

BlackRock TCP Capital Corp.
Form PRE 14A
December 03, 2018
TABLE OF CONTENTS

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

**SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 - Definitive Proxy Statement
 - Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

BLACKROCK TCP CAPITAL CORP.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

TABLE OF CONTENTS

PRELIMINARY PROXY STATEMENT – SUBJECT TO COMPLETION

BLACKROCK TCP CAPITAL CORP.

2951 28th Street, Suite 1000

Santa Monica, California 90405

[•], 2019

Dear Stockholder:

You are cordially invited to attend a Special Meeting of Stockholders (the **Special Meeting**) of BlackRock TCP Capital Corp., a Delaware corporation (the **Company**) to be held on February 8, 2019, at 9:00 a.m., Pacific Time, at the offices of Tennenbaum Capital Partners, LLC, 2951 28th Street, Suite 1000, Santa Monica, California 90405.

The following pages include a formal notice of the meeting and our proxy statement. At the Special Meeting, the stockholders of the Company are being asked to approve the proposals described below, in the Notice of Special Meeting and in the accompanying proxy statement (the **Proxy Statement**).

On March 23, 2018, an amendment to the Investment Company Act of 1940 (the **1940 Act**) was signed into law, which permits a business development company, or **BDC**, like the Company, to take actions to increase the amount of indebtedness and other senior securities that it may issue by decreasing a BDC's minimum asset coverage from 200% to 150%. Effective November 7, 2018, the Company's Board of Directors (the **Board of Directors** or the **Board**), including a required majority (as such term is defined in Section 57(o) of the 1940 Act) of the Board, approved the application of the modified minimum asset coverage requirements set forth in Section 61(a)(2) of the 1940 Act, and, as a result, effective on November 7, 2019 (unless the Company receives earlier stockholder approval), its asset coverage requirement applicable to senior securities will be reduced from 200% to 150%. For the reasons explained in the accompanying Proxy Statement, the Board believes that taking advantage of this development would be in the best interests of the Company and its stockholders and is seeking your approval to increase its leverage at the earliest possible time.

At the Special Meeting, you will be asked to consider and vote upon a proposal to allow the Company to increase leverage by approving the application to the Company of a minimum asset coverage ratio of 150%, pursuant to Section 61(a)(2) of the 1940 Act, to become effective the date after the Special Meeting, which would permit the Company to double the maximum amount of leverage that it is currently permitted to incur.

In connection with the Board's approval of the modified minimum asset coverage, the Board, including a majority of non-interested directors, approved, subject to the effectiveness of the modified minimum asset coverage ratio, certain amendments to the management fee, incentive compensation and hurdle rate in the existing investment management agreement between Tennenbaum Capital Partners, LLC (the **Advisor**) and the Company, which it believes to be in the best interests of the Company and its stockholders. Stockholders of the Company are being asked to approve a new investment management agreement between the Company and the Advisor (the **Amended Agreement**). The Amended Agreement will reduce (i) the management fee on total assets (excluding cash and cash equivalents) financed using leverage over 1.0x debt to equity from 1.5% to 1.0%, (ii) the incentive compensation on net investment income and net realized gains (reduced by any net unrealized losses) from 20% to 17.5%, and (iii) the cumulative total return hurdle from 8% to 7%.

Edgar Filing: BlackRock TCP Capital Corp. - Form PRE 14A

This Proxy Statement contains important information. Please read these materials so that you will know what we plan to do at the Special Meeting. It is important that you be represented at the Special Meeting. Please complete, sign, date and return your proxy card to us in the enclosed, postage-prepaid envelope at your earliest convenience, even if you plan to attend the Special Meeting. If you prefer, you can authorize your proxy through the Internet or by telephone as described in the Proxy Statement and on the enclosed proxy card. If you attend the Special Meeting, you may revoke your proxy prior to its exercise and vote in person at the Special Meeting. Your vote is very important to us. I urge you to submit your proxy as soon as possible. Copies of these documents may also be accessed electronically by means of the Commission's home page on the internet at <http://www.sec.gov>.

If you have any questions about the proposals to be voted on, please call our solicitor, D.F. King & Co., Inc., at 1-866-406-2287.

Sincerely yours,

Howard M. Levkowitz
Chair of the Board of Directors and
Chief Executive Officer of the Company

TABLE OF CONTENTS

Important Notice Regarding the Availability of Proxy Material for the Special Meeting of Stockholders to Be Held on February 8, 2019.

Our proxy statement is available online at <http://investors.tpcapital.com/financial-information>.

The following information applicable to the Special Meeting of Stockholders may be found in the proxy statement and accompanying proxy card:

- the date, time and location of the meeting;
- a list of the matters intended to be acted on and our recommendations regarding those matters;
- any control/identification numbers that you need to access proxy material online; and
- information about attending the meeting and voting in person.

TABLE OF CONTENTS

PRELIMINARY PROXY STATEMENT – SUBJECT TO COMPLETION

BLACKROCK TCP CAPITAL CORP.

2951 28th Street, Suite 1000

Santa Monica, California 90405

(310) 566-1003

NOTICE OF SPECIAL MEETING

TO BE HELD ON FEBRUARY 8, 2019

To the Stockholders of BlackRock TCP Capital Corp.:

NOTICE IS HEREBY GIVEN that a Special Meeting of stockholders (the Special Meeting) of BlackRock TCP Capital Corp., a Delaware corporation (the Company) will be held on February 8, 2019, at 9:00 a.m. Pacific Time, at the offices of Tennenbaum Capital Partners, LLC, 2951 28th Street, Suite 1000, Santa Monica, California 90405. The Special Meeting is being held for the following purposes:

- I. To consider and vote upon a proposal to allow the Company to increase leverage by approving the application to the Company of a minimum asset coverage ratio of 150%, pursuant to Section 61(a)(2) of the Investment Company Act of 1940, to become effective the date after the Special Meeting, which would permit the Company to double the maximum amount of leverage that it is currently permitted to incur.
- II. To consider and vote upon a proposal to approve, subject to the effectiveness of the modified minimum asset coverage ratio, an amended investment management agreement between the Company and Tennenbaum Capital Partners, LLC (the Advisor) to permit the Advisor to serve as investment advisor to the Company on substantially the same terms as the existing agreement other than a reduction to (i) the management fee on total assets (excluding cash and cash equivalents) financed using leverage over 1.0x debt to equity from 1.5% to 1.0%, (ii) the incentive compensation on net investment income and net realized gains (reduced by any net unrealized losses) from 20% to 17.5%, and (iii) the cumulative total return hurdle from 8% to 7%.
- III. To transact such other business as may properly come before the Special Meeting and any adjournments, postponements or delays thereof.

OUR BOARD OF DIRECTORS, INCLUDING OUR DIRECTORS THAT ARE NOT INTERESTED PERSONS AS DEFINED IN SECTION 2(A)(19) OF THE INVESTMENT COMPANY ACT OF 1940, UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF PROPOSALS I AND II.

You have the right to receive notice of and to vote at the Special Meeting, or any postponement or adjournment thereof, if you were a stockholder of record at the close of business on December 31, 2018.

Your vote is extremely important to us. Please complete, sign, date and return your proxy card to us in the enclosed, postage-prepaid envelope at your earliest convenience, even if you plan to attend the Special Meeting. If you prefer, you can authorize your proxy through the Internet or by telephone as described in the accompanying proxy statement and on the enclosed proxy card. If you attend the meeting, you may revoke your proxy prior to its exercise and vote in person at the meeting. In the event that there are not sufficient stockholders present for a quorum, the Special Meeting may be adjourned from time to time, in the manner provided in our Bylaws, until a quorum will be present or represented.

TABLE OF CONTENTS

If you have any questions about the proposals to be voted on, please call our solicitor, D.F. King & Co., Inc., at 1-866-406-2287.

By Order of the Board of Directors of the Company,

Howard M. Levkowitz
Chair of the Board of Directors and
Chief Executive Officer of the Company

Santa Monica, California
[•], 2018

This is an important meeting. You may execute the proxy card using the methods described in the proxy card. To ensure proper representation at the Special Meeting, please complete, sign, date and return the proxy card in the enclosed, postage-prepaid envelope, or authorize a proxy to vote your shares by telephone or through the Internet. Even if you authorize a proxy prior to the Special Meeting, you still may attend the Special Meeting, revoke your proxy, and vote your shares in person. The proxy statement and a form of proxy card are available online at <http://investors.tpcapital.com/financial-information>. Executing and returning the proxy card is important to ensure a quorum at the Special Meeting.

TABLE OF CONTENTS

TABLE OF CONTENTS

	Page
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	<u>4</u>
<u>PROPOSAL I</u>	<u>6</u>
<u>PROPOSAL II</u>	<u>17</u>
<u>OTHER BUSINESS</u>	<u>24</u>
<u>STOCKHOLDER NOMINATIONS AND PROPOSALS FOR THE 2019 ANNUAL MEETING</u>	<u>24</u>
<u>SHAREHOLDER COMMUNICATIONS</u>	<u>24</u>
<u>ANNUAL REPORT</u>	<u>25</u>
<u>PRIVACY PRINCIPLES OF THE COMPANY</u>	<u>25</u>
<u>HOUSEHOLDING OF PROXY MATERIALS</u>	<u>25</u>
<u>ANNEX A – FORM OF AMENDED AND RESTATED INVESTMENT MANAGEMENT AGREEMENT</u>	<u>A-1</u>
<u>ANNEX B-1– EXAMPLES OF INCENTIVE COMPENSATION CALCULATION</u>	<u>B-1-1</u>
<u>ANNEX B-2– EXAMPLES OF INCENTIVE COMPENSATION CALCULATION</u>	<u>B-2-1</u>

TABLE OF CONTENTS

PRELIMINARY PROXY STATEMENT – SUBJECT TO COMPLETION

BLACKROCK TCP CAPITAL CORP.

2951 28th Street, Suite 1000

Santa Monica, California 90405

(310) 566-1003

Proxy Statement

for a

Special Meeting of Stockholders

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors (the Board of Directors, or the Board) of BlackRock TCP Capital Corp., a Delaware corporation (the Company) for use at a Special Meeting of Stockholders (the Special Meeting) to be held on February 8, 2019, at 9:00 a.m. Pacific Time, at the offices of Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000, Santa Monica, California 90405, and at any postponements, adjournments or delays thereof. Only holders of record of our common stock at the close of business on December 31, 2018, which is the record date, will be entitled to vote at the Special Meeting. At the close of business on the record date, we had [•] shares of common stock outstanding and entitled to vote.

It is anticipated that the Notice of Internet Availability of Proxy Materials will first be sent to stockholders on or about [•], 2019. This proxy statement, including the accompanying form of proxy (collectively, the Proxy Statement), will first be made available to stockholders on or about [•], 2019. The Proxy Statement can be accessed online at <http://investors.tpcapital.com/financial-information>.

We encourage you to vote, either by voting in person at the Special Meeting or by granting a proxy (i.e., authorizing someone to vote your shares). All proxies will be voted in accordance with the instructions contained therein. If you properly sign and date the accompanying proxy card or authorize a proxy to vote your shares by telephone or through the Internet, and we receive it in time for the Special Meeting, the persons named as proxies will vote the shares registered directly in your name in the manner that you specified. **If you give no instructions on the proxy card, the shares covered by the proxy card will be voted FOR** (I) the proposal to allow the Company to increase leverage by approving the application to the Company of a minimum asset coverage ratio of 150%, pursuant to Section 61(a)(2) of the Investment Company Act of 1940 (the 1940 Act), to become effective the date after the Special Meeting, which would permit the Company to double the maximum amount of leverage that it is currently permitted to incur and (II) the proposal to amend, subject to the effectiveness of the modified minimum asset coverage ratio, the investment management agreement between the Company and Tennenbaum Capital Partners, LLC (the Advisor) to permit the Advisor to serve as investment advisor to the Company on substantially the same terms as the existing agreement other than a reduction to (i) the management fee on total assets (excluding cash and cash equivalents) financed using leverage over 1.0x debt to equity from 1.5% to 1.0%, (ii) the incentive compensation on net investment income and net realized gains (reduced by any net unrealized losses) from 20% to 17.5%, and (iii) the cumulative total return hurdle from 8% to 7%.

If your shares are held for your account by a broker, trustee, bank or other institution or nominee, you may vote such shares at the Special Meeting only if you have a legal proxy and present it at the Special Meeting.

If your shares are registered in the name of a bank or brokerage firm, you may be eligible to vote your shares electronically via the Internet or by telephone.

For information on how to obtain directions to attend the Special Meeting in person, please contact our solicitor, D.F. King & Co., Inc., at 1-866-406-2287.

TABLE OF CONTENTS

Purpose of the Special Meeting

The Special Meeting has been called for the following purposes:

- I. To consider and vote upon a proposal to allow the Company to increase leverage by approving the application to the Company of a minimum asset coverage ratio of 150%, pursuant to Section 61(a)(2) of the Investment Company Act of 1940, to become effective the date after the Special Meeting, which would permit the Company to double the maximum amount of leverage that it is currently permitted to incur.
- II. To consider and vote upon a proposal to approve, subject to the effectiveness of the modified minimum asset coverage ratio, an amended investment management agreement between the Company and the Advisor to permit the Advisor to serve as investment advisor to the Company on substantially the same terms as the existing agreement other than a reduction to (i) the management fee on total assets (excluding cash and cash equivalents) financed using leverage over 1.0x debt to equity from 1.5% to 1.0%, (ii) the incentive compensation on net investment income and net realized gains (reduced by any net unrealized losses) from 20% to 17.5%, and (iii) the cumulative total return hurdle from 8% to 7%.
- III. To transact such other business as may properly come before the Special Meeting and any adjournments, postponements or delays thereof.

Quorum, Effect of Abstentions and Broker Non-Votes, Vote Required to Approve the Proposal

It is important that every stockholder authorize a proxy so that we can achieve a quorum and hold the Special Meeting. For the Company, the presence at the Special Meeting, in person or by proxy, of holders of not less than one-third of the Company's shares issued and outstanding and entitled to vote at the meeting will constitute a quorum for the transaction of business. If a quorum is not met, then we will be required to adjourn the meeting and incur additional expenses to continue to solicit additional votes. The holders of not less than one-third of the Company's shares issued and outstanding and entitled to vote at the Special Meeting, present in person or represented by proxy, will constitute a quorum at the Special Meeting for the transaction of business.

Shares that are present at the Special Meeting, but then abstain, including by reason of so called broker non-votes, will be treated as present for purposes of establishing a quorum. A broker non-vote, with respect to a matter, occurs when a nominee holding shares for a beneficial owner is present at the meeting with respect to such shares, has not received voting instructions from the beneficial owner on the matter in question and does not have, or chooses not to exercise, discretionary authority to vote the shares on such matter. **For this reason, it is imperative that stockholders vote or provide instructions to their broker as to how to vote.**

Shareholders are entitled to one vote for each share held as of the record date. You may vote for or against, or abstain from voting on each proposal.

The affirmative vote of more than 50% of the votes cast on Proposal I will determine the outcome of the proposal. For Proposal I, abstain votes and broker non-votes, if any, will count as shares represented at the meeting for purpose of establishing a quorum but will have no effect on the outcome of the vote.

The affirmative vote of a majority of the outstanding common shares entitled to vote at the Special Meeting will determine the outcome of Proposal II. The 1940 Act defines a majority of the outstanding shares as: (i) 67% or more of the voting securities present at a meeting if the holders of more than 50% of the outstanding voting securities of such company are present or represented by proxy; or (ii) 50% of the outstanding voting securities of a company, whichever is the less (a 1940 Act Majority). Abstentions and broker non-votes on Proposal II will have the effect of a vote against this proposal. Proposal II is contingent on the approval of Proposal I.

Adjournment of the Special Meeting

The Special Meeting may be adjourned from time to time pursuant to the Company's organization documents. If a quorum is not present or represented at the Special Meeting or if the chairman of the Special Meeting believes it is in the best interests of the Company, the chairman of the Special Meeting has the power to adjourn the meeting from time to time, in the manner provided in the organizational documents of the Company, until a quorum will be present or represented or to provide additional time to solicit votes for one or more proposals.

TABLE OF CONTENTS

Proxies for the Special Meeting

The named proxies for the Special Meeting are Howard M. Levkowitz and Rajneesh Vig (or their duly authorized designees), who will follow submitted proxy voting instructions. They will vote as the Board recommends herein as to any submitted proxies that do not direct how to vote on any item, and will vote on any other matters properly presented at the Special Meeting in their judgment.

Other Information Regarding This Proxy

The Company will bear all costs and expenses related to the solicitation of those proposals including the cost of preparing, printing and mailing this Proxy Statement, the accompanying Notice of Special Meeting and proxy cards. Such costs and expenses are estimated to be approximately \$50,000. If brokers, nominees, fiduciaries and other persons holding shares in their names, or in the name of their nominees, which are beneficially owned by others, forward the proxy materials to and obtain proxies from such beneficial owners, we will reimburse such persons for their reasonable expenses in so doing.

In addition to the solicitation of proxies by the use of the mail, proxies may be solicited in person and by telephone or facsimile transmission by directors, officers or employees of the Company, the Advisor and/or Series H of SVOF/MM, LLC, which is the Company's administrator (the Administrator). The Advisor and the Administrator are located at 2951 28th Street, Suite 1000, Santa Monica, California 90405. No additional compensation will be paid to directors, officers, regular employees, the Advisor or the Administrator for such services.

The Company has also retained D.F. King & Co., Inc., to assist in the solicitation of proxies for a fee of approximately \$9,500 plus reimbursement of certain expenses and fees for additional services requested. Please note that D.F. King & Co., Inc., may solicit stockholder proxies by telephone on behalf of the Company. They will not attempt to influence how you vote your shares, but only ask that you take the time to authorize your proxy. You may also be asked if you would like to vote over the telephone and to have your vote transmitted to the proxy tabulation firm.

Revocability of Proxies

A stockholder of record (i.e., stockholders holding shares directly in their name) may revoke a proxy at any time before it is exercised by notifying the Company's Chief Compliance Officer in writing, by submitting a properly executed, later-dated proxy, or by voting in person at the Special Meeting. Any shareholder of record attending the Special Meeting may vote in person whether or not he or she has previously authorized a proxy. Any proxy given pursuant to this solicitation may be revoked by notice from the person giving the proxy at any time before it is exercised. Any such notice of revocation should be provided in writing and signed by the shareholder in the same manner as the proxy being revoked and delivered to our proxy tabulator. If the shareholder holds shares through a broker, bank or other nominee, the shareholder must follow the instructions received from the broker, bank or other nominee in order to revoke the voting instructions. Attending the Special Meeting does not revoke a proxy unless the shareholder also votes in person at the Special Meeting.

Contact Information for Proxy Solicitation

You can contact us by email at investor.relations@tennenbaumcapital.com, or fax at 310-566-1010 or write the Company to the attention of Investor Relations at 2951 28th Street, Suite 1000, Santa Monica, California 90405. Proxy materials can be accessed online at <http://investors.tcpcapital.com/financial-information>.

TABLE OF CONTENTS**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

As of November 30, 2018, there were no persons that owned more than 25% of the Company's outstanding voting securities, and no person would be presumed to control us, as such term is defined in the 1940 Act.

The Company's directors (each, a Director) are divided into two groups: independent directors (the Independent Directors) and interested directors. Interested directors are those who are interested persons of the Company, as defined in the 1940 Act.

Beneficial ownership is determined in accordance with the rules and regulations of the U.S. Securities and Exchange Commission (the SEC). These rules generally provide that a person is the beneficial owner of securities if the person has or shares the power to vote or direct the voting thereof, or to dispose or direct the disposition thereof, or has the right to acquire these powers within 60 days. The following table sets forth, as of November 30, 2018, certain ownership information with respect to the Company's shares for those persons who may, insofar as is known to us, directly or indirectly own, control or hold with the power to vote, 5% or more of the outstanding common shares of the Company, along with the beneficial ownership of each current Director and executive officer and the executive officers and Directors as a group. As of November 30, 2018, all Directors and officers as a group owned less than 1% of the Company's outstanding common shares.

Ownership information for those persons, if any, who own, control or hold the power to vote, 5% or more of the Company's shares is based upon Schedule 13D or Schedule 13G filings by such persons with the SEC and other information obtained from such persons, if available. Such ownership information is as of the date of the applicable filing and may no longer be accurate. Unless otherwise indicated, we believe that each person set forth in the table below has sole voting and investment power with respect to all shares of the Company he or she beneficially owns and has the same address as the Company. The Company's address is 2951 28th Street, Suite 1000, Santa Monica, California 90405.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
<i>5% or more holders</i>			
Common Stock	Steelhead Partners, LLC		