

HERCULES TECHNOLOGY GROWTH CAPITAL INC
Form 10-Q
August 05, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For The Quarterly Period Ended June 30, 2011

OR

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

Commission File Number: 814-00702

**HERCULES TECHNOLOGY GROWTH
CAPITAL, INC.**

(Exact Name of Registrant as Specified in its Charter)

Maryland (State or Jurisdiction of Incorporation or Organization)	743113410 (IRS Employer Identification No.)
400 Hamilton Ave., Suite 310 Palo Alto, California (Address of Principal Executive Offices)	94301 (Zip Code)
(650) 289-3060 (Registrant's Telephone Number, Including Area Code)	

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this Chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

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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 Exchange Act). Yes No

On August 4, 2011, there were 43,856,062 shares outstanding of the Registrant's common stock, \$0.001 par value.

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In this Quarterly Report, the Company, Hercules, we, us and our refer to Hercules Technology Growth Capital, Inc. and its wholly owned subsidiaries and its affiliated securitization trusts unless the context otherwise requires.

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS
HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**(unaudited)****(dollars in thousands, except per share data)**

	June 30, 2011 (unaudited)	December 31, 2010
Assets		
Investments:		
Non-Control/Non-Affiliate investments (cost of \$470,301 and \$445,782, respectively)	\$ 472,103	\$ 428,782
Affiliate investments (cost of \$3,236 and \$2,880, respectively)	53	3,069
Control investments (cost of \$11,678 and \$31,743, respectively)	3,037	40,181
Total investments, at value (cost of \$485,215 and \$480,405, respectively)	475,193	472,032
Cash and cash equivalents	198,245	107,014
Interest receivable	4,153	4,520
Other assets	13,662	7,681
Total assets	691,253	591,247
Liabilities		
Accounts payable and accrued liabilities	8,790	8,716
Long-term SBA Debentures	188,750	170,000
Long-term liabilities (Convertible Senior Notes)	69,812	
Total liabilities	267,352	178,716
Net assets consist of:		
Common stock, par value	\$ 43	\$ 43
Capital in excess of par value	484,982	477,549
Unrealized depreciation on investments	(10,092)	(8,038)
Accumulated realized losses on investments	(46,004)	(51,033)
Distributions in excess of investment income	(5,028)	(5,990)
Total net assets	\$ 423,901	\$ 412,531
Total liabilities and net assets	\$ 691,253	\$ 591,247
Shares of common stock outstanding (\$0.001 par value, 100,000,000 authorized)	43,850	43,444
Net asset value per share	\$ 9.67	\$ 9.50

See notes to Consolidated Financial Statements (unaudited)

Table of Contents**HERCULES TECHNOLOGY GROWTH CAPITAL, INC.****CONSOLIDATED SCHEDULE OF INVESTMENTS****June 30, 2011****(unaudited)****(dollars in thousands)**

Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Acceleron Pharmaceuticals, Inc.	Drug Discovery	Preferred Stock Warrants		\$ 69	\$ 1,192
		Preferred Stock Warrants		35	233
		Preferred Stock Warrants		39	120
		Preferred Stock		1,341	2,794
Total Acceleron Pharmaceuticals, Inc.			1,484	4,339	
Anthera Pharmaceuticals Inc.	Drug Discovery	Senior Debt			
		Matures September 2014			
		Interest rate Prime + 7.3% or			
		Floor rate of 10.55%	\$ 25,000	24,031	24,031
		Common Stock Warrants		541	847
Total Anthera Pharmaceuticals Inc.		Common Stock Warrants		444	692
			25,016	25,570	
Aveo Pharmaceuticals, Inc.	Drug Discovery	Senior Debt			
		Matures September 2013			
		Interest rate Prime + 7.15% or			
		Floor rate of 11.9%	\$ 25,000	26,370	27,028
		Preferred Stock Warrants		190	1,218
		Preferred Stock Warrants		104	292
		Preferred Stock Warrants		24	99
Preferred Stock Warrants		288	1,188		
Preferred Stock Warrants		236	972		
Total Aveo Pharmaceuticals, Inc.			27,212	30,797	
Dicerna Pharmaceuticals, Inc.	Drug Discovery	Senior Debt			
		Matures January 2015			
		Interest rate Prime + 5.75% or			
		Floor rate of 9.00%	\$ 7,000	7,077	7,077
		Preferred Stock Warrants		206	136
		Preferred Stock Warrants		31	34
Preferred Stock Warrants		26	21		
Preferred Stock		503	503		

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Total Dicerna Pharmaceuticals, Inc.			7,843	7,771
EpiCept Corporation	Drug Discovery	Common Stock Warrants	4	31
		Common Stock Warrants	40	2
Total EpiCept Corporation			44	33
Horizon Therapeutics, Inc.	Drug Discovery	Preferred Stock Warrants	231	10
Total Horizon Therapeutics, Inc.			231	10
Inotek Pharmaceuticals Corp.	Drug Discovery	Preferred Stock	1,500	
Total Inotek Pharmaceuticals Corp.			1,500	
Merrimack Pharmaceuticals, Inc.	Drug Discovery	Preferred Stock Warrants	155	1,116
		Preferred Stock	2,000	3,826
Total Merrimack Pharmaceuticals, Inc.			2,155	4,942
Paratek Pharmaceuticals, Inc.	Drug Discovery	Preferred Stock Warrants	137	230
		Preferred Stock	1,000	1,060
Total Paratek Pharmaceuticals, Inc.			1,137	1,290
PolyMedix, Inc.	Drug Discovery	Senior Debt		
		Matures September 2013		
		Interest rate Prime + 7.1% or		
		Floor rate of 12.35%	\$ 8,430	8,159
		Preferred Stock Warrants		480
Total PolyMedix, Inc.			8,639	8,456
Portola Pharmaceuticals, Inc.	Drug Discovery	Preferred Stock Warrants	152	670
Total Portola Pharmaceuticals, Inc.			152	670
Total Drug Discovery (19.79%)			75,413	83,878
Affinity Videonet, Inc	Communications & Networking	Preferred Stock Warrants	102	141
Total Affinity Videonet, Inc.			102	141

See notes to Consolidated Financial Statements (unaudited)

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
E-band Communications, Corp. ⁽⁶⁾	Communications & Networking	Convertible Senior Debt			
		Matures May 2013			
		Interest rate Prime + 8.12% or			
		Floor rate of 11.37%	\$ 356	\$ 356	\$ 53
		Preferred Stock		2,880	
Total E-Band Communications, Corp.				3,236	53
IKANO Communications, Inc.	Communications & Networking	Preferred Stock Warrants		45	
		Preferred Stock Warrants		72	
Total IKANO Communications, Inc.				117	
Intelepeer, Inc.	Communications & Networking	Senior Debt			
		Matures May 2013			
		Interest rate Prime + 8.12% or			
		Floor rate of 11.37%	\$ 7,524	7,353	7,483
		Preferred Stock Warrants		102	137
Total Intelepeer, Inc.				7,455	7,620
Neonova Holding Company	Communications & Networking	Preferred Stock Warrants		94	36
		Preferred Stock		250	228
Total Neonova Holding Company				344	264
Opsource, Inc.	Communications & Networking	Preferred Stock Warrants		223	
Total Opsource, Inc.				223	
Pac-West Telecomm, Inc.	Communications & Networking	Senior Debt	\$ 4,369	4,108	4,239
		Matures October 2014			
		Interest rate Prime + 7.50% or			

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		Floor rate of 10.75%			
		Preferred Stock Warrants		121	
Total Pac-West Telecomm, Inc.				4,229	4,239
PeerApp, Inc.	Communications & Networking	Senior Debt			
		Matures April 2013			
		Interest rate Prime + 7.5% or			
		Floor rate of 11.50%	\$ 2,359	2,356	2,356
		Preferred Stock Warrants		61	20
Total PeerApp, Inc.				2,417	2,376
Peerless Network, Inc.	Communications & Networking	Preferred Stock Warrants		95	120
		Preferred Stock		1,000	1,280
Total Peerless Network, Inc.				1,095	1,400
Ping Identity Corporation	Communications & Networking	Preferred Stock Warrants		52	5
Total Ping Identity Corporation				52	5
PointOne, Inc.	Communications & Networking	Senior Debt			
		Matures May 2013			
		Interest rate Prime + 7.0% or			
		Floor rate of 10.25%	\$ 8,000	7,765	7,765
	Communications & Networking	Common Stock Warrants		131	138
Total PointOne, Inc.				7,896	7,903

See notes to Consolidated Financial Statements (unaudited)

Table of Contents**HERCULES TECHNOLOGY GROWTH CAPITAL, INC.****CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)****June 30, 2011****(unaudited)****(dollars in thousands)**

Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Purcell Systems, Inc.	Communications & Networking	Preferred Stock Warrants		\$ 123	\$ 145
Total Purcell Systems, Inc.				123	145
Seven Networks, Inc.	Communications & Networking	Preferred Stock Warrants		174	
Total Seven Networks, Inc.				174	
Stoke, Inc ⁽⁴⁾	Communications & Networking	Senior Debt			
		Matures May 2013			
		Interest rate Prime + 7.0% or			
		Floor rate of 10.25%	\$ 3,464	3,389	3,424
		Preferred Stock Warrants		53	52
		Preferred Stock Warrants		65	45
		Preferred Stock		500	377
Total Stoke, Inc.				4,007	3,898
Tectura Corporation	Communications & Networking	Senior Debt			
		Matures December 2012			
		Interest rate 11%	\$ 5,625	5,813	5,813
		Revolving Line of Credit			
		Matures July 2011			
		Interest rate 11%	\$ 17,477	18,467	18,467
		Preferred Stock Warrants		50	99
Total Tectura Corporation				24,330	24,379
Total Communications & Networking (12.37%)				55,800	52,423
Atrenta, Inc.	Software	Preferred Stock Warrants		102	60
		Preferred Stock Warrants		34	20
		Preferred Stock Warrants		95	18
		Preferred Stock		250	169

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Total Atrenta, Inc.				481	267
Blurb, Inc.	Software	Preferred Stock Warrants		25	476
		Preferred Stock Warrants		299	329
Total Blurb, Inc.				324	805
Braxton Technologies, LLC.	Software	Preferred Stock Warrants		188	
Total Braxton Technologies, LLC.				188	
Bullhorn, Inc.	Software	Preferred Stock Warrants		43	288
Total Bullhorn, Inc.				43	288
Central Desktop, Inc.	Software	Senior Debt			
		Matures April 2014			
		Interest rate Prime + 6.75% or			
		Floor rate of 10.00%	\$ 1,000	956	956
		Preferred Stock Warrants		108	100
Total Central Desktop, Inc.				1,064	1,056
Clickfox, Inc.	Software	Senior Debt			
		Matures July 2013			
		Interest rate Prime + 6.00% or			
		Floor rate of 11.25%	\$ 5,115	4,982	5,096
		Revolving Line of Credit			
		Matures July 2011			
		Interest rate Prime + 5.00% or			
Floor rate of 12.00%	\$ 2,000	2,002	2,002		
		Preferred Stock Warrants		177	518
		Preferred Stock Warrants		152	469
Total Clickfox, Inc.				7,313	8,085
Forescout Technologies, Inc.	Software	Preferred Stock Warrants		99	98
Total Forescout Technologies, Inc.				99	98

See notes to Consolidated Financial Statements (unaudited)

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
GameLogic, Inc.	Software	Preferred Stock Warrants		\$ 92	\$
Total GameLogic, Inc.				92	
HighJump Acquisition, LLC.	Software	Senior Debt			
		Matures May 2013			
		Interest rate Libor + 9.25% or			
		Floor rate of 12.50%	\$ 17,500	17,624	17,624
Total HighJump Acquisition, LLC.				17,624	17,624
HighRoads, Inc.	Software	Preferred Stock Warrants		44	77
Total HighRoads, Inc.				44	77
Kxen, Inc.	Software	Preferred Stock Warrants		24	24
Total Kxen, Inc.				24	24
RichRelevance, Inc.		Senior Debt			
		Matures January 2015			
		Interest rate Prime + 3.25% or			
	Software	Floor rate of 6.50%	\$ 5,000	4,834	4,834
		Preferred Stock Warrants		99	98
Total RichRelevance, Inc.				4,933	4,932
Rockyou, Inc.	Software	Preferred Stock Warrants		117	21
Total Rockyou, Inc.				117	21
Sportvision, Inc.	Software	Preferred Stock Warrants		39	
Total Sportvision, Inc.				39	
Unify Corporation	Software	Preferred Stock Warrants		1,434	258
Total Unify Corporation				1,434	258
White Sky, Inc.	Software	Senior Debt	\$ 1,000	959	959

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Matures June 2014

Interest rate Libor + 7.00% or

Floor rate of 10.25%

	Software	Preferred Stock Warrants	54	51
Total White Sky, Inc.			1,013	1,010
WildTangent, Inc.	Software	Preferred Stock Warrants	238	10
Total WildTangent, Inc.			238	10
Total Software (8.15%)			35,070	34,555

Luminus Devices, Inc.	Electronics & Computer Hardware	Preferred Stock Warrants	183	
		Preferred Stock Warrants	84	
		Preferred Stock Warrants	334	

Total Luminus Devices, Inc.			601	
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Maxvision Holding, LLC. ⁽⁷⁾	Electronics & Computer Hardware	Senior Debt			
		Matures October 2012			
		Interest rate Prime + 8.25% or			
		Floor rate of 11.50%	\$ 4,412	4,132	1,745
		Senior Debt			
		Matures April 2012			
		Interest rate Prime + 6.25% or			
		Floor rate of 9.50%	\$ 2,705	2,956	282
		Revolving Line of Credit			
		Matures April 2012			
		Interest rate Prime + 6.25% or			
		Floor rate of 9.50%	\$ 931	1,010	1,010
		Common Stock		3,580	

Total Maxvision Holding, LLC				11,678	3,037
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See notes to Consolidated Financial Statements (unaudited)

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Shocking Technologies, Inc.	Electronics & Computer Hardware	Preferred Stock Warrants		\$ 63	\$ 97
Total Shocking Technologies, Inc.				63	97
Spatial Photonics, Inc.	Electronics & Computer Hardware	Preferred Stock Warrants Preferred Stock		130 768	348
Total Spatial Photonics Inc.				898	348
VeriWave, Inc.	Electronics & Computer Hardware	Preferred Stock Warrants Preferred Stock Warrants		54 46	396 101
Total VeriWave, Inc.				100	497
Total Electronics & Computer Hardware (.94%)*				13,340	3,979
Aegerion Pharmaceuticals, Inc.	Specialty Pharmaceuticals	Senior Debt Matures September 2014 Interest rate Prime + 5.65% or Floor rate of 10.40%	\$ 10,000	10,057	10,057
		Preferred Stock Warrants		69	1,042
		Common Stock		1,092	2,269
Total Aegerion Pharmaceuticals, Inc.				11,218	13,368
Althea Technologies, Inc.	Specialty Pharmaceuticals	Senior Debt Matures October 2013 Interest rate Prime + 7.70% or Floor rate of 10.95%	\$ 11,601	11,345	11,273
		Preferred Stock Warrants		309	298
Total Althea Technologies, Inc.				11,654	11,571
Chroma Therapeutics, Ltd. ⁽⁵⁾	Specialty Pharmaceuticals	Senior Debt	\$ 9,422	9,477	9,671

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		Matures September 2013			
		Interest rate Prime + 7.75% or			
		Floor rate of 12.00%			
		Preferred Stock Warrants		490	387
Total Chroma Therapeutics, Ltd.				9,967	10,058
Pacira Pharmaceuticals, Inc.	Specialty Pharmaceuticals	Senior Debt			
		Matures May 2014			
		Interest rate Prime + 6.25% or			
		Floor rate of 10.25%	\$ 11,250	11,204	10,833
		Senior Debt			
		Matures May 2014			
		Interest rate Prime + 8.65% or			
		Floor rate of 12.65%	\$ 15,000	14,127	14,315
		Preferred Stock Warrants		1,086	870
Total Pacira Pharmaceuticals, Inc.				26,417	26,018
QuatrX Pharmaceuticals Company	Specialty Pharmaceuticals	Convertible Senior Debt			
		Matures March 2012	\$ 1,888	1,888	1,888
		Preferred Stock Warrants		220	4
		Preferred Stock Warrants		307	4
		Preferred Stock		751	254
Total QuatrX Pharmaceuticals Company				3,166	2,150
Total Specialty Pharmaceuticals (14.90%)*				62,422	63,165
Annie s, Inc.	Consumer & Business Products	Preferred Stock Warrants		321	115
Total Annie s, Inc.				321	115

See notes to Consolidated Financial Statements (unaudited)

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
IPA Holdings, LLC	Consumer & Business Products	Preferred Stock Warrants		\$ 275	\$
		Common Stock		500	
Total IPA Holding, LLC				775	
Market Force Information, Inc.	Consumer & Business Products	Preferred Stock Warrants		24	126
		Preferred Stock		500	492
Total Market Force Information, Inc.				524	618
Wageworks, Inc.	Consumer & Business Products	Preferred Stock Warrants		252	2,525
		Preferred Stock		250	391
Total Wageworks, Inc.				502	2,916
Total Consumer & Business Products (0.86%)*				2,122	3,649
Enpirion, Inc.	Semiconductors	Preferred Stock Warrants		157	
Total Enpirion, Inc.				157	
iWatt, Inc.	Semiconductors	Preferred Stock Warrants		46	8
		Preferred Stock Warrants		51	52
		Preferred Stock Warrants		73	62
		Preferred Stock Warrants		458	314
		Preferred Stock		490	951
Total iWatt, Inc.				1,118	1,387
NEXX Systems, Inc.	Semiconductors	Preferred Stock Warrants		297	1,061
		Preferred Stock		277	700
Total NEXX Systems, Inc.				574	1,761
Quartics, Inc.	Semiconductors	Preferred Stock Warrants		53	
Total Quartics, Inc.				53	
Solarflare Communications, Inc.	Semiconductors	Preferred Stock Warrants		83	
		Common Stock		642	
Total Solarflare Communications, Inc.				725	

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Total Semiconductors (0.74%)*			2,627	3,148
AcelRX Pharmaceuticals, Inc.	Drug Delivery	Senior Debt Matures December 2014 Interest rate Prime + 3.25% or Floor rate of 6.50%	\$ 5,000	4,863
				4,863
		Senior Debt Matures December 2014 Interest rate Prime + 3.25% or Floor rate of 6.50%	\$ 5,000	4,863
				4,863
		Preferred Stock Warrants		179
		Preferred Stock Warrants		183
Total AcelRX Pharmaceuticals, Inc.			10,084	10,092
Alexza Pharmaceuticals, Inc. ⁽⁴⁾	Drug Delivery	Senior Debt Matures October 2013 Interest rate Prime + 6.5% or Floor rate of 10.75%	\$ 13,005	12,811
				13,051
		Preferred Stock Warrants		645
				279
Total Alexza Pharmaceuticals, Inc.			13,456	13,330
BIND Biosciences, Inc.	Drug Delivery	Senior Debt Matures October 2013 Interest rate Prime + 6.5% or Floor rate of 10.75%	\$ 5,000	4,587
				4,587
		Preferred Stock Warrants		52
		Preferred Stock Warrants		71
		Preferred Stock Warrants		50
		Preferred Stock Warrants		72
		Preferred Stock Warrants		187
		Preferred Stock Warrants		295
Total BIND Biosciences, Inc.			4,876	5,025

See notes to Consolidated Financial Statements (unaudited)

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Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Labopharm USA, Inc. ⁽⁵⁾	Drug Delivery	Senior Debt			
		Matures December 2012			
		Interest rate 10.95%	\$ 15,414	\$ 15,456	\$ 15,456
		Common Stock Warrants		635	
Total Labopharm USA, Inc.				16,091	15,456
Merrion Pharmaceuticals, Inc. ⁽⁵⁾	Drug Delivery	Senior Debt			
		Matures January 2015			
		Interest rate Prime + 9.20% or			
		Floor rate of 12.45%	\$ 5,000	4,706	4,706
		Common Stock Warrants		214	165
Total Merrion Pharmaceuticals, Inc.				4,920	4,871
Transcept Pharmaceuticals, Inc.	Drug Delivery	Common Stock Warrants		36	120
		Common Stock Warrants		51	180
		Common Stock		500	455
Total Transcept Pharmaceuticals, Inc.				587	755
Total Drug Delivery (11.68%)*				50,014	49,529
BARRX Medical, Inc.		Senior Debt			
		Mature December 2011			
		Interest rate 11.00%	\$ 1,499	2,009	2,009
		Preferred Stock Warrants		76	58
		Preferred Stock		1,500	1,571
Total BARRX Medical, Inc.				3,585	3,638
EKOS Corporation	Therapeutic	Preferred Stock Warrants		175	
		Preferred Stock Warrants		152	
Total EKOS Corporation				327	
Gelesis, Inc. ⁽⁸⁾	Therapeutic	Senior Debt	\$ 2,771	2,813	

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		Matures April 2013			
		Interest rate Prime + 7.5% or			
		Floor rate of 10.75%			
Total Gelesis, Inc.				2,813	
Gynesonics, Inc.	Therapeutic	Senior Debt			
		Mature October 2013			
		Interest rate Prime + 8.25% or			
		Floor rate of 11.50%	\$ 6,339	6,219	6,157
		Preferred Stock Warrants		228	244
		Preferred Stock		533	450
Total Gynesonics, Inc.				6,980	6,851
Light Science Oncology, Inc.	Therapeutic	Preferred Stock Warrants		99	181
Total Light Science Oncology, Inc.				99	181
Novasys Medical, Inc.	Therapeutic	Preferred Stock Warrants		71	
		Preferred Stock Warrants		54	1
		Preferred Stock		1,000	988
Total Novasys Medical, Inc.				1,125	989
Pacific Child & Family Associates, LLC	Therapeutic	Senior Debt			
		Matures January 2015			
		Interest rate LIBOR + 8.0% or			
		Floor rate of 10.50%	\$ 5,970	5,883	5,442
		Senior Debt			
		Matures January 2015			
		Interest rate LIBOR + 10.50% or			
		Floor rate of 13.0%	\$ 5,900	6,142	6,260
Total Pacific Child & Family Associates, LLC				12,025	11,702
Total Therapeutic (5.51%)*				26,954	23,361

See notes to Consolidated Financial Statements (unaudited)

Table of Contents**HERCULES TECHNOLOGY GROWTH CAPITAL, INC.****CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)****June 30, 2011****(unaudited)****(dollars in thousands)**

Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Cozi Group, Inc.	Internet Consumer				
	& Business Services	Preferred Stock Warrants		\$ 147	\$
		Preferred Stock		178	122
Total Cozi Group, Inc.				325	122
Invoke Solutions, Inc.	Internet Consumer				
	& Business Services	Preferred Stock Warrants		56	
		Preferred Stock Warrants		26	
Total Invoke Solutions, Inc.				82	
InXpo, Inc.	Internet Consumer	Senior Debt			
	& Business Services	Matures March 2014			
		Interest rate Prime + 7.5% or			
		Floor rate of 10.75%	\$ 2,075	2,013	2,013
		Preferred Stock Warrants		97	87
Total InXpo, Inc.				2,110	2,100
Prism Education Group, Inc.	Internet Consumer				
	& Business Services	Preferred Stock Warrants		43	125
Total Prism Education Group, Inc.				43	125
RazorGator Interactive Group, Inc.	Internet Consumer				
	& Business Services	Preferred Stock Warrants		13	
		Preferred Stock Warrants		28	
		Preferred Stock Warrants		1,183	
		Preferred Stock		1,000	
Total RazorGator Interactive Group, Inc.				2,224	
Reply! Inc. ⁽⁴⁾	Internet Consumer	Senior Debt	\$ 13,000	12,846	12,846
	& Business Services	Matures June 2015			
		Interest rate Prime + 6.87% or			

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		Floor rate of 10.12%			
		Preferred Stock Warrants		320	427
Total Reply! Inc.				13,166	13,273
ScriptSave	Internet Consumer	Senior Debt			
(Medical Security Card Company, LLC)	& Business Services	Matures February 2016			
		Interest rate Prime + 8.75% or			
		Floor rate of 11.25%	\$ 20,500	20,094	20,094
Total ScriptSave				20,094	20,094
Total Internet Consumer & Business Services (8.43%)				38,044	35,714
Lilliputian Systems, Inc.	Energy	Preferred Stock Warrants		106	
		Common Stock Warrants		48	
Total Lilliputian Systems, Inc.				154	
Total Energy (0.00%)*				154	
Box.net, Inc.	Information Services	Senior Debt			
		Matures September 2011			
		Interest rate Prime + 0.50% or			
		Floor rate of 3.75%	\$ 44	63	63
		Senior Debt			
		Matures July 2014			
		Interest rate Prime + 5.25% or			
		Floor rate of 8.50%	\$ 1,590	1,583	1,583
		Preferred Stock Warrants		73	1,949
		Preferred Stock Warrants		117	1,308
		Preferred Stock		500	3,066
		Preferred Stock		500	1,242
Total Box.net, Inc.				2,836	9,211

See notes to Consolidated Financial Statements (unaudited)

Table of Contents**HERCULES TECHNOLOGY GROWTH CAPITAL, INC.****CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)****June 30, 2011****(unaudited)****(dollars in thousands)**

Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Buzznet, Inc.	Information Services	Preferred Stock Warrants		\$ 9	\$
		Preferred Stock		250	61
Total Buzznet, Inc.				259	61
XL Education Corp.	Information Services	Common Stock		880	880
Total XL Education Corp.				880	880
hi5 Networks, Inc.	Information Services	Preferred Stock Warrants		213	3
		Preferred Stock		250	461
Total hi5 Networks, Inc.				463	464
Jab Wireless, Inc.	Information Services	Preferred Stock Warrants		265	158
Total Jab Wireless, Inc.				265	158
Solutionary, Inc.	Information Services	Preferred Stock Warrants		94	
		Preferred Stock Warrants		2	
		Preferred Stock		250	91
Total Solutionary, Inc.				346	91
Intelligent Beauty, Inc.	Information Services	Preferred Stock Warrants		230	88
Total Intelligent Beauty, Inc.				230	88
Good Technologies, Inc.	Information Services	Common Stock		603	110
Total Good Technologies, Inc.				603	110
Coveroo, Inc.	Information Services	Preferred Stock Warrants		7	
Total Coveroo, Inc.				7	
Zeta Interactive Corporation	Information Services	Preferred Stock Warrants		172	252
		Preferred Stock		500	651
Total Zeta Interactive Corporation				672	903
Total Information Services (2.82%)				6,561	11,966
Novadaq Technologies, Inc. ⁽⁵⁾	Diagnostic	Common Stock		1,416	816
Total Novadaq Technologies, Inc.				1,416	816

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Optiscan Biomedical, Corp.	Diagnostic	Senior Debt			
		Matures December 2013			
		Interest rate 10.25%	\$ 10,750	10,679	10,584
		Preferred Stock Warrants		1,069	614
		Preferred Stock		3,655	2,072
Total Optiscan Biomedical, Corp.				15,403	13,270
Total Diagnostic (3.32%)*				16,819	14,086
Kamada, LTD. ⁽⁵⁾	Biotechnology Tools	Common Stock		427	546
Total Kamada, LTD.				427	546
Labcyte, Inc.	Biotechnology Tools	Senior Debt			
		Matures May 2013			
		Interest rate Prime + 8.6% or			
		Floor rate of 11.85%	\$ 3,172	3,107	3,158
		Common Stock Warrants		192	165
		Common Stock Warrants		5	5
Total Labcyte, Inc.				3,304	3,328
NuGEN Technologies, Inc.	Biotechnology Tools	Preferred Stock Warrants		45	243
		Preferred Stock Warrants		33	18
		Preferred Stock		500	570
Total NuGEN Technologies, Inc.				578	831
Total Biotechnology Tools (1.11%)*				4,309	4,705

See notes to Consolidated Financial Statements (unaudited)

Table of Contents**HERCULES TECHNOLOGY GROWTH CAPITAL, INC.****CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)****June 30, 2011****(unaudited)****(dollars in thousands)**

Portfolio Company	Industry	Type of Investment⁽¹⁾	Principal Amount	Cost⁽²⁾	Value⁽³⁾
Crux Biomedical, Inc.	Surgical Devices	Preferred Stock Warrants		\$ 37	\$
		Preferred Stock		250	
Total Crux Biomedical, Inc.				287	
Transmedics, Inc. ⁽⁴⁾	Surgical Devices	Senior Debt			
		Matures February 2014			
		Interest rate Prime + 9.70% or			
		Floor rate of 12.95%	\$ 8,375	9,070	4,687
		Preferred Stock Warrants		225	
		Preferred Stock		1,100	
Total Transmedics, Inc.				10,395	4,687
Total Surgical Devices (1.11%)*				10,682	4,687
Glam Media, Inc.	Media/Content/Info	Preferred Stock Warrants		482	487
Total Glam Media, Inc.				482	487
Everyday Health, Inc. (Waterfront Media, Inc.)	Media/Content/Info	Preferred Stock Warrants		60	633
		Preferred Stock		1,000	1,310
Total Everyday Health, Inc.				1,060	1,943
Women s Marketing, Inc.	Media/Content/Info	Senior Debt			
		Matures November 2015			
		Interest rate Libor + 9.50% or			
		Floor rate of 9.77%	\$ 10,000	9,775	9,775
		Senior Debt			
		Matures November 2015			