UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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 March 31, 2014

OR

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

COMMISSION FILE NUMBER: 1-35906

HARVEST CAPITAL CREDIT CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Delaware **(State or other Jurisdiction of Incorporation or Organization)**	**46-1396995** **(I.R.S. Employer Identification No.)**

767 Third Avenue, 25th Floor
New York, NY 10017
(Address of Principal Executive Offices) (Zip Code)

(212) 906-3500
(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 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 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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer (do not check if a smaller reporting company)	☒	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 ☒

The number of shares of the registrant's Common Stock, $0.001 par value, outstanding as of May 13, 2014 was 6,175,270.

HARVEST CAPITAL CREDIT CORPORATION

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Harvest Capital Credit Corporation

Statements of Assets and Liabilities (unaudited)

	March 31, 2014	December 31, 2013
ASSETS:		
Non-affiliated/non-control investments, at fair value (cost of $79,436,358 @ 3/31/14 and $68,241,970 @ 12/31/13)	$ 80,388,603	$ 69,012,300
Affiliated investments, at fair value (cost of $2,094,284 @ 3/31/14 and $2,062,107 @ 12/31/13)	1,567,876	1,540,176
Total investments, at fair value (cost of $81,530,642 @ 3/31/14 and $70,304,077 @ 12/31/13)	81,956,479	70,552,476
Cash	8,770,202	18,984,162
Interest receivable	514,161	449,902
Accounts receivable - other	23,833	11,344
Deferred financing costs	1,186,306	1,247,534
Other assets	39,354	99,833
Total assets	$ 92,490,335	$ 91,345,251
LIABILITIES:		
Accrued interest payable	$ 35,521	$ 35,521
Accounts payable and accrued expenses	794,783	556,892
Other liabilities	2,350,122	1,898,352
Total liabilities	3,180,426	2,490,765
Commitments and contingencies (Note 9)		
NET ASSETS:		
Common stock, $0.001 par value, 100,000,000 shares authorized, and 6,168,407 issued and outstanding @ 3/31/14 and 6,148,227 issued and outstanding @ 12/31/13	6,168	6,148
Capital in excess of common stock	88,787,104	88,497,898
Net unrealized appreciation on investments	425,838	248,396
Undistributed net investment income	90,799	102,044
Total net assets	89,309,909	88,854,486
Total liabilities and net assets	$ 92,490,335	$ 91,345,251
Common stock issued and outstanding	6,168,407	6,148,227
Net asset value per common share	$ 14.48	$ 14.45

See accompanying notes to unaudited financial statements.

Harvest Capital Credit Corporation

Statements of Operations (unaudited)

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
Investment Income:		
Interest:		
Cash - non-affiliated/non-control investments	$ 2,381,505	$ 1,337,629
Cash - affiliated investments	56,066	54,150
PIK - non-affiliated/non-control investments	370,317	268,419
PIK - affiliated investments	27,084	14,012
Fee amortization, net	199,146	111,875
Other interest income	2,937	-
Total interest income	3,037,055	1,786,085
Total investment income	**3,037,055**	**1,786,085**
Expenses:		
Interest expense - revolving line of credit (related party)	-	457,977
Interest expense - unused line of credit (related party)	-	8,877
Interest expense - unused line of credit	103,125	-
Interest expense - deferred financing costs (related party)	-	9,651
Interest expense - deferred financing costs	61,229	-
Total interest expense	164,354	476,505
General and administrative	317,565	97,223
Base management fees	384,857	77,351
Incentive management fees	35,488	320,063
Administrative services expense	68,751	50,001
Total expenses	**971,015**	**1,021,143**
Net investment income	**2,066,040**	**764,942**
Net change in unrealized appreciation on investments	177,442	515,313
Total net unrealized gains on investments	**177,442**	**515,313**
Net increase in net assets resulting from operations	**$ 2,243,482**	**$ 1,280,255**
Net investment income per share (basic and diluted)	$ 0.34	$ 0.65
Net increase in net assets resulting from net investment income per share (basic and diluted)	$ 0.36	$ 1.09
Weighted average shares outstanding (basic and diluted) (1)	6,156,116	1,172,688
Dividends declared per common share (basic and diluted)	$ 0.34	$ 0.69

(1) The shares outstanding and per share amounts for all periods prior to May 2013 have been adjusted as described in Note 1.

See accompanying notes to unaudited financial statements.

Harvest Capital Credit Corporation

Statements of Changes in Net Assets (unaudited)

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
Increase in net assets from operations:		
Net investment income	$ 2,066,040	$ 764,942
Net change in unrealized appreciation on investments	177,442	515,313
Net increase in net assets resulting from operations	2,243,482	1,280,255
Distributions to shareholders (1)	(2,077,285)	(816,229)
Capital share transactions:		
Issuance of common shares	20	-
Reinvestment of dividends	289,206	-
Net increase in net assets from capital share transactions	289,226	-
Total increase in net assets	455,423	464,026
Net assets at beginning of period	88,854,486	19,806,327
Net assets at end of period	$ 89,309,909	$ 20,270,353
Capital share activity (common shares):		
Shares issued from reinvestment of dividends	20,180	-
Net increase in capital share activity (common shares)	20,180	-

(1) Distributions made in Q1 2014 were comprised of $2,077,285 from net investment income. The distribution made in Q1 2013 was comprised of $816,229 from net investment income.

See accompanying notes to unaudited financial statements.

HARVEST CAPITAL CREDIT CORPORATION
Statements of Cash Flows (unaudited)

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
Cash flows from operating activities:		
Net increase in net assets resulting from operations	$ 2,243,482	$ 1,280,255
Adjustments to reconcile net increase in net assets resulting from operations to net cash used by operating activities:		
Paid in kind income	(397,401)	(282,431)
Net unrealized appreciation of investments	(177,442)	(515,313)
Accretion of deferred loan fees	(199,146)	(111,875)
Amortization of deferred financing costs	61,229	9,651
Purchase of investments (net of loan origination and other fees)	(11,059,099)	(1,100,000)
Proceeds from principal payments	429,086	43,128
Changes in operating assets and liabilities		
Increase in interest receivable	(64,259)	(188,498)
Decrease (increase) in accounts receivable - other and other assets	47,990	(101,797)
Increase in accrued interest payable	-	156,264
Increase in accounts payable and other liabilities	689,661	515,779
Net cash used in operating activities	(8,425,899)	(294,837)
Cash flows from financing activities:		
Borrowings on revolving credit facility	-	1,000,000
Repayment of borrowings on revolving credit facility	-	(7,000,000)
Proceeds from the issuance of common stock	18	-
Distributions to equity holders (net of stock issued under dividend reinvestment plan of $289,206 and $0, respectively)	(1,788,079)	(816,229)
Net cash used in financing activities	(1,788,061)	(6,816,229)
Net decrease in cash during the period	(10,213,960)	(7,111,066)
Cash at beginning of period	18,984,162	7,639,801
Cash at end of period	$ 8,770,202	$ 528,735
Non-cash financing activities:		
Value of shares issued in connection with dividend reinvestment plan	$ 289,206	$ -
Supplemental disclosures of cash flow information:		
Cash paid during the period for interest	$ 103,125	$ 310,590

See accompanying notes to unaudited financial statements.

Harvest Capital Credit Corporation
Schedule of Investments
(as of March 31, 2014)
(unaudited)

Portfolio Company	Investment (1)	Origination Date	Outstanding Principal	Cost	Fair Value
Investments in Affiliated Portfolio Companies					
Seafood Product Preparation and Packaging					
Solex (1.8%)*	Senior Secured Term Loan, due 12/28/2016 (15.79%; LIBOR + 12.50% Cash/3.29% PIK)	12/31/2012	$ 1,794,422	$ 1,652,486	$ 1,567,876
	Common Equity (6.34% of fully diluted common equity)			290,284	-
	Common Equity Warrants (6.4% of fully diluted common equity)			151,514	-
Total Investments in Affiliated Portfolio Companies				**2,094,284**	**1,567,876**
Investments in Non-controlled, Non-affiliated Portfolio Companies					
Dietary Supplements					
Atrium Innovations, Inc. (1.1%)*	First Lien Term Loan, due 2/15/2021 (4.25%; LIBOR + 3.25% with 1.00% LIBOR floor)	1/29/2014	1,000,000	1,000,618	998,437
Distributor - Tobacco Products					
North Atlantic Trading Company, Inc. (1.1%)*	First Lien Term Loan, due 1/13/2020 (7.75%; LIBOR + 6.50% with 1.25% LIBOR floor)	1/13/2014	997,574	987,801	987,801
North Atlantic Trading Company, Inc. (3.3%)	Junior Secured Term Loan, due 7/13/2020 (11.50%; LIBOR + 10.25% with 1.25% LIBOR floor)	1/13/2014	3,000,000	2,941,030	2,941,030
Document and Information Solutions					
Arsloane Acquisition, LLC (Pitney Bowes) (5.0%)*	Junior Secured Term Loan, due 10/01/2020 (11.75%; LIBOR + 10.50% with 1.25% LIBOR floor)	10/8/2013	4,500,000	4,439,155	4,439,155
Hand Tool Manufacturing					
Rostra Tool Company (5.5%)*	Junior Secured Subordinated Debt, due 12/15/2014 (Greater of 17.00%; 13.00% Cash/4.00% PIK or LIBOR + 13.50%; LIBOR + 9.50% Cash/4.00% PIK)	2/1/2012	4,774,353	4,732,921	4,774,353
	Common Equity Warrants (14.99% of fully diluted common equity)			-	153,449
Heavy and Civil Engineering and Construction					
LNB Construction, Inc. (4.0%)*	Junior Secured Subordinated Debt, due 11/30/2014 (20.00%; 17.00% Cash/3.00% PIK)	8/21/2012	3,358,207	3,301,550	3,358,207
	Options to Purchase Common Equity (16.5% of fully diluted common equity)			193,750	200,000
Industrial Fluid Filtration Services					
CRS Reprocessing, LLC (6.8%)*	Senior Secured Term Loan, due 11/02/2015 (15.00%; 12.00% Cash/3.00% PIK)	10/30/2013	6,169,716	6,114,207	6,114,207
Industrial Machinery Manufacturing					
Douglas Machines Corp. (4.9%)*	Junior Secured Subordinated Debt, due 4/6/2017	4/6/2012	4,295,100	4,204,112	4,295,100

	(16.00%; 12.50% Cash/3.50% PIK)				
	Common Equity Warrants (2.0% of fully diluted common equity)			12,500	64,718
Metal Fabricating & Finishing					
Northeast Metal Works, LLC (5.7%)*	Senior Secured Debt, due 12/31/17 (14.20%; LIBOR +14.00% with 0.20% LIBOR floor)	12/31/2013	4,650,000	4,565,388	4,565,388
	Revolving Line of Credit (14.20%; LIBOR +14.00% with 0.20% LIBOR floor)	12/31/2013	500,000	500,000	500,000
Novelty Shops					
PD Products, LLC (5.4%)*	Junior Secured Subordinated Debt, due 10/04/2018 (12.00%; LIBOR + 10.50% with 1.50% LIBOR floor)	10/4/2013	4,875,080	4,794,679	4,794,679
Peekay Acquisition, LLC (Christals) (2.4%)*	Senior Secured Term Loan, due 12/27/2015 (18.00%; 15.00% Cash/3.00% Accommodation Fee)	12/31/2012	2,000,000	1,783,571	1,981,913
	Common Equity Warrants (Christals Acquisition, LLC) (2.0% of fully diluted common equity)			35,000	46,825
	Common Equity Warrants (Christals Parent, LLC) (8.0% of fully diluted common equity)			70,000	93,649
Other Nondepository Credit Intermediation					
WBL SPE I, LLC (1.6%)*	Senior Secured Term Loan, due 9/30/2016 (15.00% Cash)	9/30/2013	1,500,000	1,456,705	1,456,705
WBL SPE II, LLC (1.5%)*	Senior Secured Term Loan, due 12/23/2016 (15.00% Cash)	12/23/2013	1,318,872	1,299,787	1,299,787
World Business Lenders, LLC (0.2%)*	Common Equity Units (0.4% of fully diluted common equity)	12/23/2013		200,000	200,000
Pawn Retail Outlets					
Pawn Plus, Inc. (4.1%)*	Senior Secured Term Loan, due 12/31/2016 (Greater of 17.00%; 15.00% Cash/2.00% PIK or LIBOR + 14.50%; LIBOR + 12.50% Cash/2.00% PIK)	12/31/2012	3,851,953	3,642,255	3,667,312
	Common Equity Warrants (3.9% of fully diluted common equity)			133,524	-
Pet Food Retail Stores					
CP Holding Co., Inc. (Choice Pet) (5.7%)*	Senior Secured Debt, due 02/28/2018 (14.75%, 12.00% Cash/2.75% PIK)	5/30/2013	5,117,864	5,020,327	5,117,864
Pharmaceutical Merchant Wholesaler					
Insight Pharmaceuticals, LLC (1.7%)*	Junior Secured Term Loan, due 08/25/2017 (13.25%; LIBOR + 11.75% with 1.50% LIBOR floor)	9/14/2011	1,544,828	1,535,569	1,544,828
Real Estate Brokerage Services					
Americana Holdings LLC (5.0%)*	Junior Secured Term Loan, due 09/15/2018 (13.00% Cash)	9/16/2013	4,191,374	3,411,900	3,563,897
	Revenue Linked Security			825,387	864,572
Safety Consulting Services					
Safety Services Acquisition Corp. (6.6%)*	Junior Secured Subordinated Debt, due 7/5/2017 (15.0%; 12.50% Cash/2.50% PIK)	4/5/2012	5,606,856	5,513,194	5,606,856
	Preferred Equity (0.64% of fully diluted common equity)			100,000	276,922

Software Publishing					
Optimal Blue (6.1%)*	Junior Secured Subordinated Debt, due 3/28/2018 (14.50%; 12.50% Cash/2.00% PIK)	12/18/2013	5,280,136	5,232,463	5,232,463
	Common Equity (0.38% of fully diluted common equity)			100,000	208,631
Structured Finance					
Shinnecock CLO 2006-1, Ltd. (2.9%)*	CLO Subordinated Notes	3/7/2014	4,200,000	2,608,830	2,608,830
Surveying & Engineering Services					
SISD, Inc. (Garden State) (1.2%)*	Senior Secured Debt, due 3/1/2019 (16.50%; LIBOR + 14.50% with 0.50% LIBOR floor/1.50% PIK)	12/4/2013	1,003,750	926,913	926,913
	Common Equity Warrants (4.0% of fully diluted common equity)			58,240	130,235
Technology - Software					
Applied Systems, Inc. 2nd Lien (0.6%)*	Junior Secured Term Loan, due 1/22/2022 (7.50%; LIBOR + 6.50% with 1.00% LIBOR floor)	1/15/2014	500,000	496,307	509,250
Avast Software (Sybil Software) (2.2%)*	First Lien Term Loan, due 3/20/2020 (5.00%; LIBOR + 4.00 with 1.00% LIBOR floor)	3/18/2014	2,000,000	2,010,000	1,996,667
Urgent Care Facility Operator					
Infinite Aegis Group, LLC (4.1%)*	Senior Secured Term Loan, due 7/31/2017 (15.00%; LIBOR + 15.00% with no floor)	8/2/2013	4,000,000	3,861,766	3,598,969
	Common Equity Warrants (3% of fully diluted common equity)			77,522	19,128
Water Treatment Solutions					
EWT Holdings III Corp. (1.4%)*	Senior Secured Term Loan, due 1/15/2021 (4.75% LIBOR + 3.75% with 1.00% LIBOR floor)	12/12/2013	1,246,875	1,249,387	1,249,863
Total Investments in Non-controlled, Non-affiliated Portfolio Companies				**79,431,016**	**80,388,603**
Total Investments as of March 31, 2014 (91.9%)*				**$ 81,530,642**	**$ 81,956,479**

* Value as a percent of net assets

(1) Debt investments and the revenue linked security are income producing. Common equity and warrants are non-income producing. All investments other than LNB Construction, Inc., WBL SPE I, LLC, WBL SPE II, LLC, Shinnecock CLO 2006-1, Ltd. and World Business Lenders, LLC, are qualifying assets for purposes of Section 55(a) of the Investment Company Act of 1940, as amended.

Harvest Capital Credit Corporation
Schedule of Investments
(as of December 31, 2013)

Portfolio Company	Investment (1)	Origination Date	Outstanding Principal	Cost	Fair Value
Investments in Affiliated Portfolio Companies					
Seafood Product Preparation and Packaging					
Solex (1.7%)*	Senior Secured Term Loan, due 12/28/2016 (15.79%; LIBOR + 12.50% Cash/3.29% PIK)	12/31/2012	$ 1,767,338	$ 1,620,309	$ 1,515,896
	Common Equity (6.34% of fully diluted common equity)			290,284	12,299
	Common Equity Warrants (6.4% of fully diluted common equity)			151,514	11,981
Total Investments in Affiliated Portfolio Companies				**2,062,107**	**1,540,176**
Investments in Non-controlled, Non-affiliated Portfolio Companies					
Document and Information Solutions					
Arsloane Acquisition, LLC (Pitney Bowes) (5.0%)*	Junior Secured Term Loan, due 10/01/2020 (11.75%; LIBOR + 10.50% with 1.25% LIBOR floor)	10/8/2013	4,500,000	4,437,666	4,437,666
Hand Tool Manufacturing					
Rostra Tool Company (5.4%)*	Junior Secured Subordinated Debt, due 12/15/2014 (Greater of 17.00%; 13.00% Cash/4.00% PIK or LIBOR + 13.50% LIBOR + 9.50% Cash/4.00% PIK)	2/1/2012	4,727,077	4,675,204	4,727,077
	Common Equity Warrants (14.99% of fully diluted common equity)			-	59,817
Heavy and Civil Engineering and Construction					
LNB Construction, Inc. (4.0%)*	Junior Secured Subordinated Debt, due 11/30/2014 (20.00%; 17.00% Cash/3.00% PIK)	8/21/2012	3,376,137	3,278,290	3,376,137
	Options to Purchase Common Equity (16.5% of fully diluted common equity)			193,750	200,000
Industrial Fluid Filtration Services					
CRS Reprocessing, LLC (6.8%)*	Senior Secured Term Loan, due 11/02/2015 (15.00%, 12.00% Cash/3.00% PIK)	10/30/2013	6,123,783	6,060,086	6,060,086
Industrial Machinery Manufacturing					
Douglas Machines Corp. (4.9%)*	Junior Secured Subordinated Debt, due 4/6/2017 (16.00%; 12.50% Cash/3.50% PIK)	4/6/2012	4,257,840	4,161,840	4,257,840
	Common Equity Warrants (2.0% of fully diluted common equity)			12,500	65,650
Metal Fabricating & Finishing					
Northeast Metal Works, LLC (5.4%)*	Senior Secured Debt, due 12/31/17 (14.20%; LIBOR +14.00% with 0.20% LIBOR floor)	12/31/2013	4,650,000	4,560,167	4,560,167
	Revolving Line of Credit (14.20%; LIBOR +14.00% with 0.20% LIBOR floor)	12/31/2013	200,000	200,000	200,000
Novelty Shops					

PD Products, LLC (5.5%)*	Junior Secured Subordinated Debt, due 10/04/2018 (12.00%; LIBOR + 10.50% with 1.50% LIBOR floor)	10/4/2013	5,000,000	4,928,297	4,928,297
Peekay Acquisition, LLC (Christals) (2.3%)*	Senior Secured Term Loan, due 12/27/2015 (18.00%; 15.00% Cash/3.00% Accommodation Fee)	12/31/2012	2,000,000	1,759,799	2,000,000
	Common Equity Warrants (Christals Acquisition, LLC) (2.0% of fully diluted common equity)			35,000	-
	Common Equity Warrants (Christals Parent, LLC) (8.0% of fully diluted common equity)			70,000	-
Other Nondepository Credit Intermediation					
WBL SPE I, LLC (1.4%)*	Senior Secured Term Loan, due 9/30/2016 (15.00% Cash)	9/30/2013	1,250,000	1,203,283	1,203,283
WBL SPE II, LLC (1.7%)*	Senior Secured Term Loan, due 12/23/2016 (15.00% Cash)	12/23/2013	1,500,000	1,477,500	1,477,500
World Business Lenders, LLC (0.2%)*	Common Equity (0.4% of fully diluted common equity)	12/23/2013		200,000	200,000
Pawn Retail Outlets					
Pawn Plus, Inc. (4.1%)*	Senior Secured Term Loan, due 12/31/2016 (Greater of 17.00%; 15.00% Cash/2.00% PIK or LIBOR + 14.50%; LIBOR + 12.50% Cash/2.00% PIK)	12/31/2012	3,804,398	3,581,164	3,647,159
	Common Equity Warrants (3.9% of fully diluted common equity)			133,524	-
Pet Food Retail Stores					
CP Holding Co., Inc. (Choice Pet) (5.7%)*	Senior Secured Debt, due 02/28/2018 (14.75%, 12.00% Cash/2.75% PIK)	5/30/2013	5,082,919	4,980,815	5,030,676
Pharmaceutical Merchant Wholesaler					
Insight Pharmaceuticals, LLC (1.7%)*	Junior Secured Term Loan, due 08/25/2017 (13.25%; LIBOR + 11.75% with 1.50% LIBOR floor)	9/14/2011	1,544,828	1,535,043	1,544,828
Real Estate Brokerage Services					
Americana Holdings LLC (4.7%)*	Junior Secured Term Loan, due 09/15/2018 (13.00% Cash)	9/16/2013	4,264,569	3,441,121	3,441,121
	Revenue Linked Security			758,061	758,061
Safety Consulting Services					
Safety Services Acquisition Corp. (6.6%)*	Junior Secured Subordinated Debt, due 7/5/2017 (15.0%; 12.50% Cash/2.50% PIK)	4/5/2012	5,572,028	5,503,043	5,572,028
	Preferred Equity (0.64% of fully diluted common equity)			100,000	303,745
Software Publishing					
Optimal Blue (6.1%)*	Junior Secured Subordinated Debt, due 3/28/2018 (14.50%; 12.50% Cash/2.00% PIK)	12/18/2013	5,253,886	5,203,886	5,203,886
	Common Equity (0.38% of fully diluted common equity)			100,000	176,567
Surveying & Engineering Services					
SISD, Inc. (Garden State) (1.1%)*	Senior Secured Debt, due 3/1/2019 (16.50%; LIBOR + 14.50% with 0.50% LIBOR floor/1.50% PIK)	12/4/2013	1,001,167	919,513	919,513

	Common Equity Warrants (4.0% of fully diluted common equity)			58,240	58,240
Urgent Care Facility Operator					
Infinite Aegis Group, LLC (4.3%)*	Senior Secured Term Loan, due 7/31/2017 (15.00%; LIBOR + 15.00% with no floor)	8/2/2013	4,000,000	3,850,406	3,792,496
	Common Equity Warrants (3% of fully diluted common equity)			77,522	55,435
Water Treatment Solutions					
EWT Holdings III Corp. (0.8%)*	Senior Secured Term Loan, due 1/15/2021 (4.75% LIBOR + 3.75% with 1.00% LIBOR floor)	12/12/2013	750,000	746,250	755,025
Total Investments in Non-controlled, Non-affiliated Portfolio Companies				**68,241,970**	**69,012,300**
Total Investments as of December 31, 2013 (79.4%)*				**$ 70,304,077**	**$ 70,552,476**

* Value as a percent of net assets

(1) Debt investments and the revenue linked security are income producing. Common equity and warrants are non-income producing. All investments other than LNB Construction, Inc., WBL SPE I, LLC, WBL SPE II, LLC and World Business Lenders, LLC are qualifying assets for purposes of Section 55(a) of the Investment Company Act of 1940, as amended.

Harvest Capital Credit Corporation

Notes to Unaudited Financial Statements

Note 1. Organization

Harvest Capital Credit Corporation (“HCAP”) was incorporated as a Delaware corporation on November 14, 2012, for the purpose of, among other things, acquiring Harvest Capital Credit LLC (“HCC LLC”). HCAP is an externally managed, closed end, non-diversified management investment company that has filed an election to be treated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). In addition, for tax purposes, HCAP intends to elect to be treated as a regulated investment company (“RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”).

On May 2, 2013, HCAP acquired HCC LLC. HCC LLC was organized as a limited liability company in the state of Delaware on February 7, 2011, and commenced operations on September 6, 2011, as an externally-managed specialty finance company with the objective of generating both current income and capital appreciation primarily by making direct investments in the form of subordinated debt and, to a lesser extent, senior debt and minority equity investments in privately-held U.S. small to mid-sized companies. Pursuant to the acquisition agreement, immediately prior to HCAP's election to be treated as a BDC under the 1940 Act, the following formation transaction was consummated:

- HCAP acquired HCC LLC through a merger (the “Merger”) whereby HCC LLC merged with and into HCAP, and the holders of membership interests in HCC LLC received shares of HCAP common stock in exchange for their interests in HCC LLC. As a result of the Merger, the outstanding limited liability company interests in HCC LLC were converted into a number of shares of HCAP common stock equal to (i) $33.7 million (*i.e.*, the net asset value of HCC LLC as of December 31, 2012), plus the proceeds of sales of membership interests by HCC LLC since December 31, 2012, plus the reclassification of mezzanine equity to members capital, and minus distributions of pre-December 31, 2012 earnings made by HCC LLC after December 31, 2012, divided by (ii) $15.00 per share of the common stock of HCAP. In connection with the merger, the number of membership interests of HCC LLC underlying each outstanding warrant of HCC LLC, and the exercise price thereof, were converted into HCAP’s common stock equivalent (based on the merger conversion formula). In addition, the exercise prices of the warrants were subject to upward (but not downward) adjustment as the public offering price of HCAP’s shares of common stock in the initial public offering described below was higher than the then-current exercise price of the warrants.

- HCAP assumed and succeeded to all of the assets and liabilities of HCC LLC, including its obligations under the revolving credit facility with JMP Group LLC.

- On May 7, 2013, HCAP closed its initial public offering of 3,400,000 shares of its common stock at a price of $15.00 per share raising $51.0 million in gross proceeds, or $50.4 million after deducting underwriting discounts and commissions.

- On May 17, 2013, HCAP closed on the initial public offering underwriters’ overallotment option of 433,333 shares of its common stock at $15.00 per share raising additional gross proceeds of $6.5 million, or $6.1 million after deducting underwriting discounts and commissions.

Since HCAP acquired all of the interests of HCC LLC and did not have any operations prior to the acquisition, for periods prior to the initial public offering we are presenting the historical financial statements of HCC LLC as HCAP's financial statements. When HCAP acquired HCC LLC, HCAP issued shares of its common stock in exchange for all HCC LLC's outstanding membership interests at a rate of 0.9913 shares for each membership interest. As a result of this transaction, we have retroactively applied the aforementioned exchange/conversion rate to all unit measurements relating to HCC LLC's membership interests for all periods presented and have replaced all references to membership interests of HCC LLC to shares of common stock of HCAP in the financial statements and notes thereto contained herein. On the date of the Merger, the net asset value of the Company was $15.00 per share and none of the warrants assumed in the Merger had an exercise price below $15.00 per share.

As used herein, the terms “we”, “us” and the “Company” refer to HCC LLC for the periods prior to the initial public offering and refer to HCAP for the periods after the initial public offering.

Note 2. Summary of Significant Accounting Policies

Basis of Financial Statement Presentation

The accompanying interim financial statements are presented in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial information, and pursuant to the requirements for reporting on Form 10-Q and Article 10 of Regulation S-X. Accordingly, certain disclosures accompanying annual financial statements prepared in accordance with U.S. GAAP are omitted. In the opinion of management, all adjustments consisting solely of normal recurring accruals considered necessary for the fair presentation of consolidated financial statements for the interim periods have been included. The interim unaudited financial statements and notes should be read in conjunction with the audited financial statements and notes thereto for the period ended December 31, 2013. Financial statements prepared on a U.S. GAAP basis require management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

Basis for Consolidation

In accordance with Article 6 of Regulation S-X, the Company does not consolidate portfolio company investments.

Under the investment company rules and regulations pursuant to the American Institute of Certified Public Accountants Audit and Accounting Guide for Investment Companies, codified in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 946, *Financial Services- Investment Companies*, the Company is precluded from consolidating any entity other than another investment company, except that ASC 946 provides for the consolidation of a controlled operating company that provides substantially all of its services to the investment company or its consolidated subsidiaries.

Cash and Cash Equivalents

Cash and cash equivalents as presented in the statement of assets and liabilities and the statement of cash flows include bank checking accounts and short term securities with an original maturity of less than 90 days.

Investments and Related Investment Revenue and Expense

All investments and the related revenue and expenses attributable to these investments are reflected on the statement of operations commencing on the settlement date unless otherwise specified by the transaction documents.

The Company accrues interest income if it expects that ultimately it will be able to collect it. Generally, when an interest payment default occurs on a loan in the portfolio, in which interest has not been paid for greater than 90 days, or if management otherwise believes that the issuer of the loan will not be able to service the loan and other obligations, the Company will place the loan on non-accrual status and will cease recognizing interest income on that loan until all principal and interest is current through payment or until a restructuring occurs, such that the interest income is deemed collectible.

However, the Company remains contractually entitled to this interest. The Company may make exceptions to this policy if the loan has sufficient collateral value and is in the process of collection and the amount of collectible interest can be reasonably estimated.

For loans with contractual PIK (payment-in-kind) interest income, which represents contractual interest accrued and added to the loan balance that generally becomes due at maturity, we will not accrue PIK interest if we believe that the PIK interest is no longer collectible, including if the portfolio company valuation indicates that such PIK interest is not collectible. Loan origination fees - net of direct loan origination costs, original issue discounts that initially represent the value of detachable equity warrants obtained in conjunction with the acquisition of debt securities and market discounts or premiums - are accreted or amortized using the effective interest method as interest income over the contractual life of the loan. Upon the prepayment of a loan or debt security, any unamortized net loan origination fee will be recorded as interest income. Loan exit fees that are contractually required to be paid at the termination or maturity of the loan will be accreted to interest income over the contractual term of the loan. We suspend the accretion of interest income for any loans or debt securities placed on non-accrual status. We may also collect other prepayment premiums on loans. These prepayment premiums are recorded as other interest income as earned. Dividend income, if any, will be recognized on the ex-dividend date.

Certain expenses related to legal and tax consultation, due diligence, valuation expenses and independent collateral appraisals may arise when the Company makes certain investments. To the extent that such costs are not classified as direct loan origination costs, these expenses are recognized in the statement of operations as they are incurred.

Net Realized Gains or Losses and Net Change in Unrealized Appreciation or Depreciation

Realized gains and losses on investments are calculated using the specific identification method. We measure realized gains or losses on equity investments as the difference between the net proceeds from the sale and the amortized cost basis of the investment, without regard to unrealized appreciation or depreciation previously recognized. We measure realized gains or losses on debt investments as the difference between the net proceeds from the repayment or sale and the contractual amount owed to us on the investment, without regard to unrealized appreciation or depreciation previously recognized or unamortized deferred fees. The acceleration of unamortized deferred fees is recognized as interest income and the collection of prepayment and other fees is recognized as other interest income.

Classification of Investments

We classify our investments by level of control. As defined in the 1940 Act, control investments are those where there is the ability or power to exercise a controlling influence over the management or policies of a company. Control is generally deemed to exist when a company or individual possesses or has the right to acquire within 60 days or less, a beneficial ownership of 25% or more of the voting securities of an investee company. Affiliated investments and affiliated companies are defined by a lesser degree of influence and are deemed to exist through the possession outright or via the right to acquire within 60 days or less, beneficial ownership of 5% or more, but less than 25%, of the outstanding voting securities of another person. Twenty-five of the Company’s investments were classified as non-control/non-affiliated investments as of March 31, 2014 and twenty of the Company’s investments were classified as non-control/non-affiliated investments as of December 31, 2013. One of the Company’s investments was classified as affiliated as of March 31, 2014 and December 31, 2013, respectively.

Valuation of Investments

Valuation analyses of the Company's investments are performed on a quarterly basis pursuant to ASC 820, *Fair Value* Measurements. ASC 820 defines fair value, establishes a framework for measuring fair value in accordance with applicable accounting guidance and expands disclosure of fair value measurements.

Pursuant to ASC 820, the valuation standard used to measure the value of each investment is fair value defined as, "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." Investments are recorded at their fair value at each quarter end (the measurement date).

Fair Value Investment Hierarchy

Accounting standards establish a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices (unadjusted) for identical assets or liabilities in active public markets that the entity has the ability to access as of the measurement date.
Level 2 Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
Level 3 Significant unobservable inputs that reflect a reporting entity's own assumptions about what market participants would use in pricing an asset or liability.

Valuation Process

Investments are measured at fair value as determined in good faith by our board of directors, based on, among other factors, consistently applied valuation procedures on each measurement date. Debt investments which have closed within six months of the measurement date are valued at cost unless unique circumstances dictate otherwise.

The Company engages an independent external valuation firm to review all Level 3 investments, at least annually. This external review is used as a key input in connection with the determination of the fair value of the Company's investments.

The board of directors undertakes a multi-step valuation process at each measurement date.

* Our valuation process begins with each investment valued by the investment professionals of our investment adviser responsible for the investment.
* Preliminary valuation conclusions are documented and discussed with our management and our investment adviser.
* The audit committee of our board of directors reviews and discusses the preliminary valuations.
* At least once annually, the valuation for each portfolio investment is reviewed by the independent valuation firm.
* The board of directors discusses valuations and determines the fair value of each investment in our portfolio in good faith, based upon the input of our management, our investment adviser, the independent valuation firm and the audit committee.

Valuation Methodology

The following section describes the valuation methods and techniques used to measure the fair value of the investments.

Fair value for each investment will be derived using a combination of valuation methodologies that, in the judgment of our management, are most relevant to such investment, including, without limitation, being based on one or more of the following: (i) market prices obtained from market makers for which our management has deemed there to be enough breadth (number of quotes) and depth to be indicative of fair value, (ii) the price paid or realized in a completed transaction or binding offer received in an arms-length transaction, (iii) market approach (enterprise value), (iv) income approach (discounted cash flow analysis) or the (v) bond yield approach.

The valuation methods selected for a particular investment are based on the circumstances and on the level of sufficient data available to measure fair value. If more than one valuation method is used to measure fair value, the results are evaluated and weighted, as appropriate, considering the reasonableness of the range indicated by those results. A fair value measurement is the point within that range that is most representative of fair value in the circumstances.

The determination of fair value using the selected methodologies takes into consideration a range of factors including, but not limited to, the price at which the investment was acquired, the nature of the investment, local market conditions, trading values on public and private exchanges for comparable securities, current and projected operating performance and financing transactions subsequent to the acquisition of the investment, compliance with agreed upon terms and covenants, and assessment of credit ratings of an underlying borrower.

In most cases we use the bond yield approach for valuing our level 3 debt investments, as long as we deem this method appropriate. This approach entails analyzing the interest rate spreads for recently completed financing transactions which are similar in nature to ours, in order to assess what the range of effective market interest rates would be for our investment if it were being made on or near the valuation date. Then all of the remaining expected cash flows of the investment are discounted using this range of interest rates to determine a range of fair values for the debt investment.

The fair value of equity securities, including warrants, in portfolio companies oftentimes considers the market approach, which applies market valuation multiples of publicly-traded firms or recently acquired private firms engaged in businesses similar to those of the portfolio companies. This approach to determining the fair value of a portfolio company's equity security will typically involve: (1) applying to the portfolio company's trailing twelve month EBITDA (earnings before interest, taxes, depreciation and amortization) a range of enterprise value to EBITDA multiples that are derived from an analysis of comparable companies, in order to arrive at a range of enterprise values for the portfolio company; then (2) subtracting from the range of enterprise values balances of any debt or equity securities that rank senior to our equity securities; and (3) multiplying the range of equity values by the Company's ownership share of such equity to determine a range of fair values for the Company's equity investment.

We also use the income approach, which discounts a portfolio company's expected future cash flows to determine its net present enterprise value. The discount rate used is based upon the company's weighted average cost of capital, which is determined by blending the cost of the company's various debt instruments and its estimated cost of equity capital. The cost of equity capital is estimated based upon our market knowledge and discussions with private equity sponsors.

These valuation methodologies involve a significant degree of judgment. As it relates to investments which do not have an active public market, there is no single standard for determining the estimated fair value. Valuations of privately held investments are inherently uncertain, and they may fluctuate over short periods of time and may be based on estimates. The determination of fair value may differ materially from the values that would have been used if a ready market for these investments existed. In some cases, fair value of such investments is best expressed as a range of values derived utilizing different methodologies from which a single estimate may then be determined.

Consequently, fair value for each investment may be derived using a combination of valuation methodologies that, in the judgment of our management, are most relevant to such investment. The selected valuation methodologies for a particular investment are consistently applied on each measurement date. However, a change in a valuation methodology or its application from one measurement date to another is possible if the change results in a measurement that is equally or more representative of fair value in the circumstances.

Capital Gains Incentive Fee

Under GAAP, the Company calculates the capital gains incentive fee as if the Company had realized all investments at their fair values as of the reporting date. Accordingly, the Company accrues a provisional capital gains incentive fee taking into account any unrealized gains or losses. As the provisional incentive fee is subject to the performance of investments until there is a realization event, the amount of provisional capital gains incentive fee accrued at a reporting date may vary from capital gains incentive fee that is ultimately realized and the differences could be material.

Deferred Financing Costs

Deferred financing costs are made up of deferred debt issuance costs. The deferred debt issuance costs consist of fees and other direct costs incurred by the Company in obtaining debt financing from its lender and are recognized as assets and are amortized as interest expense over the term of the applicable credit facility. The balance of deferred financing costs as of March 31, 2014 and December 31, 2013 was $1,186,306 and $1,247,534, respectively. The amortization expense relating to deferred debt issuance costs during the three months ended March 31, 2014 and the three months ended March 31, 2013 was $61,229 and $9,651, respectively. The $9,651 of amortization expense recognized during the three months ended March 31, 2013 relates to the acceleration of deferred debt issuance costs related to the extinguishment of the senior secured revolving credit facility with JMP Group LLC.

Other Liabilities

Other liabilities as of March 31, 2014 consisted of one debt investment totaling $2.0 million that had not closed as of March 31, 2014, a $0.3 million principal and interest reserve that was held at closing on one of our debt investments that closed in the fourth quarter of 2013 and other miscellaneous accrued expenses. Other liabilities as of December 31, 2013 consisted of one debt investment totaling $0.8 million that had not closed as of December 31, 2013, a $0.3 million principal and interest reserve that was held at closing on one of our debt investments that closed in the fourth quarter and $0.8 million that was held at closing on one of our debt investments that closed in the fourth quarter and other miscellaneous accrued expenses.

Dividends and Distributions

Dividends and distributions to common stockholders are recorded on the ex-dividend date. The amount to be paid out as a dividend or distribution is determined by the Board and is generally based upon the taxable earnings estimated by management. Net realized capital gains, if any, are distributed at least annually, although the Company may decide to retain such capital gains for investment. The Company adopted a dividend reinvestment plan that provides for reinvestment of our dividends and other distributions on behalf of our stockholders, unless a stockholder elects to receive cash. As a result, if the Board authorizes, and we declare, a cash dividend or other distribution, then our stockholders who have not "opted out" of our dividend reinvestment plan will have their cash distribution automatically reinvested in additional shares of our common stock, rather than receiving the cash distribution. No action is required on the part of a registered stockholder to have their cash dividend or other distribution reinvested in shares of our common stock.

Income Taxes

HCC LLC was treated as a partnership for federal and state income tax purposes and did not incur income taxes. Accordingly, no provision for income taxes was made for periods prior to the initial public offering in the accompanying financial statements, as each member of HCC LLC was individually responsible for reporting income or loss, to the extent required by federal income tax laws and regulations, based upon its respective share of HCC LLC's revenues and expenses as reported for income tax purposes. Beginning with its first taxable year ending December 31, 2013, the Company intends to elect to be treated, and intends to qualify annually thereafter, as a RIC under Subchapter M of the Code. To qualify as a RIC, the Company is required to meet certain income and asset diversification tests in addition to distributing at least 90% of ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, out of the assets legally available for distribution. As a RIC, the Company will be subject to a 4% nondeductible federal excise tax on certain undistributed income unless the Company distributes in a timely manner an amount at least equal to the sum of (1) 98% of its ordinary income for each calendar year, (2) 98.2% of its capital gain net income for the 1-year period ending October 31 in that calendar year and (3) any ordinary income and net capital gains for preceding years that were not distributed during such years and on which the Company paid no U.S. federal income tax.

During the quarter ended March 31, 2014, the Company declared dividends totaling $0.3375 per share. The determination of the Company's distributions is made annually as of the end of the Company's fiscal year based on its taxable income for the full year and distributions paid for the full year. As a result, a determination made on a quarterly basis may not be representative of the actual tax attributes of the Company's distributions for a full year.

HCC LLC's and the Company's tax returns are subject to examination by federal, state and local taxing authorities. Because many types of transactions are susceptible to varying interpretations under federal and state income tax laws and regulations, the amounts reported in the accompanying financial statements may be subject to change at a later date by the respective taxing authorities. The Company recognizes the financial statement benefit of a tax position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. Penalties or interest that may be assessed related to any income taxes would be classified as other operating expenses in the financial statements. Based on an analysis of our tax position, there are no uncertain tax positions that met the recognition or measurement criteria. The Company has no amounts accrued for interest or penalties as of December 31, 2013. Neither HCC LLC nor the Company is currently undergoing any tax examinations. The Company does not anticipate any significant increase or decrease in unrecognized tax benefits for the next twelve months. The 2011, 2012 and 2013 federal tax years for HCC LLC and the Company remain subject to examination by the IRS. The 2011, 2012 and 2013 state tax years for HCC LLC remain subject to examination by the California Franchise Tax Board.

Recent Accounting Pronouncements

In June 2013, the FASB issued ASU 2013-08, "Financial Services – Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements," which amends the criteria that define an investment company and clarifies the measurement guidance and requires new disclosures for investment companies. Under ASU 2013-08, an entity already regulated under the 1940 Act will be automatically deemed an investment company under the new GAAP definition. The Company has adopted this standard for its fiscal year end December 31, 2014 year end. The adoption resulted in no additional disclosure requirements.

From time to time, new accounting pronouncements are issued by the FASB or other standard-setting bodies that are adopted by the Company as of the specified effective date. The Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on our financial statements upon adoption.

Note 3. Borrowings

On October 29, 2013, the Company entered into a Loan and Security Agreement (the "Loan Agreement") with several financial institutions to provide the Company with a $55 million senior secured revolving credit facility (the "Credit Facility"). The Credit Facility is secured by all of the Company's assets. The Loan Agreement, among other things, has a revolving period that expires on October 29, 2015 and matures on October 29, 2018. Advances under the Credit Facility bear interest at a rate per annum equal to the lesser of (i) LIBOR plus 4.50% and (ii) the maximum rate permitted under applicable law. In addition, the Loan Agreement requires payment of a fee for unused amounts during the revolving period, which fee varies depending on the obligations outstanding as follows: (i) 0.75% per annum, if the average daily principal balance of the obligations outstanding for the prior month are less than fifty percent of the maximum loan amount; and (ii) 0.50% per annum, if such obligations outstanding are equal to or greater than fifty percent of the maximum loan amount. In each case, the fee is calculated based on the difference between (i) the maximum loan amount under the Credit Facility and (ii) the average daily principal balance of the obligations outstanding during the prior calendar month.

The Loan Agreement also contains customary terms and conditions, including, without limitation, affirmative and negative covenants, including, without limitation, information reporting requirements, a minimum tangible net worth, a minimum debt service coverage ratio, a minimum liquidity of 4% of the maximum loan amount, a maximum leverage ratio of 1.00 to 1.00, and maintenance of RIC and business development company status. The Loan Agreement also contains customary events of default, including, without limitation, nonpayment, misrepresentation of representations and warranties in a material respect, breach of covenant, cross-default to other indebtedness, bankruptcy, change of control, and the occurrence of a material adverse effect. In addition, the Loan Agreement provides that, upon the occurrence and during the continuation of such an event of default, the Company's administration agreement could be terminated and a backup administrator could be substituted by the agent.

On October 29, 2013, in conjunction with securing and entering into the Credit Facility, the Company terminated its senior secured revolving credit facility with JMP Group LLC (the "JMP Facility"). The JMP Facility had been entered into between HCC LLC and JMP Group LLC as of August 24, 2011. On March 25, 2013, in advance of the initial public offering, HCC LLC and HCAP entered into an amendment to the JMP Facility with JMP Group LLC. The JMP Facility, as so amended, provided up to an aggregate of $50.0 million of revolving borrowings until April 1, 2014, and after April 1, 2014, the amount outstanding thereunder was to become a term loan payable in fourteen consecutive quarterly installments (beginning on April 1, 2014), each in an amount equal to 5% of the term amount, and with the final payment of any other outstanding amounts due on the maturity date of August 24, 2017. Borrowings under the secured revolving credit facility bore interest at an annual rate equal to either (i) LIBOR + 4.50% or (ii) the Prime Rate + 2.25%, at the Company's election and subject to increases during a default under the JMP Facility.

As of March 31, 2014 and December 31, 2013, the outstanding balance on the Credit Facility was $0.

Note 4. Concentrations of Credit Risk

The Company's investment portfolio consists primarily of loans to privately-held small to mid-size companies. Many of these companies may experience variation in operating results. Many of these companies do business in regulated industries and could be affected by changes in government regulations.

The largest debt investments may vary from year to year as new debt investments are recorded and repaid. The Company's five largest debt investments represented approximately 34.6% and 38.3% of total debt investments outstanding as of March 31, 2014 and December 31, 2013, respectively. Investment income, consisting of interest and fees, can fluctuate significantly upon repayment of large loans. Interest income from the five largest debt investments accounted for approximately 34.1% and 54.0% of total loan interest and fee income for the three months ended March 31, 2014 and the three months ended March 31, 2013, respectively.

Note 5. Shareholders' Equity

The following table summarizes the total shares issued and proceeds received for shares of the Company's common stock net of any underwriting discounts and offering costs for the three months ended March 31, 2014. The Company did not issue any shares for the three months ended March 31, 2013.

	Shares Issued	Offering price per share	Proceeds from shares issued
Dividend reinvestment plan	20,180	14.33	289,206
Total for the three months ended March 31, 2014	20,180	$ 14.33	$ 289,206

Note 6. Fair Value Measurements

As described in Note 2, the Company uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. A description of the valuation methodologies used for assets and liabilities recorded at fair value, and for estimating fair value for financial and non-financial instruments not recorded at fair value, is set forth below.

Cash and cash equivalents: Cash and cash equivalents are Level 1 assets with readily observable market inputs. The Company determined that the historical cost carrying value is a reasonable estimate of fair value.

Revolving credit facilities: The Credit Facility and the JMP Facility are Level 2 financial instruments with readily observable market inputs from other comparable credit facilities in the marketplace. The Company believes the interest rates on the Credit Facility and the JMP Facility are and were comparable to what the Company would be offered by third party lenders and determined the fair value to approximate the amortized cost carrying value.

Off-balance sheet financial instruments: The fair value of unfunded commitments is estimated based on the fair value of the funded portion of the corresponding debt investment.

As of March 31, 2014 and December 31, 2013, unfunded commitments totaled $6.0 million and $5.3 million, respectively and their estimated fair values on such dates were $5.9 million and $5.2 million, respectively.

There are no assets or liabilities measured at fair value on a nonrecurring basis as of March 31, 2014 or December 31, 2013.

There were no transfers amongst levels of the fair value hierarchy during the three months ended March 31, 2014 and the three months ended December 31, 2013.

The following table details the financial instruments that are carried at fair value and measured at fair value on a recurring basis as of March 31, 2014 and December 31, 2013, respectively, and indicates the fair value hierarchy of the valuation techniques utilized by the Company to determine the fair value:

	Fair Values as of March 31, 2014			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	$ -	$ 4,754,217	$ 77,202,262	$ 81,956,479
	$ -	$ 4,754,217	$ 77,202,262	$ 81,956,479

	Fair Values as of December 31, 2013			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	$ -	$ 755,025	$ 69,797,451	$ 70,552,476
	$ -	$ 755,025	$ 69,797,451	$ 70,552,476

The following table provides quantitative information related to the significant unobservable inputs used to fair value the Company's Level 3 investments as of March 31, 2014 and December 31, 2013:

Type of Investment	Fair Value at March 31, 2014	Valuation Technique	Significant Unobservable Input	Range	Weighted Average
Debt investments	$ 72,335,303	Bond Yield	Risk adjusted discount factor	13.0% - 19.0%	16.0%
		Market	EBITDA multiple	4.1x - 11.0x	6.2x
		Income	Weighted average cost of capital	12.3% - 25.0%	16.1%
			Expected principal recovery	100.0%	N/A
Equity investments	$ 1,393,557	Market	EBITDA multiple	4.1x - 11.0x	6.2x
		Income	Weighted average cost of capital	12.3% - 25.0%	16.1%
CLO equity	$ 2,608,830	Bond Yield	Risk adjusted discount factor	13.8%	13.8%
Royalty security	$ 864,572	Bond Yield	Risk adjusted discount factor	20.7%	20.7%

Type of Investment	Fair Value at December 31, 2013	Valuation Technique	Significant Unobservable Input	Range	Weighted Average
Debt investments	$ 67,895,656	Bond Yield	Risk adjusted discount factor	12.9% - 25.0%	15.9%
		Market	EBITDA multiple	4.1x - 11.0x	6.2x
		Income	Weighted average cost of capital	13.0% - 20.0%	16.3%
			Expected principal recovery	100.0%	N/A
Equity investments	$ 1,143,734	Market	EBITDA multiple	4.1x - 11.0x	6.2x
		Income	Weighted average cost of capital	13.0% - 20.0%	16.3%
Royalty security	$ 758,061	Bond Yield	Risk adjusted discount factor	21.0%	21.0%

When estimating the fair value of its debt investments, the Company typically utilizes the bond yield technique. The significant unobservable inputs used in the fair value measurement under this technique are risk adjusted discount factors. However, the Company also takes into consideration the market technique and income technique in order to determine whether the fair value of the debt investment is within the estimated enterprise value of the portfolio company. The significant unobservable inputs used under these techniques are EBITDA multiples, weighted average cost of capital and expected principal recovery. Under the bond yield technique, significant increases (decreases) in the risk adjusted discount factors would result in a significantly lower (higher) fair value measurement.

When estimating the fair value of its equity investments, the Company utilizes the (i) market technique and (ii) income technique. The significant unobservable inputs used in the fair value measurement of the Company's equity investments are EBITDA multiples and weighted average cost of capital ("WACC"). Significant increases (decreases) in EBITDA multiple inputs in isolation would result in a significantly higher (lower) fair value measurement. Significant increases (decreases) in WACC inputs in isolation would result in a significantly lower (higher) fair value measurement.

When estimating the value of its CLO equity investment, the Company typically utilizes the bond yield technique. The significant unobservable inputs used in the fair value measurement under this technique are risk adjusted discount factors. The Company also utilizes the performance and covenant compliance information as provided by the independent trustee along with other risk factors including default risk, prepayment rates, interest rate risk and credit spread risk when valuing this investment.

When estimating the fair value of its royalty security, the Company utilizes the bond yield technique and the specific provisions contained in the royalty security agreement. The determination of the fair value utilizing the specific provisions contained in the royalty security agreement is not a significant component of the Company's valuation process.

The following table shows a reconciliation of the beginning and ending balances for Level 3 assets:

	Three Months Ended March 31, 2014	Year Ended December 31, 2013
Fair value of portfolio, beginning of period	$ 69,797,451	$ 38,024,042
New investments	7,158,830	38,829,968
Principal payments received	(425,960)	(7,300,995)
Loan origination and other fees received	(112,344)	(1,651,274)
Payment in kind interest earned	397,401	1,125,511
Accretion of deferred loan origination fees/discounts	198,573	818,904
Transfer from level 2	-	1,544,828
Unrealized appreciation on investments	188,311	(1,593,533)
Fair value of portfolio, end of period	$ 77,202,262	$ 69,797,451

The information presented should not be interpreted as an estimate of the fair value of the entire Company since a fair value calculation is only required for a portion of the Company's assets and liabilities. Due to the wide range of valuation techniques and the degree of subjectivity used in making the estimates, comparisons between the Company's disclosures and those of other companies may not be meaningful.

Note 7: Related Party Transactions

We were founded in September 2011 by certain members of our investment adviser and JMP Group Inc., a full-service investment banking and asset management firm. JMP Group Inc. currently holds an equity interest in us and our investment adviser and was our lender under the JMP Facility. JMP Group Inc. conducts its primary business activities through three wholly-owned subsidiaries: (i) Harvest Capital Strategies, LLC, an SEC registered investment adviser that focuses on long-short equity hedge funds, middle-market lending and private equity, (ii) JMP Securities LLC, a full-service investment bank that provides equity research, institutional brokerage and investment banking services to growth companies and their investors, and (iii) JMP Credit Advisors LLC, which manages approximately $845 million in credit assets of collateralized loan obligation funds.

On August 24, 2011, HCC LLC entered into the JMP Facility, a 6 year, $30.0 million credit facility with JMP Group LLC. The JMP Facility initially had a two year revolving period with maximum outstanding amounts of $20 million, which increased at a rate of $2.5 million per quarter thereafter until the maximum outstanding amount available reached $30.0 million in July 2012. The maximum amount outstanding was also limited by a covenant that restricted borrowings to be less than 2.0 times the Net Tangible Asset Value of HCC LLC. At the end of the two year revolving period, the outstanding balance was scheduled to amortize evenly at 5% in each of the following 16 consecutive quarters with the final 20% due at maturity in August 2017. The JMP Facility initially carried an interest rate of LIBOR + 7.00%, with a LIBOR floor of 1.50%, or the Prime rate + 4.75%. The JMP Facility also had an unused line fee of 0.50% per year. The Company paid an origination fee of 0.50% or $150.0 thousand at the initial closing of the JMP Facility.

On March 25, 2013, in advance of our initial public offering, HCC LLC and HCAP entered into an amendment to the JMP Facility, which became effective following the completion of HCAP's initial public offering and the satisfaction of certain other closing conditions. The JMP Facility, as so amended, provided up to an aggregate of $50.0 million of revolving borrowings until April 1, 2014, and after April 1, 2014, the amount outstanding thereunder was to become a term loan payable in fourteen consecutive quarterly installments (beginning on April 1, 2014), each in an amount equal to 5% of the term amount, and with the final payment of any other outstanding amounts due on the maturity date of August 24, 2017. Borrowings under the secured revolving credit facility bore interest at an annual rate equal to either (i) LIBOR + 4.50% or (ii) the Prime Rate + 2.25%, at the Company's election and subject to increases during a default under the JMP Facility.

On October 29, 2013, in conjunction with securing and entering into the Credit Facility, the Company terminated the JMP Facility.

Until the initial public offering, Harvest Capital Strategies LLC ("HCS") served as the investment adviser for HCC LLC under the investment advisory and management agreement, which provided for management fees payable quarterly to the investment adviser at a rate of 2.0% per annum of the gross assets of HCC LLC. HCS agreed to waive the management fees payable to it by HCC LLC with respect to any assets acquired by HCC LLC prior to the initial public offering through the use of borrowings under the JMP Facility until such time that the JMP Facility was repaid in full and terminated. The investment adviser also received an incentive fee based on performance. The terms of the incentive fee were the same as the post- initial public offering incentive fee except that it did not have the total return requirement that the post- initial public offering incentive fee has.

In conjunction with the initial public offering, HCAP entered into a new investment advisory and management agreement to, among other things, have HCAP Advisors LLC, which is affiliated with HCS, replace HCS as our investment adviser. Under the new investment advisory and management agreement, the base management fee is calculated based on our gross assets (which includes assets acquired with the use of leverage and excludes cash and cash equivalents) at an annual rate of 2.0% on gross assets up to and including $350 million, 1.75% on gross assets above $350 million and up to and including $1 billion, and 1.5% on gross assets above $1 billion. The incentive fee consists of two parts. The first part is calculated and payable quarterly in arrears and equals 20% of our pre-incentive fee net investment income that exceeds a 2% quarterly (8% annualized) hurdle rate, subject to a catch-up provision measured at the end of each fiscal quarter. The second part is calculated and payable in arrears as of the end of each calendar year (or upon termination of the investment advisory and management agreement, as of the termination date) and equals 20% of our realized capital gains on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees.

The post- initial public offering incentive fee is subject to a total return requirement, which provides that no incentive fee in respect of our pre-incentive fee net investment income is payable except to the extent 20% of the cumulative net increase in net assets resulting from operations over the then current and 11 preceding calendar quarters exceeds the cumulative income and capital gains incentive fees accrued and/or paid for the 11 preceding quarters. As a result, the total return requirement acts to defer our obligation to pay our investment adviser an incentive fee to the extent that we have generated cumulative net decreases in assets resulting from operations over the trailing 12 quarters due to unrealized or realized net losses on our investments and even in the event that our pre-incentive fee net investment income exceeds the hurdle rate. Additionally, our investment adviser has agreed to waive its incentive fees from the period beginning with our initial public offering through March 31, 2014 to the extent required to support a minimum annual dividend yield of 9% (paid on a monthly basis) based on our initial public offering price per share of $15.00 per share. The number of shares of common stock taken into account in connection with this determination will only include shares outstanding immediately after the initial public offering plus the number of shares of common stock issued pursuant to our dividend reinvestment plan relating to those shares during the waiver period. Incentive fee expense for the three months ended March 31, 2014 totaled $35,488. The capital gains incentive fee is determined and paid annually with respect to realized capital gains (but not unrealized capital gains) to the extent such realized capital gains exceed realized and unrealized capital losses for such year. The Company records an expense accrual relating to the capital gains incentive fee payable by the Company to its investment adviser when the unrealized gains on its investments exceed all realized and unrealized capital losses on its investments given the fact that a capital gains incentive fee would be owed to the investment adviser if the Company were to liquidate its investment portfolio at such time. The actual incentive fee payable to the Company's investment adviser related to capital gains is determined and payable in arrears at the end of each fiscal year and includes only realized capital gains for the period. The Company recorded net unrealized appreciation of $177,442 in the quarter ended March 31, 2014 and net unrealized depreciation of $2,047,079 since the IPO.

The incentive fee expense also included the waiver of $263,272 in income incentive fees that would otherwise have been payable to the Company's investment adviser for the period ended March 31, 2014 but for the 9% minimum dividend yield waiver provision described above.

Total management fee expense was $420,345 and $397,414 for the three months ended March 31, 2014 and the three months ended March 31, 2013, respectively. Accrued management fees were $0.5 million and $0.4 million as of March 31, 2014 and December 31, 2013, respectively.

HCC LLC entered into an administration agreement with JMP Credit Advisors LLC ("JMPCA"), a subsidiary of JMP Group Inc. The agreement provided that JMPCA would provide all of HCC LLC's administrative services including loan operations, accounting and recordkeeping and shareholders services. JMPCA would be reimbursed by HCC LLC for its expenses, including reimbursement for an allocable percentage of the compensation costs for the employees performing services under the agreement. There was a $200,000 cap for reimbursement during the first twelve months of the agreement. In conjunction with the initial public offering, HCAP entered into a substantially similar administration agreement with JMPCA except that payments required to be made by HCAP to JMPCA under the agreement are capped such that amounts payable to JMPCA will not exceed $275,000 during the first year of the term of the administration agreement. Since the $275,000 cap expires after April 29, 2014, the Company has negotiated a new cap with JMPCA of $150,000 for each of the quarters ending June 30, September 30, and December 31, 2014. Total administrative services expense was $68,751 and $50,001 for the three months ended March 31, 2014 and the three months ended March 31, 2013, respectively. Accrued administrative services fees were $91,668 and $22,917 as of March 31, 2014 and December 31, 2013, respectively.

On February 7, 2011, HCC LLC engaged JMP Securities LLC, a subsidiary of JMP Group Inc., to serve as the placement agent for HCC LLC's offering of up to $30.0 million of capital commitments. JMP Securities LLC or its affiliates may provide us with various financial advisory and investment banking services in the future, for which they would receive compensation. Commission recorded by the Company during the three months ended March 31, 2014 and the three months ended March 31, 2013 owed to the related party in connection with securing capital commitments was $0 and $0, respectively. Additionally, JMP Securities LLC was one of the book-running underwriters in HCAP's initial public offering for which it received an estimated $420,000 of compensation.

In connection with the Merger, the Company succeeded to all of the assets and liabilities of HCC LLC, including a potential obligation to pay HCS a capital gains incentive fee based on the net unrealized appreciation in HCC LLC's investment portfolio. An expense for the incentive fee in the amount of $0.5 million was accrued in HCC LLC's financial statements at the time of the Merger and, accordingly, reduced the value of HCC LCC in the Merger. The Company will only be obligated to pay a capital gains incentive fee on the acquired investment assets when and if such fee would have become payable under the terms of the investment advisory agreement that HCC LLC had entered into with HCS and irrespective of the 9% minimum dividend hurdle waiver discussed above. The right to receive such incentive fee, if any, was assigned by HCS to HCAP Advisors LLC after the Merger.

Note 8: Commitments and Contingencies

At March 31, 2014, the Company had a total of $6.0 million in unfunded commitments comprised of $2.0 million of a loan that had not closed as of March 31, 2014 and $3.5 million and $0.5 million of delayed draws that had not been fully drawn and expire on December 31, 2014 and May 30, 2014, respectively.

Note 9: Net Increase in Net Assets Resulting from Operations per Common Share

In accordance with the provision of FASB ASC 260, "Earnings per Share" ("ASC 260"), basic earnings per share is computed by dividing earnings available to common shareholders by the weighted average number of shares outstanding during the period. Other potentially dilutive common shares, and the related impact to earnings, are considered when calculating earnings per share on a diluted basis. There were no potentially dilutive common shares issued as of March 31, 2014, and 452 potentially dilutive common shares issued as of December 31, 2013.

The following information sets forth the computation of the weighted average basic and diluted net increase in net assets per share from operations for each period:

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
Net increase in net assets resulting from operations	$ 2,243,482	$ 1,280,255
Weighted average shares outstanding (basic and diluted) (1)	6,156,116	1,172,688
Net increase in net assets resulting from operations per share (basic and diluted) (1)	$ 0.36	$ 1.09

(1) The shares outstanding and per share amounts for all periods prior to May 2013 have been adjusted for the conversion rate of 0.9913 shares for each unit. See Note 1.

Note 10: Financial Highlights

The following is a schedule of financial highlights for the three months ended March 31, 2014 and March 31, 2013, respectively:

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
Per share data:		
Net asset value at beginning of period	$ 14.45	$ 16.89
Net investment income	0.34	0.65
Net unrealized appreciation on investments	0.03	0.44
Net increase in net assets from operations	14.81	17.98
Dividends/distributions declared	(0.34)	(0.69)
Net asset value at end of period	$ 14.48	$ 17.29
Net assets at end of period	89,309,909	20,270,353
Shares outstanding at end of period (1)	6,168,407	1,172,688
Per share market value at end of period	$ 14.88	N/A
Ratios and Supplemental data:		
Total Return (2)	2.47%	6.51%
Average Net Assets	$ 89,026,177	$ 19,725,042
Ratio of expenses to average Net assets (annualized)	0.27%	1.29%
Ratio of net investment income to average Net assets (annualized)	0.58%	0.97%

(1) The shares outstanding and per share amounts for the periods prior to May 2013 have been adjusted for the conversion rate of 0.9913 shares for each unit. See Note 1.

(2) The total return equals the change in the ending net asset value per share over the beginning of period net asset value per share plus dividends per share during the period, divided by the beginning net asset value per share.

Note 11: Subsequent Events

On April 24, 2014, the Company made a debt investment in Brite Media LLC totaling $10.0 million, of which $9.0 million was funded at closing.

On May 7, 2014, the Company refinanced its debt investment in Douglas Machines converting its subordinated debt into a senior secured term loan and issuing a $1.5 million revolver, of which $0.8 million was funded at closing.

The Company borrowed $4.8 million against the revolving credit facility through May 14, 2014.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Some of the statements in this quarterly report on Form 10-Q constitute forward-looking statements, which relate to future events or our future performance or financial condition. The forward-looking statements contained in this quarterly report on Form 10-Q involve risks and uncertainties, including statements as to:

- our future operating results, including the performance of our existing investments;
- the introduction, withdrawal, success and timing of business initiatives and strategies;
- changes in political, economic or industry conditions, the interest rate environment or financial and capital markets, which could result in changes in the value of our assets;
- the relative and absolute investment performance and operations of our investment adviser;
- the impact of increased competition;
- the impact of investments we intend to make and future acquisitions and divestitures;
- our ability to turn potential investment opportunities into transactions and thereafter into completed and successful investments;
- the unfavorable resolution of any future legal proceedings;
- our business prospects and the prospects of our portfolio companies;
- our regulatory structure and tax status;
- the adequacy of our cash resources and working capital;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the impact of interest rate volatility on our results, particularly because we use leverage as part of our investment strategy;
- the ability of our portfolio companies to achieve their objective;

- the impact of legislative and regulatory actions and reforms and regulatory, supervisory or enforcement actions of government agencies relating to us or our investment adviser;
- our contractual arrangements and relationships with third parties;
- our ability to access capital and any future financings by us;
- the ability of our investment adviser to attract and retain highly talented professionals; and
- the impact of changes to tax legislation and, generally, our tax position.

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.

We have based the forward-looking statements included in this quarterly report on Form 10-Q on information available to us on the date of this quarterly report on Form 10-Q, 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 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 quarterly report on Form 10-Q.

Overview

We were formed as a Delaware corporation on November 14, 2012. We completed our initial public offering on May 7, 2013 raising $51.0 million in gross proceeds. On May 17, 2013, we raised another $6.5 million in gross proceeds from the closing of the initial public offering underwriters' overallotment option. Immediately prior to the initial public offering, we acquired Harvest Capital Credit LLC in a merger whereby the outstanding limited liability company membership interests were converted into shares of our common stock and we assumed and succeeded to all of Harvest Capital Credit LLC's assets and liabilities, including its entire portfolio of investments. We issued 2,246,699 shares of our common stock for all of its 2,266,974 outstanding membership interests in connection with the merger. Harvest Capital Credit LLC is considered to be our predecessor for accounting purposes and, as such, its financial statements are our historical financial statements. Accordingly, the financial statements for periods prior to the initial public offering presented in this Form 10-K and this "Management's Discussion and Analysis of Financial Condition and Results of Operations" are in reference to the historical financial statements of Harvest Capital Credit LLC which are our historical financial statements as a result of the merger.

As used herein, the terms "we", "us" and the "Company" refer to HCC LLC for the periods prior to the initial public offering and refer to Harvest Capital Credit Corporation for the periods after the initial public offering.

Our investment objective is to generate both current income and capital appreciation primarily by making direct investments in the form of subordinated debt and, to a lesser extent, senior debt and minority equity investments. We plan to accomplish our investment objective by targeting investments in small and mid-sized U.S. private companies with annual revenues of less than $100 million and EBITDA (earnings before interest, taxes, depreciation and amortization) of less than $15 million. We believe that transactions involving these size companies offer higher yielding investment opportunities, lower leverage levels and other terms more favorable than transactions involving larger companies.

We are an externally managed, non-diversified, closed-end investment company that has elected to be regulated as a BDC under the 1940 Act. As a BDC, we are required to comply with certain regulatory requirements. For instance, we generally have to invest at least 70% of our total assets in "qualifying assets," including securities of private or thinly traded public U.S. companies, cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less.

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.

We intend to elect to be treated for tax purposes as a RIC under Subchapter M of 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.

Portfolio

Portfolio Composition

As of March 31, 2014, we had $82.0 million (at fair value) invested in 26 companies. As of March 31, 2014, our portfolio included approximately 44.0% of first lien debt, 50.1% of second lien debt, 1.7% of equity investments, 3.2% of CLO equity investments and 1.0% of a royalty security at fair value.

We completed 2013 with $70.6 million (at fair value) invested in 21 companies. As of December 31, 2013, our portfolio included approximately 44.2% of first lien debt, 53.1% of second lien debt, 1.6% of equity investments and 1.1% of a royalty security at fair value.

We originate and invest primarily in privately-held middle-market companies (typically those with less than $15.0 million of EBITDA) through first lien and second lien debt, oftentimes with a corresponding equity investment component and less frequently with a corresponding royalty security. The composition of our investments as of March 31, 2014 and December 31, 2013 was as follows:

	As of March 31, 2014		As of December 31, 2013	
	Cost	Fair Value	Cost	Fair Value
Senior Secured	$ 36,071,211	$ 36,029,702	$ 30,959,292	$ 31,161,800
Junior Secured	40,602,880	41,059,818	37,164,390	37,488,882
Equity	1,422,334	1,393,557	1,422,334	1,143,733
CLO Equity	2,608,830	2,608,830	-	-
Royalty Securities	825,387	864,572	758,061	758,061
Total Investments	$ 81,530,642	$ 81,956,479	$ 70,304,077	$ 70,552,476

At March 31, 2014, our average portfolio company investment at amortized cost and fair value was approximately $3.1 million and $3.1 million, respectively, and our largest portfolio company investment by amortized cost and fair value was approximately $6.1 million and $6.1million, respectively. At December 31, 2013, our average portfolio company investment at amortized cost and fair value was approximately $3.3 million and $3.4 million, respectively, and our largest portfolio company investment by amortized cost and fair value was approximately $6.1 million and $6.1 million, respectively.

At March 31, 2014, 45.9% of our debt investments bore interest based on floating rates (some of which were subject to interest rate floors), such as LIBOR, and 54.1% bore interest at fixed rates. At December 31, 2013, 45.2% of our debt investments bore interest based on floating rates (some of which were subject to interest rate floors), such as LIBOR, and 54.8% bore interest at fixed rates.

The weighted average yield at fair value on all of our debt investments as of March 31, 2014 and December 31, 2013 was approximately 15.7% and 16.6%, respectively. The weighted average yield was computed using the effective interest rates for all of our debt investments, including cash and PIK interest as well as the accretion of original issue discount and other deferred fees.

Investment Activity

During the three months ended March 31, 2014, we advanced an additional $0.6 million under delayed draw and line of credit facilities in three of our existing portfolio companies, closed $8.0 million of investment commitments in four new portfolio companies and one of our existing portfolio companies and closed on a $2.6 million CLO equity investment. During the three months ended March 31, 2013, we made a $1.0 million add-on investment in one of our existing portfolio companies and no investments in new portfolio companies.

During the three months ended March 31, 2014, we received $0.4 million in principal repayments due to amortization or prepayments. During the three months ended March 31, 2013, we did not receive principal repayments due to amortization or prepayments.

Our level of investment activity can vary substantially from period to period depending on many factors, including the level of merger and acquisition activity in our target market, the general economic environment and the competitive environment for the types of investments we make.

Asset Quality

In addition to various risk management and monitoring tools, we use an investment rating system to characterize and monitor the credit profile and expected level of returns on each investment in our portfolio. This investment rating system uses a five-level numeric scale. The following is a description of the conditions associated with each investment rating:

- Investment Rating 1 is used for investments that are performing above expectations, and whose risks remain favorable compared to the expected risk at the time of the original investment.
- Investment Rating 2 is used for 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 are initially rated 2.
- Investment Rating 3 is used for 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.
- Investment Rating 4 is used for 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 are those for which some loss of return but no loss of principal is expected.
- Investment Rating 5 is used for 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 income producing investments at fair value:

Investment Rating	As of March 31, 2014 Fair Value	% of Total Portfolio	Number of Portfolio Companies	As of December 31, 2013 Fair Value	% of Total Portfolio	Number of Portfolio Companies
1	$ 9.5	11.8%	2	$ 9.5	13.6%	2
2	65.9	81.8%	21	54.6	78.7%	17
3	3.6	4.5%	1	3.8	5.5%	1
4	1.6	1.9%	1	1.5	2.2%	1
5	-	-	-	-	-	-
	$ 80.6	100.0%	25	$ 69.4	100.0%	21

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 or for such investments in which interest has not been paid for greater than 90 days. As of March 31, 2014 and December 31, 2013, we had no loans on non-accrual.

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.

Comparison of the Three Months Ended March 31, 2014 and 2013

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 significant managerial assistance and consulting fees.

Investment income for the three months ended March 31, 2014 totaled $3.0 million compared to investment income of $1.8 million for the three months ended March 31, 2013. Investment income for the three months ended March 31, 2014 was comprised of $2.5 million in cash interest, $0.3 million in PIK interest and $0.2 million in fees earned on the investment portfolio. Investment income for the three months ended March 31, 2013 was comprised of $1.4 million in cash interest, $0.3 million in PIK interest and $0.1 million in fees earned on the investment portfolio. The increase in investment income in the three months ended March 31, 2014 is attributable to a larger investment portfolio during the period as compared to the three months ended March 31, 2013.

Expenses

Our primary operating expenses include the payment of fees to HCAP Advisors LLC under the investment advisory and management 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 include:

- Interest expense and unused line fee;
- 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 JMP Credit Advisors LLC 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).

Operating expenses totaled $1.0 million for the three months ended March 31, 2014 compared to $1.0 million for the three months ended March 31, 2013. Operating expenses in both periods consisted of interest expense, base and incentive management fees, administrator expenses, professional fees, valuation fees, insurance expenses, directors' fees, and other general and administrative expenses. The slight decrease in operating expenses was due to lower interest expense and incentive management fee expense for the three months ended March 31, 2014 compared to the three months ended March 31, 2013. This was partially offset by higher general and administrative expenses and base management fees compared to the same period in 2013.

Interest expense was lower for the three months ended March 31, 2014 compared to the same period in 2013 since we did not have any debt outstanding. We used cash raised from our IPO in May 2013 to pay-off all indebtedness and to fund new investments since then. The only interest expense in the three months ended March 31, 2014 was unused line fees and the amortization of deferred financing costs.

The administrative services expense was $68,751 for the three months ended March 31, 2014 compared to $50,001 for the three months ended March 31, 2013. Under the administration agreement entered into between the Company and JMP Credit Advisors in conjunction with our initial public offering, JMP Credit Advisors agreed to cap the amounts payable by the Company to $275,000 during the first year of the agreement, through April 29, 2014. Accordingly, the administrative services expense for the three months ended March 31, 2014 was one fourth of the first year cap. The actual administrative services expense that would have been payable to JMP Credit Advisors for that period exceeded this proportionate share of the cap by approximately $80,000. Since the $275,000 cap expires after April 29, 2014, the Company has negotiated a new cap with JMP Credit Advisors of $150,000 for each of the quarters ending June, 30, September 30 and December 30, 2014.

The base management fee for the three months ended March 31, 2014 was $0.4 million compared to $0.1 million for the three months ended March 31, 2013. The increase is attributable to growth in the portfolio and a different base management fee calculation between the two periods (as described below). Incentive management fees for the three months ended March 31, 2014 were $35,488 compared to $0.3 million for the three months ended March 31, 2013. The decrease in incentive management fees is attributable to the large amount of equity raised in our IPO and the higher incentive fee hurdle to meet for the first year following the IPO (as described below). Other operating expenses included general and administrative expenses such as legal, accounting and valuation expenses. See the discussion below for more information on our base and incentive fee expenses.

Our historical expense structure changed as a result of the completion of our initial public offering as follows:

- The base management fee payable to our investment adviser prior to the initial public offering was calculated at an annual rate of 2.0% of our gross assets, including assets acquired with the use of borrowings. However, our investment adviser had agreed to waive the base management fee payable to it prior to the initial public offering with respect to any assets acquired by us through the use of borrowings under the credit facility until such time that the credit facility has been repaid in full and terminated. Moreover, our investment adviser received a base management fee prior to the initial public offering with respect to cash and cash equivalents held by us. Subsequent to the initial public offering, the base management fee is calculated based on our gross assets (which includes assets acquired with the use of leverage, but excludes cash and cash equivalents) at an annual rate of 2.0% on gross assets up to and including $350 million, 1.75% on gross assets above $350 million and up to and including $1 billion, and 1.5% on gross assets above $1 billion. Moreover, the waiver agreement described above with respect to assets acquired by us through the use of borrowings under the credit facility was terminated in connection with our initial public offering. As a result, a base management fee is payable to our investment adviser on all assets acquired by us through the use of borrowings, including under the credit facility.

- Our investment adviser has agreed to permanently waive all or such portion of the incentive fee that it would otherwise collect from us to the extent necessary to support a minimum dividend yield of 9% for the period of time commencing with our initial public offering through March 31, 2014. The 9% dividend hurdle is based upon our initial public offering price of $15 times the number of shares of our common stock currently outstanding plus the number of shares of common stock issued pursuant to our dividend reinvestment plan during the waiver period. Incentive fee expense for the three months ended March 31, 2014 totaled $35,488. The capital gains incentive fee is determined and paid annually with respect to realized capital gains (but not unrealized capital gains) to the extent such realized capital gains exceed realized and unrealized capital losses for such year. The Company records an expense accrual relating to the capital gains incentive fee payable by the Company to its investment adviser when the unrealized gains on its investments exceed all realized and unrealized capital losses on its investments given the fact that a capital gains incentive fee would be owed to the investment adviser if the Company were to liquidate its investment portfolio at such time. The actual incentive fee payable to the Company's investment adviser related to capital gains is determined and payable in arrears at the end of each fiscal year and includes only realized capital gains for the period. The Company recorded net unrealized appreciation of $177,442 in the quarter ended March 31, 2014 and net unrealized depreciation of $2,047,079 since the IPO.

  The incentive fee expense also included the waiver of $263,172 in income incentive fees that would otherwise have been payable to the Company's investment adviser for the three months ended March 31, 2014 but for the 9% minimum dividend yield waiver provision described above.

- Only a portion of the 2013 periods (i.e., from May 2, 2013, the date of our initial public offering, to December 31, 2013) reflect the change in our historical expense structure for the items noted above as well as our operations as a public company. As a result, the full impact of such changes will be more evident in future periods.

Net Investment Income

For the three months ended March 31, 2014, net investment income was $2.1 million, or $0.34 per common share, compared to $0.8 million, or $0.65 per common share, for the three months ended March 31, 2013.

Net Realized Gains and Losses

Realized gains and losses on investments are calculated using the specific identification method. We measure realized gains or losses on equity investments as the difference between the net proceeds from the sale and the amortized cost basis of the investment, without regard to unrealized appreciation or depreciation previously recognized. We measure realized gains or losses on debt investments as the difference between the net proceeds from the repayment or sale and the contractual amount owed to us on the investment, without regard to unrealized appreciation or depreciation previously recognized or unamortized deferred fees. The acceleration of unamortized deferred fees is recognized as interest income and the collection of prepayment and other fees is recognized as other interest income.

We did not recognize any realized gains or losses on our investments in the quarters ended March 31, 2014 and March 31, 2013, respectively.

Net Change in Unrealized Appreciation of Investments

Net change in unrealized appreciation (depreciation) 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 appreciation on investments totaled $177 thousand for the three months ended March 31, 2014 and $515 thousand for the three months ended March 31, 2013.

Net Increase in Net Assets Resulting from Operations

The net increase in net assets resulting from operations was $2.2 million for the three months ended March 31, 2014 and $1.3 million for the three months ended March 31, 2013. The increased amount for the three months ended March 31, 2014 compared to the three months ended March 31, 2013 primarily reflects the increase in net investment income described above, partially offset by the lower unrealized appreciation.

Financial Condition, Liquidity and Capital Resources

Cash Flows from Operating and Financing Activities

Our operating activities used cash of $8.4 million and $0.3 million for the three months ended March 31, 2014 and 2013, respectively, primarily in connection with the funding of new investments. Our financing activities used cash of $1.8 million and $6.8 million, respectively, for the three months ended March 31, 2014 and 2013. Our financing activities for the three months ended March 31, 2014 were primarily in connection with dividends paid to shareholders. Our financing activities for the three months ended March 31, 2013 were primarily in connection with paying down our revolving credit facility.

Our liquidity and capital resources are derived from our credit facility proceeds, cash flows from operations, including investment sales and repayments, and income earned. Our primary use of funds from operations includes investments in portfolio companies and other operating expenses we incur, as well as the payment of dividends to the holders of our common stock. We used, and expect to continue to use, these capital resources as well as proceeds from public and private offerings of securities to finance our investment activities.

Although we expect to fund the growth of our investment portfolio through the net proceeds from future equity offerings and issuances of senior securities or future borrowings to the extent permitted by the 1940 Act, our plans to raise capital may not be successful. In this regard, if our common stock trades at a price below our then-current net asset value per share, we may be limited in our ability to raise equity capital given that we cannot sell our common stock at a price below net asset value per share unless our stockholders approve such a sale and our board of directors makes certain determinations in connection therewith.

In addition, we intend to distribute between 90% and 100% of our taxable income to our stockholders in order to satisfy the requirements applicable to RICs under Subchapter M of the Code. Consequently, we may not have the funds or the ability to fund new investments, to make additional investments in our portfolio companies, to fund our unfunded commitments to portfolio companies or to repay borrowings. In addition, the illiquidity of our portfolio investments may make it difficult for us to sell these investments when desired and, if we are required to sell these investments, we may realize significantly less than their recorded value.

Also, as a BDC, we are generally required to meet a coverage ratio of total assets, less liabilities and indebtedness not represented by senior securities, to total senior securities, which include all of our borrowings and any outstanding preferred stock, of at least 200%. This requirement limits the amount that we may borrow. As of March 31, 2014 and December 31, 2013, we were in compliance with this requirement. Prior to our initial public offering, we were not in compliance with this requirement, but we used the proceeds from the initial public offering to pay down the outstanding balance under the credit facility with JMP Group LLC and, as a result became compliant. The amount of leverage that we employ as a BDC 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 shares of our common stock 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 borrowing.

As of March 31, 2014 and December 31, 2013, we had cash of $8.8 million and $19.0 million, respectively.

Credit Facility

On October 29, 2013, the Company entered into a Loan and Security Agreement (the "Loan Agreement") with CapitalSource Bank, as agent and a lender, and each of the lenders from time to time party thereto, including City National Bank, to provide the Company with a $55 million senior secured revolving credit facility (the "Credit Facility"). The Credit Facility is secured by all of the Company's assets. The Loan Agreement, among other things, has a revolving period that expires on October 29, 2015 and a maturity date that expires on October 29, 2018. Advances under the Credit Facility bear interest at a rate per annum equal to the lesser of (i) LIBOR plus 4.50% and (ii) the maximum rate permitted under applicable law. In addition, the Loan Agreement requires payment of a fee for unused amounts during the revolving period, which fee varies depending on the obligations outstanding as follows: (i) 0.75% per annum, if the average daily principal balance of the obligations outstanding for the prior month are less than fifty percent of the maximum loan amount; and (ii) 0.50% per annum, if such obligations outstanding are equal to or greater than fifty percent of the maximum loan amount. In each case, the fee is calculated based on the difference between (i) the maximum loan amount under the Credit Facility and (ii) the average daily principal balance of the obligations outstanding during the prior calendar month.

The Loan Agreement also contains customary terms and conditions, including, without limitation, affirmative and negative covenants, including, without limitation, information reporting requirements, a minimum tangible net worth, a minimum debt service coverage ratio, a minimum liquidity of 4% of the maximum loan amount, a maximum leverage ratio of 1.00 to 1.00, and maintenance of RIC and business development company status. The Loan Agreement also contains customary events of default, including, without limitation, nonpayment, misrepresentation of representations and warranties in a material respect, breach of covenant, cross-default to other indebtedness, bankruptcy, change of control, and the occurrence of a material adverse effect. In addition, the Loan Agreement provides that, upon the occurrence and during the continuation of such an event of default, the Company's administration agreement could be terminated and a backup administrator could be substituted by the agent.

On October 29, 2013, in conjunction with securing and entering into the Credit Facility, which, among other things, provides the Company with increased commitments, the Company terminated its senior secured revolving credit facility with JMP Group LLC (the "JMP Facility"). The JMP Facility had been entered into between HCC LLC and JMP Group LLC as of August 24, 2011. On March 25, 2013, in advance of the initial public offering, HCC LLC and HCAP entered into an amendment to the JMP Facility with JMP Group LLC. The JMP Facility, as so amended, provided up to an aggregate of $50.0 million of revolving borrowings until April 1, 2014, and after April 1, 2014, the amount outstanding thereunder was to become a term loan payable in fourteen consecutive quarterly installments (beginning on April 1, 2014), each in an amount equal to 5% of the term amount, and with the final payment of any other outstanding amounts due on the maturity date of August 24, 2017. Borrowings under the secured revolving credit facility bore interest at an annual rate equal to either (i) LIBOR + 4.50% or (ii) the Prime Rate + 2.25%, at the Company's election and subject to increases during a default under the credit facility. Under the JMP Facility, as so amended, the Company was required to pay JMP Group an amendment fee in the amount of $100,000 if the amended facility was not terminated and repaid in full within 30 days of the date of the amendment. When the amended facility was not terminated and repaid in full within this period, however, JMP Group agreed to waive the amendment fee that the Company was otherwise required to pay.

As of March 31, 2014 and December 31, 2013, the outstanding balance on the Credit Facility was $0.

Off-Balance Sheet Arrangements

We may be a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of our portfolio companies. As of March 31, 2014, our only off-balance sheet arrangements consisted of $4.0 million of unfunded commitments to provide debt financing to two of our portfolio companies. As of December 31, 2013, our only off-balance sheet arrangements consisted of $4.6 million of unfunded commitments to provide debt financing to three of our portfolio companies.

Regulated Investment Company Status and Dividends

We intend to elect to be treated as a RIC under Subchapter M of the Code. If we qualify 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.

Taxable income generally differs from net income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses, and generally excludes net unrealized appreciation or depreciation until realized. Dividends declared and paid by us in a year may differ from taxable income for that year as such dividends may include the distribution of current year taxable income or the distribution of prior year taxable income carried forward into and distributed in the current year. Distributions also may include returns of capital.

To qualify as a RIC, the Company is required to meet certain income and asset diversification tests in addition to distributing at least 90% of ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, out of the assets legally available for distribution. As a RIC, the Company will be subject to a 4% nondeductible federal excise tax on certain undistributed income unless the Company distributes in a timely manner an amount at least equal to the sum of (1) 98% of its ordinary income for each calendar year, (2) 98.2% of its capital gain net income for the 1-year period ending October 31 in that calendar year and (3) any ordinary income and net capital gains for preceding years that were not distributed during such years and on which the Company paid no U.S. federal income tax.

We intend to distribute to our stockholders between 90% and 100% of our annual taxable income (which includes our taxable interest and fee income). However, the covenants contained in the Credit Facility may prohibit us from making distributions to our stockholders, and, as a result, could hinder our ability to satisfy the distribution requirement. In addition, we may retain for investment some or all of our net taxable capital gains (i.e., realized net long-term capital gains in excess of realized net short-term capital losses) and treat such amounts as deemed distributions to our stockholders. If we do this, our stockholders will be treated as if they received actual distributions of the capital gains we retained and then reinvested the net after-tax proceeds in our common stock. Our stockholders also may be eligible to claim tax credits (or, in certain circumstances, tax refunds) equal to their allocable share of the tax we paid on the capital gains deemed distributed to them. To the extent our taxable earnings for a fiscal taxable year fall below the total amount of our dividends for that fiscal year, a portion of those dividend distributions may be deemed a return of capital to our stockholders.

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 these distributions from time to time. In addition, we may be limited in our ability to make distributions due to the asset coverage test for borrowings applicable to us as a business development company under the 1940 Act and due to provisions in the Credit Facility. We cannot assure stockholders that they will receive any distributions or distributions at a particular level.

In accordance with certain applicable Treasury regulations and private letter rulings issued by the Internal Revenue Service, a RIC may treat a distribution of its own stock as fulfilling its RIC distribution requirements if each stockholder may elect to receive his or her entire distribution in either cash or stock of the RIC, subject to a limitation that the aggregate amount of cash to be distributed to all stockholders must be at least 20% of the aggregate declared distribution. If too many stockholders elect to receive cash, each stockholder electing to receive cash must receive a pro rata amount of cash (with the balance of the distribution paid in stock). In no event will any stockholder, electing to receive cash, receive less than 20% of his or her entire distribution in cash. If these and certain other requirements are met, for U.S. federal income tax purposes, the amount of the dividend paid in stock will be equal to the amount of cash that could have been received instead of stock. We have no current intention of paying dividends in shares of our stock in accordance with these Treasury regulations or private letter rulings.

Recent Developments

On April 24, 2014, the Company made a debt investment in Brite Media LLC totaling $10.0 million, of which $9.0 million was funded at closing.

On May 7, 2014, the Company refinanced its debt investment in Douglas Machines converting its subordinated debt into a senior secured term loan and issuing a $1.5 million revolver, of which $0.8 million was funded at closing.

The Company borrowed $4.8 million against the revolving credit facility through May 14, 2014.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are subject to financial market risks, including changes in interest rates. For the three months ended March 31, 2014, 13 of our loans or 45.9% of the fair value of our portfolio bore interest at floating rates. 11 of these floating rate loans have interest rate floors, which have effectively converted the loans to fixed rate loans in the current interest rate environment. For the three months ended March 31, 2013, five loans or 32.8% of the fair value of the portfolio bore interest at floating rates. Two of these investments had interest rate floors, which effectively converted the loans to fixed rate loans in the current interest rate environment. In the future, we expect other loans in our portfolio will have floating rates. Assuming that the Statement of Assets and Liabilities as of March 31, 2014, were to remain constant and no actions were taken to alter the existing interest rate sensitivity, a hypothetical one percent increase in LIBOR would have no impact on our net income as our floating rate loans and borrowing rates have LIBOR floors that would not be affected by the one percent increase. Likewise, a hypothetical decrease in LIBOR would have no impact on our net income as most of our loans are fixed rate and our floating rate loans and borrowing rates have LIBOR floors that would not be affected by the one percent decrease. Although we believe that this measure is indicative of our sensitivity to interest rate changes, it does not adjust for potential changes in credit quality, size and composition of the assets on the balance sheet and other business developments that could affect net increase in net assets resulting from operations, or net income. Accordingly, no assurances can be given that actual results would not differ materially from the potential outcome simulated by this estimate. We may hedge against interest rate fluctuations by using standard hedging instruments such as futures, options and forward contacts subject to the requirements of the 1940 Act. While hedging activities may insulate us against adverse changes in interest rates, they may also limit our ability to participate in the benefits of lower interest rates with respect to our portfolio of investments. We have not engaged in any hedging activities to date.

Item 4. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures

As of March 31, 2014, we, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective in timely alerting management, including the Chief Executive Officer and Chief Financial Officer, of material information about us required to be included in periodic SEC filings.

(b) Changes in Internal Control Over Financial Reporting

Management did not identify any change in the Company's internal control over financial reporting that occurred during the quarter ended March 31, 2014 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us. From time to time, we may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of our rights under contracts with our portfolio companies. While the outcome of these legal proceedings cannot be predicted with certainty, we do not expect that these proceedings will have a material effect upon our financial condition or results of operations.

Item 1A. Risk Factors

There has been no material change in the information provided under the heading "Risk Factors" in our annual report on Form 10-K for the fiscal year ended December 31, 2013. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may materially affect our business, financial condition and/or operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Sales of Unregistered Securities

During the quarter ended March 31, 2014, we issued a total of 20,180 shares of our common stock under our dividend reinvestment plan ("DRIP"). This issuance was not subject to the registration requirements of the Securities Act of 1933. The aggregate value of the shares of our common stock issued under the DRIP was approximately $289,206.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

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.

HARVEST CAPITAL CREDIT CORPORATION

Dated: May 14, 2014

/s/ Richard P. Buckanavage
Richard P. Buckanavage
Chief Executive Officer and President

/s/ Craig R. Kitchin
Craig R. Kitchin
Chief Financial Officer, Chief Compliance Officer and Secretary
(Principal Financial and Accounting Officer)

EXHIBIT INDEX

Exhibit Number	Description
31.1	Chief Executive Officer Certification Pursuant to Exchange Act Rule 13a-14 (a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Chief Financial Officer Certification Pursuant to Exchange Act Rule 13a-14 (a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Chief Executive Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2	Chief Financial Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302
CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Richard P. Buckanavage, Chief Executive Officer of Harvest Capital Credit Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Harvest Capital Credit Corporation;

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 Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) [Omitted];

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: May 14, 2014

By: /s/ Richard P. Buckanavage
Richard P. Buckanavage
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302
CHIEF FINANCIAL OFFICER CERTIFICATION

I, Craig Kitchin, Chief Financial Officer of Harvest Capital Credit Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Harvest Capital Credit Corporation;

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 Exchange Act Rules 13a-15(e) and 15d-15(e))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) [Omitted];

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: May 14, 2014

By: /s/ Craig Kitchin
Craig Kitchin
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)

In connection with this Report on Form 10-Q for the three months ended March 31, 2014 (the "Report") of Harvest Capital Credit Corporation (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Richard P. Buckanavage, Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

(1) The 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 the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Richard P. Buckanavage
Richard P. Buckanavage
Chief Executive Officer
May 14, 2014

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)

In connection with this Report on Form 10-Q for the three months ended March 31, 2014 (the “Report”) of Harvest Capital Credit Corporation (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof, I, Craig Kitchin, Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

(1) The 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 the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Craig Kitchin
Craig Kitchin
Chief Financial Officer
May 14, 2014