

PROSPECT CAPITAL CORP  
Form 8-K/A  
August 31, 2012  
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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K/A**

AMENDMENT NO. 1  
TO

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

Date of Report (Date of earliest event reported): **August 31, 2012 (June 15, 2012)**

**Prospect Capital Corporation**

(Exact name of registrant as specified in its charter)

**MARYLAND**  
(State or other jurisdiction  
of incorporation)

**814-00659**  
(Commission File Number)

**43-2048643**  
(IRS Employer  
Identification No.)

**10 East 40th Street, 44th Floor, New York, New York 10016**

(Address of principal executive offices, including zip code)

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(212) 448-0702

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Prospect Capital Corporation hereby amends its Current Report on Form 8-K, which was initially filed on June 15, 2012, to include the financial statements of First Tower Corp. and subsidiaries in response to Item 9.01. These financial statements appear beginning on Page F-1 of this Amendment No. 1 to Current Report on Form 8-K/A

**Item 2.01 Completion of Acquisition or Disposition of Assets.**

On June 15, 2012, Prospect Capital Corporation ( Prospect ) completed the acquisition from First Tower Corp. ( First Tower ) of the businesses of First Tower, a private multiline specialty finance company based in Flowood, Mississippi with over 150 branch offices (the Acquisition ) pursuant to a definitive agreement entered into on March 19, 2012 (the Agreement ). Prospect acquired 80.1% of First Tower for \$110,200,000 of cash from Prospect 's credit facility and 14,518,207 unregistered shares of Prospect common stock (the Shares ). The assets of First Tower acquired in the Acquisition include, among other things, the subsidiaries owned by First Tower, which hold leaseholds and tangible property associated with First Tower 's businesses.

The foregoing description of the Acquisition and the Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Agreement, which is filed as Exhibit 2.1 to the Current Report on Form 8-K filed by Prospect on March 21, 2012 and is incorporated by reference into this Item 2.01.

Forward-Looking Statements

Information set forth in this Amendment No. 1 to Current Report on Form 8-K/A contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, whose safe harbor for forward-looking statements does not apply to business development companies. Any such statements, other than statements of historical fact, are highly likely to be affected by other unknowable future events and conditions, including elements of the future that are or are not under Prospect 's control, and that Prospect may or may not have considered; accordingly, such statements cannot be guarantees or assurances of any aspect of future performance. Actual developments and results are highly likely to vary materially from these estimates and projections of the future. Such statements speak only as of the time when made, and Prospect undertakes no obligation to update any such statement now or in the future.

**Item 3.02 Unregistered Sales of Equity Securities.**

The information set forth under Item 2.01 of this Amendment No. 1 to Current Report on Form 8-K/A is incorporated herein by reference.

Prospect issued the Shares to First Tower and the shareholders of First Tower, each of which is an accredited investor as that term is defined in Rule 501 of the Securities Act of 1933, as amended (the Securities Act ) in reliance on the exemption from registration provided by Section 4(2) of the Securities Act and Regulation D promulgated thereunder, with such Shares subject to applicable resale restrictions under the Securities Act. The Shares were valued at \$11.06 for purposes of the Acquisition.

**Item 9.01 Financial Statements and Exhibits.**

(a) Financial statements of businesses acquired.

The financial statements required by this Item 9.01(a) appear beginning on page F-1 of this Amendment No. 1 to Current Report on Form 8-K/A and are hereby incorporated by reference herein.

(d) Exhibits

23.1 Consent of Independent Auditors

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Amendment No. 1 to Current Report on Form 8-K/A to be signed on its behalf by the undersigned hereunto duly authorized.

Prospect Capital Corporation

By:	/s/ M. Grier Eliasek
Name:	M. Grier Eliasek
Title:	Chief Operating Officer

Date: August 31, 2012

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Stockholders

First Tower Corp and Subsidiaries

Jackson, Mississippi

We have audited the accompanying consolidated balance sheets of First Tower Corp and subsidiaries ( the Company ) as of December 31, 2011 and 2010, and the related consolidated statements of income and comprehensive income, changes in stockholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 consolidated financial statements present fairly, in all material respects, the financial position of First Tower Corp and subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ Carr, Riggs & Ingram, LLC

Carr Riggs & Ingram, LLC

Ridgeland, Mississippi

March 26, 2012

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December 31,	2011	2010
<b>Assets</b>		
Cash and cash equivalents	\$ 7,794,924	\$ 5,818,312
Investment in trading securities	997,043	950,175
Investment securities available for sale	40,354,778	36,924,221
Finance receivables, net	370,484,877	325,878,569
Prepaid reinsurance premiums	2,131,740	1,935,343
Reinsurance recoverables	1,922,337	1,738,204
Other receivables	514,042	558,586
Real estate acquired by foreclosure	948,680	898,501
Property and equipment, net	4,709,142	4,709,194
Net deferred income tax asset	14,115,911	14,002,008
Other assets	721,522	615,844
<b>Total assets</b>	<b>\$ 444,694,996</b>	<b>\$ 394,028,957</b>
<b>Liabilities and Stockholders Equity</b>		
<b>Liabilities:</b>		
Notes payable	\$ 222,758,982	\$ 202,799,325
Unearned premiums	36,916,207	32,993,976
Policy claim reserves	2,474,858	2,367,089
Accounts payable and accrued expenses	7,633,029	4,641,698
Income taxes payable	1,691,979	1,855,208
Other liabilities	900,659	428,917
<b>Total liabilities</b>	<b>272,375,714</b>	<b>245,086,213</b>
<b>Commitments and contingencies (Notes 4, 6, 11, 16 and 17)</b>		
<b>Stockholders Equity:</b>		
Common stock, \$1 par value, 1,000,000 shares authorized, 165,801 shares issued and outstanding	165,801	165,801
Accumulated other comprehensive income, net of income tax effect of \$992,000 in 2011 and \$572,000 in 2010	1,641,981	964,260
Retained earnings	170,511,500	147,812,683
<b>Total stockholders equity</b>	<b>172,319,282</b>	<b>148,942,744</b>
<b>Total liabilities and stockholders equity</b>	<b>\$ 444,694,996</b>	<b>\$ 394,028,957</b>

See notes to consolidated financial statements.



Table of Contents**First Tower Corp and Subsidiaries****Consolidated Statements of Income and Comprehensive Income**

<b>Years ending December 31,</b>	<b>2011</b>	<b>2010</b>
<b>Revenues:</b>		
Interest and fee income from finance receivables	\$ <b>124,532,238</b>	\$ 106,557,114
Insurance premiums	<b>25,915,785</b>	22,921,507
Net investment income	<b>1,311,740</b>	1,394,833
Net realized investment gains	<b>221,279</b>	258,179
Other income	<b>8,935,245</b>	7,832,171
<b>Total revenues</b>	<b>160,916,287</b>	138,963,804
<b>Expenses:</b>		
Interest expense	<b>8,170,528</b>	7,754,661
Policyholders' benefits	<b>4,577,419</b>	4,101,951