

HERCULES TECHNOLOGY GROWTH CAPITAL INC

Form 10-Q

November 04, 2010

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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 September 30, 2010

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 94301**  
(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.

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 November 4, 2010, there were 36,170,811 shares outstanding of the Registrant's common stock, \$0.001 par value.

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**HERCULES TECHNOLOGY GROWTH CAPITAL, INC.**

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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)

	September 30, 2010 (unaudited)	December 31, 2009
<b>Assets</b>		
Investments:		
Non-affiliate investments (cost of \$397,925 and \$353,648, respectively)	\$ 370,720	\$ 335,979
Affiliate investments (cost of \$2,880 and \$2,880, respectively)	2,846	2,274
Control investments (cost of \$26,992 and \$23,823, respectively)	33,935	32,184
Total investments, at value (cost of \$427,796 and \$380,351 respectively)	407,501	370,437
Deferred loan origination revenue	(5,033)	(2,425)
Cash and cash equivalents	83,011	124,828
Interest receivable	11,512	10,309
Other assets	7,291	5,818
<b>Total assets</b>	<b>504,282</b>	<b>508,967</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	5,733	11,852
Long-term SBA Debentures	160,000	130,600
<b>Total liabilities</b>	<b>165,733</b>	<b>142,452</b>
<b>Net assets</b>	<b>\$ 338,549</b>	<b>\$ 366,515</b>
<b>Net assets consist of:</b>		
Common stock, par value	\$ 36	\$ 35
Capital in excess of par value	409,389	409,036
Unrealized appreciation (depreciation) on investments	(22,247)	(10,028)
Accumulated realized gains (losses) on investments	(43,273)	(28,129)
Distributions in excess of investment income	(5,356)	(4,399)
<b>Total net assets</b>	<b>\$ 338,549</b>	<b>\$ 366,515</b>
<b>Shares of common stock outstanding (\$0.001 par value, 60,000 authorized)</b>	<b>36,158</b>	<b>35,634</b>
<b>Net asset value per share</b>	<b>\$ 9.36</b>	<b>\$ 10.29</b>

See Notes to Consolidated Financial Statements (unaudited)

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## HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

## CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2010

(unaudited)

(dollars in thousands)

Portfolio Company	Industry	Type of Investment <sup>(1)</sup>	Principal Amount	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
Accelaron Pharmaceuticals, Inc.	Drug Discovery	Preferred Stock Warrants		\$ 69	\$ 920
		Preferred Stock Warrants		35	181
		Preferred Stock Warrants		39	95
		Preferred Stock		1,341	2,316
Total Accelaron Pharmaceuticals, Inc.				1,484	3,512
Aveo Pharmaceuticals, Inc.	Drug Discovery	Senior Debt			
		Matures September 2013			
		Interest rate Prime + 7.15% or			
		Floor rate of 11.9%	\$ 25,000	24,517	24,517
		Preferred Stock Warrants		190	426
		Preferred Stock Warrants		104	103
		Preferred Stock Warrants		24	37
Total Aveo Pharmaceuticals, Inc.				25,411	25,879
Dicerna Pharmaceuticals, Inc.	Drug Discovery	Senior Debt			
		Matures July 2012			
		Interest rate Prime + 9.20% or			
		Floor rate of 12.95%	\$ 5,355	5,259	5,259
		Preferred Stock Warrants		206	164
		Preferred Stock Warrants		31	29
Total Dicerna Pharmaceuticals, Inc.				6,027	5,977
Elixir Pharmaceuticals, Inc <sup>(8)</sup>	Drug Discovery	Senior Debt	\$ 6,531	6,531	
		Matures October 2011			
		Interest rate Prime + 9.25% or			

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		Floor rate of 12.5%		
		Preferred Stock Warrants	217	
Total Elixir Pharmaceuticals, Inc.			6,748	
EpiCept Corporation	Drug Discovery	Common Stock Warrants	4	42
		Common Stock Warrants	40	4
Total EpiCept Corporation			44	46
Horizon Therapeutics, Inc.	Drug Discovery	Preferred Stock Warrants	231	
Total Horizon Therapeutics, Inc.			231	
Inotek Pharmaceuticals Corp.	Drug Discovery	Preferred Stock	1,500	
Total Inotek Pharmaceuticals Corp.			1,500	
Merrimack Pharmaceuticals, Inc.	Drug Discovery	Preferred Stock Warrants	155	113
		Preferred Stock	2,000	1,470
Total Merrimack Pharmaceuticals, Inc.			2,155	1,583
Paratek Pharmaceuticals, Inc.	Drug Discovery	Preferred Stock Warrants	137	122
		Preferred Stock	1,000	999
Total Paratek Pharmaceuticals, Inc.			1,137	1,121
See Notes to Consolidated Financial Statements				

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<b>Portfolio Company</b>	<b>Industry</b>	<b>Type of Investment <sup>(1)</sup></b>	<b>Principal Amount</b>	<b>Cost<sup>(2)</sup></b>	<b>Value<sup>(3)</sup></b>
PolyMedix, Inc.	Drug Discovery	Senior Debt			
		Matures September 2013			
		Interest rate Prime + 7.1% or			
		Floor rate of 12.35%	\$ 10,000	\$ 9,618	\$ 9,618
		Preferred Stock Warrants		480	268
<b>Total PolyMedix, Inc.</b>				<b>10,098</b>	<b>9,886</b>
Portola Pharmaceuticals, Inc.	Drug Discovery	Senior Debt			
		Matures April 2011			
		Interest rate Prime + 2.16%	\$ 2,916	2,916	2,916
		Preferred Stock Warrants		152	441
<b>Total Portola Pharmaceuticals, Inc.</b>				<b>3,068</b>	<b>3,357</b>
<b>Total Drug Discovery (15.17%)*</b>				<b>57,903</b>	<b>51,361</b>
Affinity Videonet, Inc <sup>(4)</sup>	Communications & Networking	Senior Debt			
		Matures June 2012			
		Interest rate Prime + 8.75% or			
		Floor rate of 12.00%	\$ 1,685	1,736	1,736
		Senior Debt			
		Matures June 2012			
		Interest rate Prime + 14.75% or			
		Floor rate of 18.00%	\$ 2,000	2,084	2,084
		Revolving Line of Credit			
		Matures June 2012	\$ 500	500	500
		Interest rate Prime + 9.75% or			



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		Floor rate of 13.00%			
		Preferred Stock Warrants		102	166
Total Affinity Videonet, Inc.				4,422	4,486
E-band Communications, Corp. <sup>(6)</sup>	Communications & Networking	Preferred Stock		2,880	2,846
Total E-Band Communications, Corp.				2,880	2,846
IKANO Communications, Inc.	Communications & Networking	Senior Debt			
		Matures August 2011			
		Interest rate 12.00%	\$ 2,779	2,779	2,779
		Preferred Stock Warrants		45	
		Preferred Stock Warrants		72	
Total IKANO Communications, Inc.				2,896	2,779
Intelepeer, Inc.	Communications & Networking	Senior Debt			
		Matures May 2013			
		Interest rate Prime + 8.125%	\$ 5,185	5,114	5,114
		Preferred Stock Warrants		102	94
Total Intelepeer, Inc.				5,216	5,208
Neonova Holding Company	Communications & Networking	Preferred Stock Warrants		94	39
		Preferred Stock		250	225
Total Neonova Holding Company				344	264
	See Notes to Consolidated Financial Statements				

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<b>Portfolio Company</b>	<b>Industry</b>	<b>Type of Investment <sup>(1)</sup></b>	<b>Principal Amount</b>	<b>Cost<sup>(2)</sup></b>	<b>Value<sup>(3)</sup></b>
Opsource, Inc. <sup>(4)</sup>	Communications & Networking	Senior Debt			
		Matures June 2013			
		Interest rate Prime + 7.75% or			
		Floor rate of 11.00%	\$ 5,000	\$ 4,811	\$ 4,811
		Revolving Line of Credit			
		Matures June 2011			
		Interest rate Prime + 5.25% or			
		Floor rate of 8.50%	\$ 1,500	1,500	1,500
		Preferred Stock Warrants		222	208
Total Opsource, Inc.				6,533	6,519
PeerApp, Inc.	Communications & Networking	Senior Debt			
		Matures April 2013			
		Interest rate Prime + 7.5% or			
		Floor rate of 11.50%	\$ 3,000	2,951	2,951
		Preferred Stock Warrants		61	56
Total PeerApp, Inc.				3,012	3,007
Peerless Network, Inc.	Communications & Networking	Preferred Stock Warrants		95	134
		Preferred Stock		1,000	1,930
Total Peerless Network, Inc.				1,095	2,064
Ping Identity Corporation	Communications & Networking	Preferred Stock Warrants		52	4
Total Ping Identity Corporation				52	4
Purcell Systems, Inc.	Communications & Networking	Preferred Stock Warrants		123	327

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Total Purcell Systems, Inc.				123	327
Seven Networks, Inc.	Communications & Networking	Preferred Stock Warrants		174	34
Total Seven Networks, Inc.				174	34
Stoke, Inc <sup>(4)</sup>	Communications & Networking	Senior Debt			
		Matures May 2013			
		Interest rate Prime + 7.0% or	\$ 4,000	3,947	3,947
		Preferred Stock Warrants		53	71
		Preferred Stock Warrants		65	61
Total Stoke, Inc.				4,065	4,079
Tectura Corporation	Communications & Networking	Senior Debt			
		Matures March 2011			
		Interest rate 11%	\$ 833	833	833
		Revolving Line of Credit			
		Matures July 2011			
		Interest rate 11%	\$ 16,517	17,456	17,456
		Preferred Stock Warrants		51	3
Total Tectura Corporation				18,340	18,292
<b>Total Communications &amp; Networking</b> <b>(14.74%)*</b>				49,152	49,909

See Notes to Consolidated Financial Statements

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<b>Portfolio Company</b>	<b>Industry</b>	<b>Type of Investment <sup>(1)</sup></b>	<b>Principal Amount</b>	<b>Cost<sup>(2)</sup></b>	<b>Value<sup>(3)</sup></b>
Atrenta, Inc.	Software	Preferred Stock Warrants		\$ 102	\$ 36
		Preferred Stock Warrants		34	12
		Preferred Stock Warrants		95	15
		Preferred Stock		250	136
<b>Total Atrenta, Inc.</b>			<b>481</b>	<b>199</b>	
Blurb, Inc.	Software	Senior Debt			
		Matures June 2011			
		Interest rate Prime + 3.50% or			
		Floor rate of 8.5%	\$ 1,721	1,696	1,696
		Preferred Stock Warrants		25	348
		Preferred Stock Warrants		299	224
<b>Total Blurb, Inc.</b>			<b>2,020</b>	<b>2,268</b>	
Braxton Technologies, LLC.	Software	Preferred Stock Warrants		188	
<b>Total Braxton Technologies, LLC.</b>				<b>188</b>	
Bullhorn, Inc.	Software	Preferred Stock Warrants		43	234
<b>Total Bullhorn, Inc.</b>				<b>43</b>	<b>234</b>
Clickfox, Inc.	Software	Senior Debt			
		Matures July 2013			
		Interest rate Prime + 6.00% or			
		Floor rate of 11.25%	\$ 6,000	5,851	5,851
		Revolving Line of Credit			
		Matures July 2011			
		Interest rate Prime + 5.00% or			
		Floor rate of 12.00%	\$ 2,000	2,000	2,000
		Preferred Stock Warrants		177	128
		Preferred Stock Warrants		152	163

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Total Clickfox, Inc.			8,180		8,142
Forescout Technologies, Inc.	Software	Preferred Stock Warrants	99		10
Total Forescout Technologies, Inc.			99		10
GameLogic, Inc.	Software	Preferred Stock Warrants	92		
Total GameLogic, Inc.			92		
HighJump Acquisition, LLC.	Software	Senior Debt			
		Matures May 2013			
		Interest rate Libor + 8.75% or			
		Floor rate of 12.00%	\$ 15,000	15,000	15,000
Total HighJump Acquisition, LLC.			15,000		15,000
HighRoads, Inc.	Software	Preferred Stock Warrants	44		61
Total HighRoads, Inc.			44		61
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<b>Portfolio Company</b>	<b>Industry</b>	<b>Type of Investment <sup>(1)</sup></b>	<b>Principal Amount</b>	<b>Cost<sup>(2)</sup></b>	<b>Value<sup>(3)</sup></b>
Infologix, Inc <sup>(4)(7)</sup>	Software	Senior Debt			
		Matures November 2013			
		Interest rate 12.00%	\$ 5,500	\$ 5,500	\$ 5,500
		Convertible Senior Debt			
		Matures November 2014			
		Interest rate 12.00%		707	723
		Revolving Line of Credit			
		Matures May 2011			
		Interest rate 12.00%	\$ 7,617	7,617	7,617
		Senior Debt			
		Matures December 2010			
		Interest rate 18.00%	\$ 2,202	2,202	2,202
Senior Debt					
Matures April 2013					
Interest rate 8.00%	\$ 1,350	1,350	1,350		
Senior Debt					
Matures September 2011					
Interest rate 10.00%	\$ 500	500	500		
Preferred Stock Warrants			725	2,740	
Common Stock			5,000	5,680	
Common Stock			3,391	7,623	
<b>Total Infologix, Inc.</b>				<b>26,992</b>	<b>33,935</b>
PSS Systems, Inc.	Software	Preferred Stock Warrants		51	13
<b>Total PSS Systems, Inc.</b>				<b>51</b>	<b>13</b>
Rockyou, Inc.	Software	Preferred Stock Warrants		117	183

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Total Rockyou, Inc.			117	183
Sportvision, Inc.	Software	Preferred Stock Warrants	39	
Total Sportvision, Inc.			39	
Unify Corporation	Software	Senior Debt		
		Matures June 2015		
		Interest rate Libor + 8.25% or		
		Floor rate of 10.25%	\$ 24,000	22,746
		Revolving Line of Credit		22,746
		Matures June 2015		
		Interest rate Libor + 7.25% or		
		Floor rate of 9.25%	\$ 3,250	3,250
		Preferred Stock Warrants		1,435
				1,567
Total Unify Corporation			27,431	27,563
WildTangent, Inc.	Software	Preferred Stock Warrants	238	12
Total WildTangent, Inc.			238	12
<b>Total Software (25.88%)*</b>			81,015	87,620

See Notes to Consolidated Financial Statements

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<b>Portfolio Company</b>	<b>Industry</b>	<b>Type of Investment <sup>(1)</sup></b>	<b>Principal Amount</b>	<b>Cost<sup>(2)</sup></b>	<b>Value<sup>(3)</sup></b>
Luminus Devices, Inc.	Electronics & Computer Hardware	Senior Debt			
		Matures December 2011			
		Interest rate 11.875%	\$ 1,290	\$ 1,290	\$ 1,290
		Preferred Stock Warrants		183	
		Preferred Stock Warrants		84	
		Preferred Stock Warrants		334	
<b>Total Luminus Devices, Inc.</b>				<b>1,891</b>	<b>1,290</b>
Maxvision Holding, LLC.	Electronics & Computer Hardware	Senior Debt			
		Matures October 2012			
		Interest rate Prime + 7.25% or			
		Floor rate of 10.75%	\$ 5,000	5,318	318
		Senior Debt			
		Matures April 2012			
		Interest rate Prime + 5.0% or			
		Floor rate of 8.5%	\$ 3,659	3,659	3,659
		Revolving Line of Credit			
		Matures April 2012			
		Interest rate Prime + 5.0% or			
		Floor rate of 8.5%	\$ 3,100	3,180	3,180
		Common Stock		82	
<b>Total Maxvision Holding, LLC</b>				<b>12,239</b>	<b>7,157</b>
Shocking Technologies, Inc.	Electronics & Computer Hardware	Preferred Stock Warrants			
				63	89
<b>Total Shocking Technologies, Inc.</b>				<b>63</b>	<b>89</b>



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Spatial Photonics, Inc. <sup>(8)</sup>	Electronics & Computer Hardware	Senior Debt				
		Matures April 2011				
		Interest rate 10.07%	\$	722	722	
		Preferred Stock Warrants			130	
		Preferred Stock			500	
Total Spatial Photonics, Inc.					1,352	
VeriWave, Inc.	Electronics & Computer Hardware	Preferred Stock Warrants				
					54	
		Preferred Stock Warrants			46	
Total VeriWave, Inc.					100	
<b>Total Electronics &amp; Computer Hardware (2.52%)*</b>					<b>15,645</b>	<b>8,536</b>
Aegerion Pharmaceuticals, Inc. <sup>(4)</sup>	Specialty Pharmaceuticals	Senior Debt				
		Matures September 2011				
		Interest rate Prime + 2.50% or				
		Floor rate of 11.00%	\$	3,269	3,269	3,269
		Convertible Senior Debt				
		Matures December 2011	\$	401	401	401
		Preferred Stock Warrants			69	382
		Preferred Stock			1,000	500
Total Aegerion Pharmaceuticals, Inc.					4,739	4,552
		See Notes to Consolidated Financial Statements				

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<b>Portfolio Company</b>	<b>Industry</b>	<b>Type of Investment<sup>(1)</sup></b>	<b>Principal Amount</b>	<b>Cost<sup>(2)</sup></b>	<b>Value<sup>(3)</sup></b>
Althea Technologies, Inc.	Specialty Pharmaceuticals	Senior Debt			
		Matures October 2013			
		Interest rate Prime + 7.70% or			
		Floor rate of 10.95%	\$ 12,000	\$ 11,711	\$ 11,711
		Preferred Stock Warrants		309	245
<b>Total Althea Technologies, Inc.</b>				<b>12,020</b>	<b>11,956</b>
Chroma Therapeutics, Ltd. <sup>(5)</sup>	Specialty Pharmaceuticals	Senior Debt			
		Matures September 2013			
		Interest rate Prime + 7.75% or			
		Floor rate of 12.00%	\$ 10,000	9,610	9,610
		Preferred Stock Warrants		490	366
<b>Total Chroma Therapeutics, Ltd.</b>				<b>10,100</b>	<b>9,976</b>
QuatRx Pharmaceuticals Company	Specialty Pharmaceuticals	Senior Debt			
		Matures October 2011			
		Interest rate Prime + 8.90% or			
		Floor rate of 12.15%	\$ 10,972	10,921	10,921
		Convertible Senior Debt			
		Matures March 2012	\$ 1,888	1,888	2,861
		Preferred Stock Warrants		220	
		Preferred Stock Warrants		307	
		Preferred Stock		750	
<b>Total Quatrx Pharmaceuticals Company</b>				<b>14,086</b>	<b>13,782</b>
<b>Total Specialty Pharmaceuticals (11.89%)*</b>				<b>40,945</b>	<b>40,266</b>
Annie s, Inc.	Consumer &	Preferred Stock Warrants		321	99

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Business					
Products					
Total Annie s, Inc.			321	99	
IPA Holdings, LLC <sup>(4)</sup>	Consumer & Business Products	Senior Debt			
		Matures November 2012			
		Interest rate Prime + 7.75% or			
		Floor rate of 12.0%	\$ 8,625	8,919	8,919
		Senior Debt			
		Matures May 2013			
		Interest rate Prime + 10.75% or			
		Floor rate of 15.0%	\$ 6,500	6,873	6,873
		Revolving Line of Credit			
		Matures November 2012			
	Interest rate Prime + 7.25% or				
	Floor rate of 11.50%	\$ 856	856	856	
	Preferred Stock Warrants		275		
	Common Stock		500		
Total IPA Holdings, LLC			17,423	16,648	
	See Notes to Consolidated Financial Statements				

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<b>Portfolio Company</b>	<b>Industry</b>	<b>Type of Investment<sup>(1)</sup></b>	<b>Principal Amount</b>	<b>Cost<sup>(2)</sup></b>	<b>Value<sup>(3)</sup></b>
Market Force Information, Inc.	Consumer & Business Products	Preferred Stock Warrants		\$ 24	\$ 49
		Preferred Stock		500	306
<b>Total Market Force Information, Inc.</b>				<b>524</b>	<b>355</b>
OnTech Operations, Inc.	Consumer & Business Products	Preferred Stock Warrants		452	
		Preferred Stock Warrants		218	
		Preferred Stock		1,000	
<b>Total OnTech Operations, Inc.</b>				<b>1,670</b>	
Trading Machines, Inc.	Consumer & Business Products	Senior Debt			
		Matures January 2014			
		Interest rate Prime + 10.25% or			
		Floor rate of 13.50%	\$ 10,000	9,174	9,174
		Preferred Stock Warrants		879	751
		Preferred Stock		50	50
<b>Total Trading Machines, Inc.</b>				<b>10,103</b>	<b>9,975</b>
Velocity Technology Solutions, Inc.	Consumer & Business Products	Senior Debt			
		Matures February 2015			
		Interest rate LIBOR + 8% or			
		Floor rate of 11.00%	\$ 15,834	15,834	15,834
		Senior Debt			
		Matures February 2015			
		Interest rate LIBOR + 10% or			
		Floor rate of 13.00%	\$ 8,333	8,446	8,446

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Total Velocity Technology Solutions, Inc.		24,280	24,280
Wageworks, Inc.	Consumer & Business Products	Preferred Stock Warrants	
		252	1,218
		Preferred Stock	250 265
Total Wageworks, Inc.		502	1,483
<b>Total Consumer &amp; Business Products (15.61%)*</b>		54,823	52,840
Enpirion, Inc.	Semiconductors	Preferred Stock Warrants	157
Total Enpirion, Inc.		157	
iWatt, Inc.	Semiconductors	Preferred Stock Warrants	46 2
		Preferred Stock Warrants	51
		Preferred Stock Warrants	73
		Preferred Stock Warrants	458 18
		Preferred Stock	490 362
Total iWatt, Inc.		1,118	382
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<b>Portfolio Company</b>	<b>Industry</b>	<b>Type of Investment<sup>(1)</sup></b>	<b>Principal Amount</b>	<b>Cost<sup>(2)</sup></b>	<b>Value<sup>(3)</sup></b>
NEXX Systems, Inc.	Semiconductors	Preferred Stock Warrants		\$ 297	\$ 1,032
		Preferred Stock		277	704
Total NEXX Systems, Inc.				574	1,736
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	
<b>Total Semiconductors (0.63%)*</b>				<b>2,627</b>	<b>2,118</b>
Alexza Pharmaceuticals, Inc. <sup>(4)</sup>	Drug Delivery	Senior Debt			
		Matures October 2013			
		Interest rate Prime + 6.5% or			
		Floor rate of 10.75%	\$ 15,000	14,459	14,459
Preferred Stock Warrants				645	570
Total Alexza Pharmaceuticals, Inc.				15,104	15,029
Labopharm USA, Inc. <sup>(5)</sup>	Drug Delivery	Senior Debt			
		Matures December 2012			
		Interest rate 10.95%	\$ 20,000	19,768	19,768
Common Stock Warrants				635	368
Total Labopharm USA, Inc.				20,403	20,136
Transcept Pharmaceuticals, Inc.	Drug Delivery	Common Stock Warrants		36	65
		Common Stock Warrants		51	30
		Common Stock		499	290
Total Transcept Pharmaceuticals, Inc.				586	385

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<b>Total Drug Delivery (10.50%)*</b>			36,093	35,550
BARRX Medical, Inc.	Therapeutic	Senior Debt		
		Mature December 2011		
		Interest rate 11.00%	\$ 3,573	3,570
		Revolving Line of Credit		
		Matures May 2011		
		Interest rate 10.00%		
		Preferred Stock Warrants		76
		Preferred Stock		1,890
Total BARRX Medical, Inc.			5,146	5,526
EKOS Corporation	Therapeutic	Senior Debt		
		Matures November 2010		
		Interest rate Prime + 2.00%	\$ 496	502
		Preferred Stock Warrants		175
		Preferred Stock Warrants		153
Total EKOS Corporation			830	503
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<b>Portfolio Company</b>	<b>Industry</b>	<b>Type of Investment <sup>(1)</sup></b>	<b>Principal Amount</b>	<b>Cost<sup>(2)</sup></b>	<b>Value<sup>(3)</sup></b>
Gelesis, Inc. <sup>(8)</sup>	Therapeutic	Senior Debt			
		Matures May 2012			
		Interest rate Prime + 7.5% or			
		Floor rate of 10.75%	\$ 2,847	\$ 2,826	\$
		Preferred Stock Warrants		58	
Total Gelesis, Inc.				2,884	
Gyenesonics, Inc.	Therapeutic	Preferred Stock Warrants		18	5
		Preferred Stock		532	377
Total Gyenesonics, Inc.				550	382
Light Science Oncology, Inc.	Therapeutic	Preferred Stock Warrants		99	26
Total Light Science Oncology, Inc.				99	26
Novasys Medical, Inc.	Therapeutic	Preferred Stock Warrants		71	1
		Preferred Stock Warrants		54	8
		Preferred Stock		1,000	1,359
Total Novasys Medical, Inc.				1,125	1,368
Pacific Child & Family Associates, LLC	Therapeutic	Senior Debt			
		Matures January 2015			
		Interest rate LIBOR + 8.0% or			
		Floor rate of 10.50%	\$ 6,750	6,750	6,750
		Senior Debt			
		Matures January 2015			
		Interest rate LIBOR + 10.50% or			
		Floor rate of 13.0%	\$ 5,900	6,042	6,042
Total Pacific Child & Family Associates, LLC				12,792	12,792
<b>Total Therapeutic (6.08%)*</b>				23,426	20,597



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Cozi Group, Inc.	Internet Consumer	Preferred Stock Warrants		
	& Business			
	Services		147	
		Preferred Stock	177	292
Total Cozi Group, Inc.			324	292
Invoke Solutions, Inc.	Internet Consumer	Preferred Stock Warrants		
	& Business			
	Services		56	73
		Preferred Stock Warrants	26	17
Total Invoke Solutions, Inc.			82	90
Prism Education Group, Inc.	Internet Consumer	Preferred Stock Warrants		
	& Business			
	Services		43	