Act.

Investment Advisory Agreement

Subject to the overall supervision of our board of directors and in accordance with the 1940 Act, Princeton Investment Advisors manages our day-to-day operations and provides investment advisory services to us. Under the terms of the Investment Advisory Agreement, Princeton Investment Advisors:

- determines the composition of our portfolio, the nature and timing of the changes to our portfolio and the manner of implementing such changes;
- identifies, evaluate and negotiates the structure of the investments we make;
- executes, closes, services and monitors the investments we make;
- determines the securities and other assets that we purchase, retain or sell;
- performs due diligence on prospective portfolio companies; and
- provides 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 Investment Advisory Agreement, we have 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. For services rendered under the 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, excluding cash and cash equivalents, at the end of the two most recently completed calendar quarters. Base management fees for any partial month or quarter will be appropriately pro-rated.

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, in each case on a consolidated basis, 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 our investment advisor 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 our investment advisor. 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, our investment advisor 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 our investment advisor (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 our investment advisor, 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 our investment advisor 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 consolidated 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.

The following is a graphical representation of the calculation of the income-based component of the incentive fee:

Quarterly Incentive Fee based on Pre-Incentive Fee Net Investment Income
(expressed as a percentage of the value of net assets)

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 Investment Advisory Agreement, as of the termination date), 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 Investment Advisory Agreement is terminated as of a date that is not a calendar year end, 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.

Examples of Quarterly Incentive Fee Calculation

Example 1: Income Related Portion of Incentive Fee (*):

Alternative 1

Assumptions

Investment income (including interest, distributions, fees, etc.) = 1.25%
Hurdle rate[(1)] = 2.00%
Base management fee[(2)] = 0.4375%
Other expenses (legal, accounting, custodian, transfer agent, etc.)[(3)] = 0.25%
Pre-incentive fee net investment income
(investment income - (base management fee + other expenses)) = 0.5625%

Pre-incentive fee net investment income does not exceed the hurdle rate, therefore there is no incentive fee.

Alternative 2

Assumptions

Investment income (including interest, distributions, fees, etc.) = 2.70%
Hurdle rate[(1)] = 2.00%
Base management fee[(2)] = 0.4375%
Other expenses (legal, accounting, custodian, transfer agent, etc.)[(3)] = 0.25%
Pre-incentive fee net investment income
(investment income - (base management fee + other expenses)) = 2.0125%

Pre-incentive fee net investment income exceeds the hurdle rate, therefore there is an incentive fee.

Incentive fee = (100% x “Catch-Up”) + (the greater of 0% **AND** (20% x (pre-incentive fee net investment income - 2.50%))

= (100.0% x (pre-incentive fee net investment income – 2.00%)) + 0%
= 100.0% x (2.0125% - 2.00%)
= 100.0% x 0.0125%
= 0.0125%

Alternative 3

Assumptions

Investment income (including interest, distributions, fees, etc.) = 3.00%
Hurdle rate[(1)] = 2.00%

Base management fee[2] = 0.4375%
Other expenses (legal, accounting, custodian, transfer agent, etc.)[3] = 0.25%
Pre-incentive fee net investment income
(investment income - (base management fee + other expenses)) = 2.3125%

Pre-incentive fee net investment income exceeds the hurdle rate, therefore there is an incentive fee.

Incentive fee = (100% x "Catch-Up") + (the greater of 0% **AND** (20% x (pre-incentive fee net investment income - 2.50%))

= (100% × (2.50% - 2.00%)) + (20.0% × (2.3125% - 2.50%))
= 0.50% + (20.0% × 0%)
= 0.50% + 0%
= 0.45%

(*) The hypothetical amount of pre-incentive fee net investment income shown is based on a percentage of net assets.
(1) Represents 8.00% annualized hurdle rate.
(2) Represents 1.75% annualized base management fee.
(3) Excludes organizational and offering expenses.

Example 2: Capital Gains Portion of Incentive Fee:

Alternative 1:

Assumptions

Year 1: $20 million investment made in Company A ("Investment A"), and $30 million investment made in Company B ("Investment B")
Year 2: Investment A sold for $50 million and fair market value, or FMV, of Investment B determined to be $32 million
Year 3: FMV of Investment B determined to be $25 million
Year 4: Investment B sold for $31 million

The capital gains portion of the incentive fee would be:

Year 1: None
Year 2: Capital gains incentive fee of $6.0 million ($30 million realized capital gains on sale of Investment A multiplied by 20.0%)
Year 3: None; $5.0 million (20.0% multiplied by ($30 million cumulative capital gains less $5.0 million cumulative capital depreciation)) less $6.0 million (previous capital gains fee paid in Year 2)
Year 4: Capital gains incentive fee of $200,000; $6.2 million ($31 million cumulative realized capital gains multiplied by 20.0%) less $6.0 million (capital gains fee paid in Year 2)

Alternative 2

Assumptions

Year 1: $20 million investment made in Company A ("Investment A"), $30 million investment made in Company B ("Investment B") and $25 million investment made in Company C ("Investment C")
Year 2: Investment A sold for $50 million, FMV of Investment B determined to be $25 million and FMV of Investment C determined to be $25 million
Year 3: FMV of Investment B determined to be $27 million and Investment C sold for $30 million
Year 4: FMV of Investment B determined to be $35 million
Year 5: Investment B sold for $20 million

The capital gains portion of the incentive fee would be:

Year 1: None
Year 2: Capital gains incentive fee of $5.0 million; 20.0% multiplied by $25 million ($30 million realized capital gains on Investment A less $5 million unrealized capital depreciation on Investment B)
Year 3: Capital gains incentive fee of $1.4 million; $6.4 million (20.0% multiplied by $32 million ($35 million cumulative realized capital gains less $3 million unrealized capital depreciation on Investment B)) less $5.0 million (capital gains fee received in Year 2)
Year 4: None
Year 5: None; $5.0 million of capital gains incentive fee (20.0% multiplied by $25 million (cumulative realized capital gains of $35 million less realized capital losses of $10 million)) less $6.4 million (cumulative capital gains fee paid in Year 2 and Year 3)

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 reports 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

Unless terminated earlier as described below, the Investment Advisory Agreement will continue in effect for a period of two years from its effective date, March 13, 2015. It will 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 Investment Advisory Agreement automatically terminates 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 may also terminate the Investment Advisory Agreement without penalty upon 60 days’ written notice.

Effective on June 9, 2016, the board of directors of the Company approved the termination of the Investment Advisory Agreement between the Company and Princeton Investment Advisors.

Indemnification

The 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 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 Investment Advisory Agreement or otherwise as our investment advisor.

Board of Directors’ Approval of the Investment Advisory Agreement

Our board of directors, including a majority of our independent directors, approved the Investment Advisory Agreement at its meeting, held on March 13, 2015. In its consideration of the Investment Advisory Agreement, the board of directors focused on information it had received relating to, among other things:

- the nature, quality and extent of the advisory and other services to be provided to us by our investment adviser;
- comparative data with respect to advisory fees or similar expenses paid by other BDC’s with similar investment objectives;
- our projected operating expenses and expense ratio compared to BDC’s with similar investment objectives;
- any existing and potential sources of indirect income to our investment adviser from its relationships with us and the profitability of those relationships;
- information about the services to be performed and the personnel performing such services under the Investment Advisory Agreement; the organizational capability and financial condition of our investment adviser;
- and various other factors.

Based on the information reviewed and the discussions, the board of directors, including a majority of the non-interested directors, concluded that the investment management fee rates and terms are reasonable in relation to the services to be provided and approved the Investment Advisory Agreement as being in the best interests of our stockholders.

Administration 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, oversee 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 the Administrator. Stockholder approval is not required to amend the Administration Agreement.

Sub-Administration Agreement

The Administrator has engaged Conifer Asset Solutions LLC (the "Sub-Administrator") to provide certain administrative services to us. In exchange for provided such services, the Administrator pays Conifer 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%)

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.

License Agreement

We have entered into a license agreement with Princeton Investment Advisors under which Princeton Investment Advisors has agreed to grant us a non-exclusive, royalty-free license to use the name "Princeton." Under this agreement, we have a right to use the "Princeton" name for so long as Princeton Investment Advisors or one of its affiliates remains our investment advisor. Other than with respect to this limited license, we have no legal right to the

"Princeton" name. This license agreement will remain in effect for so long as the Investment Advisory Agreement with Princeton Investment Advisors is in effect.

Securities Exchange Act Reports

We maintain a website at www.princetoncapitalcorp.com. The information on our website is not incorporated by reference in this annual report on Form 10-K.

We make available on or through our website certain reports and amendments to those reports that we file with or furnish to the SEC in accordance with the Securities Exchange Act of 1934, or the "Exchange Act." These include our annual reports on Form 10-K, our quarterly reports on Form 10-Q and our current reports on Form 8-K. We make this information available on our website free of charge as soon as reasonably practicable after we electronically file the information with, or furnish it to, the SEC.

Regulation as a BDC

We are a BDC under the 1940 Act and intend to elect to be treated as a RIC under Subchapter M of the Internal Revenue Code of 1986 (the "Code".) The 1940 Act contains prohibitions and restrictions relating to transactions between BDC's and their affiliates (including any investment advisors), principal underwriters and affiliates of those affiliates or underwriters and requires that a majority of the directors be persons other than "interested persons," as that term is defined in the 1940 Act. In addition, the 1940 Act provides that we may not change the nature of our business so as to cease to be, or to withdraw our election as, a BDC unless approved by a majority of our outstanding voting securities.

We may invest up to 100% of our assets in securities acquired directly from issuers in privately negotiated transactions. With respect to such securities, we may, for the purpose of public resale, be deemed an "underwriter" as that term is defined in the Securities Act. Our intention is to not write (sell) or buy put or call options to manage risks associated with the publicly traded securities of our portfolio companies, except that we may enter into hedging transactions to manage the risks associated with interest rate fluctuations. However, we may purchase or otherwise receive warrants to purchase the common stock of our portfolio companies in connection with acquisition financing or other investments. Similarly, in connection with an acquisition, we may acquire rights to require the issuers of acquired securities or their affiliates to repurchase them under certain circumstances. We also do not intend to acquire securities issued by any investment company that exceed the limits imposed by the 1940 Act. Under these limits, we generally cannot acquire more than 3% of the voting stock of any registered investment company, invest more than 5% of the value of our total assets in the securities of one investment company or invest more than 10% of the value of our total assets in the securities of more than one investment company. With regard to that portion of our portfolio invested in securities issued by investment companies, it should be noted that such investments might subject our stockholders to additional expenses. None of these policies is fundamental and may be changed without stockholder approval upon 60 days' prior written notice to stockholders.

Qualifying Assets

Under the 1940 Act, a BDC may not acquire any asset other than assets of the type listed in section 55(a) of the 1940 Act, which are referred to as "qualifying assets," unless, at the time the acquisition is made, qualifying assets represent at least 70% of the company's total assets. The principal categories of qualifying assets relevant to our proposed business are the following:

(1) Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company, or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company, or from any other person, subject to such rules as may be prescribed by the SEC. Under the 1940 Act and the rules thereunder, "eligible portfolio companies" include (1) private domestic operating companies, (2) public domestic operating companies whose securities are not listed on a national securities exchange (*e.g.*, the New York Stock Exchange) or registered under the Exchange Act, and (3) public domestic operating companies having a market capitalization of less than $250 million. Public domestic operating companies whose securities are quoted on the over-the-counter bulletin board or through Pink Sheets LLC are not listed on a national securities exchange and

therefore are eligible portfolio companies.

(2) Securities of any eligible portfolio company which we control.

(3) Securities purchased in a private transaction from a U.S. issuer that is not an investment company or from a person who is or has been, within the past 13 months, an affiliated person of the issuer, or in transactions incident to such a private transaction, if the issuer is in bankruptcy and subject to reorganization or if the issuer, immediately prior to the purchase of its securities, was unable to meet its obligations as they came due without material assistance other than conventional lending or financing arrangements.

(4) Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and we already own 60% of the outstanding equity of the eligible portfolio company.

(5) Securities received in exchange for or distributed on or with respect to securities described above, or pursuant to the exercise of warrants or rights relating to such securities.

(6) Cash, cash equivalents, U.S. government securities or high-quality debt securities that mature in one year or less from the date of investment.

The regulations defining qualifying assets may change over time. We may adjust our investment focus as needed to comply with and/or take advantage of any regulatory, legislative, administrative or judicial actions in this area.

Managerial Assistance to Portfolio Companies

In order to count portfolio securities as qualifying assets for the purpose of the 70% test, a BDC must either control the issuer of the securities or must offer to make available to the issuer of the securities significant managerial assistance. However, when the BDC purchases securities in conjunction with one or more other persons acting together, one of the other persons in the group may make available such managerial assistance. Making available managerial assistance means any arrangement whereby the BDC, through its directors, officers, employees or agents, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company. Princeton Investment Advisors will provide such managerial assistance on our behalf to portfolio companies that request this assistance.

Temporary Investments

Pending investment in other types of qualifying assets, as described above, our investments may consist of cash, cash equivalents, U.S. government securities, repurchase agreements and high-quality debt investments that mature in one year or less from the date of investment, which we refer to, collectively, as temporary investments, so that 70% of our assets are qualifying assets or temporary investments. Typically, we will invest in U.S. Treasury bills or in repurchase agreements, so long as the agreements are fully collateralized by cash or securities issued by the U.S. government or its agencies. A repurchase agreement involves the purchase by an investor, such as us, of a specified security and the simultaneous agreement by the seller to repurchase it at an agreed-upon future date and at a price that is greater than the purchase price by an amount that reflects an agreed-upon interest rate. There is no percentage restriction on the proportion of our assets that may be invested in such repurchase agreements. However, if more than 25% of our total assets constitute repurchase agreements from a single counterparty, we would not meet the Diversification Tests in order to qualify as a RIC for U.S. federal income tax purposes. Accordingly, we do not intend to enter into repurchase agreements with a single counterparty in excess of this limit. Princeton Investment Advisors will monitor the creditworthiness of the counterparties with which we enter into repurchase agreement transactions.

Senior Securities

We are permitted, under specified conditions, to issue multiple classes of indebtedness and one class of stock senior to our common stock if our asset coverage, as defined in the 1940 Act, is at least equal to 200% immediately after each such issuance. In addition, while any senior securities remain outstanding, we must make provisions to prohibit any distribution to our stockholders or the repurchase of such securities or shares unless we meet the applicable asset coverage ratios at the time of the distribution or repurchase. We may also borrow amounts up to 5% of the value of our total assets for temporary or emergency purposes without regard to asset coverage. A loan will be considered temporary if it is repaid within sixty days and is not extended or renewed. For a discussion of the risks associated with leverage, see "Risk Factors — Risks Relating to our Business and Structure — Regulations governing our operation as a BDC will affect our ability to, and the way in which we, raise additional capital. As a BDC, the necessity of raising additional capital may expose us to risks, including the typical risks associated with leverage."

Common Stock

We are not generally able to issue and sell our common stock at a price below net asset value per share. We may, however, sell our common stock at a price below the current net asset value of the common stock if our board of directors determines that such sale is in our best interests and that of our stockholders, and our stockholders approve such sale. In any such case, the price at which our securities are to be issued and sold may not be less than a price which, in the determination of our board of directors, closely approximates the market value of such securities (less any distributing commission or discount). A proposal, approved by our stockholders at the Special Meeting of Stockholders held on March 6, 2015, authorizes us to sell shares equal to up to 25% of our outstanding common stock below the then current net asset value per share of our common stock in one or more offerings for the period ending on March 13, 2016. We would need similar future approval from our stockholders to issue shares below the then current net asset value per share any time after the expiration of the current approval. We may also make rights offerings to our stockholders at prices per share less than the net asset value per share, subject to applicable requirements of the 1940 Act.

Proxy Voting Policies and Procedures

We have delegated our proxy voting responsibility to Princeton Investment Advisors. The Proxy Voting Policies and Procedures of Princeton Investment Advisors are set out below. The guidelines will be reviewed periodically by Princeton Investment Advisors and our directors who are not "interested persons," and, accordingly, are subject to change.

Introduction

As an investment advisor registered under the Advisers Act, Princeton Investment Advisors has a fiduciary duty to act solely in our best interests. As part of this duty, Princeton Investment Advisors recognizes that it must vote our securities in a timely manner free of conflicts of interest and in our best interests.

Princeton Investment Advisors' policies and procedures for voting proxies for its investment advisory clients are intended to comply with Section 206 of, and Rule 206(4)-6 under, the Advisers Act.

Proxy Policies

Princeton Investment Advisors votes proxies relating to our portfolio securities in what it perceives, at that time, to be the best interest of our stockholders. Princeton Investment Advisors reviews on a case-by-case basis each proposal submitted to a stockholder vote to assess the effect on the portfolio securities we hold. In most cases Princeton Investment Advisors will vote in favor of proposals that Princeton Investment Advisors believes are likely to increase the value of the portfolio securities and vote against proposals that may have a negative effect on our portfolio securities. Notwithstanding this, the foregoing does not restrict or limit Princeton Investment Advisors from voting as it determines to be appropriate.

Princeton Investment Advisors has established a proxy voting committee and adopted proxy voting guidelines and related procedures. The proxy voting committee establishes proxy voting guidelines and procedures, oversees the internal proxy voting process, and reviews proxy voting issues. To ensure that Princeton Investment Advisors' vote is not the product of a conflict of interest, Princeton Investment Advisors requires that (1) anyone involved in the decision-making process disclose to our Chief Compliance Officer any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (2) employees involved in the decision-making process or vote administration are prohibited from revealing how Princeton Investment Advisors intends to vote on a proposal in order to reduce any attempted influence from interested parties. Where conflicts of interest may be present, Princeton Investment Advisors will disclose such conflicts to us, including our independent directors and may request guidance from us on how to vote such proxies.

Proxy Voting Records

You may obtain information about how Princeton Investment Advisors voted proxies by making a written request for proxy voting information to: Princeton Capital Corporation, 700 Alexander Park, Suite 103, Princeton, NJ 08540, or by calling us collect at (609) 514-9200.

Privacy Principles

We are committed to maintaining the privacy of our stockholders and to safeguarding their nonpublic personal information. The following information is provided to help you understand what personal information we collect, how we protect that information and why, in certain cases, we may share information with select other parties.

Generally, we do not receive any nonpublic personal information relating to our stockholders, although certain nonpublic personal information of our stockholders may become available to us. We do not disclose any nonpublic personal information about our stockholders or former stockholders to anyone, except as permitted by law or as is necessary in order to service stockholder accounts (for example, to a transfer agent or third-party administrator).

We restrict access to nonpublic personal information about our stockholders to employees of Princeton Investment Advisors and its affiliates with a legitimate business need for the information. We maintain physical, electronic and procedural safeguards designed to protect the nonpublic personal information of our stockholders.

Other

We are required to provide and maintain a bond issued by a reputable fidelity insurance company to protect us against larceny and embezzlement. Furthermore, as a BDC, we are prohibited from protecting any director or officer against any liability to us or our stockholders arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person’s office.

We and Princeton Investment Advisors will each be required to adopt and implement written policies and procedures reasonably designed to prevent violation of relevant federal securities laws, review these policies and procedures annually for their adequacy and the effectiveness of their implementation, and designate a chief compliance officer to be responsible for administering the policies and procedures.

We may also be prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our board of directors who are not interested persons and, in some cases, prior approval by the SEC. The SEC has interpreted the BDC prohibition on transactions with affiliates to prohibit all “joint transactions” between, among other things, entities that share a common investment advisor. The staff of the SEC has granted no-action relief permitting purchases of a single class of privately placed securities provided that the advisor negotiates no term other than price and certain other conditions are met.

Sarbanes-Oxley Act of 2002

The Sarbanes-Oxley Act imposes a wide variety of regulatory requirements on publicly held companies and their insiders. Many of these requirements affect us. For example:

- pursuant to Rule 13a-14 under the Exchange Act, our principal executive officer and principal financial officer must certify the accuracy of the financial statements contained in our periodic reports;
- pursuant to Item 307 under Regulation S-K, our periodic reports must disclose our conclusions about the effectiveness of our disclosure controls and procedures;
- pursuant to Rule 13a-15 under the Exchange Act, our management must prepare an annual report regarding its assessment of our internal control over financial reporting; and

- pursuant to Item 308 of Regulation S-K and Rule 13a-15 under the Exchange Act, our periodic reports must disclose whether there were significant changes in our internal controls over financial reporting or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any remedial actions with regard to significant deficiencies and material weaknesses.

The Sarbanes-Oxley Act requires us to review our current policies and procedures to determine whether we comply with the Sarbanes-Oxley Act and the regulations promulgated under such act. We will continue to monitor our compliance with all regulations that are adopted under the Sarbanes-Oxley Act and will take actions necessary to ensure that we are in compliance with that act.

Taxation as a Regulated Investment Company

The Company will be taxed as a C corporation and subject to federal and state corporation income taxes for its 2015 taxable year. As a BDC, we intend to qualify for the 2016 tax year to be treated as a RIC under Subchapter M of the Code. As a RIC, we generally do not have to pay corporate-level U.S. federal income taxes on any income that we distribute to our stockholders as dividends. To maintain our qualification as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements (as described below). In addition, we must distribute to our stockholders, for each taxable year, at least 90% of our "investment company taxable income," which is generally our ordinary income plus the excess of our realized net short-term capital gains over our realized net long-term capital losses (the "Annual Distribution Requirement").

For any taxable year in which we:

- qualify as a RIC; and
- satisfy the Annual Distribution Requirement;

we will not be subject to U.S. federal income tax on the portion of our income we distribute (or are deemed to distribute) to stockholders. We will be subject to U.S. federal income tax at the regular corporate rates on any income or capital gains not distributed (or deemed distributed) to our stockholders.

We will be subject to a 4% nondeductible U.S. federal excise tax on our undistributed income unless we distribute in a timely manner an amount at least equal to the sum of (a) 98% of our net ordinary income for each calendar year, (b) 98.2% of our capital gain net income for the one-year period ending October 31 in that calendar year and (c) any income realized, but not distributed, in the preceding year and on which we paid no U.S. federal income tax, or the Excise Tax Avoidance Requirement. For this purpose, however, any net ordinary income or capital gain net income retained by us that is subject to corporate income tax for the tax year ending in that calendar year will be considered to have been distributed by year end (or earlier if estimated taxes are paid). We currently intend to make sufficient distributions each taxable year to satisfy the Excise Tax Avoidance Requirement.

In order to qualify as a RIC for U.S. federal income tax purposes, we must, among other things:

- continue to qualify as a BDC under the 1940 Act at all times during each year;
- derive in each taxable year at least 90% of our gross income from dividends, interest, payments with respect to certain securities loans, gains from the sale of stock or other securities, or other income derived with respect to our business of investing in such stock or securities, and net income derived from interests in "qualified publicly traded partnerships" (which generally are partnerships that are traded on an established securities market or tradable on a secondary market, other than partnerships that derive 90% of their income from interest, dividends and other permitted RIC income), or the 90% Income Test; and

- diversify our holdings so that at the end of each quarter of the taxable year:

- at least 50% of the value of our assets consists of cash, cash equivalents, U.S. government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5% of the value of our assets or more than 10% of the outstanding voting securities of the issuer; and

- no more than 25% of the value of our assets is invested in the securities, other than U.S. government securities or securities of other RICs, of one issuer or of two or more issuers that are controlled, as determined under applicable tax rules, by us and that are engaged in the same or similar or related trades or businesses or in the securities of one or more qualified publicly traded partnerships, or the Diversification Tests.

We may invest in partnerships, including qualified publicly traded partnerships, which may result in our being subject to state, local or foreign income, franchise or withholding liabilities.

We may be required to recognize taxable income in circumstances in which we do not receive cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments with PIK interest or, in certain cases, with increasing interest rates or issued with warrants), we must include in income each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. Because any original issue discount accrued will be included in our investment company taxable income for the year of accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement, even though we will not have received any corresponding cash amount. If we are not able to obtain sufficient cash from other sources to satisfy the Annual Distribution Requirement, we may fail to maintain our qualification as a RIC and become subject to corporate-level U.S. federal income taxes on all of our taxable income without the benefit of the dividends-paid deduction.

Although we do not presently expect to do so, we are authorized to borrow funds and to sell assets in order to satisfy (i) the Annual Distribution Requirements and to otherwise eliminate our liability for U.S. federal income and excise taxes and/or (ii) the Diversification Tests. However, under the 1940 Act, we are not permitted in certain circumstances to make distributions to our stockholders while our debt obligations and other senior securities are outstanding unless certain “asset coverage” tests are met. See Item 1A. “Regulation as a BDC - Senior Securities.” Moreover, our ability to dispose of assets to meet the Annual Distribution Requirement, the Excise Tax Avoidance Requirement or the Diversification Test may be limited by (a) the illiquid nature of our portfolio and/or (b) other requirements relating to our qualifications as a RIC, including the Diversification Tests. If we dispose of assets in order to meet the Annual Distribution Requirement, the Excise Tax Avoidance Requirement or the Diversification Tests, we may make such dispositions at times that, from an investment standpoint, are not advantageous.

Certain of our investment practices may be subject to special and complex U.S. federal income tax provisions that may, among other things, (a) treat dividends that would otherwise constitute qualified dividend income as non-qualified dividend income, (b) treat dividends that would otherwise be eligible for the corporate dividends received deduction as ineligible for such treatment, (c) disallow, suspend or otherwise limit the allowance of certain losses or deductions, (d) convert lower-taxed long term capital gain into higher-taxed short-term capital gain or ordinary income, (e) convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited), (f) cause us to recognize income or gain without a corresponding receipt of cash, (g) adversely affect the time as to when a purchase or sale of stock or securities is deemed to occur, (h) adversely alter the characterization of certain complex financial transactions and (i) produce income that will not be qualifying income for purposes of the 90% Income Test. We intend to monitor our transactions and may make certain tax elections to mitigate the effect of these provisions and prevent our disqualification as a RIC.

Gain or loss realized by us from warrants acquired by us as well as any loss attributable to the lapse of such warrants generally will be treated as capital gain or loss. Such capital gain or loss generally will be long term or short term, depending on how long we held a particular warrant. Some of the income and fees that we may recognize will not satisfy the 90% Income Test. In order to ensure that such income and fees do not disqualify us as a RIC for a failure to satisfy the 90% Income Test, we may hold assets that generate such income and provide services that generate such fees indirectly through one or more entities treated as corporations for U.S. federal income tax purposes. Such corporations will be required to pay U.S. federal corporate income tax on their earnings, which ultimately will reduce our return on such income and fees.

If we are unable to qualify for treatment as a RIC, and if certain remedial provisions are not available, we would be subject to tax on all of our taxable income at regular corporate rates. We would not be able to deduct distributions to stockholders, nor would they be required to be made. Distributions, including distributions of net long-term capital gain, would generally be taxable to our stockholders as ordinary dividend income to the extent of our current and accumulated earnings and profits. Subject to certain limitations under the Code, corporate stockholders would be eligible to claim a dividends received deduction with respect to such distributions, non-corporate stockholders would be able to treat such dividend income as "qualified dividend income," which is subject to reduced rates of U.S. federal income tax. Distributions in excess of our current and accumulated earnings and profits would be treated first as a return of capital to the extent of the stockholder's tax basis, and any remaining distributions would be treated as a capital gain. If we fail to qualify as a RIC for a period greater than two taxable years, to requalify as a RIC in a subsequent year we may be subject to regular corporate tax on any net built-in gains with respect to certain of our assets (i.e., the excess of the aggregate gains, including items of income, over aggregate losses that would have been realized with respect to such assets if we had been liquidated) that we elect to recognize on requalification or when recognized over the next ten years (or shorter applicable period). The remainder of this discussion assumes that we will maintain our qualification as a RIC and will satisfy the Annual Distribution Requirement.

Item 1A. RISK FACTORS

Investing in our securities involves a number of significant risks. Before you invest in our securities, you should be aware of various risks, including those described below. You should carefully consider these risk factors, together with all of the other information included in this annual report on Form 10-K, before you decide whether to make an investment in our securities. The risks set out below are the principal risks with respect to an investment in our securities generally and with respect to a BDC with investment objectives, investment policies, capital structures or trading markets similar to ours. However, they may not be the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us may also impair our operations and performance. If any of the following events occur, our business, financial condition, results of operations and cash flows could be materially and adversely affected. In such case, our net asset value and the trading price of our securities could decline, and you may lose all or part of your investment.

Risks Relating to our Business and Structure

Neither we nor Princeton Investment Advisors has ever operated as or advised a BDC or a RIC, and we may not be able to operate our business successfully or generate sufficient revenue to make or sustain distributions to our stockholders.

We were formed as a Maryland corporation in July 2013 and did not maintain any business operations since our formation until March 13, 2015, the date of the acquisition transaction. As a result of our limited operating history, we are subject to the business risks and uncertainties associated with recently formed businesses, including the risk that we will not achieve our investment objective and that the value of your investment could decline substantially.

Princeton Investment Advisors has never managed a BDC. The 1940 Act and the Code impose numerous constraints on the operations of BDC's and RICs that do not apply to other investment vehicles. BDC's are required, for example, to invest at least 70% of their total assets primarily in securities of U.S. private or thinly traded public companies, cash, cash equivalents, U.S. government securities and other high-quality debt instruments that mature in one year or less from the date of investment. Moreover, qualification for taxation as a RIC requires satisfaction of source-of-income, asset diversification and distribution requirements. Neither we nor Princeton Investment Advisors has any experience operating or advising under these constraints, which may hinder our ability to take advantage of attractive investment opportunities and to achieve our investment objective.

We are dependent upon key personnel of Princeton Investment Advisors for our future success. If Princeton Investment Advisors were to lose any of its key personnel, our ability to achieve our investment objective could be significantly harmed.

We will depend on the diligence, skill and network of business contacts of the investment professionals of Princeton Investment Advisors to achieve our investment objective. We expect that Princeton Investment Advisors' investment team will evaluate, negotiate, structure, close and monitor our investments in accordance with the terms of our Investment Advisory Agreement. We can offer no assurance, however, that Princeton Investment Advisors' investment team will continue to provide investment advice to us.

Princeton Investment Advisors' investment committee, which provides oversight over our investment activities, is provided to us by Princeton Investment Advisors under the Investment Advisory Agreement. Princeton Investment Advisors' investment committee consists of Alfred Jackson and Munish Sood. The loss of any member of Princeton Investment Advisors' investment committee would limit our ability to achieve our investment objective and operate as we anticipate. This could have a material adverse effect on our financial condition, results of operations and cash flows.

Our business model depends to a significant extent upon strong referral relationships. Any inability of Princeton Investment Advisors to maintain or develop these relationships, or the failure of these relationships to generate investment opportunities, could adversely affect our business.

We depend upon Princeton Investment Advisors to maintain its relationships with private equity sponsors, placement agents, investment banks, management groups, financial institutions and other service providers, and we expect to rely to a significant extent upon these relationships to provide us with potential investment opportunities. If Princeton Investment Advisors fails to maintain such relationships, or to develop new relationships with other sources of investment opportunities, we will not be able to grow our investment portfolio. In addition, individuals with whom Princeton Investment Advisors has relationships are not obligated to provide us with investment opportunities, and we can offer no assurance that these relationships will generate investment opportunities for us in the future.

Our financial condition, results of operations and cash flows will depend on our ability to manage our business effectively.

For the years ended December 31, 2015 and December 31, 2014, we had total operating expenses of $4,320,992 and $261,966, respectively. Consequently, in 2015, prior to the March 13, 2015 transaction, and in 2014, we were required to sell shares of common stock of Neuralstem, one of our portfolio companies, to raise the cash necessary to pay ongoing expenses. We sold 115,000 and 95,000 shares of Neuralstem common stock in 2015 and 2014, respectively, to finance our operating costs, which resulted in proceeds of approximately $251,324 and $368,137, respectively. After March 13, 2015, we relied upon interest payments from investments to support operating expenses.

Our ability to achieve our investment objective will depend on our ability to manage our business and to grow our investments and earnings. This will depend, in turn, on Princeton Investment Advisors ability to identify, invest in and monitor portfolio companies that meet our investment criteria. The achievement of our investment objective on a cost-effective basis will depend upon Princeton Investment Advisors execution of our investment process, its ability to provide competent, attentive and efficient services to us and, to a lesser extent, our access to financing on acceptable terms. Princeton Investment Advisors' investment team will have substantial responsibilities in connection with the management of other investment funds, accounts and investment vehicles. The personnel of Princeton Investment Advisors may be called upon to provide managerial assistance to our portfolio companies. These activities may distract them from servicing new investment opportunities for us or slow our rate of investment. Any failure to manage our business and our future growth effectively could have a material adverse effect on our business, financial condition, results of operations and cash flows.

There are significant potential conflicts of interest that could negatively affect our investment returns.

The members of Princeton Investment Advisors investment committee serve, or may serve, as officers, directors, members, or principals of entities that operate in the same or a related line of business as we do, or of investment funds, accounts, or investment vehicles managed by Princeton Investment Advisors. Similarly, Princeton Investment Advisors may have other clients with similar, different or competing investment objectives. In serving in these multiple capacities, they may have obligations to other clients or investors in those entities, the fulfillment of which may not be in the best interests of us or our stockholders.

We intend to co-invest with investment funds, accounts and investment vehicles managed by Princeton Investment Advisors where doing so is consistent with our investment strategy as well as applicable law and SEC staff interpretations. Without an exemptive order from the SEC (as described below), we generally will only be permitted to co-invest with such investment funds, accounts and investment vehicles when the only term that is negotiated is price. If we invest alongside other investment funds, accounts and investment vehicles managed by Princeton Investment Advisors, we expect to make such investments consistent with Princeton Investment Advisors' allocation policy, which generally requires that each co-investment opportunity be allocated between us and the other investment funds, accounts and investment vehicles managed by Princeton Investment Advisors pro rata based on each entity's capital available for investment, as determined by Princeton Investment Advisors. We expect that available capital for our investments will be determined based on the amount of cash on-hand, liquidity available under our financing arrangements, including the borrowing capacity under any borrowing facility we enter into, existing commitments and reserves, if any, the targeted leverage level, targeted asset mix and diversification requirements and other investment policies and restrictions set by our board of directors or as imposed by applicable laws, rules, regulations or interpretations. In situations where co-investment alongside other investment funds, accounts and investment vehicles managed by Princeton Investment Advisors, is not permitted or appropriate, such as when there is an opportunity to invest in different securities of the same issuer, Princeton Investment Advisors will need to decide whether we or such other entity or entities will proceed with the investment. Princeton Investment Advisors will make these determinations based on its policies and procedures, which generally require that such opportunities be offered to eligible accounts on an alternating basis that will be fair and equitable over time. Moreover, except in certain circumstances, we will be unable to invest in any issuer in which an investment fund, account or investment vehicle managed by Princeton Investment Advisors has previously invested.

The senior investment team and other investment professionals of Princeton Investment Advisors may, from time to time, possess material non-public information, limiting our investment discretion.

The senior investment team and other investment professionals of Princeton Investment Advisors, including members of Princeton Investment Advisors' investment committee, may serve as directors of, or in a similar capacity with portfolio companies in which we invest, the securities of which are purchased or sold on our behalf. In the event that material nonpublic information is obtained with respect to such companies, or we become subject to trading restrictions under the internal trading policies of those companies or as a result of applicable law or regulations, we could be prohibited for a period of time from purchasing or selling the securities of such companies, and this prohibition may have an adverse effect on us.

The incentive fee structure we have with Princeton Investment Advisors may create incentives that are not fully aligned with the interests of our stockholders.

In the course of our investing activities, we will pay management and incentive fees to Princeton Investment Advisors. We have entered into an Investment Advisory Agreement with Princeton Investment Advisors that provides that these fees will be based on the value of our gross assets. As a result, investors in our common stock will invest on a gross basis and receive distributions on a net basis after expenses, resulting in a lower rate of return than one might achieve through direct investments. Because these fees are based on the value of our gross assets, Princeton Investment Advisors will benefit when we incur debt or use leverage. This fee structure may encourage Princeton Investment Advisors to cause us to borrow money to finance additional investments. Under certain circumstances, the use of borrowed money may increase the likelihood of default, which would disfavor our stockholders.

Our board of directors is charged with protecting our interests by monitoring how Princeton Investment Advisors addresses these and other conflicts of interests associated with its management services and compensation. While our board of directors is not expected to review or approve each investment decision, borrowing or incurrence of leverage, our independent directors will periodically review Princeton Investment Advisors' services and fees as well as its portfolio management decisions and performance of our portfolio. In connection with these reviews, our independent directors will consider whether our fees and expenses (including those related to leverage) remain appropriate. As a result of this arrangement, Princeton Investment Advisors may from time to time have interests that differ from those of our stockholders, giving rise to a conflict.

Our incentive fee may induce Princeton Investment Advisors to make speculative investments.

Princeton Investment Advisors will receive an incentive fee based, in part, upon net capital gains realized on our investments. Unlike the portion of the incentive fee that is based on income, there is no hurdle rate applicable to the portion of the incentive fee based on net capital gains. Additionally, under the incentive fee structure, Princeton Investment Advisors may benefit when capital gains are recognized and, because Princeton Investment Advisors will determine when to sell a holding, Princeton Investment Advisors will control the timing of the recognition of such capital gains. As a result, our investment advisor may have a tendency to invest more capital in investments that are likely to result in capital gains as compared to income producing securities. Such a practice could result in our investing in more speculative securities than would otherwise be the case, which could result in higher investment losses, particularly during economic downturns.

The involvement of our interested directors in the valuation process may create conflicts of interest.

We expect to make many of our portfolio investments in the form of loans and securities that are not publicly traded and for which no market based price quotation is available. As a result, our board of directors will determine the fair value of these loans and securities in good faith as described below in "— Our portfolio investments will be recorded at fair value as determined in good faith by our board of directors and, as a result, there may be uncertainty as to the value of our portfolio investments." In connection with that determination, investment professionals from Princeton Investment Advisors may provide our board of directors with valuations based upon the most recent portfolio company financial statements available and projected financial results of each portfolio company. While the valuation for each portfolio investment will be reviewed quarterly by an independent valuation firm, the ultimate determination of fair value will be made by our board of directors, including our interested directors, and not by such third party valuation firm. In addition, Messrs. Jackson and Sood, each an interested member of our board of directors, has a direct pecuniary interest in Princeton Investment Advisors. The participation of Princeton Investment Advisors' investment professionals in our valuation process, and the pecuniary interest in Princeton Investment Advisors by certain members of our board of directors, could result in a conflict of interest as Princeton Investment Advisors' management fee is based, in part, on the value of our gross assets, and our incentive fees will be based, in part, on realized gains net of realized and unrealized losses.

There are conflicts related to other arrangements with Princeton Investment Advisors.

We have entered into a license agreement with Princeton Investment Advisors under which Princeton Investment Advisors has agreed to grant us a non-exclusive, royalty-free license to use the name "Capital." See "Management Agreements — License Agreement." In addition, we have entered into an Administration Agreement with PCC Administrator LLC pursuant to which we are required to pay to the Administrator our allocable portion of overhead and other expenses incurred by our Administrator in performing its obligations under such Administration Agreement, such as rent and our allocable portion of the cost of our chief financial officer and chief compliance officer and his staff. This will create conflicts of interest that our board of directors will monitor. For example, under the terms of the license agreement, we will be unable to preclude Princeton Investment Advisors from licensing or transferring the ownership of the "Princeton" name to third parties, some of whom may compete against us. Consequently, we will be unable to prevent any damage to goodwill that may occur as a result of the activities of Princeton Investment Advisors or others. Furthermore, in the event the license agreement is terminated, we will be required to change our name and cease using "Princeton" as part of our name. Any of these events could disrupt our recognition in the market place, damage any goodwill we may have generated and otherwise harm our business.

The time and resources that Princeton Investment Advisors devote to us may be diverted, and we may face additional competition due to the fact that Princeton Investment Advisors and its affiliates are not prohibited from raising money for, or managing, another entity that makes the same types of investments that we target.

Princeton Investment Advisors and some of its affiliates, including our officers and our non-independent directors, are not prohibited from raising money for, or managing, another investment entity that makes the same types of investments as those we target. For example, Princeton Investment Advisors could seek to raise capital for a private credit fund that will have an investment strategy that is identical to our investment strategy. We and Princeton Investment Advisors intend to seek exemptive relief from the SEC that would establish a co-investment program with investment funds, accounts and investment vehicles managed by Princeton Investment Advisors; however, there can be no assurance if and when the SEC would grant such relief. In addition, we may compete with any such investment entity for the same investors and investment opportunities.

Our incentive fee arrangements with Princeton Investment Advisors may vary from those of other investment funds, accounts or investment vehicles managed by Princeton Investment Advisors, which may create an incentive for Princeton Investment Advisors to devote time and resources to a higher fee-paying fund.

If Princeton Investment Advisors is paid a higher performance-based fee from any of its other funds, it may have an incentive to devote more research and development or other activities, and/or recommend the allocation of investment opportunities, to such higher fee-paying fund. For example, to the extent Princeton Investment Advisors' incentive compensation is not subject to a hurdle or total return requirement with respect to another fund, it may have an incentive to devote time and resources to such other fund.

Princeton Investment Advisors' liability is limited under the Investment Advisory Agreement and we have agreed to indemnify Princeton Investment Advisors against certain liabilities, which may lead Princeton Investment Advisors to act in a riskier manner on our behalf than it would when acting for its own account.

Under the Investment Advisory Agreement, Princeton Investment Advisors has not assumed any responsibility to us other than to render the services called for under that agreement. It will not be responsible for any action of our board of directors by following or declining to follow Princeton Investment Advisors' advice or recommendations. Under the Investment Advisory Agreement, Princeton Investment Advisors, its officers, members and personnel, and any person controlling or controlled by Princeton Investment Advisors will not be liable to us, any subsidiary of ours, our directors, our stockholders or any subsidiary's stockholders or partners for acts or omissions performed in accordance with and pursuant to the Investment Advisory Agreement, except those resulting from acts constituting gross negligence, willful misfeasance, bad faith or reckless disregard of the duties that Princeton Investment Advisors owes to us under the Investment Advisory Agreement. In addition, as part of the Investment Advisory Agreement, we have agreed to indemnify Princeton Investment Advisors and each of its officers, directors, members, managers and employees from and against any claims or liabilities, including reasonable legal fees and other expenses reasonably incurred, arising out of or in connection with our business and operations or any action taken or omitted on our behalf pursuant to authority granted by the Investment Advisory Agreement, except where attributable to gross negligence, willful misfeasance, bad faith or reckless disregard of such person's duties under the Investment Advisory Agreement. These protections may lead Princeton Investment Advisors to act in a riskier manner when acting on our behalf than it would when acting for its own account.

Our ability to enter into transactions with our affiliates will be restricted, which may limit the scope of investments available to us.

We are prohibited under the 1940 Act from participating in certain transactions with our affiliates without the prior approval of our independent directors and, in some cases, the SEC. Any person that owns, directly or indirectly, 5% or more of our outstanding voting securities will be our affiliate for purposes of the 1940 Act, and we are generally prohibited from buying or selling any security from or to such affiliate without the prior approval of our independent directors. The 1940 Act also prohibits certain "joint" transactions with certain of our affiliates, which could include concurrent investments in the same portfolio company, without prior approval of our independent directors and, in some cases, of the SEC. We are prohibited from buying or selling any security from or to any person that controls us or who owns more than 25% of our voting securities or certain of that person's affiliates, or entering into prohibited joint transactions with such persons, absent the prior approval of the SEC. As a result of these restrictions, we may be prohibited from buying or selling any security (other than any security of which we are the issuer) from or to any portfolio company of a private fund managed by Princeton Investment Advisors or its affiliates without the prior approval of the SEC, which may limit the scope of investment opportunities that would otherwise be available to us.

We may, however, invest alongside Princeton Investment Advisors' investment funds, accounts and investment vehicles in certain circumstances where doing so is consistent with our investment strategy as well as applicable law and SEC staff interpretations. For example, we may invest alongside such investment funds, accounts and investment vehicles consistent with guidance promulgated by the SEC staff to purchase interests in a single class of privately placed securities so long as certain conditions are met, including that Princeton Investment Advisors, acting on our behalf and on behalf of such investment funds, accounts and investment vehicles, negotiates no term other than price. We may also invest alongside Princeton Investment Advisors' investment funds, accounts and investment vehicles as otherwise permissible under regulatory guidance, applicable regulations and Princeton Investment Advisors' allocation policy. This allocation policy provides that allocations among us and investment funds, accounts and investment vehicles managed by Princeton Investment Advisors and its affiliates will generally be made pro rata based on capital available for investment, as determined, in our case, by our board of directors as well as the terms of our governing documents and those of such investment funds, accounts and investment vehicles. It is our policy to base our determinations on such factors as the amount of cash on-hand, existing commitments and reserves, if any, our targeted leverage level, our targeted asset mix and diversification requirements and other investment policies and restrictions set by our board of directors or imposed by applicable laws, rules, regulations or interpretations. We expect that these determinations will be made similarly for investment funds, accounts and investment vehicles managed by Princeton Investment Advisors. However, we can offer no assurance that investment opportunities will be allocated to us fairly or equitably in the short-term or over time.

In situations where co-investment with investment funds, accounts and investment vehicles managed by Princeton Investment Advisors, prior to receiving exemptive relief, is not permitted or appropriate, such as when there is an opportunity to invest concurrently in different securities of the same issuer or where the different investments could be expected to result in a conflict between our interests and those of Princeton Investment Advisors' clients, subject to the limitations described in the preceding paragraph, Princeton Investment Advisors will need to decide which client will proceed with the investment. Princeton Investment Advisors will make these determinations based on its policies and procedures, which generally require that such opportunities be offered to eligible accounts on an alternating basis that will be fair and equitable over time. Moreover, except in certain circumstances, we will be unable to invest in any issuer in which an investment fund, account or investment vehicle managed by Princeton Investment Advisors has previously invested.

We and Princeton Investment Advisors may seek exemptive relief from the SEC to permit greater flexibility to negotiate the terms of co-investments if our board of directors determines that it would be advantageous for us to co-invest with investment funds, accounts and investment vehicles managed by Princeton Investment Advisors (other than the CPP group funds) in a manner consistent with our investment objective, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors. We believe that co-investment by us and investment funds, accounts and investment vehicles managed by Princeton Investment Advisors (other than the CPP group funds) may afford us additional investment opportunities and an ability to achieve greater diversification. Accordingly, if we make an application for exemptive relief, we will seek an exemptive order permitting us to invest with investment funds, accounts and investment vehicles managed by Princeton Investment Advisors (other than the CPP group funds) in the same portfolio companies under circumstances in which such investments would otherwise not be permitted by the 1940 Act. We expect that such exemptive relief permitting co-investments, if granted, would not require review and approval of each co-investment by our independent directors. There can be no assurance if and when the SEC would grant such relief.

We operate in a highly competitive market for investment opportunities, which could reduce returns and result in losses.

A number of entities compete with us to make the types of investments that we plan to make. We will compete with public and private funds, commercial and investment banks, commercial financing companies and, to the extent they provide an alternative form of financing, private equity and hedge funds. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, we believe some of our competitors may have access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC or the source-of-income, asset diversification and distribution requirements we must satisfy to maintain our RIC qualification. The competitive pressures we face may have a material adverse effect on our business, financial condition, results of operations and cash flows. As a result of this competition, we may not be able to take advantage of attractive investment opportunities from time to time, and we may not be able to identify and make investments that are consistent with our investment objective.

With respect to the investments we make, we will not seek to compete based primarily on the interest rates we will offer, and we believe that some of our competitors may make loans with interest rates that will be lower than the rates we offer. With respect to all investments, we may lose some investment opportunities if we do not match our competitors' pricing, terms and structure. However, if we match our competitors' pricing, terms and structure, we may experience decreased net interest income, lower yields and increased risk of credit loss. We may also compete for investment opportunities with investment funds, accounts and investment vehicles managed by Princeton Investment Advisors. Although Princeton Investment Advisors will allocate opportunities in accordance with its policies and procedures, allocations to such investment funds, accounts and investment vehicles will reduce the amount and frequency of opportunities available to us and may not be in the best interests of us and our stockholders. See "Risk Factors — Risks Relating to Our Business and Structure — There are significant potential conflicts of interest that could negatively affect our investment returns," "— Conflicts related to other arrangements with Princeton Investment Advisors."

We will be subject to corporate-level income tax if we are unable to qualify or maintain our qualification as a RIC under Subchapter M of the Code.

To qualify as a RIC under Subchapter M of the Code, we must meet certain source-of-income, asset diversification and distribution requirements. The distribution requirement for a RIC is satisfied if we distribute at least 90% of our net ordinary income and net short-term capital gains in excess of net long-term capital losses, if any, to our stockholders on an annual basis. If we incur debt, we will be subject to certain asset coverage ratio requirements under the 1940 Act and financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to qualify as a RIC. If we are unable to obtain cash from other sources, we may fail to qualify as a RIC and, thus, may be subject to corporate-level income tax. To qualify as a RIC, we must also meet certain asset diversification requirements at the end of each calendar quarter. Failure to meet these tests may result in our having to dispose of certain investments quickly in order to prevent the loss of our qualification as a RIC. Because most of our investments will be in private or thinly-traded public companies, any such dispositions may be made at disadvantageous prices and may result in substantial losses. If we fail to qualify as a RIC for any reason and become subject to corporate income tax, the resulting corporate income taxes could substantially reduce our net assets, the amount of income available for distributions to our stockholders and the amount of funds available for new investments. Such a failure would have a material adverse effect on us and our stockholders. See "Description of Business — Taxation as a RIC."

We may need to raise additional capital to grow because we must distribute most of our income.

We may need additional capital to fund new investments and grow our portfolio of investments. We intend to access the capital markets periodically to issue debt or equity securities or borrow from financial institutions in order to obtain such additional capital. Unfavorable economic conditions could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. A reduction in the availability of new capital could limit our ability to grow. In addition, we will be required to distribute at least 90% of our net ordinary income and net short-term capital gains in excess of net long-term capital losses, if any, to our stockholders to maintain our qualification as a RIC. As a result, these earnings will not be available to fund new investments. An inability on our part to access the capital markets successfully could limit our ability to grow our business and execute our business strategy fully and could decrease our earnings, if any, which would have an adverse effect on the value of our securities.

You may not receive distributions, or our distributions may not grow over time.

We intend to make distributions on a quarterly basis to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions. Our ability to pay distributions might be adversely affected by the impact of one or more of the risk factors described in this filing. Due to the asset coverage test applicable to us under the 1940 Act as a BDC, we may be limited in our ability to make distributions. All distributions will be made at the discretion of our board of directors and will depend on our earnings, financial condition, maintenance of RIC status, compliance with applicable BDC, and such other factors as our board of directors may deem relative from time to time. We cannot assure you that we will make distributions to our stockholders in the future.

We may have difficulty paying our required distributions if we recognize income before, or without, receiving cash representing such income.

For U.S. federal income tax purposes, we will include in income certain amounts that we have not yet received in cash, such as the accrual of original issue discount. This may arise if we receive warrants in connection with the making of a loan and in other circumstances, or through contracted PIK interest, which represents contractual interest added to the loan balance and due at the end of the loan term. Such original issue discount, which could be significant relative to our overall investment activities, and increases in loan balances as a result of contracted PIK arrangements will be included in income before we receive any corresponding cash payments. We also may be required to include in income certain other amounts that we will not receive in cash.

Since we may recognize income before or without receiving cash representing such income, we may have difficulty meeting the requirement to distribute at least 90% of our net ordinary income and net short-term capital gains in excess of net long-term capital losses, if any, to maintain our qualification as a RIC. In such a case, we may have to sell some of our investments at times we would not consider advantageous, raise additional debt or equity capital or reduce new investment originations to meet these distribution requirements. If we are not able to obtain such cash from other sources, we may fail to qualify as a RIC and thus be subject to corporate-level income tax. See “Description of Business – Taxation as a Regulated Investment Company.”

PIK interest payments we receive will increase our assets under management and, as a result, will increase the amount of base management fees and incentive fees payable by us to Princeton Investment Advisors.

Certain of our debt investments may contain provisions providing for the payment of PIK interest. Because PIK interest results in an increase in the size of the loan balance of the underlying loan, the receipt by us of PIK interest will have the effect of increasing our assets under management. As a result, because the base management fee that we pay to Princeton Investment Advisors is based on the value of our gross assets, the receipt by us of PIK interest will result in an increase in the amount of the base management fee payable by us. In addition, any such increase in a loan balance due to the receipt of PIK interest will cause such loan to accrue interest on the higher loan balance, which will result in an increase in our pre-incentive fee net investment income and, as a result, an increase in incentive fees that are payable by us to Princeton Investment Advisors.

Regulations governing our operation as a BDC affect our ability to, and the way in which we, raise additional capital. As a BDC, the necessity of raising additional capital may expose us to risks, including the typical risks associated with leverage.

We may issue debt securities or preferred stock and/or borrow money from banks or other financial institutions, which we refer to collectively as “senior securities,” up to the maximum amount permitted by the 1940 Act. Under the provisions of the 1940 Act, we will be permitted as a BDC to issue senior securities in amounts such that our asset coverage ratio, as defined in the 1940 Act, equals at least 200% of our gross assets less all liabilities and indebtedness not represented by senior securities, after each issuance of senior securities. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be required to sell a portion of our investments at a time when such sales may be disadvantageous to us in order to repay a portion of our indebtedness. Also, any amounts that we use to service our indebtedness would not be available for distributions to our common stockholders. If we issue senior securities, we will be exposed to typical risks associated with leverage, including an increased risk of loss.

We are not generally able to issue and sell our common stock at a price below net asset value per share. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below then current net asset value per share of our common stock if our board of directors determines that such sale is in our best interests and if our stockholders approve such sale. In any such case, the price at which our securities are to be issued and sold may not be less than a price that, in the determination of our board of directors, closely approximates the market value of such securities (less any distributing commission or discount). If we raise additional funds by issuing common stock or senior securities convertible into, or exchangeable for, our common stock, then the percentage ownership of our stockholders at that time will decrease, and you may experience dilution.

We may finance our investments with borrowed money, which will magnify the potential for gain or loss on amounts invested and may increase the risk of investing in us.

We may finance our investments with borrowed money when we expect the return on our investment to exceed the cost of borrowing. The use of leverage magnifies the potential for gain or loss on amounts invested. The use of leverage is generally considered a speculative investment technique and increases the risks associated with investing in our securities. However, we may borrow from, and may in the future issue debt securities to, banks, insurance companies and other lenders. Lenders of these funds will have fixed dollar claims on our assets that are superior to the claims of our common stockholders, and we would expect such lenders to seek recovery against our assets in the event of a default. We may pledge up to 100% of our assets and may grant a security interest in all of our assets under the terms of any debt instruments we may enter into with lenders. In addition, under the terms of any borrowing facility or other debt instrument we may enter into, we are likely to be required to use the net proceeds of any investments that we sell to repay a portion of the amount borrowed under such facility or instrument before applying such net proceeds to any other uses. If the value of our assets decreases, leveraging would cause net asset value to decline more sharply than it otherwise would have had we not leveraged, thereby magnifying losses or eliminating our stake in a leveraged investment. Similarly, any decrease in our revenue or income will cause our net income to decline more sharply than it would have had we not borrowed. Such a decline would also negatively affect our ability to make distributions with respect to our common stock or preferred stock. Our ability to service any debt will depend largely on our financial performance and will be subject to prevailing economic conditions and competitive pressures. Moreover, as the base management fee payable to Princeton Investment Advisors will be payable based on the value of our gross assets, including those assets acquired through the use of leverage, Princeton Investment Advisors will have a financial incentive to incur leverage, which may not be consistent with our stockholders' interests. In addition, our stockholders will bear the burden of any increase in our expenses as a result of our use of leverage, including interest expenses and any increase in the base management fee payable to Princeton Investment Advisors.

As a BDC, we generally are required to meet a coverage ratio of total assets to total borrowings and other senior securities, which include all of our borrowings (other than potential leverage in future SBIC subsidiaries, should we apply for and receive an SBIC license(s), subject to exemptive relief) and any preferred stock that we may issue in the future, of at least 200%. If this ratio declines below 200%, we will not be able to incur additional debt and could be required to sell a portion of our investments to repay some debt when it is otherwise disadvantageous for us to do so. This could have a material adverse effect on our operations, and we may not be able to make distributions. The amount of leverage that we employ will depend on Princeton Investment Advisors' and our board of directors' assessment of market and other factors at the time of any proposed borrowing. We cannot assure you that we will be able to obtain credit at all or on terms acceptable to us.

We may default under or any future borrowing facility we enter into or be unable to amend, repay or refinance any such facility on commercially reasonable terms, or at all, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In the event we default under any future borrowing facility, our business could be adversely affected as we may be forced to sell a portion of our investments quickly and prematurely at what may be disadvantageous prices to us in order to meet our outstanding payment obligations and/or support working capital requirements under such future borrowing facility, any of which would have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, following any such default, the agent for the lenders under such future borrowing facility could assume control of the disposition of any or all of our assets, including the selection of such assets to be disposed and the timing of such disposition, which would have a material adverse effect on our business, financial condition, results of operations and cash flows.

Because we may use debt to finance our investments, if market interest rates were to increase, our cost of capital could increase, which could reduce our net investment income.

Because we may borrow money to make investments, our net investment income will depend, in part, upon the difference between the rate at which we borrow funds and the rate at which we invest those funds. As a result, we can offer no assurance that a significant change in market interest rates would not have a material adverse effect on our net investment income in the event we use debt to finance our investments. In periods of rising interest rates, our cost of funds would increase, which could reduce our net investment income. We may use interest rate risk management techniques in an effort to limit our exposure to interest rate fluctuations. We may utilize instruments such as forward contracts, currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in currency exchange rates and market interest rates to the extent permitted by the 1940 Act.

In addition, a rise in the general level of interest rates typically leads to higher interest rates applicable to our debt investments. Accordingly, an increase in interest rates may result in an increase of the amount of our pre-incentive fee net investment income and, as a result, an increase in incentive fees payable to Princeton Investment Advisors.

Provisions in any future borrowing facility may limit our discretion in operating our business.

Any future borrowing facility may be backed by all or a portion of our loans and securities on which the lenders may have a security interest. We may pledge up to 100% of our assets and may grant a security interest in all of our assets under the terms of any debt instrument we enter into with lenders. We expect that any security interests we grant will be set forth in a pledge and security agreement and evidenced by the filing of financing statements by the agent for the lenders. In addition, we expect that the custodian for our securities serving as collateral for such loan would include in its electronic systems notices indicating the existence of such security interests and, following notice of occurrence of an event of default, if any, and during its continuance, will only accept transfer instructions with respect to any such securities from the lender or its designee. If we were to default under the terms of any debt instrument, the agent for the applicable lenders would be able to assume control of the timing of disposition of any or all of our assets securing such debt, which would have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, any security interests as well as negative covenants in any borrowing facility may limit our ability to create liens on assets to secure additional debt and may make it difficult for us to restructure or refinance indebtedness at or prior to maturity or obtain additional debt or equity financing. In addition, if our borrowing base under any other borrowing facility were to decrease, we would be required to secure additional assets in an amount equal to any borrowing base deficiency. In the event that all of our assets are secured at the time of such a borrowing base deficiency, we could be required to repay advances under the borrowing facility or make deposits to a collection account, either of which could have a material adverse impact on our ability to fund future investments and to make stockholder distributions.

In addition, under any future borrowing facility we may be subject to limitations as to how borrowed funds may be used, which may include restrictions on geographic and industry concentrations, loan size, payment frequency and status, average life, collateral interests and investment ratings, as well as regulatory restrictions on leverage which may affect the amount of funding that may be obtained. There may also be certain requirements relating to portfolio performance, including required minimum portfolio yield and limitations on delinquencies and charge-offs, a violation of which could limit further advances and, in some cases, result in an event of default. An event of default under any borrowing facility could result in an accelerated maturity date for all amounts outstanding thereunder, which could have a material adverse effect on our business and financial condition. This could reduce our revenues and, by delaying any cash payment allowed to us under the borrowing facility until the lenders have been paid in full, reduce our liquidity and cash flow and impair our ability to grow our business and maintain our qualification as a RIC.

Adverse developments in the credit markets may impair our ability to enter into any other future borrowing facility.

During the economic downturn in the United States that began in mid-2007, many commercial banks and other financial institutions stopped lending or significantly curtailed their lending activity. In addition, in an effort to stem losses and reduce their exposure to segments of the economy deemed to be high risk, some financial institutions limited refinancing and loan modification transactions and reviewed the terms of existing facilities to identify bases for accelerating the maturity of existing lending facilities. If these conditions recur (for example, as a result of a broadening of the current Euro zone credit crisis), it may be difficult for us to enter into a borrowing facility, obtain financing for growth of our investments, or refinance any outstanding indebtedness on acceptable economic terms, or at all.

If we do not invest a sufficient portion of our assets in qualifying assets, we could fail to qualify as a BDC or be precluded from investing according to our current business strategy.

As a BDC, we are required to invest at least 70% of our total assets in “qualifying assets” as defined under the 1940 Act. See “Business – Regulation as a BDC.” We believe that most of the investments that we may acquire in the future will constitute qualifying assets. However, we may be precluded from investing in what we believe to be attractive investments if such investments are not qualifying assets for purposes of the 1940 Act. If we do not invest a sufficient portion of our assets in qualifying assets, we could violate the 1940 Act provisions applicable to BDC's. As a result of such violation, specific rules under the 1940 Act could prevent us, for example, from making follow-on investments in existing portfolio companies (which could result in the dilution of our position) or could require us to dispose of investments at inappropriate times in order to come into compliance with the 1940 Act. If we need to dispose of such investments quickly, it could be difficult to dispose of such investments on favorable terms. We may not be able to find a buyer for such investments and, even if we do find a buyer, we may have to sell the investments at a substantial loss. Any such outcomes would have a material adverse effect on our business, financial condition, results of operations and cash flows.

If we do not maintain our status as a BDC, we would be subject to regulation as a registered closed-end investment company under the 1940 Act. As a registered closed-end investment company, we would be subject to substantially more regulatory restrictions under the 1940 Act which would significantly decrease our operating flexibility.

Our portfolio investments will be recorded at fair value as determined in good faith by our board of directors and, as a result, there may be uncertainty as to the value of our portfolio investments.

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 to reflect 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.

We may experience fluctuations in our quarterly operating results.

We could experience fluctuations in our quarterly operating results due to a number of factors, including the interest rate payable on the loans and debt securities we acquire, the default rate on such loans and securities, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. In light of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, stockholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our common stock.

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404 of the Sarbanes-Oxley Act, or the subsequent testing by our independent registered public accounting firm (when undertaken, as noted below), may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our consolidated financial statements or identify other areas for further attention or improvement. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock.

We will be required to disclose changes made in our internal control and procedures on a quarterly basis and our management will be required to assess the effectiveness of these controls annually. An independent assessment of the effectiveness of our internal controls could detect problems that our management's assessment might not. Undetected material weaknesses in our internal controls could lead to financial statement restatements and require us to incur the expense of remediation.

Our common stock is traded on the Over-the-Counter Bulletin Board "Pink Sheet" market, which may make it more difficult for investors to resell their shares due to suitability requirements.

Our common stock is currently traded on the Over the Counter Bulletin Board under the symbol "PIAC" where we expect it to remain in the foreseeable future. Broker-dealers often decline to trade in OTC Pink Sheet stocks given the markets for such securities are often limited, the stocks are more volatile, and the risk to investors is greater. These factors may reduce the potential market for our common stock by reducing the number of potential investors. This may make it more difficult for investors in our common stock to sell shares to third parties or to otherwise dispose of their shares. This could cause our stock price to decline.

New or modified laws or regulations governing our operations may adversely affect our business.

We and our portfolio companies will be subject to regulation by laws at the U.S. federal, state and local levels. These laws and regulations, as well as their interpretation, may change from time to time, and new laws, regulations and interpretations may also come into effect. Any such new or changed laws or regulations could have a material adverse effect on our business.

Additionally, changes to the laws and regulations governing our operations related to permitted investments may cause us to alter our investment strategy in order to avail ourselves of new or different opportunities. Such changes could result in material differences to the strategies and plans set forth in this filing and may shift our investment focus from the areas of expertise of Princeton Investment Advisors to other types of investments in which Princeton Investment Advisors may have little or no expertise or experience. Any such changes, if they occur, could have a material adverse effect on our results of operations and the value of your investment.

Our board of directors may change our investment objective, operating policies and strategies without prior notice or stockholder approval.

Our board of directors has the authority, except as otherwise provided in the 1940 Act, to modify or waive certain of our operating policies and strategies without prior notice and without stockholder approval. However, absent stockholder approval, we may not change the nature of our business so as to cease to be, or withdraw our election as, a BDC. We cannot predict the effect any changes to our current operating policies and strategies would have on our business, operating results and the market price of our common stock. Nevertheless, any such changes could adversely affect our business and impair our ability to make distributions to our stockholders.

Pending legislation may allow us to incur additional leverage.

As a BDC under the 1940 Act, we are generally not permitted to incur indebtedness unless immediately after such borrowing we have an asset coverage for total borrowings of at least 200% (i.e., the amount of debt may not exceed 50% of the value of our assets). Legislation introduced in the U.S. House of Representatives in the last Congress would have modified this section of the 1940 Act and increased the amount of debt that BDC's may incur by modifying the percentage from 200% to 150%. As a result, we may be able to incur additional indebtedness in the future and therefore your risk of an investment in common stock may increase.

Our board of directors is authorized to reclassify any unissued shares of common stock into one or more series of preferred stock, which could convey special rights and privileges to its owners.

Under Maryland General Corporation Law and our charter, our board of directors is authorized to classify and reclassify any authorized but unissued shares of stock into one or more classes or series of stock, including preferred stock of one or more series. Prior to the issuance of shares of each class or series, the board of directors will be required by Maryland law and our charter to set the preferences, conversion and other rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption for each such class or series. Thus, the board of directors could authorize the issuance of shares of a series of preferred stock with terms and conditions which could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for holders of our common stock or that otherwise might be in their best interest. The cost of any such reclassification and issuance would be borne by our common stockholders. Certain matters under the 1940 Act require the separate vote of the holders of any issued and outstanding preferred stock. For example, the 1940 Act provides that holders of preferred stock are entitled to vote separately from holders of common stock to elect two directors. We currently have no plans to issue preferred stock. The issuance of shares of preferred stock convertible into shares of common stock may also reduce the net income and net asset value per share of our common stock upon conversion, provided, that we will only be permitted to issue such convertible preferred stock to the extent we comply with the requirements of Section 61 of the 1940 Act, including obtaining common stockholder approval. These effects, among others, could have an adverse effect on your investment in our common stock.

The foregoing provisions are expected to discourage certain coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to negotiate first with our board of directors. However, these provisions may deprive a stockholder of the opportunity to sell such stockholder’s shares at a premium to a potential aquiver. We believe that the benefits of these provisions out weight the potential disadvantages of discouraging any such acquisition proposals because, among other things, the negotiation of such proposals may improve their terms. Our board of directors has considered both the positive and negative effects of the foregoing provisions determined that they are in the best interests of our stockholders.

Provisions of the Maryland General Corporation Law and of our charter and bylaws could deter takeover attempts and have an adverse impact on the price of our common stock.

The Maryland General Corporation Law and our charter and bylaws contain provisions that may discourage, delay or make more difficult a change in control of Princeton Investment Corporation or the removal of our directors. We are subject to the Maryland Business Combination Act, subject to any applicable requirements of the 1940 Act. Our board of directors has adopted a resolution exempting from the Business Combination Act any business combination between us and any other person, subject to prior approval of such business combination by our board of directors, including approval by a majority of our independent directors. If the resolution exempting business combinations is repealed or our board of directors does not approve a business combination, the Business Combination Act may discourage third parties from trying to acquire control of us and increase the difficulty of consummating such an offer. Our bylaws exempt from the Maryland Control Share Acquisition Act acquisitions of our stock by any person. If we amend our bylaws to repeal the exemption from the Control Share Acquisition Act, the Control Share Acquisition Act also may make it more difficult for a third party to obtain control of us and increase the difficulty of consummating such a transaction.

We have also adopted measures that may make it difficult for a third party to obtain control of us, including provisions of our charter classifying our board of directors in three classes serving staggered three-year terms and authorizing our board of directors to classify or reclassify shares of our stock in one or more classes or series, to cause the issuance of additional shares of our stock and to amend our charter without stockholder approval to increase or decrease the number of shares of stock that we have authority to issue. These provisions, as well as other provisions of our charter and bylaws, may delay, defer or prevent a transaction or a change in control that might otherwise be in the best interests of our stockholders.

The foregoing provisions are expected to discourage certain coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to negotiate first with our board of directors. However, these provisions may deprive a stockholder of the opportunity to sell such stockholder's shares of a premium to a potential acquirer. We believe that the benefits of these provisions outweigh the potential disadvantages of discouraging any such acquisition proposals because, among other things, the negotiation of such proposals may improve their terms. Our board of directors has considered both the positive and negative effects of the foregoing provisions and determined that they are in the best interests of our stockholders.

Princeton Investment Advisors can resign as our investment advisor or cause our administrator to resign upon 60 days' notice and we may not be able to find suitable replacements within that time, or at all, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations.

Princeton Investment Advisors has the right under the Investment Advisory Agreement to resign as our investment advisor at any time upon 60 days' written notice, whether we have found a replacement or not. Similarly, our Administrator has the right under the Administration Agreement to resign at any time upon 60 days' written notice, whether we have found a replacement or not. If Princeton Investment Advisors was to resign, we may not be able to find a new investment advisor or administrator or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 60 days, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, our financial condition, business and results of operations as well as our ability to pay distributions to our stockholders are likely to be adversely affected and the market price of our shares may decline. In addition, the coordination of our internal management and investment or administrative activities, as applicable, is likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by Princeton Investment Advisors. Even if we are able to retain comparable management, whether internal or external, the integration of such management and their lack of familiarity with our investment objective may result in additional costs and time delays that may adversely affect our business, financial condition, results of operations and cash flows.

We are highly dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, negatively affect the market price of our common stock and our ability to make distributions to our stockholders.

Our business is highly dependent on the communications and information systems of Princeton Investment Advisors. In addition, certain of these systems are provided to Princeton Investment Advisors by third party service providers. Any failure or interruption of such systems, including as a result of the termination of an agreement with any such third party service provider, could cause delays or other problems in our activities. This, in turn, could have a material adverse effect on our operating results and negatively affect the market price of our common stock and our ability to make distributions to our stockholders.

Recent market conditions materially and adversely affected debt and equity capital markets in the United States and around the world. If these conditions recur, debt capital may not be available to us on favorable terms, or at all, which could negatively affect our financial performance and results.

From 2007 through 2009, the global capital markets experienced a period of disruption resulting in increasing spreads between the yields realized on riskier debt securities and those realized on risk-free securities and a lack of liquidity in parts of the debt capital markets, significant write-offs in the financial services sector relating to subprime mortgages and the re-pricing of credit risk in the broadly syndicated market. These events, along with the deterioration of the housing market, illiquid market conditions, declining business and consumer confidence and the failure of major financial institutions in the United States, led to a decline of general economic conditions. This economic decline materially and adversely affected the broader financial and credit markets and reduced the availability of debt and equity capital for the market as a whole and to financial firms in particular during that time. These conditions may recur (for example, as a result of a broadening of the current Euro zone credit crisis), in which case, to the extent that we wish to use debt to fund our investments, the debt capital that will be available to us, if at all, may be at a higher cost, and on terms and conditions that may be less favorable, than what we expect, which could negatively affect our financial performance and results. A prolonged period of market illiquidity may cause us to reduce the volume of loans and debt securities we originate and/or fund and adversely affect the value of our portfolio investments, which could have a material and adverse effect on our business, financial condition, results of operations and cash flows.

Legal fees related to the lawsuit captioned Capital Link Fund I, LLC, et al. V. Capital Point Management, LP, et al. as disclosed under Item 3 and Note 9 of the Notes to the Financial Statements could affect our operating results.

The Company incurred legal fees related to the above captioned lawsuit. It is undeterminable at this time the ultimate responsibility for the amounts invoiced to us 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 and that there may be other defenses. As of December 31, 2015, invoices for legal fees by these two law firms were included in professional fees on the Statements of Operations and accounts payable on the Statements of Assets and Liabilities as disclosed in Note 2 of the Notes to the Financial Statements. The invoiced amounts and the final determination of responsibility of these amounts will have an effect on the operating results of the company.

Risks Relating to our Investments

Economic recessions or downturns could impair our portfolio companies and harm our operating results.

Many of the portfolio companies in which we expect to make investments, including those currently included in our initial portfolio, are likely to be susceptible to economic slowdowns or recessions and may be unable to repay our loans during such periods. Therefore, the number of our non-performing assets are likely to increase and the value of our portfolio is likely to decrease during such periods. Adverse economic conditions may decrease the value of collateral securing some of our loans and debt securities and the value of our equity investments. Economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events could prevent us from increasing our investments and harm our operating results.

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its assets, which could trigger cross-defaults under other agreements and jeopardize our portfolio company's ability to meet its obligations under the loans and debt securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company. In addition, lenders in certain cases can be subject to lender liability claims for actions taken by them when they become too involved in the borrower's business or exercise control over a borrower. It is possible that we could become subject to a lender's liability claim, including as a result of actions taken if we render significant managerial assistance to the borrower. Furthermore, if one of our portfolio companies were to file for bankruptcy protection, a bankruptcy court might re-characterize our debt holding and subordinate all or a portion of our claim to claims of other creditors, even though we may have structured our investment as senior secured debt. The likelihood of such a re-characterization would depend on the facts and circumstances, including the extent to which we provided managerial assistance to that portfolio company.

Our investments in leveraged portfolio companies may be risky, and we could lose all or part of our investment.

Investments in leveraged companies involve a number of significant risks. Leveraged companies in which we invest may have limited financial resources and may be unable to meet their obligations under their loans and debt securities that we hold. Such developments may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of our realizing any guarantees that we may have obtained in connection with our investment. Smaller leveraged companies also may have less predictable operating results and may require substantial additional capital to support their operations, finance their expansion or maintain their competitive position.

We may hold the loans and debt securities of leveraged companies that may, due to the significant operating volatility typical of such companies, enter into bankruptcy proceedings.

Leveraged companies may experience bankruptcy or similar financial distress. The bankruptcy process has a number of significant inherent risks. Many events in a bankruptcy proceeding are the product of contested matters and adversary proceedings and are beyond the control of the creditors. A bankruptcy filing by a portfolio company may adversely and permanently affect that company. If the proceeding is converted to a liquidation, the value of the portfolio company may not equal the liquidation value that was believed to exist at the time of the investment. The duration of a bankruptcy proceeding is also difficult to predict, and a creditor's return on investment can be adversely affected by delays until the plan of reorganization or liquidation ultimately becomes effective. The administrative costs in connection with a bankruptcy proceeding are frequently high and would be paid out of the debtor's estate prior to any return to creditors. Because the standards for classification of claims under bankruptcy law are vague, our influence with respect to the class of securities or other obligations we own may be lost by increases in the number and amount of claims in the same class or by different classification and treatment. In the early stages of the bankruptcy process, it is often difficult to estimate the extent of, or even to identify, any contingent claims that might be made. In addition, certain claims that have priority by law (for example, claims for taxes) may be substantial.

Our investments in private and small and lower middle-market portfolio companies are risky, and we could lose all or part of our investment.

Investments in private and small and lower middle-market companies involve a number of significant risks. Generally, little public information exists about these companies, and we will rely on the ability of Princeton Investment Advisors' investment professionals to obtain adequate information to evaluate the potential returns from investing in these companies. If we are unable to uncover all material information about these companies, we may not make a fully informed investment decision, and we may lose money on our investments. Small and lower middle-market companies may have limited financial resources and may be unable to meet their obligations under their loans and debt securities that we hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of our realizing any guarantees we may have obtained in connection with our investment. In addition, such companies typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and adverse market conditions, as well as general economic downturns. Additionally, middle-market companies are more likely to depend on the management talents and efforts of a small group of persons. Therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on one or more of the portfolio companies we invest in and, in turn, on us. Small and lower middle-market companies also may be parties to litigation and may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence. In addition, our executive officers, directors and investment advisor may, in the ordinary course of business, be named as defendants in litigation arising from our investments in portfolio companies.

The lack of liquidity in our investments may adversely affect our business.

All of our assets may be invested in illiquid loans and securities, and a substantial portion of our investments in leveraged companies will be subject to legal and other restrictions on resale or will otherwise be less liquid than more broadly traded public securities. The illiquidity of these investments may make it difficult for us to sell such investments if the need arises. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we have previously recorded our investments. Also, as noted above, we may be limited or prohibited in our ability to sell or otherwise exit certain positions in our initial portfolio as such a transaction could be considered a joint transaction prohibited by the 1940 Act.

Price declines and illiquidity in the corporate debt markets may adversely affect the fair value of our portfolio investments, reducing our net asset value through increased net unrealized depreciation.

As a BDC, we are required to carry our investments at market value or, if no market value is ascertainable, at fair value as determined in good faith by our board of directors. As part of the valuation process, we may take into account the following types of factors, if relevant, in determining the fair value of our investments:

- Available current market data, including relevant and applicable market trading and transaction comparables;
- applicable market yields and multiples;
- security covenants;

- call protection provisions;
- information rights;
- the nature and realizable value of any collateral;
- the portfolio company's ability to make payments, earnings, discounted cash flows and the markets in which it does business;
- comparisons of financial ratios of peer companies that are public;
- comparable merger and acquisition transactions; and
- the principal market and enterprise values.

When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, we use the pricing indicated by the external event to corroborate our valuation. We record decreases in the market values or fair values of our investments as unrealized depreciation. Declines in prices and liquidity in the corporate debt markets may result in significant net unrealized depreciation in our portfolio. The effect of all of these factors on our portfolio may reduce our net asset value by increasing net unrealized depreciation in our portfolio. Depending on market conditions, we could incur substantial realized losses and may suffer additional unrealized losses in future periods, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We are a non-diversified investment company as defined under the 1940 Act, and therefore we are not limited with respect to the proportion of our assets that may be invested in securities of a single issuer.

We are classified as a non-diversified investment company as defined under the 1940 Act, which means that we are not limited by the 1940 Act with respect to the proportion of our assets that we may invest in securities of a single issuer. Beyond the asset diversification requirements associated with our qualification as a RIC under the Code, we do not have fixed guidelines for diversification. To the extent that we assume large positions in the securities of a small number of issuers or our investments are concentrated in relatively few industries, our net asset value may fluctuate to a greater extent than that of a diversified investment company as a result of changes in the financial condition or the market's assessment of the issuer. We may also be more susceptible to any single economic or regulatory occurrence than a diversified investment company.

Our failure to make follow-on investments in our portfolio companies could impair the value of our portfolio.

Following an initial investment in a portfolio company, we may make additional investments in that portfolio company as "follow-on" investments, in seeking to:

- increase or maintain in whole or in part our position as a creditor or equity ownership percentage in a portfolio company;
- exercise warrants, options or convertible securities that were acquired in the original or subsequent financing; or
- preserve or enhance the value of our investment.

We have discretion to make follow-on investments, subject to the availability of capital resources. Failure on our part to make follow-on investments may, in some circumstances, jeopardize the continued viability of a portfolio company and our initial investment, or may result in a missed opportunity for us to increase our participation in a successful operation. Even if we have sufficient capital to make a desired follow-on investment, we may elect not to make a follow-on investment because we may not want to increase our level of risk, because we prefer other opportunities or because we are inhibited by compliance with BDC requirements of the 1940 Act or the desire to maintain our qualification as a RIC. Our ability to make follow-on investments may also be limited by Princeton Investment Advisors' allocation policy.

Because we generally do not hold controlling equity interests in our portfolio companies, we may not be able to exercise control over our portfolio companies or to prevent decisions by management of our portfolio companies that could decrease the value of our investments.

We will not hold controlling equity positions in any of the portfolio companies included in our portfolio and, although we may do so in the future, we do not currently intend to hold controlling equity positions in our portfolio companies (including those included in our portfolio). As a result, we will be subject to the risk that a portfolio company may make business decisions with which we disagree, and that the management and/or stockholders of a portfolio company may take risks or otherwise act in ways that are adverse to our interests. Due to the lack of liquidity of the debt and equity investments that we expect to hold in our portfolio companies, we may not be able to dispose of our investments in the event we disagree with the actions of a portfolio company and may therefore suffer a decrease in the value of our investments.

Defaults by our portfolio companies will harm our operating results.

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its assets. This could trigger cross-defaults under other agreements and jeopardize such portfolio company's ability to meet its obligations under the loans or debt or equity securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms, which may include the waiver of certain financial covenants, with a defaulting portfolio company.

Because we rely on the interest income from our portfolio companies to fund operating expenses, payment defaults of our portfolio companies could have an adverse effect on our operations. Our interest income may not exceed our operating expenses which could affect our financial condition, results of operations and cash flow.

Prepayments of our debt investments by our portfolio companies could adversely impact our results of operations and ability to make stockholder distributions and result in a decline in the market price of our shares.

We will be subject to the risk that the debt investments we make in our portfolio companies may be repaid prior to maturity. We expect that our investments will generally allow for repayment at any time subject to certain penalties. When this occurs, we intend to generally reinvest these proceeds in temporary investments, pending their future investment in accordance with our investment strategy. These temporary investments will typically have substantially lower yields than the debt being prepaid, and we could experience significant delays in reinvesting these amounts. Any future investment may also be at lower yields than the debt that was repaid. As a result, our results of operations could be materially adversely affected if one or more of our portfolio companies elects to repay amounts owed to us prior to maturity. Additionally, prepayments could negatively impact our ability to make, or the amount of, distributions with respect to our common stock, which could result in a decline in the market price of our shares.

Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies.

We intend to invest a portion of our capital in second lien and subordinated loans issued by our portfolio companies. The portfolio companies usually have, or may be permitted to incur, other debt that ranks equally with, or senior to, the loans in which we invest. By their terms, such debt instruments may provide that the holders are entitled to receive payment of interest or principal on or before the dates on which we are entitled to receive payments in respect of the loans in which we invest. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of debt instruments ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution in respect of our investment. After repaying senior creditors, a portfolio company may not have any remaining assets to use for repaying its obligation to us. In the case of debt ranking equally with loans in which we invest, we would have to share any distributions on an equal and ratable basis with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company.

Additionally, certain loans that we may make to portfolio companies may be secured on a second priority basis by the same collateral securing senior secured debt of such companies. The first priority liens on the collateral will secure the portfolio company's obligations under any outstanding senior debt and may secure certain other future debt that may be permitted to be incurred by the portfolio company under the agreements governing the loans. The holders of obligations secured by first priority liens on the collateral will generally control the liquidation of, and be entitled to receive proceeds from, any realization of the collateral to repay their obligations in full before us. In addition, the value of the collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of all of the collateral would be sufficient to satisfy the loan obligations secured by the second priority liens after payment in full of all obligations secured by the first priority liens on the collateral. If such proceeds were not sufficient to repay amounts outstanding under the loan obligations secured by the second priority liens, then we, to the extent not repaid from the proceeds of the sale of the collateral, will only have an unsecured claim against the portfolio company's remaining assets, if any.

We may also make unsecured loans to portfolio companies, meaning that such loans will not benefit from any interest in collateral of such companies. Liens on such portfolio companies' collateral, if any, will secure the portfolio company's obligations under its outstanding secured debt and may secure certain future debt that is permitted to be incurred by the portfolio company under its secured loan agreements. The holders of obligations secured by such liens will generally control the liquidation of, and be entitled to receive proceeds from, any realization of such collateral to repay their obligations in full before us. In addition, the value of such collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of such collateral would be sufficient to satisfy our unsecured loan obligations after payment in full of all secured loan obligations. If such proceeds were not sufficient to repay the outstanding secured loan obligations, then our unsecured claims would rank equally with the unpaid portion of such secured creditors' claims against the portfolio company's remaining assets, if any.

The rights we may have with respect to the collateral securing the loans we make to our portfolio companies with senior debt outstanding may also be limited pursuant to the terms of one or more intercreditor agreements that we enter into with the holders of such senior debt. Under a typical intercreditor agreement, at any time that obligations that have the benefit of the first priority liens are outstanding, any of the following actions that may be taken in respect of the collateral will be at the direction of the holders of the obligations secured by the first priority liens:

- the ability to cause the commencement of enforcement proceedings against the collateral;
- the ability to control the conduct of such proceedings;
- the approval of amendments to collateral documents;
- releases of liens on the collateral; and
- waivers of past defaults under collateral documents.

We may not have the ability to control or direct such actions, even if our rights are adversely affected.

If we make subordinated investments, the obligors or the portfolio companies may not generate sufficient cash flow to service their debt obligations to us.

We may make subordinated investments that rank below other obligations of the obligor in right of payment. Subordinated investments are subject to greater risk of default than senior obligations as a result of adverse changes in the financial condition of the obligor or economic conditions in general. If we make a subordinated investment in a portfolio company, the portfolio company may be highly leveraged, and its relatively high debt-to-equity ratio may create increased risks that its operations might not generate sufficient cash flow to service all of its debt obligations.

The disposition of our investments may result in contingent liabilities.

We currently expect that substantially all of our investments will involve loans and private securities. In connection with the disposition of an investment in loans and private securities, we may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business. We may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate or with respect to potential liabilities. These arrangements may result in contingent liabilities that ultimately result in funding obligations that we must satisfy through our return of distributions previously made to us.

We may not realize gains from our equity investments.

When we invest in loans and debt securities, we may acquire warrants or other equity securities of portfolio companies as well. We may also invest in equity securities directly. To the extent we hold equity investments, we will attempt to dispose of them and realize gains upon our disposition of them. However, the equity interests we receive may not appreciate in value and, may decline in value. As a result, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience.

Risks Relating to our Common Stock

Shares of closed-end investment companies, including BDC's, frequently trade at a discount from their net asset value.

Shares of closed-end investment companies, including BDC's, frequently trade at a discount from their net asset value. This characteristic of closed-end investment companies is separate and distinct from the risk that our net asset value per share of common stock may decline. We cannot predict whether our common stock will trade at, above or below net asset value. On March 6, 2015, our stockholders voted to allow us to issue common stock at a price below net asset value per share for the period ending on March 13, 2016. Our stockholders did not specify a maximum discount below net asset value at which we are able to issue our common stock, although the number of shares sold in each offering may not exceed 25% of our outstanding common stock immediately prior to such sale. In addition, we cannot issue shares of our common stock below net asset value unless our board of directors determines that it would be in our and our stockholders' best interests to do so. Sales of common stock at prices below net asset value per share dilute the interests of existing stockholders, have the effect of reducing out net asset value per share and may reduce our market price per share. In addition, continuous sales of common stock below net asset value may have a negative impact on total returns and could have a negative impact on the market price of our shares of common stock.

Stockholders may experience dilution in their ownership percentage if they do not participate in our dividend reinvestment plan.

All distributions declared in cash payable to stockholders that are participants in our dividend reinvestment plan are generally automatically reinvested in shares of our common stock. As a result, stockholders that do not participate in the dividend reinvestment plan may experience dilution over time. Stockholders who receive distributions in shares of common stock may experience accretion to the net asset value of their shares if our shares are trading at a premium and dilution if our shares are trading at a discount. The level of accretion or discount would depend on various factors, including the proportion of our stockholders who participate in the plan, the level of premium or discount at which our shares are trading and the amount of the distribution payable to a stockholder.

Our share ownership is concentrated.

The Partnerships beneficially own approximately 95% of our outstanding common stock. As a result, the Partnerships will exert significant influence over all matters requiring stockholder approval, including the election and removal of directors, any merger, consolidation or sale of all or substantially all of the assets, as well as any charter amendment and other matters requiring stockholder approval. This concentration of ownership may delay or prevent a change in control and may have a negative impact on the market price of our common stock by discouraging third party investors. In addition, the interests of the Partnerships may not always coincide with the interests of our other stockholders.

The Company's common stock may be subject to the penny stock rules which might make it harder for stockholders to sell.

As a result of our stock price, our shares are subject to the penny stock rules. Because a "penny stock" is, generally speaking, one selling for less than $5.00 per share, the Company's common stock may be subject to the foregoing rules. The application of the penny stock rules may affect stockholders' ability to sell their shares because some broker-dealers may not be willing to make a market in the Company's common stock because of the burdens imposed upon them by the penny stock rules which include but are not limited to:

Section 15(g) of the Securities Exchange Act of 1934 and SEC Rules 15g-1 through 15g-6, which impose additional sales practice requirements on broker-dealers who sell Company securities to persons other than established customers and accredited investors.

Rule 15g-2 declares unlawful any broker-dealer transactions in penny stocks unless the broker-dealer has first provided to the customer a standardized disclosure document.

Rule 15g-3 provides that it is unlawful for a broker-dealer to engage in a penny stock transaction unless the broker-dealer first discloses and subsequently confirms to the customer the current quotation prices or similar market information concerning the penny stock in question.

Rule 15g-4 prohibits broker-dealers from completing penny stock transactions for a customer unless the broker-dealer first discloses to the customer the amount of compensation or other remuneration received as a result of the penny stock transaction.

Rule 15g-5 requires that a broker-dealer executing a penny stock transaction, other than one exempt under Rule 15g-1, disclose to its customer, at the time of or prior to the transaction, information about the sales persons compensation.

Potential stockholders of the Company should also be aware that, according to SEC Release No. 34-29093, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. Such patterns include (i) control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer; (ii) manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases; (iii) "boiler room" practices involving high-pressure sales tactics and unrealistic price projections by inexperienced sales persons; (iv) excessive and undisclosed bid-ask differential and markups by selling broker-dealers; and (v) the wholesale dumping of the same securities by promoters and broker dealers after prices have been manipulated to a desired level, along with the resulting inevitable collapse of those prices and with consequent investor losses.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

The Company does not own any real estate or other physical properties materially important to our operation. Our headquarters are currently located at 700 Alexander Park, Suite 103, Princeton, NJ 08540. All locations are provided to us by PCC Administrator LLC pursuant to the Administration Agreement. We believe that our office facilities are suitable and adequate for our business as we contemplate conducting it.

Item 3. 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”).

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.

As of December 31, 2015, 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 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDERS MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is currently traded on the Over the Counter Pink Sheets under the symbol "PIAC" where we expect it to remain in the foreseeable future. Prior to April 20, 2015 our common stock was traded under the symbol "RONE". Broker-dealers often decline to trade in OTC Pink Sheet stocks given the markets for such securities are often limited, the stocks are more volatile, and the risk to investors is greater. These factors may reduce the potential market for our common stock by reducing the number of potential investors. This may make it more difficult for investors in our common stock to sell shares to third parties or to otherwise dispose of their shares. This could cause our stock price to decline.

Quarter Ending	Quarterly High		Quarterly Low	
Dec. 31, 2015	$	0.51	$	0.30
Sep. 30, 2015	$	1.35	$	0.41
Jun. 30, 2015	$	2.70	$	0.60
Mar. 31, 2015	$	0.60	$	0.37
Dec. 31, 2014	$	0.44	$	0.26
Sep. 30, 2014	$	0.90	$	0.06
Jun. 30, 2014	$	0.15	$	0.06
Mar. 31, 2014	$	0.09	$	0.05
Dec. 31, 2013	$	0.06	$	0.04
Sep. 30, 2013	$	0.05	$	0.04
Jun. 30, 2013	$	0.11	$	0.05
Mar. 31, 2013	$	0.09	$	0.05

Notwithstanding the forgoing, our common stock is sporadically and thinly trading. Accordingly, although there appears to be quotation information, the Company does not believe that there exists an established public market for our securities. Further, there can be no assurance the current market for the Company's common stock will be sustained or grow in the future.

Holders of record

As of December 31, 2015, there were 23 shareholders of our common stock.

The Company feels the actual number of common stock holders may be significantly higher as 1,466,674 shares of common stock are held in street name which reflected approximately 1.22% of the outstanding shares of common stock as of December 31, 2015.

Dividends

Our dividends, if any, are determined by our board of directors. The Company will be taxed as a C corporation and subject to federal and state corporation income taxes for its 2015 taxable year. We intend to qualify for the 2016 tax year to be treated for federal income tax purposes as a RIC under Subchapter M of the Code. As a RIC, we will not be taxed on our investment company taxable income or realized net capital gains, to the extent that such taxable income or gains are distributed, or deemed to be distributed, to stockholders on a timely basis.

To maintain our qualification for RIC tax treatment, we must, among other things, distribute at least 90% of our net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year distributions into the next tax year and pay a 4% excise tax on such income. Any such carryover taxable income must be distributed through a dividend declared prior to filing the final tax return related to the year which generated such taxable income. We may, in the future, make actual distributions to our stockholders of our net capital gains. We can offer no assurance that we will achieve results that will permit the payment of any cash distributions and, if we issue senior securities, we may be prohibited from making distributions if doing so causes us to fail to maintain the asset coverage ratios stipulated by the 1940 Act or if distributions are limited by the terms of any of our borrowings.

In connection with the transactions with the Partnerships, we adopted an "opt out" dividend reinvestment plan ("DRIP") for our common stockholders. As a result, if we make cash distributions, then stockholders' cash distributions will be automatically reinvested in additional shares of our common stock, unless they specifically "opt out" of the dividend reinvestment plan so as to receive cash distributions.

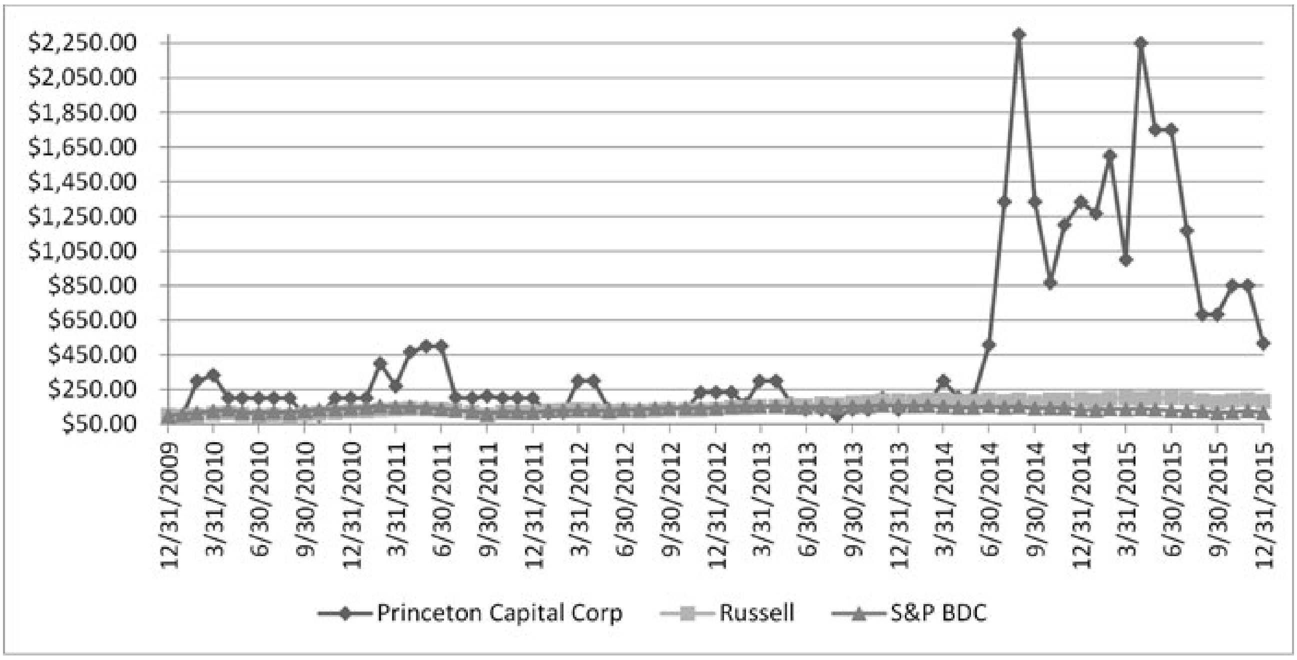
For each of the fiscal years ended December 31, 2015 and December 31, 2014, the Company did not declare any cash dividends on the Company's common stock.

Recent Sales of Unregistered Securities

There were no sales of unregistered securities during the year ended December 31, 2015.

Performance Graph

This graph compares the return on our common stock with that of the S&P BDC Index and the Russell 2000 Index, for the past five fiscal years. The graph assumes that, on December 31, 2009, a person invested $10,000 in each of our common stock, the S&P BDC Index and the Russell 2000 Financial Services Index. The graph measures total shareholder return, which takes into account both changes in stock price and dividends. It assumes that dividends paid are reinvested in like securities. Our Company is quoted on the over-the-counter bulletin board through Pink Sheets and are thus not traded on a public exchange.



The graph and other information furnished under this Part II Item 5 of this Form 10-K shall not be deemed to be ''soliciting material'' or to be ''filed'' with the SEC or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the 1934 Act. The stock price performance included in the above graph is not necessarily indicative of future stock price performance.

Issuer Purchases of Equity Securities

During the year ended December 31, 2015, there were no purchases made by or on behalf of the issuer of shares of equity securities.

EQUITY COMPENSATION PLAN INFORMATION

1995 Employee & Consultant Incentive Benefit Plan

Our board of directors adopted the 1995 Employee & Consultant Incentive Benefit Plan ("1995 Stock Plan") on May 3, 1995, and it was subsequently approved by our stockholders. The 1995 Stock Plan provided for the grant of stock options or stock to our employees, directors, and consultants. The 1995 Stock Plan originally provided for the issuance of 3,000,000 shares of which 2,019,014 are issued and outstanding. As of December 31, 2015, there were no outstanding options to purchase any additional shares under the plan as the plan has been cancelled. The 1995 Stock Plan was a plan of Regal One.

Item 6. SELECTED FINANCIAL DATA

The following selected financial data should be read in conjunction with our financial statements and related notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this report.

Financial Position as of December 31:

	2015	2014	2013	2012	2011
Total assets	$ 50,018,474	$ 493,272	$ 1,162,686	$ 467,401	$ 460,662
Total liabilities	1,792,911	31,250	137,193	149,899	91,020
Net assets	$ 48,225,563	$ 462,022	$ 1,025,493	$ 317,502	$ 369,642
Net asset value per outstanding share	$ 0.400	$ 0.254	$ 0.282	$ 0.087	$ 0.102
Common shares outstanding	120,486,061	3,633,067	3,633,067	3,633,067	3,633,067

Operating Data for the last five fiscal years ended December 31:

	2015	2014	2013	2012	2011
Total investment income	$ 3,094,550	$ —	$ —	$ —	$ —
Total expenses	4,320,992	261,966	111,791	122,173	127,996
Net investment loss	$ (1,226,442)	$ (261,966)	$ (111,791)	$ (122,173)	$ (127,996)
Stock dividends	$ —	$ —	$ —	$ —	$ 600

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following information should be read in conjunction with the financial statements and notes thereto appearing elsewhere in this Form 10-K.

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 annual report on Form 10-K 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 annual report on Form 10-K 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 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 Investment Advisors to locate suitable investments for us and to monitor and administer our investments;
- the ability of Princeton Investment Advisors 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 annual report on Form 10-K on information available to us on the date of this annual report on Form 10-K, 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 annual report on Form 10-K.

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. We are managed by Princeton Investment Advisors, LLC ("Princeton Investment Advisors", or the "Investment Advisor") and PCC Administrator LLC (the "Administrator") 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 did not meet the qualifications of a RIC for the 2015 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 December 31, 2015, the Company had investments in 10 portfolio companies. The total cost and fair value of the positions were approximately $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 December 31, 2014, the Company had investments in 3 portfolio companies. The total cost and fair value of the 3 positions were $56,136 and $470,273, respectively. The composition of our investments by asset class as of December 31, 2014 is as follows:

Investments	**Cost**	**Fair Value**	**Percentage of Total Portfolio**
Portfolio Investments			
Equity	$ 56,136	$ 470,273	100.0%
Total Investments	$ 56,136	$ 470,273	100.0%

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. As of December 31, 2014, we did not have any income bearing investments.

At December 31, 2015 and December 31, 2014, 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.

During the year ended December 31, 2015, we made $10.5 million of investments in 2 new portfolio companies. The primary portfolio investment activities for the year ended December 31, 2015 are as follows:

- On March 31, 2015, the Company invested $2.5 million in South Boots Hill, LLC. This investment will bear interest at 14% (2% PIK) and will mature on March 31, 2018.

- On April 10, 2015, the Company invested $7.6 million in Lone Star Brewery Development Inc. and an additional $0.4 million on May 22, 2015. This investment will bear interest at 14% (2% PIK) and will mature on April 10, 2018.

- On April 14, 2015, the Company invested an additional $95,000 in Advantis Certified Staffing Solutions, Inc. as unsecured debt at 5.0% interest.

- On June 1, 2015, the Company restructured the first lien loan to Rockfish Seafood Grill, Inc. by reducing the outstanding principal balance on the note to $5,950,000 and amending the interest rate to 14% (6% PIK).

- On June 2, 2015, the Company entered into a Lease Guaranty Agreement to guaranty a portion of a lease that Rockfish Seafood Grill, Inc. entered into. The Company's guaranty is limited to the total tenant improvement allowance and the total amount of commissions that the landlord provided in connection with the lease. The total guaranteed amount by the Company is approximately $292,701 and reduces proportionally after each of the first sixty months of the lease, which commenced in November 2015, so long as no uncured event of default exists. Through the date of filing, the guaranteed amount has reduced to approximately $253,674.

- On June 29, 2015, the Company extended to Rockfish Seafood Grill, Inc. a revolving loan in the amount of $1,250,000, with an 8% interest rate paid monthly, and a maturity date of June 29, 2016. This revolver will share a first lien position with the other loan investment by the Company.

- On July 14, 2015, the Company sold 51,000 shares of common stock of Neuralstem, Inc. for a net amount of $87,443.

- On July 20, 2015, the Company sold 34,000 shares of common stock of Neuralstem, Inc. for a net amount of $58,554.

- On July 28, 2015, the Company funded $200,000 on the Rockfish Seafood Grill, Inc. revolving loan

- On August 27, 2015, the Company funded $250,000 on the Rockfish Seafood Grill, Inc. revolving loan.
- On October 13, 2015, the Company funded $208,000 on the Rockfish Seafood Grill, Inc. revolving loan.
- On November 4, 2015, the Company funded $185,000 on the Rockfish Seafood Grill, Inc. revolving loan.
- On November 19, 2015, the Company funded $208,000 on the Rockfish Seafood Grill, Inc. revolving loan.

Asset Quality

In addition to various risk management and monitoring tools, Princeton Investment Advisors 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 December 31, 2015 and December 31, 2014:

	As of December 31, 2015			As of December 31, 2014		
Investment Rating	Fair Value	% of Total Portfolio	Number of Portfolio Companies	Fair Value	% of Total Portfolio	Number of Portfolio Companies
1	$ —	—	—	$ —	—	—
2	7,215,535	14.8%	1	—	—	—
3	6,324,000	13.0%	1	—	—	—
4	24,283,416	49.9%	5	—	—	—
5	—	—	—	—	—	—
	$ 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 December 31, 2015, we had 6 loans on non-accrual status and as of December 31, 2014, we did not hold any loans.

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 Investment Advisors under the in Investment Advisory Agreement, our allocable portion of overhead expenses under the Administration Agreement and other operating costs described below. We bear all other out-of-pocket costs and expenses of our operations and transactions, which may include:

- the cost of calculating our net asset value, including the cost of any third-party valuation services; the cost of effecting sales and repurchases of shares of our common stock and other securities;
- fees payable to third parties relating to making investments, including out-of-pocket fees and expenses associated with performing due diligence and reviews of prospective investments;
- transfer agent and custodial fees;
- out-of-pocket fees and expenses associated with marketing efforts;
- federal and state registration fees and any stock exchange listing fees;
- U.S. federal, state and local taxes;
- independent directors’ fees and expenses;
- brokerage commissions;
- fidelity bond, directors’ and officers’ liability insurance and other insurance premiums;
- direct costs, such as printing, mailing, long distance telephone and staff;
- fees and expenses associated with independent audits and outside legal costs;
- costs associated with our reporting and compliance obligations under the 1940 Act and other applicable U.S. federal and state securities laws; and
- other expenses incurred by Princeton Capital or us in connection with administering our business, including payments under the Administration Agreement that are based upon our allocable portion of overhead (subject to the review of our board of directors).

Comparison of the Years Ended December 31, 2015, 2014, and 2013

	Year Ended December 31, 2015		Year Ended December 31, 2014		Year Ended December 31, 2013	
	Total	**Per Share** (1)	**Total**	**Per Share** (1)	**Total**	**Per Share** (1)
Investment Income						
Interest Income (2)	$ 3,075,642	$ 0.032	$ —	$ —	$ —	$ —
Other Income	18,908	—	—	—	—	—
Total Investment Income	3,094,550	0.032	—	—	—	—
Operating Expenses						
Management Fees	656,479	0.007	—	—	—	—
Administration Fees	439,695	0.005	—	—	—	—
Professional Fees	2,497,435	0.025	162,610	0.045	22,400	0.006
Compliance Fees	238,102	0.002	—	—	—	—
Directors' Fees	87,043	0.001	—	—	—	—
Accounting Fees – Related Party	16,170	—	74,900	0.021	56,400	0.016
Bank Fees	2,050	0.000	—	—	—	—
Insurance Expense	78,045	0.001	—	—	—	—
Interest Expense	4,685	0.000	250	0.000	2,736	0.001
Other General and Administrative Expenses	301,288	0.003	24,206	0.006	30,255	0.008
Net Operating Expenses	4,320,992	0.044	261,966	0.072	111,791	0.031
Net Investment Loss	**(1,226,442)**	**(0.013)**	**(261,966)**	**(0.072)**	**(111,791)**	**(0.031)**
Net Change in Unrealized Gain (Loss)	**(7,857,104)**	**(0.081)**	**(651,162)**	**(0.179)**	**704,728**	**0.194**
Net Realized Gain	**235,510**	**0.002**	**349,657**	**0.096**	**115,054**	**0.032**

(1) The basic per share figures noted above are based on a weighted average of 120,486,061, 3,633,067 and 3,633,067 shares outstanding for years ended December 31, 2015, 2014, and 2013, 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 $983,690, $0, and $0 for the years ended December 31, 2015, 2014, and 2013, respectively.

Operating Expenses

Operating expenses increased from $261,966 for the year ended December 31, 2014 to $4,320,992 for the year ended December 31, 2015. The increase is due to legal and accounting fees of $935,161 related to the acquisition transaction which is included in professional fees. Additionally, the Company pays management fees to the Investment Adviser and administration fees to the Administrator. This increase is also due to the legal fees incurred related to the lawsuit captioned *Capital Link Fund I, LLC, et al. v. Capital Point Management, LP, et al.*as disclosed in Note 9 to the Financial Statements.

Operating expenses per share decreased from $0.072 per share for the year ended December 31, 2014 to $0.044 for the year ended December 31, 2015.

Operating expenses increased from $111,791 for the year ended December 31, 2013 to $261,966 for the year ended December 31, 2014. The increase is primarily due an increase in professional fees.

Operating expenses per share increased from $0.031 per share for the year ended December 31, 2013 to $0.072 for the year ended December 31, 2014.

Net Investment Income (Loss)

Net investment income (loss) increased from a loss of ($261,966) for the year ended December 31, 2014 to a loss of ($1,226,442) for the year ended December 31, 2015. This increase was primarily due to legal and accounting fees for $935,161 related to the acquisition transaction which is included in professional fees. This was offset by an increase in interest income from our portfolio companies due to our expanding investment portfolio.

Net investment income (loss) per share decreased from a loss of ($0.072) per share for the year ended December 31, 2014 to a loss of ($0.013) per share for the year ended December 31, 2015.

Net investment income (loss) increased from a loss of ($111,791) for the year ended December 31, 2013 to a loss of ($261,966) for the year ended December 31, 2014. This increase was primarily due to an increase in professional fees.

Net investment income (loss) per share increased from a loss of ($0.031) per share for the year ended December 31, 2013 to a loss of ($0.072) per share for the year ended December 31, 2014.

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 year ended December 31, 2015, we recognized $235,510 of realized gain primarily in connection with a gain of $246,388 on the sale of the common stock in Neuralstem, Inc.

For the year ended December 31, 2014, we recognized $349,657 of realized gain primarily in connection with a gain on the sale of common stock in Neuralstem, Inc.

For the year ended December 31, 2013, we recognized $115,054 of realized gain primarily in connection with a gain 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 ($7,857,104) for the year ended December 31, 2015 primarily in connection with a loss of ($2,675,590) on the second lien loan to Performance Alloys, Inc., a loss of ($1,849,276) on the second lien loan to Advantis Certified Staffed Solutions, Inc. and a loss of ($1,865,498) on the membership interest – Class A units in Integrated Medical Partners, LLC.

Net change in unrealized gain (loss) on investments totaled a loss of ($651,162) for the year ended December 31, 2014 primarily in connection with the sale of Neuralstem, Inc. common stock and a decrease in valuation of the Neuralstem, Inc. warrant.

Net change in unrealized gain (loss) on investments totaled a gain of $704,728 for the year ended December 31, 2013 primarily in connection with the increase is value of the of Neuralstem, Inc. common stock and warrant.

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 December 31, 2015, we had $1,022,510 in cash, and our net assets totaled $48,225,563. 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 December 31, 2015, we do 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 two contracts under which we have material future commitments, the Investment Advisory Agreement, pursuant to which the Princeton Investment Advisors serve as our investment adviser, and the Administration Agreement, pursuant to which our Administrator agrees to furnish us with certain administrative services necessary to conduct our day-to-day operations. Payments under the Investment Advisory Agreement in future periods will be equal to: (1) a percentage of the value of our gross assets; and (2) an incentive fee based on our performance. Payments under the Administration Agreement will occur on an ongoing basis as expenses are incurred on our behalf by our Administrator.

The Investment Advisory Agreement and the Administration Agreement are each terminable by either party without penalty upon 60 days' written notice to the other. If either of these agreements is terminated, the costs we incur under new agreements 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 both our Investment Advisory Agreement and our

Administration Agreement. Any new Investment Advisory Agreement would also be subject to approval by our stockholders.

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 believe that the Company has met 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 will suffer adverse tax consequences, including the possible loss of our 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 for the year ended December 31, 2015 were $656,479. As of December 31, 2015, management fees of $175,754 were payable to Princeton Investment Advisors. There were no management fees for the years ended December 31, 2014 and 2013.

Incentive Fees

There were no incentive fees earned by Princeton Investment Advisors for the years ended December 31, 2015, 2014, or 2013.

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.

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.

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 Investment Advisors 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 Investment Advisors, 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, when 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

- Performance Alloys, LLC has been in payment default on its senior subordinated note to the Company since January 1, 2016.
- South Boots Hill, LLC has been in payment default on its senior note to the Company since January 1, 2016.
- February 17, 2016, the Company invested an additional $195,000 in Advantis Certified Staffing Solutions, Inc. as unsecured debt at 5.0% interest.
- 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.
- On August 16, 2016, the Company entered into a Note Purchase and Sale Agreement with NCC Financial, LLC ("NCC"), to sell its Senior Secured Promissory Note from Lone Star Brewery Development, Inc. by September 30, 2017 for an amount equal to $6,000,000. NCC has an option to extend the purchase by date to December 31, 2017 for an extension fee in the amount of $50,000.
- On August 30, 2016, the Company re-structured its investment in Performance Alloys, LLC to provide much needed liquidity. The Company amended its Subordinated Note effective as of July 1, 2016 by reducing the outstanding principal balance to $6,750,000, reducing the interest rate to 6% and extending the maturity date to March 31, 2018. The principal amount that was reduced under the Subordinated Note was exchanged for one Class B Membership unit in Performance Alloys, LLC, which entitles the Company to 25.97%, not to exceed $4,698,500, of the first $18,092,001 of proceeds and 8.46% of all remaining proceeds under a liquidity event. Performance Alloys, LLC also received an option to extend the Subordinated Note at their election for a period of one year from March 31, 2018. If Performance Alloys, LLC elects to exercise that option, the interest rate on the Subordinated Note will increase to 9% for the extended period. At closing, Performance Alloys, LLC cured all defaults with the Company along with its first lienholder and received its July and August interest making this a performing note again for the Company. The company also received an amendment fee in the amount of $33,750.
- On September 12, 2016, the Company amended the revolving loan with Rockfish Seafood Grill, Inc. which extended the maturity date to June 29, 2017 and increased the maximum principal amount to $1,276,000.
- On September 12, 2016, the Company funded $75,000 on the Rockfish Seafood Grill, Inc. revolving loan.
- On September 20, 2016, the Company funded $150,000 on the Rockfish Seafood Grill, Inc. revolving loan.
- On October 21, 2016, the Company amended the revolving loan with Rockfish Seafood Grill, Inc. to increase the maximum principal amount to $1,416,000.
- On October 21, 2016, the Company funded $140,000 on the Rockfish Seafood Grill, Inc. revolving loan.
- On November 18, 2016, the Company amended the revolving loan with Rockfish Seafood Grill, Inc. to increase the maximum principal amount to $1,491,000.
- On November 18, 2016, the Company funded $30,000 on the Rockfish Seafood Grill, Inc. revolving loan.
- 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 30, 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 Rockfish Seafood Grill, Inc. revolving loan.

Investment Advisory Agreement

As reported on the Company's Form 8-K filed on January 22, 2016, 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.

Item 7A. 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 December 31, 2015.

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 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
Princeton Capital Corporation

We have audited the accompanying statements of assets and liabilities, including the schedule of investments, of Princeton Capital Corporation (the "Company") as of December 31, 2015, and the related statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2015, by correspondence with portfolio companies, custodian, loan agent, borrower, or by other appropriate audit procedures. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Princeton Capital Corporation as of December 31, 2015, and the results of its operations, changes in net assets, and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

/s/ WithumSmith+Brown, PC

Morristown, New Jersey
December 8, 2016

BOULAY

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Regal One Corporation

St. Paul, Minnesota

We have audited the accompanying balance sheet, including the schedule of investments, of Regal One Corporation (a Florida Corporation) as of December 31, 2014, and the related statements of changes in net assets, operations, and cash flows for the years ended December 31, 2014 and 2013. Regal One Corporation management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Regal One Corporation as of December 31, 2014, and the results of its operations and its cash flows for each of the years in the two year period ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America.

Boulay PLLP

Boulay, PLLP

Minneapolis, Minnesota

April 15, 2015

PRINCETON CAPITAL CORPORATION

STATEMENTS OF ASSETS AND LIABILITIES

	As of December 31, 2015	2014
ASSETS		
Control investments at fair value (cost of $22,000,463 and $0, respectively)	$ 17,249,671	$ —
Affiliate investments at fair value (cost of $5,306,750 and $0, respectively)	5,314,399	—
Non-control/non-affiliate investments at fair value (cost of $28,835,487 and $56,349, respectively)	26,135,450	470,273
Total investments at fair value (cost of $56,142,700 and $56,349, respectively)	48,699,520	470,273
Cash	1,022,510	22,999
Due from portfolio companies	84,418	—
Due from affiliates	32,348	—
Interest receivable	131,367	—
Prepaid expenses	48,311	—
Total assets	50,018,474	493,272
LIABILITIES		
Accrued management fees	175,754	—
Accounts payable (Note 2)	1,395,597	12,150
Accounts payable – related party	—	18,500
Due to affiliates	11,949	—
Dividends payable	600	600
Accrued expenses and other liabilities	209,011	—
Total liabilities	1,792,911	31,250
Commitments and contingencies (Note 9)	—	—
Net assets	$ 48,225,563	$ 462,022
NET ASSETS		
Preferred stock, no par value		
Series A – 50,000 shares authorized, none issued or outstanding	$ —	$ —
Series B – 500,000 shares authorized, 100,000 issued and outstanding at December 31, 2014	—	500
Common Stock, par value $0.001 per share (250,000,000 authorized; 120,486,061 issued and outstanding at December 31, 2015 and 50,000,000 shares authorized, 3,633,067 shares issued and outstanding at December 31, 2014)	120,486	3,633
Paid-in capital	64,868,284	8,373,060
Accumulated undistributed net realized gain	235,510	—
Distributions in excess of net investment income	(9,555,537)	(8,329,095)
Accumulated unrealized gain (loss) on investments	(7,443,180)	413,924
Total net assets	$ 48,225,563	$ 462,022
Net asset value per share	$ 0.4000	$ 0.254

See notes to financial statements.

PRINCETON CAPITAL CORPORATION

STATEMENTS OF OPERATIONS

	For the Year Ended December 31, 2015	2014	2013
INVESTMENT INCOME			
Interest income from non-control/non-affiliate investments	$ 2,550,788	$ —	$ —
Interest income from control investments	524,854	—	—
Other income	18,908	—	—
Total investment income	3,094,550	—	—
OPERATING EXPENSES			
Management fees	656,479	—	—
Administration fees	439,695	—	—
Professional fees (1) (Note 2)	2,497,435	162,610	22,400
Compliance fees	238,102	—	—
Directors' fees	87,043	—	—
Accounting fees – related party	16,170	74,900	56,400
Bank fees	2,050	—	—
Insurance expense	78,045	—	—
Interest expense	4,685	250	2,736
Other general and administrative expenses	301,288	24,206	30,255
Total operating expenses	4,320,992	261,966	111,791
Net investment income (loss) before tax	(1,226,442)	(261,966)	(111,791)
Income tax benefit	—	—	—
Net investment income (loss) after taxes	(1,226,442)	(261,966)	(111,791)
Net realized gain (loss) on:			
Non-control/non-affiliate investments	246,391	349,657	115,054
Affiliate investments	—	—	—
Control investments	—	—	—
US Treasury Bills	(533)	—	—
Cash	(10,348)	—	—
Net realized gain (loss)	235,510	349,657	115,054
Net change in unrealized gain (loss) on investments	(7,857,104)	(651,162)	704,728
Net realized and unrealized gain (loss) on investments	(7,621,594)	(301,505)	819,782
Net increase (decrease) in net assets resulting from operations	$ (8,848,036)	$ (563,471)	$ 707,991
Net investment income (loss) per share			
Basic	$ (0.013)	$ (0.072)	$ (0.031)
Diluted (2)	$ (0.013)	$ (0.072)	$ (0.031)
Net increase (decrease) in net assets resulting from operations per share			
Basic	$ (0.091)	$ (0.155)	$ 0.195
Diluted (2)	$ (0.091)	$ (0.155)	$ 0.052
Weighted average shares of common stock outstanding			
Basic (3)	97,402,398	3,633,067	3,633,067
Diluted (3)	98,375,001	13,633,067	13,633,067

(1) Includes $935,161 of legal and accounting fees related to the transaction that occurred on March 13, 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 for the year ended December 31, 2015 and December 31, 2014 due to it being anti-dilutive. Includes Series B Preferred Shares convertible at 100 for 1 through March 12, 2015 but is excluded from the diluted calculation for net investment income (loss) per share for the years ended December 31, 2015, 2014, and 2013 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

	For the Year Ended December 31, 2015	2014	2013
Increase (decrease) in net assets resulting from operations:			
Net investment loss	$ (1,226,442)	$ (261,966)	$ (111,791)
Net realized gain on investments	235,510	349,657	115,054
Net change in unrealized gain (loss) on investments	(7,857,104)	(651,162)	704,728
Net increase (decrease) in net assets resulting from operations	(8,848,036)	(563,471)	707,991
Capital share transactions:			
Issued common stock	56,611,577	—	—
Net increase in net assets resulting from capital share transactions	56,611,577	—	—
Total increase (decrease) in net assets	47,763,541	(563,471)	707,991
Net assets at beginning of year	462,022	1,025,493	317,502
Net assets at end of year	$ 48,225,563	$ 462,022	$ 1,025,493
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 (1)	115,484,327	—	—
Common stock outstanding at the beginning of year	3,633,067	3,633,067	3,633,067
Common stock outstanding at the end of year	120,486,061	3,633,067	3,633,067
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 year	100,000	100,000	100,000
Preferred stock outstanding at the end of year	—	100,000	100,000

(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

	For the Year Ended December 31, 2015	2014	2013
Cash flows from operating activities:			
Net increase (decrease) in net assets resulting from operations	$ (8,848,036)	$ (563,471)	$ 707,991
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:			
Purchases of investments in:			
Portfolio investments	(11,646,000)	—	—
U.S. Treasury Bill	(97,005,333)	—	—
Proceeds from sales, repayments, or maturity of investments in:			
Portfolio investments	274,615	368,137	105,437
U.S. Treasury Bill	97,004,800	—	—
Net change in unrealized (gain) loss on investments	7,857,104	651,162	(704,726)
Net realized gain on investments	(245,854)	(349,657)	(115,054)
Increase in investments due to PIK	(983,691)	—	—
Amortization of fixed income premium or discounts	22,307	—	—
Changes in other assets and liabilities:			
Due from portfolio companies	(84,418)	—	—
Due from affiliates	(32,348)	—	—
Interest receivable	(131,367)	—	—
Prepaid expenses	(48,311)	—	22,708
Accrued management fees	175,754	—	—
Accounts payable	1,383,447	(4,593)	(12,240)
Accounts payable – related party	(18,500)	(88,350)	33,900
Due to affiliates	11,949	—	—
Accrued expenses and other liabilities	209,011	—	—
Net cash provided by (used in) operating activities	(12,104,871)	13,228	38,016
Cash flows from financing activities:			
Officer loans and interest payable	—	(13,000)	(34,366)
Insurance loan payable	—	—	—
Net cash received from common shares issued	13,104,382	—	—
Net cash provided by (used in) financing activities	13,104,382	(13,000)	(34,366)
Net increase in cash	999,511	228	3,650
Cash at beginning of year	22,999	22,771	19,121
Cash at end of year	$ 1,022,510	$ 22,999	$ 22,771
Supplemental and non-cash financing activities:			
Common stock issued in exchange for investments	$ 43,507,195	$ —	$ —
Dividends declared, but not yet paid	$ 600	$ —	$ —
Interest expense paid	$ 26,992	$ 1,193	$ 2,842
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 December 31, 2015

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)		10.00%	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 Stock (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, Inc.	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 (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 table shows 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

SCHEDULE OF INVESTMENTS as of December 31, 2014

Investments [6]	Headquarters / Industry	Principal Amount/Shares	Amortized Cost	Fair Value	% of Net Assets
Control investments					
Princeton Capital Corporation					
Common Stock Shares [1]		1,000	$ —	$ —	0.0%
Total control investments			—	—	0.0%
Non-control/non-affiliate investments					
Neuralstem, Inc.	Germantown, MD				
Common Stock [2]	Biotechnology	115,000	4,936	312,800	67.7%
Warrant, exercise price $5.00 per share, expires 8/30/2016 [3], [5]		1,000,000	50,000	156,060	33.8%
Total			54,936	468,860	101.5%
Rampart Detection Systems, Ltd. [4],	British Columbia				
Common Stock Shares [5]	Security	600,000	1,200	1,200	0.3%
LMP Money Market Trust	Money Market Fund		213	213	0.0%
Total non-control/non-affiliate investments			56,349	470,273	101.8%
Total investments			$ 56,349	$ 470,273	101.8%

(1) As of December 31, 2014, Princeton Capital Corporation had no assets or liabilities. This subsidiary was acquired in July 2014 in contemplation of the transaction completed on March 13, 2015.

(2) As of December 31, 2014, the shares in Neuralstem were reported on a fair value basis valued at the closing market price of $2.72 per share. 95,000 shares were sold during 2014.

(3) This investment in Neuralstem, Inc. is a warrant to purchase 1,000,000 shares of common stock. As of December 31, 2014, using a Black-Scholes Option Pricing Model, a $156,060 value was assigned to these warrants including a 10% discount assigned by management due to the low trading volumes of Neuralstem stock. There is currently no market for Neuralstem warrants carried as an investment.

(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 December 31, 2014, 0.26% of the total fair value of investments represents non-qualifying assets.

(5) Represents an illiquid investment. At December 31, 2014, 33.44% of the total fair value of investments are illiquid.

(6) All investments are non-income producing as of December 31, 2014.

PRINCETON CAPITAL CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

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"). The Company did not meet the qualifications of a RIC for the 2015 tax year and expects to be taxed as a corporation under Subchapter C of the Code; however, the Company expects to qualify as a RIC for the 2016 tax year. 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, the Company 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 the Company 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, the Company's board of directors determined it was in the shareholders' best interest to change the focus of the Company's operations to providing financial consulting services through the Company's network of advisors and professionals, and to be regulated as a BDC under the 1940 Act. On September 16, 2005, the Company filed a Form N54A (Notification of Election by Business Development Companies) with the Securities and Exchange Commission ("SEC"), which transformed the Company into a BDC in accordance with sections 55 through 65 of the 1940 Act. The Company has reported as an operating BDC since March 31, 2006.

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 (the "Investment Advisory Agreement") with Princeton Investment Advisors, LLC, ("Princeton Investment Advisors" or the "Investment Advisor") 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 the Investment Advisory Agreement with Princeton Investment Advisors.

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.

The December 31, 2014 and December 31, 2013 financial statements were reclassified in order to be consistent with the new format used for the December 31, 2015 financial statements.

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 December 31, 2015, the Company had control investments in 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, Princeton Investment Advisors 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 Investment Advisors, 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 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. There was no income from such sources for the years ended December 31, 2015, 2014 or 2013.

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 year ending December 31, 2015 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 9. 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 and that there may be other defenses. For the year ended December 31, 2015, the Company was invoiced legal fees by these two law firms related to this lawsuit in the amount of $1,241,863, which are included in professional fees on the Statements of Operations. As of December 31, 2015, these fees are included in accounts payable on the Statements of Assets and Liabilities.

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 consolidated 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.

Beginning with the 2016 tax year, the Company intends to elect to be treated as a RIC under subchapter M of the Internal Revenue Code of 1986, as amended, and intends to operate in a manner so as to qualify for the tax treatment applicable to RICs. 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 consolidated financial statements of the Company.

The Company evaluates tax positions taken or expected to be taken in the course of preparing its consolidated 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. At December 31, 2014, the Company had 100,000 Series B Preferred Shares convertible 100 for 1 outstanding. The weighted average of these shares was 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 years ended December 31, 2015 and 2014.

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 year ended December 31, 2015.

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 will have 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 EARNINGS (LOSSES) PER COMMON SHARE

The following information sets forth the computation of basic and diluted earnings (losses) per common share for the year ended December 31, 2015, 2014, and 2013.

	For the Year Ended December 31, 2015	2014	2013
Per Share Data [1]:			
Net Increase (Decrease) in Net Assets Resulting from Operations	$ (8,848,036)	$ (563,471)	$ 707,991
Weighted average shares outstanding for year			
Basic [2]	97,402,398	3,633,067	3,633,067
Diluted [2]	98,375,001	13,633,067	13,633,067
Basic and diluted earnings (loss) per common share			
Basic	$ (0.091)	$ (0.155)	$ 0.195
Diluted [3]	$ (0.091)	$ (0.155)	$ 0.052

[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 year ended December 31, 2015 and 2014 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 December 31, 2015 and December 31, 2014, respectively:

As of December 31, 2015	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

As of December 31, 2014	Level 1	Level 2	Level 3	Total
Portfolio Investments				
Equity	$ 313,013	$ —	$ 157,260	$ 470,273
Total Portfolio Investments	$ 313,013	$ —	$ 157,260	$ 470,273

During the years ended December 31, 2015 and 2014, 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 year ended December 31, 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	(22,307)	—	—	—	(22,307)
Purchases of investments	3,551,000	8,000,000	95,000	—	11,646,000
Sales of investments	—	—	(23,078)	—	(23,078)
Payment-in-kind interest	696,638	287,053	—	—	983,691
Change in unrealized gain (loss) on investments	21,937	(4,525,001)	—	(3,046,177)	(7,549,241)
Transfers due to restructuring	(3,250,850)	—	—	3,250,850	—
Fair value at end of period	$ 16,064,535	$ 21,386,494	$ 371,922	$ 10,876,569	$ 48,699,520
Change in unrealized gain (loss) on Level 3 investments still held as of December 31, 2015	$ 21,937	$ (4,525,001)	$ —	$ (3,046,177)	$ (7,549,241)

Changes in Level 3 assets measured at fair value for the year ended December 31, 2014 are as follows:

	First Lien Loans	Second Lien Loans	Unsecured Loans	Equity	Total
Fair value at beginning of period	$ —	$ —	$ —	$ 514,200	$ 514,200
Change in unrealized gain (loss) on investments	—	—	—	(356,940)	(356,940)
Fair value at end of period	$ —	$ —	$ —	$ 157,260	$ 157,260
Change in unrealized gain (loss) on Level 3 investments still held as of December 31, 2014	$ —	$ —	$ —	$ (356,940)	$ (356,940)

The following table provides quantitative information regarding Level 3 fair value measurements as of December 31, 2015:

Description	Fair Value	Valuation Technique	Unobservable Inputs	Range (Average)
First Lien Loans	$ 8,849,000	Discounted Cash Flow	Discount Rate	14.00%-14.25% (14.13%)
	7,215,535	Discounted Cash Flow	Discount Rate	12.40%
		Market Approach	Enterprise Value/Revenue Multiple	0.6x-0.8x (0.7x)
Total	**16,064,535**			
Second Lien Loans	8,076,000	Discounted Cash Flow	Discount Rate	14.25%
	4,104,994	Discounted Cash Flow	Discount Rate	15.30%
		Market Approach	Enterprise Value / Revenue & EBITDA Multiples	0.3x -4.2x (2.25x)
	9,205,500	Discounted Cash Flow	Discount Rate	30.00%
		Market Approach	Distressed Debt as a Percentage of Par	70.00%
Total	**21,386,494**			
Unsecured Loans	371,922	Discounted Cash Flow	Discount Rate	11.2%-15.3% (13.25%)
		Market Approach	Enterprise Value / Revenue & EBITDA Multiples	0.3x - 15.1x (7.7)
Total	371,922			
Equity	10,876,569	Black-Scholes Option Pricing Model	Volatility	30.50%-80.20% (55.40%)
			Discount for lack of marketability	0.00%-12.50% (6.25%)
		Market Approach	Enterprise Value / Revenue & EBITDA Multiples	0.3x – 15.3x (7.8x)
		Income Approach	Discount Rate	11.20% - 15.30% (13.25%)
Total	10,876,569			
Total Level 3 Investments	$ **48,699,520**			

The following table provides quantitative information regarding Level 3 fair value measurements as of December 31, 2014:

Description		Fair Value	Valuation Technique	Unobservable Inputs	Range (Average)
Equity	$	157,260	Black-Scholes Option Pricing Model	Expected term	.71 years
				Risk free rate	0.20%
				Annual volatility	70.996%
				Fair value of stock	$2.72 per share
				Dividend rate	0%
				Liquidity discount	10%
Total	$	157,260			

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 – INCOME TAXES

The Company is currently taxable as a C corporation and subject to federal and state corporation income taxes. The Company recorded no current income tax expense or benefit during the years ended December 31, 2015 and 2014 since it had a net operating loss. There were no capital loss carryforwards for the year ended December 31, 2015 or 2014.

The Company recorded no deferred income tax expense or benefit for the years ended December 31, 2015 and 2014 since it provided a full valuation allowance for deferred tax assets, which consisted primarily of net operating losses and temporary differences based on realized losses and unrealized depreciation of investments for financial statement purposes. As of December 31, 2015, and 2014, the total amount of gross deferred tax assets before valuation allowance respectively was $4.7 million and $690,000. The federal and state net operating losses will expire in 2019 through 2030. The valuation allowance for these deferred tax assets as of December 31, 2015 and 2014, was respectively ($4.7) million and $(690,000). The Company did not have any gross deferred tax liabilities as of December 31, 2015 and 2014. The components of deferred tax assets and liabilities at December 31, 2015 and 2014 were as follows:

Deferred tax assets:	**2015**	**2014**
Net operating loss carryforward	$ 1,502,000	$ 856,000
Cumulative unrealized depreciation/(appreciation) on investments	3,186,000	(166,000)
Total deferred tax asset	4,688,000	690,000
Less: Valuation allowance	(4,688,000)	(690,000)
Net deferred tax assets	$ —	$ —

For federal and state purposes, a portion of the Company's net operating loss carryforwards and basis differences may be subject to limitations on annual utilization in case of a change in ownership, as defined by federal and state law. The amount of such limitations, if any, has not been determined. Accordingly, the amount of such tax attributes available to offset future profits may be significantly less than the actual amounts of the tax attributes.

The difference between the tax provision (benefit) at the statutory federal income tax rate and the tax provision (benefit) was as follows:

	2015	**2014**
Federal statutory tax rate	(34)%	(34)%
State taxes, net of federal tax benefit	(8.8)%	(8.8)%
Increase in valuation allowance	42.8%	42.8%
Effective tax rate	0.0%	0.0%

The Company has provided a full valuation allowance for its deferred tax assets due to uncertainty of generating sufficient capital gains or taxable income in future periods to realize these assets. The Company will elect to be treated for federal income tax purposes as a RIC beginning next year and anticipates meeting all the requirements as a RIC. As a RIC, the Company generally will not pay corporate-level U.S. federal income taxes on any net ordinary income or capital gains that the Company distributes to its stockholders as dividends and claims dividends paid deductions to compute taxable income. A RIC will not be eligible to utilize net operating losses. However, the net operating losses may become available should the Company disqualify as a RIC and become a C corporation in the future

In addition to meeting other requirements, the Company must generally distribute at least 90% of its investment company taxable income to qualify for the special treatment accorded to a RIC and maintain its RIC status. As part of maintaining RIC status, undistributed taxable income (subject to a 4% excise tax) pertaining to a given fiscal year may be distributed up to 12 months subsequent to the end of that fiscal year, provided such dividends are declared prior to the later of (1) the fifteenth day of the ninth month following the close of that fiscal year or (2) the extended due date for filing the federal income tax return for that fiscal year.

The Company did not have any unrecognized tax benefits as of the period presented herein. The Company identified its major tax jurisdictions as U.S. federal and Maryland. For the years ended December 31, 2015 and 2014, no income tax expenses or related liabilities for uncertain tax positions were recognized for the Company's open tax years from 2012 through the present. The Company is not aware of any tax positions for which it is reasonably possible that the total amount of unrecognized tax benefits will change significantly in the next 12 months.

NOTE 7 – RELATED PARTY TRANSACTIONS

Investment Advisory Agreement

Our board of directors, including a majority of our independent directors, approved the 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 manages our day-to-day operations and provides investment advisory services to us. Under the terms of the Investment Advisory Agreement, Princeton Investment Advisors:

- determines the composition of our portfolio, the nature and timing of the changes to our portfolio and the manner of implementing such changes;
- identifies, evaluates and negotiates the structure of the investments we make;
- executes, closes, services and monitors the investments we make;
- determines the securities and other assets that we purchase, retain or sell;
- performs due diligence on prospective portfolio companies; and
- provides 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 Investment Advisory Agreement, the Company has 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 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 for the year ended December 31, 2015 were $656,479. As of December 31, 2015, management fees of $175,754 were payable to Princeton Investment Advisors. There were no management fees for the years ended December 31, 2014 and 2013.

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 our investment advisor 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 our investment advisor. 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, our investment advisor 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 our investment advisor (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 our investment advisor, 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 our investment advisor 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 Investment Advisory Agreement, as of the termination date), 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 Investment Advisory Agreement is terminated as of a date that is not a calendar year end, 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 years ended December 31, 2015, 2014, or 2013.

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 reports 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

Unless terminated earlier as described below, the Investment Advisory Agreement will continue in effect for a period of two years from its effective date. It will 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 Investment Advisory Agreement automatically terminates 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 may also terminate the Investment Advisory Agreement without penalty upon 60 days' written notice. See Note 11 for further information.

Indemnification

The 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 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 Investment Advisory Agreement or otherwise as our investment advisor.

Administration Agreement

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. 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

The Administrator has engaged Conifer Asset Solutions LLC (the "Sub-Administrator") to provide certain administrative services to us. In exchange for provided such services, the Administrator pays Conifer 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 $268,139 for the year ended December 31, 2015, and sub-administration fees were $171,556 as shown on the Statements of Operations under administration fees. There were no administration fees or sub-administration fees earned by our Administrator or Sub-Administrator for the year ended December 31, 2014 or 2013.

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.

License Agreement

We have entered into a license agreement with Princeton Investment Advisors under which Princeton Investment Advisors has agreed to grant us a non-exclusive, royalty-free license to use the name "Princeton." Under this agreement, we have a right to use the "Princeton" name for so long as Princeton Investment Advisors or one of its affiliates remains our investment advisor. Other than with respect to this limited license, we have no legal right to the "Princeton" name. This license agreement will remain in effect for so long as the Investment Advisory Agreement with Princeton Investment Advisors is in effect.

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 December 31, 2015, 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.

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.

NOTE 8 – FINANCIAL HIGHLIGHTS

	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 appreciation (depreciation)	(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 9 – 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 December 31, 2015. The unfunded commitment is accounted for under ASC 820. Below represents the unfunded loan commitment as of December 31, 2015.

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”).

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.

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 10 – 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.

As of December 31, 2015, the Company had one single majority owned control investment that represented greater than 20% of its total investments. After performing the income test for the year ended December 31, 2015, 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 year ended December 31, 2015. As such, Rockfish Seafood Grill, Inc. and Advantis Certified Staffing Solutions, Inc. were considered significant subsidiaries at the 20% level as of December 31, 2015. The audited financial statements for Rockfish Seafood Grill, Inc. and Advantis Certified Staffing Solutions, Inc are filed with this Form 10-K .

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 December 31, 2015. The following tables shows the summarized financial information for Integrated Medical Partners, LLC (numbers in thousands):

	As of December 31, 2015 (unaudited)
Balance Sheet	
Current Assets	$ 2,119
Noncurrent Assets	713
Current Liabilities	3,072
Noncurrent Liabilities	496

	Year Ended December 31, 2015 (unaudited)
Income Statement	
Net Revenue	$ 11,842
Gross Profit	5,542
Net Loss	(468)

NOTE 11 – SUBSEQUENT EVENTS

Portfolio Activity

- Performance Alloys, LLC has been in payment default on its senior subordinated note to the Company since January 1, 2016.
- South Boots Hill, LLC has been in payment default on its senior note to the Company since January 1, 2016.
- February 17, 2016, the Company invested an additional $195,000 in Advantis Certified Staffing Solutions, Inc. as unsecured debt at 5.0% interest.
- 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.
- On August 16, 2016, the Company entered into a Note Purchase and Sale Agreement with NCC Financial, LLC (“NCC”), to sell its Senior Secured Promissory Note from Lone Star Brewery Development, Inc. by September 30, 2017 for an amount equal to $6,000,000. NCC has an option to extend the purchase by date to December 31, 2017 for an extension fee in the amount of $50,000.
- On August 30, 2016, the Company re-structured its investment in Performance Alloys, LLC to provide much needed liquidity. The Company amended its Subordinated Note effective as of July 1, 2016 by reducing the outstanding principal balance to $6,750,000, reducing the interest rate to 6% and extending the maturity date to March 31, 2018. The principal amount that was reduced under the Subordinated Note was exchanged for one Class B Membership unit in Performance Alloys, LLC, which entitles the Company to 25.97%, not to exceed $4,698,500, of the first $18,092,001 of proceeds and 8.46% of all remaining proceeds under a liquidity event. Performance Alloys, LLC also received an option to extend the Subordinated Note at their election for a period of one year from March 31, 2018. If Performance Alloys, LLC elects to exercise that option, the interest rate on the Subordinated Note will increase to 9% for the extended period. At closing, Performance Alloys, LLC cured all defaults with the Company along with its first lienholder and received its July and August interest making this a performing note again for the Company. The company also received an amendment fee in the amount of $33,750.
- On September 12, 2016, the Company amended the revolving loan with Rockfish Seafood Grill, Inc. which extended the maturity date to June 29, 2017 and increased the maximum principal amount to $1,276,000.
- On September 12, 2016, the Company funded $75,000 on the Rockfish Seafood Grill, Inc. revolving loan.
- On September 20, 2016, the Company funded $150,000 on the Rockfish Seafood Grill, Inc. revolving loan.
- On October 21, 2016, the Company amended the revolving loan with Rockfish Seafood Grill, Inc. to increase the maximum principal amount to $1,416,000.
- On October 21, 2016, the Company funded $140,000 on the Rockfish Seafood Grill, Inc. revolving loan.
- On November 18, 2016, the Company amended the revolving loan with Rockfish Seafood Grill, Inc. to increase the maximum principal amount to $1,491,000.
- On November 18, 2016, the Company funded $30,000 on the Rockfish Seafood Grill, Inc. revolving loan.
- 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 30, 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 Rockfish Seafood Grill, Inc. revolving loan.

Investment Advisory Agreement

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.

Schedule 12-14

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 December 31, 2015.

Portfolio Company/Type of Investment	Principal Amount/Shares/ Ownership % at December 31, 2015	Amount of Interest and Dividends Credited in Income	Fair Value at December 31, 2014	Purchases (2)	Realized and Change in Unrealized Gains/Losses	Transfer from Restructuring	Fair Value at December 31, 2015
Control Investments							
Rockfish Seafood Grill, Inc.							
First Lien Loan	$ 6,164,535	$ 522,597	$ —	$ 9,415,385	$ —	$ (3,250,850)	$ 6,164,535
Revolving Loan	$ 1,051,000	—	—	1,051,000	—	—	1,051,000
Rockfish Holdings, LLC							
Warrant (1)	10%	—	—	—	(98,429)	414,960	316,531
Membership Interest (1)	99.997%	—	—	898,746	(885,943)	2,835,890	2,848,693
Integrated Medical Partners, LLC							
Unsecured Loan	$ 276,922	2,257	—	276,922	—	—	276,922
Preferred Membership – Class A (1)	800	—	—	4,196,937	(1,865,498)	—	2,331,439
Preferred Membership – Class B (1)	760	—	—	29,586	3,337	—	32,923
Common Stock (1)	14,082	—	—	—	65	—	65
Advantis Certified Staffing Solutions, Inc.							
Second Lien Loan (1)	$ 6,435,000	—	—	5,954,270	(1,849,276)	—	4,104,994
Unsecured Loan (1)	$ 95,000	—	—	95,000	—	—	95,000
Warrant (1)	1	—	—	2,025	(1,334)	—	691
Common Stock – Series A (1)	225,000	—	—	1,822	(1,200)	—	622
Common Stock – Series B (1)	9,500,000	—	—	78,770	(52,514)	—	26,256
Total Control Investments		$ 524,854	$ —	$22,000,463	$ (4,750,792)	$ —	$17,249,671
Affiliate Investments							
Spencer Enterprises Holdings, LLC							
Preferred Membership, Class AA units (1)	500,000	$ —	$ —	$ 2,391,001	$ (37,036)	$ —	$ 2,353,965
Preferred Membership, Class BB units (1)	500,000	—	—	2,915,749	44,685	—	2,960,434
Total Affiliate Investments		$ —	$ —	$ 5,306,750	$ 7,649	$ —	$ 5,314,399

(1) Non-income producing security.

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

End of notes to financial statements.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

The Company's management, under the direction, supervision, and involvement of the Chief Executive Officer and Chief Financial Officer, has carried out an evaluation, as of the end of the period covered by this report, of the effectiveness of the design and operation of the disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act") of the Company. Based on this evaluation, the Chief Executive Officer has concluded that disclosure controls and procedures in place at the Company are effective to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to the Company's management to allow timely decisions regarding required disclosure based closely on the definition of "disclosure controls and procedures" in Rule 13a-15(e) and 15d-15(e) under the Exchange Act.

(b) Management's Report on Internal Control Over Financial Reporting.

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Under the direction, supervision and participation of the Company's management, including our Chief Executive Officer and principal financial officer, the Company's management conducted an evaluation of the effectiveness of its internal control over financial reporting based on the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992) ("COSO-Framework"). Based upon that evaluation, the Company's CEO and CFO have concluded that except for the late filing of the Form 10-K 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.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules for non-accelerated filers by the Securities and Exchange Commission permitting the company to provide only management's report in this annual report.

Changes in Internal Control over Financial Reporting

During the fiscal year ended December 31, 2015, a change in our internal controls over financial reporting occurred related to the transaction on March 13, 2015. The Company is now externally managed by Princeton Investment Advisors and has separate individuals acting as the Chief Executive Officer, Chief Financial Officer and Chief Compliance Officer of the Company. Multiple individuals will oversee the financial reporting of the company and allow for a greater segregation of duties.

Item 9B. OTHER INFORMATION

Departure of Directors or Certain Officers

In connection with the acquisition of the debt and equity investments of the Partnerships all of the Company's former officers and directors resigned, effective immediately prior to closing the transactions contemplated by the Purchase Agreement. Accordingly, Stephen E. Boynton, Bernard L. Brodkorb, Charles J. Newman, James Olchefski and Robert M. Terry resigned as directors of Princeton Capital and any committee thereof. No director resigned because of any disagreement with Princeton Capital on any matter relating to Princeton Capital operation, policies, or practices. Mr. Newman ceased to be Princeton Capital's Chief Executive Officer, Chief Financial Officer and Secretary. At a Special Meeting of the Stockholders held on March 6, 2015, the stockholders elected a new board of directors to serve following the closing of the transactions on March 13, 2015 contemplated by the Purchase Agreement. The new board of directors subsequently elected new officers of the Company.

On September 9, 2015, the Company accepted the resignation of Martin Tuchman as a director. There were no disagreements with the Company, known to an executive officer of the Company, on any matter relating to the Company's operations, policies or practices.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors and Executive Officers Information

The following table sets forth the name, age and position of each of our directors, executive officers and significant employees as of December 31, 2015:

Name	Age	Position	Position Held Since
Alfred Jackson	58	Chairman of the Board and Director	2015
Munish Sood	44	Chief Executive Officer, President and Director	2015
Thomas Jones, Jr.	59	Director	2015
Trennis L. Jones	63	Director	2015
Gregory J. Cannella	41	Chief Financial Officer, Treasurer and Secretary	2015
Joy Sheehan	49	Chief Compliance Officer	2015

The address for each of our directors is c/o Princeton Capital Corporation, One Riverway, Suite 2020, Houston, TX 77056.

Interested Directors

ALFRED JACKSON serves as the Chairman of our board of directors. Mr. Jackson is also a partner of Princeton Investment Advisors and is responsible for sourcing investment opportunities, investor relations, capital raising and overall firm strategy. Prior to founding Capital Point, Mr. Jackson had over 22 years of investment experience with institutional asset management firms. Mr. Jackson is the founder of the Inroads Group Ltd., an investment firm that includes several asset classes and is the majority owner of the CPP group. He also spent 17 years as a principal with Davis Hamilton Jackson and Associates (“DHJA”), an institutional asset management firm with $4 billion under management, investing in public debt and equity securities. Prior to DHJA, Mr. Jackson was Vice President of the Institutional Fixed Income Division of Capital Municipal Securities. Mr. Jackson is a past or current Board of Directors Member of the University of Texas Exes Investment Committee, Houston Children’s Museum, and is currently President of the Bakari Scholarship Fund. He is also a former Board of Directors Member of the University of Texas Health Science Center and a Trustee of the Houston Municipal Pension System. Mr. Jackson received his B.A. from The University of Texas at Austin.

MUNISH SOOD serves as the Company’s Chief Executive Officer and President. He is also a partner of Princeton Investment Advisors and is responsible for sourcing, analyzing, structuring, and closing new investment opportunities as well as managing portfolio investments. Mr. Sood is founder and Chief Investment Officer of Princeton Advisory Group, Inc. since November 2002. Mr. Sood is a founder and Chairman of First Choice Bank, since 2007. Mr. Sood is also founder of Cross Point Capital, LLC, a registered broker dealer in the U.S. which specializes in trading securities and raising capital for institutional clients. Prior to forming Princeton Advisory Group, Inc., Mr. Sood co-founded BoTree Investments, LLC, in 2001 where he was the Chief Investment Officer. Mr. Sood was responsible for managing and investing in structured products and overseeing all investment activity in Botree Asset Management, LLC. Prior to Botree, Mr. Sood was the Senior Portfolio Manager at Global Value Investors, Inc. from January 1999 to April 2001. Prior to Global Value Investors, Inc., Mr. Sood was a Senior Analyst/Trader at Penn Capital Management, Inc. From 1996 to 1998 he was an associate at Bankers Trust focusing on fixed income arbitrage. He holds a Chartered Financial Analyst designation and is a member of the Investment Analyst Society of New York and the CFA Institute. Mr. Sood received a Bachelor of Science in Finance & Accounting from Rider University.

Independent Directors

THOMAS JONES, JR. is a founder of and partner in McConnell Jones Lanier & Murphy LLP (“MJLM”), an accounting and consulting firm based in Houston, Texas, where he supervises a staff of approximately 200 professional and administrative support staff. Mr. Jones has over 35 years of experience in accounting, tax, treasury management, banking, and investment management services. He is also the sole manager of each of TKNET, LLC and Huntjon LLC, two real estate development companies. Mr. Jones serves on the board of directors of Spirit of Texas Bank, where he is a member of the senior loan committee and the compensation committee and serves as chairman of the bank's audit committee. He was a founding board member of Royal Oaks Bank where he also serves on the senior loan committee and chairman of its audit committee. Prior to founding MJLM, Mr. Jones served as manager of the treasury management division of Chase Bank of Texas where he developed and marketed treasury and risk strategies and products to Fortune 500 and mid-sized companies. Mr. Jones holds both a Series 24 and Series 7 securities license through Homer Townsend and Kent, Inc., a registered investment advisory firm and broker/dealer and wholly-owned subsidiary of Penn Mutual Insurance Company. He is a past president of Dominion Community Development Corporation and a current board member of Florida A&M University Foundation, Inc. and the Greater Houston Convention and Visitors Bureau. Mr. Jones received his B.S. in Accounting from Florida A&M University.

TRENNIS L. JONES has over 16 years of executive experience, including 8 years in key positions at companies in the financial services industry. From February 1999 to January 2002 Mr. Jones was a principal with Barclays Global Investors. From February 2002 to February 2007 he was with VALIC, formerly AIG Valic, where he was Senior Vice President/National Managing Director for the Higher Education of VALIC. Since March 2007 Mr. Jones has been Chief Administrative Officer and Chief Compliance Officer of Seton Family of Hospitals where he is responsible for risk management and corporate compliance amongst other areas. Mr. Jones was also on the Seton Board of Trustees from August 1998 until assuming his current position. Mr. Jones holds a B.S. in Government from Lamar University and a Masters in Business Administration from the University of Texas.

Other Executive Officers

GREGORY J. CANNELLA serves as our Chief Financial Officer, Treasurer and Secretary. Mr. Cannella is responsible for financial reporting, investor communications, financial modeling and due diligence and analysis of acquisitions and dispositions. Prior to working at Capital Point Partners, L.P., Mr. Cannella was an Asset Manager at First Commonwealth Holdings Corp., a wealth management firm in Houston, Texas, where he was responsible for managing various commercial and multi-family residential real estate investment funds as well as oversight of accounting functions and reporting for the funds. Mr. Cannella received a B.B.A. in Management from Stephen F. Austin State University and an M.B.A. with honors in Accounting and Finance from the University of Houston. He is a Certified Public Accountant in the State of Texas.

JOY SHEEHAN serves as our Chief Compliance Officer. Ms. Sheehan is Vice President and Chief Compliance Officer at Princeton Advisory Group, Inc. As the firm's Chief Compliance Officer, she heads the compliance and legal function across the firm's hedge fund, structured product and credit business. Ms. Sheehan's responsibilities also include oversight of the Operations department. Prior to joining Princeton in August 2003, Ms. Sheehan was a senior associate at Penn Capital Management, an investment advisory firm that managed CBOs and high yield bonds. With over twenty years' experience in the investment industry, Ms. Sheehan has worked within the back office, mid and front office as well as compliance and client service departments. Joy holds the Investment Adviser Certified Compliance Professional® (IACCP®) designation.

Exchange Act Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers, directors, and persons who own more than ten percent (10%) of a registered class of our equity securities to file an initial report of ownership on Form 3 and changes in ownership on Form 4 or 5 with the Securities and Exchange Commission. Such officers, directors and ten percent (10%) shareholders are also required by the SEC rules to furnish us with copies of all Section 16(a) forms they file.

Based solely on a review of such copies of reports and written representations delivered to the Company by such persons, certain of our executive officers, directors and ten percent (10%) shareholders failed to timely comply with all Section 16(a) filing requirements due to an administrative error. Messrs. Jackson, Sood, Jones, Jones, Jr., and Tuchman (each a director or former director of the Company) failed to timely file an initial report of ownership on Form 3, Mr. Cannella and Ms. Sheehan (each an officer of the Company) failed to timely file an initial report of ownership on Form 3, and Capital Point Partners, L.P. (a ten percent (10%) shareholder) failed to timely file an initial report of ownership on Form 3. The administrative error was due to a failure to file the forms on behalf of each of the parties, after being timely received by the Company. The Form 3's were to be filed on or before March 23, 2015. On February 9, 2016, Messrs. Sood, Jones, Jones, Jr., Cannella, and Ms. Sheehan each filed their initial report of ownership on Form 3 and on March 8, 2016, Mr. Jackson and Capital Point Partners, L.P., each filed their initial report of ownership on Form 3. Mr. Tuchman never filed a Form 3 and resigned from the Company's board of directors on September 9, 2015.

Other than the late filings described above, we believe the Company's executive officers, directors and ten percent (10%) shareholders have complied with all Section 16(a) filing requirements applicable to them through the fiscal year ended December 31, 2015.

Code of Ethics

Our code of ethics, which is signed by directors and executive officers of the Company, requires that directors and executive officers avoid any conflict, or the appearance of a conflict, between an individual's personal interests and the interests of the Company. Pursuant to the code of ethics which is available on our website under the "Corporate Governance" link under the "Princeton Capital Corporation" link at *www.princetoncapitalcorp.com*, each director and executive officer must disclose any conflicts of interest, or actions or relationships that might give rise to a conflict, to the audit committee. Certain actions or relationships that might give rise to a conflict of interest are reviewed and approved by the board of directors.

Nomination of Directors

There have been no material changes to the procedures by which stockholders may recommend nominees to our board of directors implemented since the filing of our Proxy Statement filed on July 13, 2015.

Audit Committee

The members of the audit committee as of December 31, 2015m are Messrs. Jones and Jones, each of whom meets the independence standards established by the SEC and the NASDAQ (the "NASDAQ") for audit committees and is independent for purposes of the 1940 Act. Mr. Thomas Jones serves as chairman of the audit committee. Our board of directors has determined that Mr. Thomas Jones is an "audit committee financial expert" as that term is defined under Item 407 of Regulation S-K of the Securities Exchange Act of 1934, as amended. The board of directors has adopted a charter of the audit committee, which is available in print to any stockholder who requests it and it is also available on the Company's website at *www.princetoncapitalcorp.com*.

The audit committee is responsible for approving our independent accountants, reviewing with our independent accountants the plans and results of the audit engagement, approving professional services provided by our independent accountants, reviewing the independence of our independent accountants and reviewing the adequacy of our internal accounting controls. The audit committee is also responsible for aiding our board of directors in fair value pricing debt and equity securities that are not publicly traded or for which current market values are not readily available. The board of directors and audit committee utilizes the services of an independent valuation firm to help them determine the fair value of these securities.

Board and Committee Meetings

During the Company's fiscal year ending December 31, 2015, the board of directors held a total of three meetings and approved no Actions by Written Consent. During that time, no incumbent Director attended fewer than 100% of the aggregate of the total number of meetings of the board of directors (held during the period for which he has been a Director).

Item 11. EXECUTIVE AND DIRECTOR COMPENSATION

Compensation of Executive Officers

None of our officers receives direct compensation from Princeton Capital Corporation. However, Messrs. Jackson and Sood, through their financial interests in Princeton Investment Advisors, will be entitled to a portion of any investment advisory fees paid by Princeton Capital Corporation to Princeton Investment Advisors under the Investment Advisory Agreement, which includes any fees payable to Princeton Investment Advisors under the terms of the Investment Advisory Agreement, less expenses incurred by Princeton Investment Advisors in performing its services under the Investment Advisory Agreement. The compensation paid by Princeton Investment Advisors to its other investment personnel may include: (i) annual base salary; (ii) annual cash bonus; (iii) portfolio-based performance award; and (iv) individual performance award and/or individual performance bonus.

Mr. Cannella, our Chief Financial Officer, Treasurer and Secretary, and Ms. Sheehan, our Chief Compliance Officer, through Princeton Advisory Group, Inc., will be paid by Princeton Investment Advisors subject to reimbursement of PCC Administrator LLC, a wholly owned subsidiary of Princeton Investment Advisors, by Princeton Capital Corporation of its allocable portion of such compensation for services rendered by them to Princeton Capital Corporation under the Administration Agreement. To the extent that PCC Administrator LLC outsources any of its functions, we will reimburse PCC Administrator LLC for the fees associated with such functions without profit or benefit to PCC Administrator LLC or Princeton Investment Advisors.

Compensatory Arrangements of Certain Officers

Neither the Company nor Regal One issued stock options or granted stock grants during the fiscal year 2015. Regal One's Chief Executive Officer did not receive any salary or other compensation other than direct expense reimbursements. During 2015, the Company did not have any direct employees and its officers were direct employees of either the Company's external investment adviser, Princeton Investment Advisors, or one of Princeton Investment Advisors' members, Princeton Advisory Group, Inc. Princeton Investment Advisors was compensated through an Investment Advisory Agreement with the Company. PCC Administrator LLC, a wholly owned subsidiary of Princeton Investment Advisors, was reimbursed for administrative expenses provided to the Company through an Administration Agreement.

For the year ended December 31, 2015, the former independent directors that were in office until March 13, 2015 received fees in the total amount of $3,600.

For the year ended December 31, 2015, the independent directors that were elected on March 13,2015 received an annual fee of $30,000. They also received $1,500 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with attending in person or telephonically each regular board of directors meeting and each special telephonic meeting. They also received $1,500 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with each committee meeting attended in person and each telephonic committee meeting. The chairmen of the audit committee, the valuation committee and the nominating and corporate governance committee received an annual fee of $3,500, respectively. We have obtained directors' and officers' liability insurance on behalf of our directors and officers. No compensation is paid to directors who are "interested persons." For the year ended December 31, 2015 there was no executive compensation.

For the year ended December 31, 2015, Bernard Brodkorb earned $16,170 in fees related to accounting services for work performed not related to being a director.

As of December 31, 2015, there is no compensation committee as the Company does not have any employees.

Indemnification

As permitted by the provisions of the Maryland General Corporation Law and as required by the Company's Charter and Bylaws, the Corporation shall indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, shall pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (a) any individual who is a present or former director or officer of the Company and who is made or threatened to be made a party to, or witness in, the proceeding by reason of his or her service in that capacity or (b) any individual who, while a director or officer of the Company and at the request of the Company, serves or has served as a director, officer, partner, member, manager or trustee of another corporation, partnership, joint venture, limited liability company, trust, employee benefit plan or other enterprise and who is made or threatened to be made a party to, or witness in, the proceeding by reason of his or her service in that capacity.

This obligation of the Company is further supported by Indemnification Agreements entered into by the Company and certain of its directors and officers. The Indemnification Agreements set forth the standard of review for the Company's board of directors to consider when determine whether a director or officer is entitled to indemnification. The standard is as follows: "If, by reason of indemnitee's corporate Status, Indemnitee is, or is threatened to be, made a party to any Proceeding, the Company shall indemnify Indemnitee against all judgments, penalties, fines and amounts paid in settlement and all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with any such Proceeding unless it is established that (a) the act or omission of Indemnitee was material to the matter giving rise to the Proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty, (b) Indemnitee actually received an improper personal benefit in money, property or services or (c) in the case of any criminal Proceeding, Indemnitee had reasonable cause to believe that Indemnitee's conduct was unlawful."

Summary of Non-Employee Director Compensation Table

The following table summarizes the compensation for our non-employee board of directors for the fiscal year ended December 31, 2015:

	Fees Earned Or paid in Cash	Stock Awards	Option Awards	Non-Equity Incentive Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Stephen E Boynton	$ 1,000	—	—	—	—	—	$ 1,000
James Olchefski	1,000	—	—	—	—	—	1,000
Robert M Terry	1,600	—	—	—	—	—	1,600
Thomas Jones	31,393	—	—	—	—	—	31,393
Trennis Jones	31,393	—	—	—	—	—	31,393
Martin Tuchman	20,657	—	—	—	—	—	20,657

No additional Director compensation has been authorized for services for the period from January 1, 2015 through December 31, 2015 and through the date of this Form 10-K report filing.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth, as of December 31, 2015, the beneficial ownership of each current director, each nominee for director, the Company's executive officers, each person known to us to beneficially own 5% or more of the outstanding shares of the Company's common stock, and the executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. Percentage of ownership is based on 120,486,061 shares of the Company's common stock outstanding as of December 31, 2015.

Unless otherwise indicated, to our knowledge, each stockholder listed below has sole voting and investment power with respect to the shares beneficially owned by the stockholder, except to the extent authority is shared by their spouses under applicable law. Unless otherwise indicated, the address of all executive officers and directors is c/o Princeton Capital Corporation, One Riverway, Suite 2020, Houston, Texas 77056.

The Company's directors are divided into two groups — interested directors and independent directors. Interested directors are "interested persons" as defined in Section 2(a)(19) of the 1940 Act.

Name of Beneficial Owner	Number of Shares Beneficially Owned (1)	Percentage of Class
Interested Directors		
Alfred Jackson	11,955,356(2)	9.92%
Munish Sood	0	*
Independent Directors		
Thomas Jones Jr.	0	*
Trennis L. Jones	0	*
Martin Tuchman (4)	0	*
Executive Officers		
Gregory J. Cannella	0	*
Joy Sheehan	0	*
All Officers and Directors as a Group	11,955,356	9.92%
5% Holders		
Capital Point Partners, LP (3)	104,562,000	86.78%
Capital Point Partners II, LP (3)	10,922,327	9.07%

*Less than 1%

(1) Beneficial ownership has been determined in accordance with Rule 13d-3 of the Securities Exchange Act of 1934, as amended.
(2) Mr. Jackson, by virtue of (i) his position as manager of Capital Point Advisors, LP, a Delaware limited liability company, the investment adviser to and (ii) control of the general partner of CPPII and control of CPP may be deemed to beneficially own 10,922,327 shares of our common stock held by CPP II and 1,033,029 shares of our common stock held by CPP I. Mr. Jackson disclaims beneficial ownership of any shares directly held by CPII, except to the extent of his pecuniary interest therein.
(3) This information is based on information included in the Schedule 13D filed with the SEC.
(4) Martin Tuchman resigned as a director on September 9, 2015.

The following table sets forth as of December 31, 2015, the dollar range of our securities owned by our directors and executive officers.

Name	Dollar Range of Equity Securities Beneficially Owned (1), (2)
Interested Directors	
Alfred Jackson	Over $100,000
Munish Sood	None
Independent Directors	
Thomas Jones Jr.	None
Trennis L. Jones	None
Martin Tuchman (3)	None
Executive Officers	
Gregory J. Cannella	None
Joy Sheehan	None

(1) The dollar range of the equity securities beneficially owned is based on the closing price per share of the Company’s common stock of $0.31 on December 31, 2015 on the Over-the-Counter Bulletin Board “Pink Sheet” market.
(2) The dollar ranges of equity securities beneficially owned are: none; $1–$10,000; $10,001–$50,000; $50,001–$100,000; and over $100,000.
(3) Martin Tuchman resigned as a director on September 9, 2015.

Outstanding Equity Awards at Fiscal Year-End

At the end of fiscal year 2015, there were no outstanding equity awards, unexercised stock options, or equity incentive plan awards vested or not vested due to Company Officers or outside consultants.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The board of directors has adopted a policy relating to the approval of transactions with related persons that are required to be disclosed in statements by SEC regulations, which are commonly referred to as "Related Person Transactions." A "related person" is defined under the applicable SEC regulation and includes our directors, executive officers and 5% or more beneficial owners of our common stock. The board of directors administers the procedures with regards to related person transactions. Approval of a related person transaction requires the affirmative vote of the majority of disinterested directors. In approving any related person transaction, the disinterested directors must determine that the transaction is fair and reasonable to the Company. The policies and procedures for the review, approval or ratification of any related party transaction are written and disclosed on the Company's website.

Summarized below are certain transactions and business relationships between Princeton Capital Corporation and persons who are or were an executive officer, director or holder of more than five percent of any class of our securities during the last two fiscal years:

Princeton Investment Advisors is beneficially owned and controlled by Alfred Jackson, the Company's Chairman. Munish Sood, the Company's Chief Executive Officer and President, owns a 30% interest in Princeton Investment Advisors through his company, Princeton Advisory Group, Inc. PCC Administrator LLC is a wholly owned subsidiary of Princeton Investment Advisors.

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.

For the year ended December 31, 2015 and 2014, Mr. Bernard L. Brodkorb, who is a Director of Regal One Corporation, received $16,170 and $74,900, respectively, in fee compensation for providing accounting and financial reporting services not related to his duties as a Director of Regal One Corporation and no compensation for being a Director.

Director Independence

In accordance with rules of the NASDAQ, the board of directors annually determines the independence of each director. No director is considered independent unless the board of directors has determined that he or she has no material relationship with the Company. The Company monitors the status of its directors and officers through the activities of the Company's nominating and corporate governance committee and through a questionnaire to be completed by each director no less frequently than annually, with updates periodically if information provided in the most recent questionnaire has changed.

In order to evaluate the materiality of any such relationship, the board of directors uses the definition of director independence set forth in the rules promulgated by the NASDAQ Stock Market. Rule 5605(a)(2) provides that a director of a BDC shall be considered to be independent if he or she is not an "interested person" of the Company, as defined in Section 2(a)(19) of the 1940 Act. Section 2(a)(19) of the 1940 Act defines an "interested person" to include, among other things, any person who has, or within the last two years had, a material business or professional relationship with the Company.

The board of directors has determined that each of the directors is independent and has no relationship with the Company, except as a director and stockholder of the Company, with the exception of Messrs. Jackson and Sood, who are interested persons of the Company due to their positions as officers of the Company and/or officers of Princeton Investment Advisors, our external investment adviser.

Item 14. PRINCIPAL ACCOUNTANTS FEES AND SERVICES

The following table presents fees for professional services rendered by Boulay PLLP for fiscal year ended December 31, 2014.

	Fiscal Year Ended December 31, 2014
Audit Fees	$ 34,000
Audit-Related Fees	—
Tax Fees	—
All Other Fees	—
Total Fees	$ 34,000

The following table presents fees for professional services for fiscal year ended December 31, 2015 rendered by Boulay PLLP for the period from January 1, 2015 to June 18, 2015, and by Crowe Horwath LLP for the period from June 19, 2015 through October 19, 2015, the periods they were engaged as the Company's auditors.

	Fiscal year Ended December 31, 2015
Audit Fees	$ 157,595
Audit-Related Fees	—
Tax Fees	—
All Other Fees	—
Total Fees	$ 157,595

Services rendered by the above accounting firms in connection with fees presented above were as follows:

Audit Fees. Audit fees include fees for services that normally would be provided by the accountant in connection with statutory and regulatory filings or engagements and that generally only the independent accountant can provide. In addition to fees for the audit of our annual financial statements, the audit of the effectiveness of our internal control over financial reporting and the review of our quarterly financial statements in accordance with generally accepted auditing standards, this category contains fees for comfort letters, statutory audits, consents, and assistance with and review of documents filed with the SEC.

Audit-Related Fees. Audit related fees are assurance related services that traditionally are performed by the independent accountant, such as attest services that are not required by statute or regulation.

Tax Fees. Tax fees include professional fees for tax compliance and tax advice.

All Other Fees. Fees for other services would include fees for products and services other than the services reported above.

Recent Change in Auditor

As disclosed on our Form 8-K filed by the Company on June 25, 2015, the Company informed Boulay PLLP ("Boulay") that it was being dismissed as the Company's independent auditors for the 2015 fiscal year on June 19,

2015. The Audit Committee subsequently appointed Crowe Horwath LLP, an independent registered public accounting firm, as the Company's independent auditors for the 2015 fiscal year on June 19, 2015.

The report of Boulay on the Company's financial statements for the fiscal year ended December 31, 2014 did not contain an adverse opinion or a disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope or accounting principles. In connection with the audit of the Company's financial statements for the fiscal year ended December 31, 2014 and in the subsequent interim period preceding Boulay's dismissal, there were: (i) no disagreements with Boulay on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of Boulay would have caused Boulay to make reference to the subject matter of the disagreements in connection with its reports, and (ii) no reportable events of the type listed in paragraphs (A) through (D) of Item 304(a)(1)(v) of Regulation S-K.

During the Company's fiscal year ended December 31, 2014 and through the interim period preceding Boulay's dismissal, the Company has not consulted Crowe Horwath regarding either (i) the application of accounting principles to a specific transaction, either completed or proposed, or the type of audit opinion that might be rendered with respect to the Company's financial statements; or (ii) any matter that was the subject of a "disagreement" or "reportable event" as those terms are defined in Item 304(a)(1) of Regulation S-K; and there was neither a written report nor oral advice provided to the Company by Crowe Horwath that Crowe Horwath concluded was an important factor considered by the Company in reaching a decision as to any auditing or financial reporting issue.

Pre-Approval Policy

The Audit Committee has established a pre-approval policy that describes the permitted audit, audit-related, tax and other services to be provided by the Company's independent registered public accounting firm. The policy requires that the Audit Committee pre-approve all audit and non-audit services performed by the independent auditor in order to assure that the provision of such service does not impair the auditor's independence. In accordance with the pre-approval policy, the Audit Committee includes every year a discussion and pre-approval of such services and the expected costs of such services for the year.

Any requests for audit, audit-related, tax and other services that have not received general pre-approval at the first Audit Committee meeting of the year must be submitted to the Audit Committee for specific pre-approval, irrespective of the amount, and cannot commence until such approval has been granted. Normally, pre-approval is provided at regularly scheduled meetings of the Audit Committee. However, the Audit Committee may delegate pre-approval authority to one or more of its members. The member or members to whom such authority is delegated shall report any pre-approval decisions to the Audit Committee at its next scheduled meeting. The Audit Committee does not delegate its responsibilities to pre-approve services performed by the independent registered public accounting firm to management.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

a. Documents Filed as Part of this Report

The following financial statements are set forth in Item 8:

Report of Independent Registered Public Accounting Firm
Statements of Assets and Liabilities as of December 31, 2015 and December 31, 2014
Statements of Operations for the years ended December 31, 2015, 2014 and 2013
Statements of Changes in Net Assets for the years ended December 31, 2015, 2014 and 2013
Statements of Cash Flows for the years ended December 31, 2015, 2014 and 2013
Schedule of Investments as of December 31, 2015
Schedule of Investments as of December 31, 2014
Notes to the Financial Statements

b. 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
2.1	Agreement and Plan of Merger between Regal One Corporation and Princeton Capital Corporation (Incorporated by reference from Exhibit 2.1 of the Registrant's Current Report on Form 8-K, filed on March 19, 2015).
3.1	Articles of Amendment and Restatement (Incorporated by reference from Exhibit 3.2 of the Registrant's Current Report on Form 8-K), filed on March 19, 2015).
3.2*	Articles of Amendment of Princeton Capital Corporation
3.3	Bylaws (Incorporated by reference from Exhibit 3.3 of the Registrant's Current Report on Form 8-K, filed on March 19, 2015).
4.1	Form of Stock Certificate (Incorporated by reference from Exhibit 4.1 of the Registrant's Current Report on Form 8-K, filed on March 19, 2015).
10.1	Investment Advisory Agreement between Registrant and Princeton Investment Advisors, LLC (Incorporated by reference from Exhibit 10.1 of the Registrant's Current Report on Form 8-K, filed on March 19, 2015).
10.2	Custody Agreement between Registrant and U.S. Bank, N.A. (Incorporated by reference from Exhibit 10.2 of Registrant's Annual Report on Form 10-K, filed on April 15, 2015).
10.3	Administration Agreement between Registrant and PCC Administrator LLC (Incorporated by reference from Exhibit 10.3 of Registrant's Annual Report on Form 10-K, filed on April 15, 2015).
10.4	Dividend Reinvestment Plan (Incorporated by reference from Exhibit 10.4 of Registrant's Annual Report on Form 10-K, filed on April 15, 2015).
10.5	License Agreement between the Registrant and Princeton Investment Advisors, LLC (Incorporated by reference from Exhibit 10.5 of Registrant's Annual Report on Form 10-K, filed on April 15, 2015).
10.6	Form of Indemnification Agreement between the Registrant and the executive officers and directors. (Incorporated by reference from Exhibit 10.6 of Registrant's Annual Report on Form 10-K, filed on April 15, 2015).
14.1*	Code of Ethics
16	Letter from Crowe Horwath LLP to the Securities and Exchange Commission dated October 22, 2015 (Incorporated by reference from Exhibit 16 of the Registrant's Current Report on Form 8-K, filed on October 22, 2015)
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.
99.1*	Audited Financial Statements of Rockfish Seafood Grill, Inc. as of and for the years ended December 30, 2015 and December 24, 2014
99.2*	Audited Financial Statements of Advantis Certified Staffing Solutions, Inc. as of and for the year ended December 31, 2015

* 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

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

Dated: December 14, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934, this report on Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

NAME	TITLE	DATE
/s/ Munish Sood Munish Sood	Chief Executive Officer and Director, (Principal Executive Officer)	December 14, 2016
/s/ Gregory J. Cannella Gregory J. Cannella	Chief Financial Officer (Principal Financial and Accounting Officer)	December 14, 2016
/s/ Darren Stainrod Darren Stainrod	Director	December 14, 2016
/s/ Martin Laidlaw Martin Laidlaw	Director	December 14, 2016
/s/ Greg Bennett Greg Bennett	Director	December 14, 2016
/s/ Mark DiSalvo Mark DiSalvo	Director	December 14, 2016

ARTICLES OF AMENDMENT
OF
PRINCETON CAPITAL CORPORATION

Princeton Capital Corporation, a Maryland corporation, having its principal office at 351 West Camden Street, Baltimore, Maryland 21201 (hereinafter called the **"Corporation"**), hereby certifies to the State Department of Assessments and Taxation of Maryland ("SDAT") that:

FIRST: The Corporation desires to amend its Charter as currently in effect.

SECOND: The Charter of the Corporation is hereby amended as follows:

(a) Article IV, Section 4.1 of the Charter of the Corporation is hereby deleted in its entirety and replaced with the following:

Section 4.1 <u>Number, Vacancies and Declassification of Directors</u>. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors. The number of directors of the Corporation is three, which number may be increased or decreased only by the Board of Directors pursuant to the Bylaws of the Corporation (the "Bylaws"), or the charter of the Corporation (the "Charter"), but shall never be less than the minimum number required by the Maryland General Corporation Law (the "MGCL"). A director shall have the qualifications, if any, as specified in the Bylaws.

The Corporation elects, at such time as it becomes eligible pursuant to Section 3-802 of the MGCL to make the election provided for under Section 3-804(c) of the MGCL, that, subject to applicable requirements of the 1940 Act and except as may be provided by the Board of Directors in setting the terms of any class or series of Preferred Stock (as hereinafter defined), any and all vacancies on the Board of Directors may be filled only by the affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy shall serve for the remainder of the full term of the directorship in which such vacancy occurred and until a successor is duly elected and qualifies.

Subject to the other provisions of this Section 4.1, the Board of Directors is and shall remain classified into three (3) groups of Directors, with the Directors of each class serving for a term expiring at the Annual Meeting of Stockholders held during the third (3rd) year after election (except as set forth in this Section 4.1) and until his or her successor shall have been duly elected and shall have qualified. Effective as of the 2016 Annual Meeting of Stockholders, the terms of newly elected Directors shall be as follows: (i) the Directors' elected to hold office at the 2016 Annual Meeting of Stockholders shall hold office for a term expiring in accordance with such Directors class and until his or her successor shall have been duly elected and shall have qualified, and (ii) at the Annual Meeting of Stockholders to be held in 2017 and at each

Annual Meeting of Stockholders thereafter, all Directors shall be elected to hold office for a term expiring at the next Annual Meeting of Stockholders. The classification of the Board of Directors shall terminate at the Annual Meeting of Stockholders to be held in 2017 and, thereafter, all Directors shall be elected in accordance with clause (ii) above. The names of the current Directors who shall serve until the next Annual Meeting of Stockholders in the year when their respective term expires and until their successors are duly elected and qualify are as follows:

Mark DiSalvo	(Term to expire in 2018)
Darren Stainrod	(Term to expire in 2018)
Munish Sood	(Term to expire in 2019)
Martin Laidlaw	(Term to expire in 2017)
Greg Bennett	(Term to expire in 2017)

(b) Article IV, Section 4.9 of the Charter of the Corporation is hereby deleted in its entirety and replaced with the following:

Section 4.9 Removal of Directors. Any director, or the entire Board of Directors, may be removed from office at any time, with or without cause, by the affirmative vote of holders of outstanding shares of capital stock of the Corporation entitled to cast a majority of all the votes entitled to be cast in the election of directors.

(c) Article IV of the Charter of the Corporation shall be amended by adding a new Section 4.11 as follows:

Section 4.11 Stockholder Action without a Meeting. The holders of common stock entitled to vote generally in the election of directors of the Corporation have the right to take any action required or permitted to be taken at any annual or special meeting of stockholders to be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing or by electronic transmission, setting forth the action to be taken, shall be signed by the holders of outstanding shares of capital stock of the Corporation having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all outstanding shares of capital stock entitled to vote thereon were present and voted and shall be delivered to the Corporation to be filed with the minutes of proceeding of the stockholders of the Corporation. If the stockholders exercise their right to take such action without a meeting, in accordance with Section 2-505(b)(2) of the MGCL, the Corporation shall give notice of the action not later than 10 days after the effective date of the action to each holder of the class of common stock and to each stockholder who, if the action had been taken at a meeting, would have been entitled to notice of the meeting.

THIRD: The amendments do not increase the authorized stock of the Corporation.

FOURTH: The foregoing amendments to the Charter of the Corporation have been advised by the Board of Directors at a board meeting held on April 20,2016 and approved by the stockholders of the Corporation in accordance with Section 2-604 of the Maryland General Corporation Law at the Annual Meeting of Stockholders held on June 9, 2016.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be signed in its name and on its behalf by its President and Chief Executive Officer and attested by its Secretary on this 9 day of June, 2016.

ATTEST:

Secretary

PRINCETON CAPITAL CORPORATION

By:

Munish Sood, President and Chief Executive Officer

THE UNDERSIGNED, President and Chief Executive Officer of PRINCETON CAPITAL CORPORATION, who executed on behalf of the Corporation the foregoing Articles of Amendment of which this certificate is made a part, hereby acknowledges in the name and on behalf of said Corporation the foregoing Articles of Amendment to be the corporate act of said Corporation and hereby certifies that to the best of his knowledge, information, and belief the matters and facts set forth therein with respect to the authorization and approval thereof are true in all material respects under the penalties of perjury.

Munish Sood, President and Chief Executive Officer

Exhibit 14.1

PRINCETON CAPITAL CORPORATION

CODE OF BUSINESS CONDUCT, ETHICS AND STATEMENT ON THE PROHIBITION OF INSIDER TRADING

Ratified and Confirmed as of December 6, 2016

Adopted: March 13, 2015

Updated as of December 6, 2016

CODE OF BUSINESS CONDUCT, ETHICS AND STATEMENT ON THE PROHIBITION OF INSIDER TRADING

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Adopted: March 13, 2015

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CODE OF BUSINESS CONDUCT, ETHICS AND
STATEMENT ON THE PROHIBITION OF INSIDER TRADING

INTRODUCTION

Ethics are important to Princeton Capital Corporation ("***PCC***", "***our***", "***us***", ***or*** "***we***") and to its management. PCC is committed to the highest ethical standards and to conducting its business with the highest level of integrity.

All officers, directors and employees of PCC and its investment adviser, Princeton Advisory Group, Inc. (the "***investment adviser***"), are responsible for maintaining this level of integrity and for complying with the policies contained in this Code. If you have a question or concern about what is proper conduct for you or anyone else, please raise these concerns with PCC's Chief Compliance Officer or any member of PCC's management, or follow the procedures outlined in applicable sections of this Code.

This Code of Business Conduct, Ethics and Statement on the Prohibition on Insider Trading (collectively, the "***Code***") has been adopted by the Board of Directors of PCC in accordance with Rule 17j-1(c) under the Investment Company Act of 1940, as amended (the "***1940 Act***"), and the May 9, 1994 Report of the Advisory Group on Personal Investing by the Investment Company Institute (the "***Report***"). Rule 17j-1 generally describes fraudulent or manipulative practices with respect to purchases or sales of securities held or to be acquired by business development companies if effected by access persons of such companies.

PURPOSE OF THE CODE

This Code is intended to:

- help you recognize ethical issues and take the appropriate steps to resolve these issues;
- deter ethical violations to avoid any abuse of position of trust and responsibility;
- maintain confidentiality of our business activities;
- assist you in complying with applicable securities laws;
- assist you in reporting any unethical or illegal conduct; and
- reaffirm and promote our commitment to a corporate culture that values honesty, integrity and accountability.

Further, it is the policy of PCC that no affiliated person of our organization shall, in connection with the purchase or sale, directly or indirectly, by such person of any security held or to be acquired by PCC:

- employ any device, scheme or artifice to defraud us;
- make any untrue statement of a material fact or omit to state to us a material fact in order to make the statement made, in light of the circumstances under which it is made, not misleading;
- engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon us; or
- engage in any manipulative practices with respect to our business activities.

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All employees, as a condition of employment or continued employment, will acknowledge annually, in writing, that they have received a copy of this Code, read it, and understand that the Code contains our expectations regarding their conduct.

PRINCIPLES OF BUSINESS CONDUCT

All employees will be subject to the following guidelines covering business conduct:

Conflicts of Interest

You must avoid any conflict, or the appearance of a conflict, between your personal interests and our interests. A conflict exists when your personal interests in any way interfere with our interests, or when you take any action or have any interests that may make it difficult for you to perform your job objectively and effectively. For example, a conflict of interest probably exists if:

- you cause us or the investment adviser to enter into business relationships with you or a member of your family, or invest in companies affiliated with you or a member of your family;

- you use any non-public information about us or the investment adviser, our customers or our other business partners for your personal gain, or the gain of a member of your family; or

- you use or communicate confidential information obtained in the course of your work for your or another's personal benefit.

Corporate Opportunities

Each of us has a duty to advance the legitimate interests of PCC when the opportunity to do so presents itself. Therefore, you may not:

- take for yourself personally opportunities, including investment opportunities, discovered through the use of your position with us or the investment adviser, or through the use of either's property or information;

- use our or the investment adviser's property, information, or position for your personal gain or the gain of a family member; or

- compete, or prepare to compete, with us or the investment adviser.

Confidentiality

You must not disclose confidential information regarding us, the investment adviser, our affiliates, our lenders, our clients, or our other business partners, unless disclosure is authorized or required by law. Confidential information includes all non-public information that might be harmful to, or useful to the competitors of PCC, our affiliates, our lenders, our clients, or our other business partners. This obligation continues even after you leave PCC, until the information becomes publicly available.

Fair Dealing

You must endeavor to deal fairly with our customers, suppliers and business partners, or any other companies or individuals with whom we do business or come into contact with, including fellow employees and our competitors. You must not take unfair advantage of these or other parties by means of:

- manipulation;

- concealment;

- abuse of privileged information;
- misrepresentation of material facts; or
- any other unfair-dealing practice.

Protection and Proper Use of Company Assets

Our assets are to be used only for legitimate business purposes. You should protect our assets and ensure that they are used efficiently.

Incidental personal use of telephones, fax machines, copy machines, personal computers and similar equipment is generally allowed if there is no significant added cost to us, it does not interfere with your work duties, and is not related to an illegal activity or to any outside business.

Compliance with Applicable Laws, Rules and Regulations

Each of us has a duty to comply with all laws, rules and regulations that apply to our business. Highlighted below are some of the key compliance guidelines that must be followed.

- Insider trading. It is against the law to buy or sell securities using material information that is not available to the public. Individuals who give this "inside" information to others may be liable to the same extent as the individuals who trade while in possession of such information. You must not trade in our securities, or the securities of our affiliates, our lenders, our clients, or our other business partners while in the possession of "inside" information. All employees are required to be familiar and comply with our Insider Trading Policy and Procedures.

- "Whistleblower" protections. It is against the law to discharge, demote, suspend, threaten, harass, or discriminate in any manner against an employee who provides information or otherwise assists in investigations or proceedings relating to violations of federal securities laws or other federal laws prohibiting fraud against shareholders. You must not discriminate in any way against an employee who engages in these "whistleblower" activities.

- Accuracy of Company Records. We require honest and accurate recording and reporting of information in order to make responsible business decisions. This includes such data as quality, safety, and personnel records, as well as financial records. All financial books, records and accounts must accurately reflect transactions and events, and conform both to required accounting principles and to our system of internal controls.

- Retaining Business Communications. The law requires us to maintain certain types of corporate records, usually for specified periods of time. Failure to retain those records for those minimum periods could subject us to penalties and fines, cause the loss of rights, obstruct justice, place us in contempt of court, or seriously disadvantage us in litigation.

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- From time to time we establish retention or destruction policies in order to ensure legal compliance. We expect you to fully comply with any published records retention or destruction policies, provided that you should note the following exception: If you believe, or we inform you, that our records are relevant to any litigation or governmental action, or any potential litigation or action, then you must preserve those records until we determine the records are no longer needed. This exception supersedes any previously or subsequently established destruction policies for those records. If you believe that this exception may apply, or have any questions regarding the possible applicability of that exception, please contact our Chief Compliance Officer.

Equal Opportunity, Harassment

We are committed to providing equal opportunity in all of our employment practices including selection, hiring, promotion, transfer, and compensation of all qualified applicants and employees without regard to race, color, sex or gender, sexual orientation, religion, age, national origin, handicap, disability, citizenship status, or any other status protected by law. With this in mind, there are certain behaviors that will not be tolerated. These include harassment, violence, intimidation, and discrimination of any kind involving race, color, sex or gender, sexual orientation, religion, age, national origin, handicap, disability, citizenship status, marital status, or any other status protected by law.

Gifts

Gifts can appear to compromise the integrity and honesty of our personnel. On the other hand, business colleagues often wish to provide small gifts to others as a way of demonstrating appreciation or interest. We have attempted to balance these considerations in the policy which follows.

No person employed by PCC shall accept a gift or other thing of more than de minimis value ($100 or less) from any person or entity that does business with, or is soliciting business from, PCC. Gifts exceeding that amount per person must be returned and the gift, its approximate value and its disposition reported to the Chief Compliance Officer. PCC personnel may accept gifts in the form of customary business entertainment (meals, tickets to sporting or other entertainment events) so long as the giver will be present at the entertainment. Gifts to the firm as a whole or to an entire department (for example, accounting, analysts, etc.) may exceed the $100 limitation, but such gifts must be approved by the Chief Compliance Officer.

All gifts shall be reflected in a gift log, containing a basic description of the gift, a good faith estimate of the value of the gift, and a description of its disposition, i.e., accepted, rejected, returned to sender, etc.

Solicitation of gifts is strictly prohibited.

Standards for giving gifts are identical to those governing the acceptance of gifts (that is they should be restricted to items worth $100 or less). On the whole, good taste and judgment must be exercised in both the receipt and giving of gifts. Every person subject to this code must avoid gifts or entertainment that would compromise PCC's standing or reputation. If you are offered or receive any gift which is either prohibited or questionable, you must inform the Chief Compliance Officer immediately.

Please talk to our Chief Compliance Officer if you have any questions about how to comply with the above regulations and other laws, rules and regulations.

In addition, we expect you to comply with all our policies and procedures that apply to you. We may modify or update our policies and procedures in the future, and may adopt new company policies and procedures from time to time. You are also expected to observe the terms of any confidentiality agreement, employment agreement or other similar agreement that applies to you.

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Political Contributions

Our investment adviser encourages its employees to be actively involved in the civic affairs of the communities in which they live. When speaking on public issues, however, employees should do so only as individual citizens of the community and must be careful not to create the impression that they are acting for, or representing the views of, Princeton Capital Corporation or its investment adviser.

The SEC, along with certain states, municipalities and public pension plans, have adopted regulations limiting or completely disqualifying investment advisers from providing services to, or accepting placements from, a government entity if certain political contributions[1] are made or solicited[2] by the investment adviser, certain of its employees, or, in some instances, an employee's spouse or civil union partner or an entity "controlled" by the employee (collectively, "***Employee Affiliates***"). Under these "pay to play" regulations, a single prohibited political contribution to a candidate or officeholder, political party, political action committee or other political organization at practically every level of government (including local, state and federal) may preclude the Firm from providing services to, or accepting placements from, the applicable government entity and may compel the firm to repay compensation received by the Firm in connection with such services or placements.

Any employee and his or her Employee Affiliates wishing to make or solicit any such contributions must submit a contribution request to the Chief Compliance Officer, and such submission shall include all pertinent information related to the proposed contribution, including, but not limited to, the individual wishing to contribute[3], amount of the contribution, the name of the intended recipient, the nature of the recipient's candidacy, whether the proposed recipient holds an existing political office (whether local, state or federal), and whether the employee (or Employee Affiliate, where applicable)) is legally entitled to vote for the proposed recipient. Because of the serious nature of the sanctions applicable to a pay to play violation, requests to make contributions to candidates seeking election to state and local offices generally will not be approved. In select instances, the Chief Compliance Officer may grant an exception to this policy. Those instances may include situations where the employee is legally entitled to vote for the candidate, in which case the request may be approved up to $350, where the employee is not legally entitled to vote for the candidate but the contribution is $150 or less, where an Employee Affiliate has an independent basis for the contribution, or where it is clear that a proposed contribution to a state or local official is not only lawful, but clear of potential conflicts. In all instances, such exceptions will be logged, documented and preserved pursuant to applicable recordkeeping requirements.

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[1] Contributions include cash, checks, gifts, subscriptions, loans, advances, deposits of money, "in kind" contributions (e.g., the provision of free professional services) or anything else of value provided for the purpose of influencing an election for a federal, state or local office, including any payments for debts incurred in such an election.

[2] Solicitation of contributions encompasses any fundraising activity on behalf of a candidate, campaign or political organization, including direct solicitation, hosting of events and/or aggregating, coordinating or "bundling" the contributions of others.

[3] In the case of an Employee Affiliate, the Chief Compliance Officer must make a determination that the contribution is not indirectly a contribution by the employee; i.e. that the Employee Affiliate has an independent basis for the contribution.

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It is expected that every employee will explain the importance of compliance with this policy to his/her Employee Affiliates, and ensure their clear understanding of the obligation to follow these requirements. Moreover, the applicable laws in this area are complex and a trap for the unwary – no employee should attempt to decide for himself or herself whether a contribution is prohibited or permissible. Employees are responsible for complying with and tracking their own political contribution limits.

The pay to play laws also prohibit actions taken indirectly that our investment adviser or its employees could not take directly without violating the law. For example, it is improper and unlawful to provide funds to a third party (such as a consultant or attorney) with the understanding that the third party will use such funds to make an otherwise prohibited contribution. Such indirect violations may trigger disqualification of our investment adviser and result in other sanctions, including possible criminal penalties. If any employee learns of facts and circumstances suggesting a possible indirect violation, that employee must report and such facts and circumstances to the Chief Compliance Officer immediately.

In order to ensure compliance with this policy, at least annually, or more frequently as may be determined by the Chief Compliance Officer, every employee must submit to the Chief Compliance Officer a disclosure and certification setting forth all political contributions made by the employee and his/her Employee Affiliates for the previous two (2) years or confirming that no such contributions have been made. For each disclosed contribution, employees must also provide all associated documentation, including invitations solicitations, correspondence, e-mails, and any cancelled checks and other documents reflecting payment. The Chief Compliance Officer may also require that new employees, prior to commencement of employment with or service to our investment adviser, report to the Chief Compliance Officer any political contributions made in the prior two (2) years in order to verify compliance with applicable pay to play laws or regulations.

Media Relations

We must speak with a unified voice in all dealings with the press and other media. As a result, our Chairman, or his designee, is the sole contact for media seeking information about PCC. Any requests from the media must be referred to our Chairman, or his designee.

Intellectual Property Information

Information generated in our business is a valuable asset. Protecting this information plays an important role in our growth and ability to compete. Such information includes business and research plans; objectives and strategies; trade secrets; unpublished financial information; salary and benefits data; lender and other business partner lists. Employees who have access to our intellectual property information are obligated to safeguard it from unauthorized access and:

- Not disclose this information to persons outside of PCC;
- Not use this information for personal benefit or the benefit of persons outside of PCC; and
- Not share this information with other employees except on a legitimate “need to know” basis.

Internet and E-Mail Policy

We provide an e-mail system and Internet access to certain of our employees to help them do their work. You may use the e-mail system and the Internet only for legitimate business purposes in the course of your duties. Incidental and occasional personal use is permitted, but never for personal gain or any improper or illegal use. Further, you are prohibited from discussing or posting information regarding PCC in any external electronic forum, including Internet chat rooms, electronic bulletin boards or social media sites.

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Reporting Violations and Complaint Handling

You are responsible for compliance with the rules, standards and principles described in this Code. In addition, you should be alert to possible violations of the Code by PCC's or the investment adviser's employees, officers and directors, and you are expected to report a violation promptly. Normally, reports should be made to one's immediate supervisor. Under some circumstances, it may be impractical or you may feel uncomfortable raising a matter with your supervisor. In those instances, you are encouraged to contact our Chief Compliance Officer who will investigate and report the matter to our Chairman and/or Board of Directors, as the circumstance dictates. You will also be expected to cooperate in an investigation of a violation.

Anyone who has a concern about our conduct, the conduct of an officer of PCC or its investment adviser or our accounting, internal accounting controls or auditing matters, may communicate that concern to the Audit Committee of the Board of Directors by direct communication with our Chief Compliance Officer or by email or in writing. All reported concerns shall be forwarded to the Audit Committee and will be simultaneously addressed by our Chief Compliance Officer in the same way that other concerns are addressed by us. The status of all outstanding concerns forwarded to the Audit Committee will be reported on a quarterly basis by our Chief Compliance Officer. The Audit Committee may direct that certain matters be presented to the full board and may also direct special treatment, including the retention of outside advisors or counsel, for any concern reported to it.

All reports will be investigated and whenever possible, requests for confidentiality shall be honored. And, while anonymous reports will be accepted, please understand that anonymity may hinder or impede the investigation of a report. All cases of questionable activity or improper actions will be reviewed for appropriate action, discipline or corrective actions. Whenever possible, we will keep confidential the identity of employees, officers or directors who are accused of violations, unless or until it has been determined that a violation has occurred.

There will be no reprisal, retaliation or adverse action taken against any employee who, in good faith, reports or assists in the investigation of, a violation or suspected violation, or who makes an inquiry about the appropriateness of an anticipated or actual course of action.

For reporting concerns about PCC's or its investment adviser's conduct, the conduct of an officer of PCC or its investment adviser, or about PCC's or its investment adviser's accounting, internal accounting controls or auditing matters, you may use the following means of communication:

ADDRESS: Princeton Capital Corporation
4422 Route 27, Bldg C Ste 1
Box 89
Kingston, NJ 08528

In the case of a confidential, anonymous submission, employees should set forth their concerns in writing and forward them in a sealed envelope to the Chairperson of the Audit Committee, in care of our Chief Compliance Officer, such envelope to be labeled with a legend such as: "To be opened by the Audit Committee only."

CODE OF ETHICS

The employees specified in the following discussion will be subject to the provisions of the Code of Ethics ("***CofE***").

Scope of the Code of Ethics

In order to prevent PCC's Access Persons, as defined below, from engaging in any of these prohibited acts, practices or courses of business, the Board of Directors of PCC has adopted this CofE.

Definitions

Access Person. "Access Person" means any director, officer, partner, employee or Advisory Person of PCC; provided, however, that the term "Access Person" will not include a "Disinterested Director" (as defined below).

Advisory Person. "Advisory Person" of PCC means: (i) any director, officer or employee of PCC or of any company in a control relationship to PCC, who, in connection with his or her regular duties, makes, participates in, or obtains information regarding the purchase or sale of a Covered Security by PCC, or whose functions relate to the making of any recommendations with respect to such purchases or sales; and (ii) any natural person in a control relationship to PCC who obtains information concerning recommendations made to PCC with regard to the purchase or sale of a Covered Security. An "Advisory Person" shall not include a "Disinterested Director" (as defined below).

Automatic Investment Plan. "Automatic Investment Plan" refers to any program in which regular periodic purchases (or withdrawals) are made automatically in (or from) investment accounts in accordance with a predetermined schedule and allocation, including a dividend reinvestment plan.

Beneficial Interest. "Beneficial Interest" includes any entity, person, trust, or account with respect to which an Access Person exercises investment discretion or provides investment advice. A beneficial interest shall be presumed to include all accounts in the name of or for the benefit of the Access Person, his or her spouse, dependent children, or any person living with him or her or to whom he or she contributed economic support.

Beneficial Ownership. "Beneficial Ownership" shall be determined in accordance with Rule 16a-1(a)(2) under the Securities Exchange Act of 1934 (the "***Exchange Act***"), except that the determination of direct or indirect Beneficial Ownership shall apply to all securities, and not just equity securities, that an Access Person has or acquires. Rule 16a-1(a)(2) provides that the term "beneficial owner" means any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, has or shares a direct or indirect pecuniary interest in any equity security. Therefore, an Access Person may be deemed to have Beneficial Ownership of securities held by members of his or her immediate family sharing the same household, or by certain partnerships, trusts, corporations, or other arrangements.

Blackout Period. "Blackout Period" shall mean that timeframe in which PCC or an Access Person, or Disinterested Director with knowledge of PCC's trading activity, may not engage in trading in an issue, or its related securities, appearing on the PCC Restricted List as described below.

Control. "Control" shall have the same meaning as that set forth in Section 2(a)(9) of the 1940 Act.

Covered Security. "Covered Security" means a security as defined in Section 2(a)(36) of the 1940 Act except that it does not include: (i) direct obligations of the government of the United States; (ii) bankers' acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments including repurchase agreements; and (iii) shares issued by registered open-end investment companies (i.e., mutual funds); however, exchange traded funds structured as unit investment trusts or open-end funds are considered "Covered Securities".

Disinterested Director. "Disinterested Director" means a director of PCC who is not an "interested person" of PCC within the meaning of Section 2(a)(19) of the 1940 Act.

Initial Public Offering. "Initial Public Offering" means an offering of securities registered under the Securities Act of 1933 (the "***Securities Act***"), the issuer of which, immediately before the registration, was not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act.

Limited Offering. "Limited Offering" means an offering that is exempt from registration under the Securities Act pursuant to Section 4(2) or Section 4(6) or pursuant to Rule 504, Rule 505 or Rule 506 under the Securities Act.

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Purchase or Sale of a Covered Security. “Purchase or Sale of a Covered Security” is broad and includes, among other things, the writing of an option to purchase or sell a covered security, or the use of a derivative product to take a position in a Covered Security.

Restricted List. The Restricted List identifies those securities which PCC or its Access Persons may not trade due to some restriction under the securities laws whereby PCC or its Access Persons may be deemed to possess material non-public information (as it is described within the following “Statement on the Prohibition of Insider Trading”) about the issuer of such securities.

Supervised Person. A “Supervised Person” means any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of any entity that provides investment advice on behalf of PCC and is subject to the supervision and control of PCC; provided, however, that the term “Supervised Person” shall not include a “Disinterested Director” (as defined above).

Standards of Conduct

1. No Access Person, Supervised Person or Disinterested Director shall engage, directly or indirectly, in any business transaction or arrangement for personal profit that is not in the best interests of PCC or its shareholders; nor shall he or she make use of any confidential information gained by reason of his or her employment by or affiliation with PCC, or any of its affiliates, in order to derive a personal profit for himself or herself or for any Beneficial Interest, in violation of the fiduciary duty owed to PCC and its shareholders.

2. Any Access Person recommending or authorizing the purchase or sale of a Covered Security by PCC shall, at the time of such recommendation or authorization, disclose any Beneficial Interest in, or Beneficial Ownership of, such Covered Security or the issuer thereof.

3. No Access Person, Supervised Person or Disinterested Director shall dispense any information concerning securities holdings or securities transactions of PCC to anyone outside PCC without obtaining prior written approval from our Chief Compliance Officer, or such person or persons as these individuals may designate to act on their behalf. Notwithstanding the preceding sentence, such Access Person may dispense such information without obtaining prior written approval:

- when there is a public report containing the same information;
- when such information is dispensed in accordance with compliance procedures established to prevent conflicts of interest between PCC and its affiliates;
- when such information is reported to directors of PCC; or
- in the ordinary course of his or her duties on behalf of PCC.

4. All personal securities transactions should be conducted consistent with this CofE and in such manner as to avoid actual or potential conflicts of interest, the appearance of a conflict of interest, or any abuse of an individual’s position of trust and responsibility within PCC.

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Prohibited Transactions

1. **General Prohibition**. No Access Person shall purchase or sell, directly or indirectly, any Covered Security (including any security issued by the issuer of such Covered Security) in which he or she has, or by reason of such transaction acquires, any direct or indirect Beneficial Ownership and which such Access Person knows or should have known at the time of such purchase or sale is being considered for purchase or sale by PCC, or is held in the PCC portfolio unless such Access Person shall have obtained prior written approval for such purpose from our Chief Compliance Officer.

- An Access Person who becomes aware that PCC is considering the purchase or sale of any Covered Security must immediately notify our Chief Compliance Officer of any interest that such Access Person may have in any outstanding Covered Security (including any security issued by the issuer of such Covered Security).

- An Access Person shall similarly notify our Chief Compliance Officer of any other interest or connection that such Access Person might have in or with such issuer.

- Once an Access Person becomes aware that PCC is considering the purchase or sale of a Covered Security in its portfolio, such Access Person may not engage in any transaction in such Covered Security (including any security issued by the issuer of such Covered Security).

- The foregoing notifications or permission may be provided verbally, but should be confirmed in writing as soon and with as much detail as possible.

2. **Securities Appearing on the Portfolio and Pipeline Reports and Restricted List**. The holdings of the PCC portfolio are detailed in the Portfolio Report that will be distributed daily to all Access Persons. Access Persons will also receive, as frequently as necessary, the names of those entities that are being considered for investment by the PCC portfolio in the Pipeline Report. Access Persons are required to review these reports and the Restricted List prior to engaging in any securities transactions.

3. **Initial Public Offerings and Limited Offerings**. Access Persons of PCC must obtain approval from PCC before directly or indirectly acquiring Beneficial Ownership in any securities in an Initial Public Offering or in a Limited Offering.

4. **Securities under Review**. No Access Persons shall execute a securities transaction in any security issued by an entity that PCC owns in its portfolio or is considering for purchase or sale unless such Access Person shall have obtained prior written approval for such purpose from our Chief Compliance Officer.

5. **Trades of PCC Securities**. All Access Persons are prohibited from buying or selling shares issued by PCC except during an open trading window announced by the Chief Compliance Officer. Except with the express written consent of the Chief Compliance Officer, all Access Persons are prohibited from buying or selling options on, or futures or other derivatives related to, shares issued by PCC, and are likewise prohibited from selling short shares of PCC.

6. **Blackout Period**. No Access Person may trade in the securities of any issuer appearing on the Restricted List until notified that the entity name no longer appears on the Restricted List. Access Persons are also prohibited from trading in the names appearing on the Pipeline and Portfolio Reports (as discussed above).

7. **Company Acquisition of Shares in Companies that Access Persons Hold Through Limited Offerings**. Access Persons who have been authorized to acquire securities in a Limited Offering must disclose that investment to our Chief Compliance Officer when they are involved in PCC's subsequent consideration of an investment in the issuer, and PCC's decision to purchase such securities must be independently reviewed by Investment Personnel with no personal interest in that issuer.

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Management of the Restricted List

Our Chief Compliance Officer will manage placing and removing names from the Restricted List. Should an Access Person learn of material non-public information concerning the issuer of any security that information must be provided to our Chief Compliance Officer so that the issuer can be included on the Restricted List. The Chief Compliance Officer will note the nature of the information learned, the time the information was learned and the other persons in possession of this information. The Chief Compliance Officer will maintain this information in a log. Upon the receipt of such information, our Chief Compliance Officer will revise and circulate the Restricted List to all Access Persons.

Any sub-advisers to PCC or the investment advisor, or affiliated investment advisers, will be directed to advise PCC when they have obtained information that causes them to be restricted from trading in the securities of any of the names appearing in the PCC portfolio. This information will be provided to our Chief Compliance Officer who will add the name(s) to the Restricted List and electronically circulate the revised list to Access Persons. Sub-advisors, or affiliated investment advisors, will also be required to notify PCC's Chief Compliance Officer if they are restricted from trading in the securities of any of the issuers discussed with PCC for possible inclusion in the PCC portfolio.

The contents of the Restricted List are highly confidential and must not be disclosed to any person or entity outside of PCC absent approval of our Chief Compliance Officer or the Chairman.

Procedures to Implement the Code of Ethics

The following reporting procedures have been established to assist Access Persons in avoiding a violation of this Code, and to assist PCC in preventing, detecting and imposing sanctions for violations of this Code. Every Access Person must follow these procedures. Questions regarding these procedures should be directed to our Chief Compliance Officer.

All Access Persons are subject to the reporting requirements set forth in the next section except:

- with respect to transactions effected for, and Covered Security (including any security issued by the issuer of such Covered Security) held in, any account over which the Access Person has no direct or indirect influence or control; or

- Those transactions effected pursuant to an Automatic Investment Plan.

Reporting Requirements

PCC shall appoint a Chief Compliance Officer who shall furnish each employee with a copy of this Code along with the other sections of the Code, and any amendments, upon commencement of employment and annually thereafter.

Each Supervised Person is required to certify, through a written acknowledgment, within 10 days of commencement of employment, that he or she has received, read and understands all aspects of the Code and recognizes that he or she is subject to the provisions and principles detailed therein. In addition, our Chief Compliance Officer shall notify each Access Person of his or her obligation to file an initial holdings report, quarterly transaction reports, and annual holdings reports, as described below.

Pre-Clearance Reports

Access Persons of PCC must obtain approval from our Chief Compliance Officer prior to entering into a transaction in a Limited Offering or an Initial Public Offering. Pre-clearance of trades in securities issued by companies whose names appear on the Pipeline and Portfolio Reports is also required of Access Persons. The preclearance form shall include the name of the Access Person, the date, the name of the broker who will execute the transaction, the name of the security, quantity, whether the transaction is a purchase or sale, total anticipated dollar value and any pertinent instructions, i.e., GTC, limit, etc. There will also be a line for approval or disapproval along with space for comments and the date.

If our Chief Compliance Officer does not approve the transaction the reason for denial must be provided on the pre-clearance form.

Initial Holdings Reports

Each Access Person must, no later than 10 days after the person becomes an Access Person, submit to our Chief Compliance Officer or other designated person a report of the Access Person's current securities holdings. The information provided must be current as of a date no more than 45 days prior to the date the person becomes an Access Person. The report must include the following:

- the title and type of the security and, as applicable, the exchange ticker symbol or CUSIP number, the number of shares held for each security, and the principal amount;
- the name of any broker, dealer or bank with which the Access Person maintains an account in which any securities are held for the Access Person's direct or indirect benefit; and
- the date the Access Person submits the report.

Quarterly Transaction Reports

Each Access Person must, no later than 30 days after the end of each calendar quarter, submit to our Chief Compliance Officer or other designated person a report of the Access Person's transactions involving a Covered Security (including any security issued by the issuer of such Covered Security) in which the Access Person had, or as a result of the transaction acquired, any direct or indirect Beneficial Ownership. The report must cover all transactions occurring during the calendar quarter most recently ending. The report must contain the following information:

- the date of the transaction;
- the title and, as applicable, the exchange ticker symbol or CUSIP number, of each reportable security involved, the interest rate and maturity date of each reportable security involved, the number of shares of each reportable security involved, and the principal amount of each reportable security involved;
- the nature of the transaction (i.e., purchase, sale or other type of acquisition or disposition);
- the price of the security at which the transaction was effected;
- the name of the broker, dealer or bank with or through which the transaction was effected; and
- the date the Access Person submits the report.

Adopted: March 13, 2015

Updated as of December 6, 2016

Annual Holdings Reports

Each Access Person must submit, to our Chief Compliance Officer or other designated person, an annual holdings report reflecting holdings as of a date no more than 45 days before the report is submitted. The Annual Holdings Report must be submitted at least once every 12 month period, on a date to be designated by PCC. Our Chief Compliance Officer will notify every Access Person of the date. Each report must include:

- the title and, as applicable, the exchange ticker symbol or CUSIP number, of each reportable security involved, the interest rate and maturity date of each reportable security involved, the number of shares of each reportable security involved, and the principal amount of each reportable security involved;

- the name of any broker, dealer or bank with which the Access Person maintains an account in which any securities are held for the Access Person's direct or indirect benefit; and

- the date the Access Person submits the report.

Annual Certification of Compliance

All Access Person must annually certify, through a written acknowledgment, to the Chief Compliance Officer that (1) they have read, understood and agree to abide by this CofE; (2) they have complied with all applicable requirements of this Code; and (3) they have reported all transactions and holdings that they are required to report under this Code.

STATEMENT ON THE PROHIBITION OF INSIDER TRADING

Failure by you to recognize the importance of safeguarding information and using information appropriately is greatly detrimental both to your future and to PCC's. The information provided below should provide a useful guide about what constitutes insider trading and material inside information.

Summary of PCC's Business Activities

PCC is a publicly traded Business Development Company registered with the U.S. Securities and Exchange Commission and regulated under the Investment Company Act of 1940. PCC offers individual investors access to private debt with a focus on first lien secured loans, second lien secured loans, and, to a lesser extent, subordinated loans or mezzanine debt. Generally, these loans are held with private companies that have not issued any public securities. In rare instances, however, there may be securities available in the marketplace for issuers in which PCC holds a loan position.

It is not expected that in the course of its loan trading activities that PCC will receive access to information that is not already in the public domain. However, certain data sources may make information available to PCC that has not been fully disseminated in the marketplace. If this situation arises and PCC has an opportunity to opt to receive the information, the Access Person that encounters this situation will raise the situation with their supervisors and our Chief Compliance Officer to decide whether to opt to receive the information or decline to receive the information. If the decision is made to receive the information, our Chief Compliance Officer will update the Restricted List as it is discussed in the Code.

In the unlikely event that you come into possession of information that is not publicly available, either through your work with us or outside of the workplace, you will be required to adhere to the Statement on the Prohibition of Insider Trading (the "**Statement**") as described in the following pages. You will also be subject to certain reporting requirements in connection with complying with PCC's Code beginning with the requirement to notify our Chief Compliance Officer.

Adopted: March 13, 2015

Updated as of December 6, 2016

Background

The securities laws and the rules and regulations of the self-regulatory organizations are designed to assure that the securities markets are fair and honest, that material information regarding a company is publicly available, and that a security's price and volume are determined by the free interplay of economic forces. The anti-fraud rules of the federal securities laws prohibit, in connection with the purchase or sale of a security:

- making an untrue statement of a material fact;
- omitting to state a material fact necessary to make the statements made not misleading;
- engaging in acts, practices or courses of business which would be fraudulent or deceptive.

Violation of these provisions is a crime that may result in imprisonment and can have other very serious repercussions for both the Firm and the employee. Violators may be censured by the government or self-regulatory organizations, suspended, barred from the securities business or fined. In addition, violations may result in liability under the Federal Securities Laws, including the Insider Trading Sanctions Act of 1984 ("***ITSA***") and the Insider Trading and Securities Fraud Enforcement Act of 1988 ("***ITSFEA***"). PCC's actions with respect to any violations will be swift and forceful, since it is the victim of any such abuse.

In this connection, a violation of the PCC's policies and procedures regarding confidential information, disclosure and the use of confidential information may result in dismissal, suspension without pay, loss of pay or bonus, loss of severance benefits, demotion or other sanctions, whether or not the violation of Firm policy or procedure also constituted a violation of law. Trading while in possession of or tipping on the basis of non-public information could also result in civil or criminal liability which could lead to imprisonment, fines and/or a requirement of disgorgement of any profits realized, and as a result of the violation, to an injunction prohibiting the violator from being employed in the securities industry. The Firm may initiate or cooperate in proceedings resulting in such penalties.

Policy

No person to whom the Statement applies, including officers, directors or employees of PCC, may trade, either personally or on behalf of others, while in possession of material non-public information, nor may any officer, director or employee communicate material non-public information to others in violation of the law. This conduct is referred to as "insider information". Any questions regarding this policy and procedure should be directed to our Chief Compliance Officer.

While the law concerning insider trading is not rigid, it generally is understood to prohibit:

- trading by an insider, while in possession of material non-public information;
- trading by a non-insider while in possession of material non-public information where the information either was disclosed to the non-insider in violation of an insider's duty to keep it confidential or was misappropriated; or
- communicating material non-public information to others.

The elements of a claim for insider trading and the penalties for unlawful conduct are described below.

Who is an Insider?

The concept of an "insider" is broad. It includes officers, directors and employees of a company. In addition, a person can be a "temporary insider" if he or she enters into a special confidential relationship in the conduct of a company's affairs and as a result is given access to information solely for the company's purposes. A temporary insider can include, by way of example, attorneys, accountants, consultants, bank lending officers and employees of such organizations. According to the Supreme Court, a company must expect the outsider to keep the disclosed nonpublic information confidential and the relationship must at least imply such a duty before the outsider will be considered an insider.

What is Material Information?

Trading on information is not a basis for liability unless the information is material. Information generally is considered "material" if there is a substantial likelihood that a reasonable investor would consider the information important in making an investment decision, or if the information is reasonably certain to have a substantial effect on the price of a company's securities. Information that should be considered material includes, but is not limited to: dividend changes, earnings estimates not previously disseminated, material changes in previously released earnings estimates, significant merger or acquisition proposals or agreements, major litigation, liquidation problems and extraordinary management developments.

Material information does not have to relate to a company's business. For example, Carpenter v. United States 108 S. Ct. 316 (1987), the Supreme Court considered as material certain information about the contents of a forthcoming newspaper column that was expected to affect the market price of a security. In that case, a Wall Street Journal reporter was found criminally liable for disclosing to others the dates that reports on various companies would appear in the Journal and whether or not those reports would be favorable.

Any questions that you may have as to whether information is material must be addressed with our Chief Compliance Officer before acting in any way on such information.

What is Non-public Information?

Information is non-public until it has been effectively communicated to the market place. One must be able to point to some fact to show that the information is public. For example, information found in a report filed with the SEC, or appearing in Reuters, Bloomberg or a Dow Jones publication or in any other publication of general circulation would, generally, be considered public. In certain instances, information disseminated to certain segments of the investment community may be deemed "public". For example, research communicated through institutional information dissemination services such as First Call. The amount of time since the information was first disseminated ordinarily is a factor regarding whether information is considered public.

Bases for Liability

Described below are circumstances under which a person or entity may be deemed to have traded on inside information, and prohibitions applicable, in particular to investment advisors.

1. Fiduciary Duty Theory. In 1980 the Supreme Court found that there is no general duty to disclose before trading on material non-public information, but that such a duty arises where there is a fiduciary relationship between the parties to the transaction. In such case, one party as a right to expect that the other party will not disclose any material non-public information and will refrain from trading. Chiarella v. U.S. 445 U.S. 22 (1980).

Insiders such as employees of an issuer are ordinarily considered to have a fiduciary duty to the issuer and its shareholders. In Dirks v. SEC, 463 U.S. 646 (1983), the Supreme Court stated alternative theories by which such fiduciary duties are imposed on non-insiders: they can enter into a confidential relationship with the company such as, among others, attorneys and accountants ("***temporary insiders***") or they can acquire a fiduciary duty to the company's shareholders as "tippees" if they are aware or should have been aware that they have been given confidential information by an insider or temporary insider who has violated his fiduciary duty to the company's shareholders.

Adopted: March 13, 2015

Updated as of December 6, 2016

In the "tippee" situation, a breach of duty occurs only if the insider or temporary insider personally benefits, directly or indirectly, from the disclosure. The benefit does not have to be of a financial nature, but can be a gift, a reputational benefit that will translate into future earnings, or even evidence of a relationship that suggests a quid pro quo.

2. Misappropriation Theory. Another basis for insider trading liability is the "misappropriation" theory, where liability is established when trading occurs on material non-public information that was stolen or misappropriated from another person. In Carpenter v. United States, the Court found that a columnist defrauded The Wall Street Journal by communicating information prior to its publication to another person who used the information to trade in the securities markets. It should be noted that the misappropriation theory can be used to reach a variety of individuals not previously thought to be encompassed under the fiduciary duty theory.

Penalties for Insider Trading

Penalties for trading on or communicating material non-public information are severe, both for individuals involved in such conduct and their employers. A person can be subject to some or all of the penalties below even if he or she does not personally benefit from the violation. Penalties include the following:

- jail sentences;
- civil injunction;
- treble damages;
- disgorgement of profits;
- fines for the person who committed the violation of up to three times the profit gained or loss avoided, whether or not the person actually benefited; and
- fines for the employer or other controlling person of up to the greater of $1,000,000 or three times the amount of the profit gained or loss avoided.

Controlling the Flow of Sensitive Information

The following procedures have been established to assist the officers, directors and employees of PCC in controlling the flow of sensitive information so as to avoid the possibility of trading on material non-public information either on behalf of PCC or for themselves and to assist PCC and its supervisory personnel in surveilling for, and otherwise preventing and detecting, insider trading. Every officer, director and employee of PCC must follow these procedures or risk serious sanctions by one or more regulatory authorities and/or PCC, including dismissal, substantial personal liability and criminal penalties. If you have any questions about these procedures, you should consult our Chief Compliance Officer.

Adopted: March 13, 2015

Updated as of December 6, 2016

1. Identifying Inside Information. Before trading for yourself or others in the securities of a company about which you have what you believe to be inside information, ask yourself the following questions:

- Is the information non-public? To whom has this information been provided? Has the information been effectively communicated to the marketplace? To what extent, for how long, and by what means has the information been disseminated? If information is non-public, it normally may not be used in connection with effecting securities transactions; however, if you have any doubts whatsoever as to whether the information is public, you must ask our Chief Compliance Officer prior to trading on, or communicating (except in accordance with the procedures and requirements herein) such information.

- Is the information material? Is this information that an investor would consider important in making his or her investment decision? Is this information that would substantially affect the market price of the securities if generally disclosed?

If, after consideration of the above, you believe that the information may be material and non-public, or if you have questions in that regard, you should take the following steps:

- Report the matter immediately to our Chief Compliance Officer.

- Do not purchase or sell the securities on behalf of yourself or others.

- Do not communicate the information inside or outside of PCC, other than to our Chief Compliance Officer.

- After our Chief Compliance Officer has reviewed the issue, you will be instructed to continue the prohibitions against trading and communication, or you will be allowed to communicate the information and then trade.

2. Restricting Access to Material Non-public Information. Information in your possession that you identify as material and non-public may not be communicated to anyone, except as provided in paragraph 1 above. In addition, care should be taken so that such information is secure. For example, files containing material nonpublic information should be sealed; access to computer files containing material non-public information should be restricted.

3. Personal Security Trading. All officers, directors and employees must trade in accordance with the provisions of the CofE as well as the Statement in order to assist PCC with monitoring for violations of the law.

4. Restricted List. As defined in the Code, PCC's Chief Compliance Officer will maintain a Restricted List. Disclosure outside of PCC as to what issuers and/or securities are on the Restricted List could therefore constitute tipping and is strictly prohibited.

5. Supervision/Investigation. Should our Chief Compliance Officer learn, through regular review of personal trading documents, or from some other source, that a violation of this Code is suspected, our Chief Compliance Officer shall alert the Chairman of PCC. Together these parties will determine who should conduct further investigation, if they determine one is necessary.

ADMINISTRATION OF THE CODE

Our Chief Compliance Officer has overall responsibility for administering the Code and reporting on the administration of and compliance with the Code and related matters to our Board of Directors.

Our Chief Compliance Officer shall review all reports to determine whether any transactions recorded therein constitute violations of the Code. Before making any determination that a violation has been committed by person subject to the Code, such person shall be given an opportunity to supply additional explanatory material. Our Chief Compliance Officer shall maintain copies of the reports as required by Rule 17j-1(f) under the 1940 Act.

Adopted: March 13, 2015

Updated as of December 6, 2016

No less frequently than annually our Chief Compliance Officer must furnish to the Board, and the Board must consider, a written report that describes any issues arising under the Code or its procedures since the last report to the Board, including but not limited to, information about material violations of the Code or its procedures and any sanctions imposed in response to material violations. This report should also certify that PCC has adopted procedures reasonably designed to prevent persons subject to the Code from violating the Code.

SANCTIONS FOR CODE VIOLATIONS

All violations of the Code will result in appropriate corrective action, up to and including dismissal. If the violation involves potentially criminal activity, the individual or individuals in question will be reported, as warranted, to the appropriate authorities.

APPLICATION/WAIVERS

All the directors, officers and employees of PCC and its investment adviser are subject to this Code.

Insofar as other policies or procedures of PCC or its investment adviser govern or purport to govern the behavior or activities of all persons who are subject to this Code, they are superseded by this Code to the extent that they overlap or conflict with the provisions of this Code.

Any amendment or waiver of the Code for an executive officer or member of our Board of Directors must be made by our Board of Directors and disclosed on a Form 8-K filed with the Securities and Exchange Commission within four business days following such amendment or waiver.

RECORDS

PCC shall maintain records with respect to this Code in the manner and to the extent set forth below, which records may be maintained on microfilm or electronic storage media under the conditions described in Rule 31a-2(f) under the 1940 Act and shall be available for examination by representatives of the Securities and Exchange Commission (the "***SEC***"):

1. A copy of this Code and any other code of ethics of PCC that is, or at any time within the past five years has been, in effect shall be maintained in an easily accessible place;

2. A record of any violation of this Code and of any action taken as a result of such violation shall be maintained in an easily accessible place for a period of not less than five years following the end of the fiscal year in which the violation occurs;

3. A copy of each report made by an Access Person or duplicate account statement received pursuant to the Code, shall be maintained for a period of not less than five years from the end of the fiscal year in which it is made or the information is provided, the first two years in an easily accessible place;

4. A record of all persons who are, or within the past five years have been, required to make reports pursuant to this Code, or who are or were responsible for reviewing these reports, shall be maintained in an easily accessible place;

5. A copy of each report made to our Board of Directors shall be maintained for at least give years after the end of the fiscal year in which it is made, the first two years in an easily accessible place; and

6. A record of any decision, and the reasons supporting the decision, to approve the direct or indirect acquisition by an Access Person of Beneficial Ownership in any securities in an Initial Public Offering or a Limited Offering shall be maintained for at least five years after the end of the fiscal year in which the approval is granted.

REVISIONS AND AMENDMENTS

This Code may be revised, changed or amended at any time by our Board of Directors. Following any material revisions or updates, an updated version of this Code will be distributed to you, and will supersede the prior version of this Code effective upon distribution. We may ask you to sign an acknowledgement confirming that you have read and understood the revised version of the Code, and that you agree to comply with the provisions.

Adopted: March 13, 2015

Updated as of December 6, 2016

APPENDIX A

Princeton Capital Corporation
or
Princeton Advisory Group, Inc.
(collectively, the "Company")

Acknowledgment Regarding
Code of Business Conduct, Ethics and Statement on the Prohibition of Insider Trading

This acknowledgment is to be signed and returned to our Chief Compliance Officer and will be retained as part of your permanent personnel file

I have received a copy of the Company's Code of Business Conduct, Ethics and Statement on the Prohibition of Insider Trading (the "Code"), read it, and understand that the Code contains the expectations of the Company regarding employee conduct, ethical behavior and the prohibition of trading on insider information. I agree to observe the policies and procedures contained in the Code and have been advised that, if I have any questions or concerns relating to such policies or procedures, I understand that I have an obligation to report to the Audit Committee, the Chief Compliance Officer or other such designated officer, any suspected violations of the Code of which I am aware. I also understand that the Code is issued for informational purposes and that it is not intended to create, nor does it represent, a contract of employment.

____
Employee's Name (Printed)

____
Employee's Signature

____
Date

The failure to read and/or sign this acknowledgment in no way relieves you of your responsibility to comply with the Company's Code of Business Conduct, Ethics and Statement on the Prohibition of Insider Trading.

Adopted: March 13, 2015

Updated as of December 6, 2016

APPENDIX B

Princeton Capital Corporation
or
Princeton Advisory Group, Inc.
(collectively, the "Company")

PRE-CLEARANCE FORM

Use this form to request pre-clearance of a transaction to purchase a Limited Offering, Initial Public Offering or to purchase or sell a security issued by an issuer appearing on the Portfolio or Pipeline Reports. Please submit this form, together with a copy of the Limited Offering documentation to the Chief Compliance Officer at least five (5) business days before the planned investment.

Employee Name: **Date:**

Issuer/Investment Name:

Terms of Purchase (price, purchaser - individual, joint, entity, etc.):

Proposed Transaction Date:

How did you learn about this opportunity?

Related to a Portfolio or Pipeline security?

Approved: **Date:**

Not Approved: **Date:**

Comments:

Adopted: March 13, 2015

Updated as of December 6, 2016

APPENDIX C

Princeton Capital Corporation
or
Princeton Advisory Group, Inc.
(collectively, the "Company")

INITIAL HOLDINGS REPORT
As of

To: Chief Compliance Officer

A. Securities Holdings. I have listed below (or attached hereto a listing) all of my Securities Holdings held by me or Beneficial Owners as defined by the Company's Code of Ethics.

Title of Security	CUSIP Number	Interest Rate and Maturity Date (If Applicable)	Date of Transaction	Number of Shares or Principal Amount	Dollar Amount of Transaction	Nature of Transaction (Purchase, Sale, Other)	Price	Broker/Dealer or Bank Through Whom Effected

B. Brokerage Accounts. I, or a Beneficial Owner, have established the following accounts in which securities for my direct or indirect benefit:

Name of Broker, Dealer or Bank

1.
2.
3.

Date: _____________

Signature: ____________________

Print Name: ____________________

Adopted: March 13, 2015

Updated as of December 6, 2016

APPENDIX D

Princeton Capital Corporation
or
Princeton Advisory Group, Inc. (collectively, the "Company")

QUARTERLY TRANSACTION REPORT

For the Calendar _____ Quarter Ended:

To: Chief Compliance Officer

A. Securities Transactions. During the quarter referred to above, the following transactions were effected in securities of which I had, or by reason of such transactions acquired, direct or indirect beneficial ownership, and which are required to be reported pursuant to the Code of Ethics of the Company:

Title of Security	CUSIP Number	Interest Rate and Maturity Date (If Applicable)	Date of Transaction	Number of Shares or Principal Amount	Dollar Amount of Transaction	Nature of Transaction (Purchase, Sale, Other)	Price	Broker/Dealer or Bank Through Whom Effected

B. New Brokerage Accounts. During the quarter referred to above, I established the following accounts in which securities were held during the quarter for my direct or indirect benefit:

Name of Broker, Dealer or Bank	Date Account Was Established

C. Other Matters. This report (i) excludes transactions with respect to which I had no direct or indirect influence or control, (ii) excludes other transactions not required to be reported, and (iii) is not an admission that I have or had any direct or indirect beneficial ownership in the securities listed above.

Date: _____________

Signature: ______________________________

Print Name: ______________________________

Adopted: March 13, 2015

Updated as of December 6, 2016

APPENDIX E

Princeton Capital Corporation
or
Princeton Advisory Group, Inc. (collectively, the "Company")

ANNUAL HOLDINGS REPORT
As of December 31, 20_

To: Chief Compliance Officer

As of December 31, 20__, I had direct or beneficial ownership interest in the securities listed below which are required to be reported pursuant to Rule 17j-1 under the Investment Company Act of 1940:

A. Securities Holdings. I have listed below (or attached hereto a listing) all of my Securities Holdings held by me or Beneficial Owners as defined by the Company's Code of Ethics.

Title of Security	CUSIP Number	Number of Shares or Principal Amount

B. As of December 31, 20__, I maintained accounts with brokers, dealers, and banks listed below in which securities were held for my direct or indirect benefit:

Brokerage Accounts. I , or a Beneficial Owner, have established the following accounts in which securities for my direct or indirect benefit:

	Name of Broker, Dealer or Bank	Date Account Was Established *
1.		
2.		
3.		

This report (i) excludes securities and accounts over which I had no direct or indirect influence or control;(ii) excludes securities not required to be reported (for example, direct obligations of the U.S. Government, shares of registered investment companies etc.); and (iii) is not an admission that I have or had any direct or indirect beneficial ownership in the securities accounts listed above.

Date: _____________ Signature: ____________________________

Print Name:____________________________

***Note: If account was established before 20__, you can state that it was established before 20__**

Adopted: March 13, 2015

Updated as of December 6, 2016

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 Annual Report on Form 10-K 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: December 14, 2016

/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 Annual Report on Form 10-K 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: December 14, 2016

/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 Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Annual 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 Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 14, 2016

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

Date: December 14, 2016

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

Rockfish Seafood Grill, Inc.

Independent Auditor's Report and Consolidated Financial Statements

December 30, 2015 and December 24, 2014

BKD LLP
CPAs & Advisors

Rockfish Seafood Grill, Inc.
December 30, 2015 and December 24, 2014

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BKD LLP
CPAs & Advisors

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972.702.8262 // fax 972.702.0673 // bkd.com

Independent Auditor's Report

Board of Directors
Rockfish Seafood Grill, Inc.
Richardson, Texas

We have audited the accompanying consolidated financial statements of Rockfish Seafood Grill, Inc. and its subsidiary (Company), which comprise the consolidated balance sheets as of December 30, 2015 and December 24, 2014, and the related consolidated statements of operations, changes in stockholder's deficit and cash flows for the year ended December 30, 2015 and the eighteen month period ended December 24, 2014, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Rockfish Seafood Grill, Inc. and its subsidiary as of December 30, 2015 and December 24, 2014, and the results of their operations and their cash flows for the year ended December 30, 2015 and the eighteen month period ended December 24, 2014, in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

Dallas, Texas
September 13, 2016

Rockfish Seafood Grill, Inc.
Consolidated Balance Sheets

	December 30, 2015	December 24, 2014
Assets		
Current Assets		
Cash	$ —	$ 203,469
Inventories	163,521	172,113
Prepaid expenses and other current assets	376,255	77,538
Total current assets	539,776	453,120
Property and Equipment, Net	3,854,875	3,240,880
Other Assets		
Intangibles, net	673,750	821,250
Loan costs, net	17,058	34,612
Total other assets	690,808	855,862
Total assets	$ 5,085,459	$ 4,549,862
Liabilities and Stockholder's Deficit		
Current Liabilities		
Bank overdraft	$ 132,209	$ —
Related party debt	1,051,000	567,686
Accounts payable	1,841,329	1,582,108
Accrued expenses	781,955	971,050
Related party accrued interest	131,814	3,408,582
Deferred revenue	25,112	25,297
Total current liabilities	3,963,419	6,554,723
Long-term Liabilities		
Related party debt	6,164,534	5,950,000
Deferred rent	517,666	338,316
Total long-term liabilities	6,682,200	6,288,316
Total liabilities	10,645,619	12,843,039
Stockholder's Deficit		
Common stock, $.001 par value; 1,000,000 shares authorized; 1,000 shares issued and outstanding	1	1
Additional paid-in capital	9,029,237	4,712,313
Accumulated deficit	(14,589,398)	(13,005,491)
Total stockholder's deficit	(5,560,160)	(8,293,177)
Total liabilities and stockholder's deficit	$ 5,085,459	$ 4,549,862

See Notes to Consolidated Financial Statements

Rockfish Seafood Grill, Inc.
Consolidated Statements of Operations

	Year Ended December 30, 2015	Eighteen Months Ended December 24, 2014
Restaurant Revenue	$ 21,367,068	$ 31,598,643
Cost of Revenues	7,100,410	10,631,162
Gross profit	14,266,658	20,967,481
Operating Costs and Expenses		
Restaurant expenses	12,453,887	18,779,973
Depreciation and amortization of property and equipment and intangibles	759,704	1,044,830
Impairment loss	—	244,817
General and administrative	1,741,870	2,859,664
Total operating costs and expenses	14,955,461	22,929,284
Operating Loss	(688,803)	(1,961,803)
Gain on Forgiveness of Debt	—	4,369,774
Interest Expense		
Third party interest expense	—	190,653
Related party	863,104	1,060,964
Other	—	45,806
Provision for State Income Taxes	32,000	46,063
Net Income (Loss)	$ (1,583,907)	$ 1,064,485

See Notes to Consolidated Financial Statements

Rockfish Seafood Grill, Inc.
Consolidated Statements of Changes in Stockholder's Deficit
Year Ended December 30, 2015 and the Eighteen Months Ended December 24, 2014

	Common Stock		Additional Paid-in	Accumulated	
	Shares	Amount	Capital	Deficit	Total
Balance, June 26, 2013	1,000	$ 1	$ 3,779,999	$ (14,069,976)	$ (10,289,976)
Net income	—	—	—	1,064,485	1,064,485
Cash capital contribution from ultimate parent	—	—	932,314	—	932,314
Balance, December 24, 2014	1,000	1	4,712,313	(13,005,491)	(8,293,177)
Net loss	—	—	—	(1,583,907)	(1,583,907)
Debt and accrued interest forgiven by ultimate parent recorded as capital contributions	—	—	4,316,924	—	4,316,924
Balance, December 30, 2015	1,000	$ 1	$ 9,029,237	$ (14,589,398)	$ (5,560,160)

See Notes to Consolidated Financial Statements

Rockfish Seafood Grill, Inc.
Consolidated Statements of Cash Flows

	Year Ended December 30, 2015	Eighteen Months Ended December 24, 2014
Operating Activities		
Net income (loss)	$ (1,583,907)	$ 1,064,485
Items not requiring (providing) cash		
Depreciation and amortization of property and equipment and intangibles	759,704	1,044,830
Forgiveness of long-term debt	—	(4,369,774)
Impairment loss	—	244,817
Noncash interest expense	34,612	117,250
Paid in kind interest on related party debt	214,534	—
Changes in		
Inventories	8,592	3,771
Prepaid expenses and other current assets	(298,717)	(24,572)
Accounts payable	259,221	798,167
Accrued expenses	(189,095)	256,704
Deferred revenue	(185)	(134,281)
Deferred rent	179,350	(30,852)
Related party accrued interest	455,412	1,060,963
Net cash provided by (used in) operating activities	(160,479)	31,508
Investing Activities		
Purchase of property and equipment	(1,226,199)	(1,146,592)
Net cash used in investing activities	(1,226,199)	(1,146,592)
Financing Activities		
Bank overdraft	132,209	—
Capital contribution from ultimate parent	—	932,314
Principal payments on long-term debt	—	(1,240,719)
Proceeds from issuance of related party debt	1,051,000	2,400,000
Principal payments on related party debt	—	(1,082,314)
Net cash provided by financing activities	1,183,209	1,009,281
Decrease in Cash	(203,469)	(105,803)
Cash, Beginning of Period	203,469	309,272
Cash, End of Period	$ —	$ 203,469
Noncash Financing Activities		
Related party debt and accrued interest forgiven and recorded as capital contributions	$ 4,316,924	$ —
Leasehold improvements paid for by lessor	$ —	$ 153,475
Supplemental Cash Flows Information		
Interest paid	$ 154,232	$ 89,074
State income taxes paid	$ 30,063	$ 38,205

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Rockfish Seafood Grill, Inc. is a Delaware Corporation formed on June 18, 2008, for the purpose of acquiring the net assets of Rockfish Seafood Grill, LLC on July 28, 2008. The Company currently operates 12 restaurants in Texas under the name Rockfish Seafood Grill. The Company is 100% owned by Rockfish Holdings, LLC (Parent). Rockfish Seafood Grill, Inc. owns 100% of a subsidiary, Rockfish Beverage Corporation, Inc. (collectively, the Company). The consolidated financial statements include the accounts of Rockfish Seafood Grill, Inc. and its 100% owned subsidiary. All significant intercompany accounts and transactions have been eliminated upon consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include, but are not limited to the assessment of recoverability of property and equipment and intangible assets.

Fiscal Year

The Company reports on a 52/53 week period. The year ended December 30, 2015, consisted of 53 weeks and the eighteen months ended December 24, 2014, consisted of 79 weeks. The Company changed year end from the 52/53 week period ending in June to December and therefore, the period ended December 24, 2014, includes approximately 18 months.

Cash and Cash Equivalents

The Company considers all liquid investments with original maturities of three months or less and credit card clearing accounts to be cash equivalents.

Inventory

Inventories consist of food, beverages and alcohol, and are stated at the lower of cost or market using the first-in, first-out method.

Property and Equipment

Property and equipment are stated at the fair value established at the date the Company acquired the assets in a business combination or cost, less accumulated depreciation and amortization. Depreciation and amortization is charged to expense on the straight-line basis over the estimated useful life of each asset. Leasehold improvements are amortized over the shorter of the expected lease term or their respective estimated useful lives. The estimated lease term is based on the likely period of the leasing arrangement including renewal periods. The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Leasehold improvements	11-15 years
Restaurant equipment	5-10 years
Furniture, fixtures and computer equipment	3-7 years

Intangible Assets

Effective June 28, 2012, the beginning of fiscal 2013, the Company began amortizing the tradename and recipes on a straight-line basis over their respective estimated remaining useful lives. The Company assigned a 10-year life for the tradename and a five-year life for the recipes. During the year ended December 30, 2015 and the eighteen months ended December 24, 2014, because of operating performance indicators, the Company determined that impairment indicators did exist and performed an impairment test for its tradename and recipes. That analysis includes estimates such as projected revenues (Level 3 input), royalty rates and discount rates. Management concluded that these assets were not impaired. Level 3 inputs are unobservable inputs supported by little or no market activity and are significant inputs to the fair value determination of assets or liabilities.

Long-lived Assets Impairment

The Company evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. The Company does not perform a periodic assessment of assets for impairment in the absence of such information or indicators. Conditions that would necessitate an impairment include a significant decline in the observable market value of an asset, a significant change in the extent or manner in which an asset is used, or a significant adverse change that would indicate that the carrying amount of an asset or group of assets is not recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

During the year ended December 30, 2015 and the eighteen months ended December 24, 2014, the Company determined that impairment indicators for certain restaurant locations indicated that the carrying value of certain leasehold improvements, equipment and furniture and fixtures may not be recoverable. The impairment indicators resulted from poor operating performance at these locations. Impairment charges of approximately $0 and $244,817 were recorded during the year ended December 30, 2015 and the eighteen months ended December 24, 2014, respectively. Fair value was determined using projected cash flows of the respective discrete locations cash flows which are considered to be Level 3 fair value inputs. Level 3 inputs are unobservable inputs supported by little or no market activity and are significant inputs to the fair value determination of assets or liabilities. The impairment losses have been recorded in the accompanying consolidated statements of operations.

Loan Costs

Loan costs are amortized to interest expense on a straight-line basis, which approximates the interest method, over the term of the underlying debt. Amortization of loan costs totaled approximately $18,000 and $46,000 for the year ended December 30, 2015 and the eighteen months ended December 24, 2014, respectively.

As discussed in *Note 5*, during the eighteen-month period ended December 24, 2014, a portion of the Company's debt was forgiven by the third party lender. The related unamortized loan costs were written off as a result of the forgiveness.

Deferred Rent

Certain of the Company's operating leases contain predetermined fixed increases of the minimum rental rate during the lease term. For these leases, the Company recognizes rent expense on a straight-line basis over the minimum lease term plus expected renewals and records the difference between the amounts charged to expense and the rent paid as deferred rent. Any lease incentives or allowances are recorded as deferred rent and amortized on a straight-line basis over the expected life of the lease as a reduction in rent expense.

Revenue Recognition

Revenue from the sale of food, beverage and alcohol is recognized as the products are sold. Proceeds from the sale of gift cards are recorded as deferred revenue. The Company also records into revenue an estimate of gift cards that are not expected to be redeemed based on historical redemption patterns. Promotions and comps, totaling approximately $973,000 and $1,297,000 for the year ended December 30, 2015 and the eighteen months ended December 24, 2014, respectively, are recorded as a reduction to revenues.

During the eighteen months ended December 24, 2014, the Company changed the accounting method by which it recognized deferred revenue and gift card breakage. Prior to 2014, the Company recorded all unredeemed gift cards as deferred revenue. During 2014, the Company elected to report deferred revenue for gift cards that it estimates are likely to be redeemed. This resulted in an increase in revenues and reduced the net loss during 2014 by approximately $240,000.

Income Taxes

The Company accounts for income taxes in accordance with income tax accounting guidance (ASC 740, *Income Taxes*). The income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. The Company determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax bases of assets and liabilities, and enacted changes in tax rates and laws are recognized in the period in which they occur.

Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are recognized if it is more-likely-than-not, based on the technical merits, that the tax position will be realized or sustained upon examination. The term more-likely-than-not means a likelihood of more than 50%; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-likely-than-not recognition threshold considers the facts, circumstances and information available at the reporting date and is subject to the management's judgment. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more-likely-than-not that some portion or all of a deferred tax asset will not be realized. The Company recognizes interest and penalties on income taxes as a component of income tax expense.

Taxes Collected from Customers and Remitted to Governmental Authorities

Taxes collected from customers and remitted to governmental authorities are presented in the accompanying consolidated statements of operations on a net basis and accordingly, are not included in revenues.

Advertising

The Company expenses advertising costs as incurred. Advertising expense for the year ended December 30, 2015 and the eighteen months ended December 24, 2014, totaled approximately $166,000 and $194,000, respectively, and is included in restaurant expenses in the accompanying consolidated statements of operations.

Pre-opening Expenses

Salaries, personnel training costs and other expenses of opening new restaurants are charged to expense as incurred.

Note 2: Liquidity Matters and Management's Plans

The Company incurred a net loss of $1,584,000 and used cash in operations of $160,000 during the year ended December 30, 2015. At December 30, 2015, the Company had a working capital deficiency of approximately $3,400,000.

During fiscal 2014, the Company negotiated a full settlement of debt with its senior lender (see *Note 5*. In connection with the settlement, the Company paid approximately $900,000 to its senior lender, which was funded by Capital Point Partners, L.P. (Capital Point) (the prior majority member of Company's parent) and the balance of approximately $4,124,000, plus accrued interest of $246,000 was forgiven. In March 2015, the Company restated their related party notes with Capital Point to increase the face value of the note to $6,517,686, to remove the financial covenants under the agreement and to extend the maturity date of the note to March 31, 2018. During March 2015, Capital Point's membership interest in Rockfish Holdings, LLC was acquired by Princeton Capital Corporation (Princeton), with Princeton becoming the majority owner. In June 2015, the Company restated their related party note with Princeton to reduce the face value of the note to $5,950,000 and amend the interest rate to be 14% payable quarterly with the ability of the Company to pay in kind up to 6% of the interest payments. Additionally, in June 2015, the Company also entered into a revolving promissory note with Princeton in the amount of $1,250,000. The note bears interest at 8% and matured June 29, 2016. The Company recorded the debt forgiveness as a contribution to capital of approximately $4,317,000 during the year ended December 30, 2015.

To address operating performance among other steps, management has closed certain poorly performing stores and opened two new locations in September 2014 and November 2015. These changes are expected to positively impact EBITDA during the next 12 months. The Company's ability to service its debt and other obligations as they come due is dependent on continuing to improve its performance, the continued willingness of its majority owner, Princeton, to not require repayments of debt or accrued interest, the continued financial support to provide the necessary funding to support operating cash flow needs and is dependent on improved performance of the stores. Rockfish received a written commitment from Princeton to fund operating cash flow needs through December 31, 2017. Additionally, Princeton is in the process of extending the due date on the revolving promissory note.

Note 3: Property and Equipment

Property and equipment consists of the following:

	December 30, 2015	December 24, 2014
Leasehold improvements	$ 6,572,693	$ 5,527,807
Construction in process	—	129,561
Furniture, fixtures and computer equipment	665,885	617,647
Restaurant equipment	1,682,384	1,433,022
Total	8,920,962	7,708,037
Less accumulated depreciation	(5,066,087)	(4,467,157)
Property and equipment, net	$ 3,854,875	$ 3,240,880

Depreciation and amortization expense of property and equipment for the year ended December 30, 2015 and the eighteen months ended December 24, 2014, totaled $612,204 and $833,580, respectively.

Note 4: Intangible Assets

The carrying basis and accumulated amortization of recognized intangible assets were as follows:

	December 30, 2015		
	Gross	Accumulated Amortization	Net
Amortized intangible assets			
Tradename	$ 895,000	$ (309,750)	$ 585,250
Recipes	295,000	(206,500)	88,500
Intangible assets	$ 1,190,000	$ (516,250)	$ 673,750

	December 24, 2014		
	Gross	Accumulated Amortization	Net
Amortized intangible assets			
Tradename	$ 895,000	$ (221,250)	$ 673,750
Recipes	295,000	(147,500)	147,500
Intangible assets	$ 1,190,000	$ (368,750)	$ 821,250

Amortization expense for the year ended December 30, 2015 and the eighteen months ended December 24, 2014, was $147,500, and $211,250, respectively. At December 30, 2015 and the weighted-average remaining amortization period was 5.85.

Estimated future amortization of intangible assets are as follows for the years ending after December 30, 2015:

2016	$	147,500
2017		118,000
2018		88,500
2019		88,500
2020		88,500
Thereafter		142,750
	$	673,750

Note 5: Long-term Debt

On June 11, 2014, the Company negotiated a full settlement of debt with its senior lender. In connection with the settlement the Company paid approximately $900,000 (which was funded by Capital Point) and the balance of approximately $4,124,000 and accrued interest of $246,000 was forgiven. The forgiveness of debt and accrued interest has been recorded in the accompanying consolidated statement of operations for the eighteen months ended December 30, 2014.

Note 6: Related Party Debt and Accrued Interest

During July 2008, the Company entered into a senior promissory note with Capital Point bearing interest at 13% payable quarterly with all principal and interest due in July 2015; secured by all assets of the Company; subordinate to all debt with commercial bank. During the eighteen-month period ended December 24, 2014, Capital Point advanced another $900,000 under this senior promissory note increasing the principal balance due under the note to $5,950,000. Additional unsecured bridge loans of $1,500,000 were made during the eighteen-month period ended December 24, 2014, resulting in total aggregate unsecured advances of $1,650,000 through December 24, 2014. During 2014, the Company also received approximately $932,000 in cash equity contributions from Capital Point and this amount was used to pay down the unsecured bridge loans and together with an additional payment of $150,000 resulted in an amount due under the unsecured advances of $567,686 at December 24, 2014. These amounts were due currently and do not bear interest. At December 24, 2014, accrued interest due to Capital Point totaled approximately $3,409,000.

In March 2015, Capital Point's membership interest in Rockfish Holdings, LLC and related party note were acquired by Princeton Capital Corporation (Princeton), with Princeton becoming the majority owner.

In March 2015, the Company restated their related party note and note agreement with Capital Point to increase the face value of the note to combine the $5,950,000 senior note balance and $567,686 unsecured advances into a $6,517,686 note payable and to remove the financial covenants under the agreement and to extend the maturity date of the note to March 31, 2018. In June 2015, the Company restated their related party note with Princeton to reduce the face value of the note to $5,950,000 and amend the interest rate to be 14% payable quarterly with the ability of the Company to pay in kind up to 6% of the interest payments.

In connection with this agreement, Princeton converted $567,686 of debt, and all outstanding accrued interest of $3,749,238 to equity. This resulted in a total contribution to equity of $4,316,924. Additionally, in June 2015, the Company also entered into a revolving promissory note with Princeton in the amount of $1,250,000. The note bears interest at 8% and matures June 29, 2016.

At December 30, 2015, the remaining outstanding debt with Princeton consists of a $5,950,000 senior secured promissory note plus accrued paid in kind interest of $214,534 rolled into this note balance due in March 2018, and a senior revolving note with a balance of $1,051,000 due in June 2016. Princeton is in the process of extending the due date of the revolving note payable. At December 30, 2015, accrued interest due to Princeton totaled approximately $132,000.

Note 7: Stock Options

The Company issued stock options to two executive members of management during the year ended June 26, 2013. The stock options vest over a period of 10 years and expire if unexercised after 10 years. The options have accelerated vesting provisions if certain financial performance measures are met or a change of control event occurs. During the year ended December 30, 2015, 103.8961 options were canceled. At December 30, 2015, there were 194.8052 options outstanding all of which had vested. At December 24, 2014, there were 298.7013 options outstanding, none of which were vested. The value of these options at the grant date was determined to be insignificant.

Note 8: Related Party Transactions

The Company has a management agreement with Princeton (formerly Capital Point). The Management Agreement provided for semi-annual payments of $125,000 payable in advance. The agreement was terminated during the year ended December 30, 2015. During the year ended December 30, 2015 and the eighteen months ended December 24, 2014, the Company incurred management fees of $0 and $375,000, respectively.

Note 9: Operating Leases

The Company leases restaurant facilities and office space under operating leases having terms expiring at various dates through September 2024. Generally, the restaurant leases have renewal clauses to extend the terms of the various leases for periods ranging from 5-20 years at the option of the Company. Certain restaurant leases contain provisions for contingent rent based upon a percentage of gross sales, as defined in the lease agreements. Rent expense for the years ended December 30, 2015 and December 24, 2014, was approximately $1,495,000 and $2,310,000, respectively. No contingent rental amounts were incurred during the year ended December 30, 2015, and eighteen months ended December 24, 2014.

Future minimum lease payments at December 30, 2015, were as follows:

2016	$	1,346,172
2017		963,818
2018		393,592
2019		308,413
Thereafter		1,777,481
	$	4,789,476

Note 10: Income Taxes

The Company files income tax returns in the U.S. federal jurisdiction and two state jurisdictions. Deferred taxes are provided for the temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities. The temporary differences that give rise to the Company's deferred tax assets and liabilities at December 30, 2015 and December 31, 2014, are as follows:

		2015		2014
Current deferred tax asset (liability)				
Accrued expenses	$	26,900	$	9,300
Deferred rent		176,000		115,200
Other		22,400		44,500
Valuation allowance		(225,300)		(169,000)
Total current deferred tax asset	$	—	$	—
Long-term deferred tax asset (liability)				
Property and equipment	$	124,600	$	645,700
Related party interest		117,700		1,158,900
Intangibles		589,000		639,500
Net operating loss carryforward		1,917,700		1,747,400
Valuation allowance		(2,749,000)		(4,191,500)
Total long-term deferred tax asset	$	—	$	—

Differences between statutory income tax rates and the Company's effective income tax rate for the year ended December 30, 2015 and the eighteen-month period ended December 24, 2014, were primarily caused by the increase in the valuation allowance, which at December 30, 2015 and December 24, 2014, totaled approximately $2,974,300 and $4,361,000, respectively, amounts not deductible for income tax purposes and other adjustments. The valuation allowance decreased by approximately $1,386,000 from December 24, 2014 to December 30, 2015, and decreased by approximately $376,000 from the prior fiscal year end to December 24, 2014. The Company has a federal net operating loss carryforward of approximately $5,600,000 at December 30, 2015, that begins to expire in 2029. The net operating loss carryforward may be limited because of ownership changes as defined in Section 382 of the Internal Revenue Code.

Note 11: Accrued Expenses

Accrued expenses consist of the following:

	December 30, 2015	December 24, 2014
Payroll and payroll related	$ 378,062	$ 406,636
Property taxes	47,062	59,811
Sales and use taxes	276,444	307,834
Other	80,387	196,769
Total	$ 781,955	$ 971,050

Note 12: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

General Litigation

The Company is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the consolidated financial position, results of operations and cash flows of the Company.

Vendor Concentrations

Purchases from two vendors represented approximately 65% and 48% of the Company's cost of revenues for the year ended December 30, 2015 and the eighteen months ended December 24, 2014, respectively.

Note 13: Subsequent Events

The Company closed one of its stores in January 2016.

Subsequent events have been evaluated through September 13, 2016, which is the date the financial statements were available to be issued.

ADVANTIS CERTIFIED STAFFING SOLUTIONS, INC.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

(With Independent Auditor's Report Thereon)

Insight. Oversight. Foresight.℠

DoerenMayhew
CPAs AND ADVISORS

ADVANTIS CERTIFIED STAFFING SOLUTIONS, INC.

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INDEPENDENT AUDITOR'S REPORT

To Board of Directors
of **Advantis Certified Staffing Solutions, Inc.**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Advantis Certified Staffing Solutions, Inc., which comprise the consolidated balance sheet as of December 31, 2015, and the related statements of operations, stockholders' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

DoerenMayhew

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Advantis Certified Staffing Solutions, Inc. as of December 31, 2015, in accordance with accounting principles generally accepted in the United States of America.

Doeren Mayhew

Houston, Texas
April 20, 2016

ADVANTIS CERTIFIED STAFFING SOLUTIONS, INC.

CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2015

Assets	
Current assets:	
Cash	$ 71,321
Accounts receivable	2,634,792
Accrued receivables	153,175
Prepaid and other assets	136,994
Total current assets	2,996,282
Property and equipment, net (note 3)	116,356
Goodwill (note 11)	2,485,492
Total assets	$ 5,598,130
Liabilities and Stockholders' Equity (Deficit)	
Current liabilities:	
Accounts payable	$ 568,587
Advance facility (note 4)	1,835,381
Notes payable, current (note 6)	765,607
Capital lease payable, current (note 7)	7,139
Accrued liabilities:	
Federal payroll taxes, penalties and interest (note 1)	2,607,132
State payroll taxes, penalties and interest (note 1)	418,842
Interest (note 5)	6,585,520
Other	326,224
Total current liabilities	13,114,432
Long term debt, net of current (note 6)	1,300,000
Capital lease obligation (note 7)	17,704
Related party note payable (note 5)	6,530,000
Total liabilities	20,962,136
Stockholders' equity (deficit):	
Capital stock (note 11):	
Series A common stock - par value $.01 per share; authorized 90,000,000 shares, issued and outstanding 750,000 shares	7,500
Series B common stock - par value $.01 per share; authorized 10,000,000 shares, issued and outstanding 9,500,000 shares	95,000
Additional paid in capital	7,704,250
Retained earnings (deficit)	(23,170,756)
Total stockholders' equity (deficit)	(15,364,006)
Total liabilities and stockholders' equity (deficit)	$ 5,598,130

See accompanying notes to consolidated financial statements.

ADVANTIS CERTIFIED STAFFING SOLUTIONS, INC.

CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2015

Sales	$ 19,582,107
Direct cost -	
Payroll taxes, benefits and workers' compensation costs	14,912,579
Gross profit	4,669,528
Selling, general and administrative	4,977,971
Loss from operations	(308,443)
Other income (expense):	
Interest expense	(1,533,280)
Gain on extinguishment of earnout payable	800,000
Loss on impairment of goodwill	(800,000)
Other income	92,054
Total other income (expense)	(1,441,226)
Net loss	$ (1,749,669)

See accompanying notes to consolidated financial statements.

ADVANTIS CERTIFIED STAFFING SOLUTIONS, INC.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
YEAR ENDED DECEMBER 31, 2015

	Common Stock	Additional Paid In Capital	Retained Earnings (Deficit)	Total
Balance December 31, 2014	$ 102,500	$ 7,704,250	$ (21,421,087)	$ (13,614,337)
Net loss	—	—	(1,749,669)	(1,749,669)
Balance, December 31, 2015	$ 102,500	$ 7,704,250	$ (23,170,756)	$ (15,364,006)

See accompanying notes to consolidated financial statements.

ADVANTIS CERTIFIED STAFFING SOLUTIONS, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015

Cash flows from operating activities:	
Net loss	$ (1,749,669)
Adjustments to reconcile net loss to net cash	
provided by operating activities:	
Bad debt expense	342
Depreciation and amortization	414,840
Change in operating assets and liabilities:	
Accounts receivable	371,675
Accrued receivables	(62,154)
Prepaid and other assets	(64,988)
Accounts payable	156,249
Current payroll and taxes	(164,690)
Federal payroll taxes, penalties and interest	101,392
State payroll taxes, penalties and interest	(87,691)
Accrued interest	1,037,819
Other	(32,659)
Net cash used in operating activities	(79,534)
Cash flows from investing activities:	
Purchases of property and equipment	(20,559)
Cash flows from financing activities:	
Proceeds from related party notes payable	380,000
Repayments of line of credit	(20,899,962)
Borrowings on line of credit	20,492,144
Payments on capital lease obligations	(8,871)
Net cash used in financing activities	(36,689)
Net decrease in cash	(136,782)
Cash and cash equivalents, beginning of year	208,103
Cash and cash equivalents, end of year	$ 71,321
Supplemental disclosure of cash flow information:	
Cash paid for taxes	$ 47,088
Cash paid for interest	$ 514,559
Schedule of noncash activities	
Fixed assets acquired with capital lease	$ 33,714
Reduction in earnout note against goodwill	$ 800,000

See accompanying notes to consolidated financial statements.

Note 1 - Nature of Operations

Advantis Certified Staffing Solutions, Inc. (the Company) was incorporated in the state of Texas in December 2007. The principal business of the Company is to provide contract, temporary and direct hire staffing solutions in the healthcare, clerical, construction, light industrial, medical, and professional industries. The Company has locations in Texas and Michigan.

Note 2 - Summary of Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying consolidated financial statements is as follows:

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Advantis Certified Staffing Solutions, Inc. and its wholly-owned subsidiaries: Advantis Managed Solutions, LLC, Advantis Occupational Health, LLC, and Advantis Certified Companies, LLC. All material intercompany accounts, transactions, and earnings have been eliminated in the accompanying consolidated financial statements.

Revenue Recognition

The Company recognizes revenue based on the applicable billable rate for the number of hours worked during a pay period obtained from time cards that are provided and approved by the customer for contract and temporary employees. Revenue is recognized upon hiring for employees directly hired by customers.

Accounts Receivable

Accounts receivable are carried at invoiced amounts due from customers. An allowance for doubtful accounts is established based on a specific assessment of all balances that remain unpaid following normal payment periods. Amounts deemed uncollectible are written-off in the period that determination is made. There was no allowance for doubtful accounts at December 31, 2015.

Property and Equipment

Property and equipment are stated at cost and are depreciated using straight-line depreciation methods. Depreciation is provided over the estimated useful lives of 5-7 years of the related assets.

Expenditures for additions, major renewal, and betterments are capitalized. Expenditures for maintenance and repairs are charged against income as incurred. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income.

Note 2 - Summary of Significant Accounting Policies (Continued)

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the consolidated financial statements and consist of taxes currently due, plus deferred taxes related to differences between the financial and income tax reporting basis of the Company's assets and liabilities. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred income taxes are also recognized for operating losses that are available to offset future taxable income and tax credits that are available to offset future federal income taxes. The effect on deferred taxes of a change in tax rates is recognized in income or expense in the period that includes the enacted rate. All deferred tax assets have been fully allowed for at December 31, 2015.

The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. The Company had no material uncertain tax positions as of December 31, 2015.

The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2012.

Included in accrued liabilities are amounts owed for delinquent federal and state payroll taxes totaling $3,025,974. Included in this number are penalties of $762,195 and interest of $782,874. Also included in accrued liabilities is $21,436 of delinquent state income and franchise taxes. There is $5,176 of penalties and $2,001 of interest included in this number. The Company is currently in forbearance with the federal government and is in negotiation with each of the taxing authorities to structure a payback through various programs. As none of the agreements are finalized all of the amounts are shown as current liabilities.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, and accounts payable. Management believes the carrying amounts of these financial instruments approximate their fair values due to their short-term nature.

Employee Benefit Plan

The Company maintains a 401(k) plan whereby eligible employees may make voluntary contributions through payroll deductions not to exceed the maximum contribution established by the Internal Revenue Service. For those employees making voluntary contributions, the Company has the option to make discretionary matching and profit sharing contributions. No matching payments were made by the Company for the year ended December 31, 2015.

Note 2 - Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at December 31, 2015, and revenues and expenses during the year then ended. Actual results could differ from those estimates.

Note 3 - Property and Equipment

Property and equipment consist of the following at December 31, 2015:

Office equipment	$ 122,320
Computer equipment	31,953
Less accumulated depreciation	(37,917)
Property and equipment, net	$ 116,356

Depreciation expense for the year ended December 31, 2015 amounted to $32,916.

Note 4 - Advance Facility

The Company's arrangement with its lending institution includes an accounts receivable advance facility agreement. Through this agreement the Company receives and advance of 85% of accounts receivable delivered for advance. The agreement makes the advance on invoiced amounts, less a funding fee of prime plus 2.50% with a floor of 5.75%. In addition, the agreement provides for a fee of .70% for the first 30 days that an account is unpaid with an additional .12% fee every 5 days thereafter that the account remains unpaid. The facility limit was $5,000,000 with $1,835,381 outstanding at December 31, 2015. Interest charged on this facility amounted to $392,966 for the year ended December 31, 2015.

Note 5 - Related Party Transactions/Uncertainty

At December 31, 2015, the Company had accounts payable to the majority shareholder of $95,000. The amounts represent advances used to support day to day operations.

In 2007, the Company borrowed $5,250,000 under the terms of a senior subordinated shareholder note. The note has a stated interest rate of 12.5 percent per annum which is applied to unpaid principal. The note also has an additional 5.5 percent per annum default rate. The Company was in default under the terms of the agreement beginning in March 2009. The balance outstanding on the note at December 31, 2015 was $6,435,000. Accrued interest expense related to the note was $6,554,462 at December 31, 2015.

 Continued

Note 5 - Related Party Transactions/Uncertainty (Continued)

In March 2015, the note was amended and restated to include advances through that date. The amended and restated note has a principle amount of $6,435,000 and is due in full with all outstanding and payable interest on March 31, 2018. As such, the principle amount is shown as long-term. In August 2015 the note was amended to remove the financial covenants entirely. Interest expense relating to this note amounted to $1,006,761 for the year ended December 31, 2015.

The accompanying consolidated financial statements have been prepared in conformity with generally accepted accounting principles, which contemplate continuation of the Company as a going concern. The Company has accumulated net losses and a working capital deficit. The Company has been dependent on the majority shareholder in funding operations.

In view of these matters, realization of a major portion of the assets in the accompanying consolidated balance sheet is dependent upon continued operations of the Company, which in turn is dependent upon the majority shareholder not calling the note payable and related accrued interest due. In addition, the Company is dependent on its majority shareholder to fund the payoff of the outstanding delinquent federal and state payroll tax. Management believes that the majority shareholder will not call these amounts due and will continue to fund the Company including the payoff of the delinquent taxes, which will provide the opportunity for the Company to continue as a going concern.

Note 6 - Notes Payable

The following is a summary of notes payable outstanding at December 31, 2015:

	Amount
Note payable to various third parties of $765,607, unsecured, bearing interest rates varying from 4.75% to 10%. There are currently no specific repayment terms.	$ 765,607
Earn out note payable to seller (note 9) of $400,000, bearing no interest, due in one installment of $400,000 paid by October 2016. Based on financial performance of the Company and unsecured.	—
Note payable to seller (note 9) of $1,300,000, bearing interest at 8.00% secured by specific guarantee of majority shareholder. Note provides for quarterly principal payments of $108,333 starting January 2017 through October 2019.	1,300,000
Total notes payable	2,065,607
Less: current portion of notes payable	(765,607)
Total long-term portion of notes payable	$ 1,300,000

Note 6 - Notes Payable (Continued)

The aggregate maturities of notes payable are as follows:

Years Ending December 31:	Amount
2016	$ 765,607
2017	433,333
2018	433,333
2019	433,334
Thereafter	—
Total	$ 2,065,607

Interest expense relating to the seller note amounted to $133,553 during the year ended December 31, 2015.

Note 7 - Capital Lease Obligation

The Company has a capital lease obligations for equipment that was acquired. The capital lease obligations require forty-eight payments of $611 per month at an interest rate of 8.44% and $148 per month at an interest rate of 10.08%. The equipment leases expire in March 2019 at which time the Company can purchase the equipment for $1. As of December 31, 2015, the total amount due under the capital lease obligations amount to $24,843 and the net book value of the equipment amounted to $20,906.

As of December 31, 2015, the future principal payments on capital lease obligations are as follows:

Years Ending December 31,	Amount
2016	$ 7,139
2017	7,789
2018	8,499
2019	1,416
	$ 24,843

Note 8 - Operating Leases

The Company leases its office facilities and some equipment under non-cancellable agreements which expire at various times through May 2020, and require monthly rentals of varying amounts plus the payment of property taxes, insurance, repairs and utilities.

Note 8 - Operating Leases (Continued)

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancellable lease terms in excess of one year as of December 31, 2015.

Years Ending December 31,	Amount
2016	$ 218,022
2017	220,093
2018	218,690
2019	150,848
Thereafter	21,290
Total	$ 828,943

Rent expense amounted to $268,248 during the year ended December 31, 2015.

Note 9 - Acquisition of Certified Companies, LLC

On October 3, 2014, the Company reached an agreement to purchase select assets of Certified Companies, LLC (Certified), effective October 31, 2014. The purchase included defined assets and assumed liabilities of Certified. The aggregate purchase price was $3,597,375, of which $2,100,000 was funded by notes payable to the seller, $900,000 was funded with notes payable to the majority shareholder, $86,414 with assumed liabilities and the remainder with Company cash. The transaction was accounted for using the acquisition method. For the year ended December 31, 2015 the Company did not reach certain financial thresholds that would trigger the payment of $400,000 under the earn out note to the seller (note 6). Additionally, under the earn out note to the seller, the Company has an additional payable due by October 2016 in the amount of $400,000. Management believes that they will not reach certain financial thresholds that would trigger the additional payment of $400,000. Therefore, the entire $800,000 related to the earn out payable was written off as of December 31, 2015 and goodwill was adjusted down by $800,000 as the purchase price was adjusted.

Note 10 - Risks

Credit Risk

The Company maintains cash balances at several financial institutions, which from time to time may exceed federally insured limits. Accounts are guaranteed by the FDIC up to $250,000 per depositor. Management believes that the credit risk exposure is mitigated by the financial strength of the banking institutions in which the deposits are held.

Approximately 57% of the Company's sales for the year ended December 31, 2015 were from one customer. Approximately 76% of total accounts receivable at December 31, 2015 were from one customer.

Note 11 - Goodwill

The excess of purchase price over the fair value of identifiable net assets acquired in business combinations is recorded as goodwill. The Company has elected early adoption of Accounting Standards Update No. 2014-02, *Intangibles-Goodwill and Other (Topic 350): Accounting for Goodwill.* It permits a private company to subsequently amortize goodwill on a straight-line basis over a period of ten years, or less if the company demonstrates that another useful life is more appropriate. The Company is amortizing goodwill over ten years. As discussed in note 9, the goodwill was considered impaired and reduced during the year ended December 31, 2015 by $800,000 due to the company not obtaining certain financial thresholds, and a corresponding impairment loss was recognized. At December 31, 2015, the accumulated amortization is $533,726 and the net value of goodwill is $2,485,492. Amortization expense for the year ended December 31, 2015 amounted to $381,924.

Note 12 - Capital Stock

At December 31, 2015, the Company had common stock reserved for the following reasons:

Exercise of stock warrants	$	250,000
Exercise of stock options		2,625,000
Total shares reserved	$	2,875,000

The stock options became fully vested and executable in March 2015 and provide for 2,625,000 of series A shares to be purchased at par value. The options expire in June 2024. The stock warrants provide for 250,000 shares of series A shares to be purchased for par value and expire in December 2017.

Note 13 - Subsequent Events

Management has evaluated subsequent events through April 20, 2016, the date which the Company’s consolidated financial statements were available to be issued. Management has determined that no subsequent events require recognition or disclosure in these consolidated financial statements.

*** * * End of Notes * * ***