

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, 2011

OR

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

For the transition period from _____ to _____

Commission file number 001-33130

Triangle Capital Corporation

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

06-1798488

(I.R.S. Employer
Identification No.)

**3700 Glenwood Avenue, Suite 530
Raleigh, North Carolina**

(Address of principal executive offices)

27612

(Zip Code)

Registrant's telephone number, including area code: (919) 719-4770

Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report: N/A

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a 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 outstanding of the registrant's Common Stock on May 2, 2011 was 18,569,856.

TRIANGLE CAPITAL CORPORATION
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PART I — FINANCIAL INFORMATION

Item 1. *Financial Statements.*

TRIANGLE CAPITAL CORPORATION

Consolidated Balance Sheets

	March 31, 2011 (Unaudited)	December 31, 2010
Assets		
Investments at fair value:		
Non—Control / Non—Affiliate investments (cost of \$287,830,346 and \$244,197,828 at March 31, 2011 and December 31, 2010, respectively)	\$290,736,361	\$245,392,144
Affiliate investments (cost of \$66,285,172 and \$60,196,084 at March 31, 2011 and December 31, 2010, respectively)	63,438,848	55,661,878
Control investments (cost of \$23,332,268 and \$19,647,795 at March 31, 2011 and December 31, 2010, respectively)	30,011,421	24,936,571
Total investments at fair value	384,186,630	325,990,593
Cash and cash equivalents	73,420,711	54,820,222
Interest and fees receivable	1,400,613	867,627
Prepaid expenses and other current assets	338,094	119,151
Deferred financing fees	6,414,292	6,200,254
Property and equipment, net	58,698	47,647
Total assets	<u>\$465,819,038</u>	<u>\$388,045,494</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 927,738	\$ 2,268,898
Interest payable	613,677	2,388,505
Taxes payable	6,307	197,979
Deferred revenue	42,787	37,500
Deferred income taxes	402,787	208,587
SBA-guaranteed debentures payable	214,607,244	202,464,866
Total liabilities	216,600,540	207,566,335
Net Assets		
Common stock, \$0.001 par value per share (150,000,000 shares authorized, 18,569,856 and 14,928,987 shares issued and outstanding as of March 31, 2011 and December 31, 2010, respectively)	18,570	14,929
Additional paid-in-capital	247,760,609	183,602,755
Investment income in excess of distributions	3,347,637	3,365,548
Accumulated realized losses on investments	(8,244,376)	(8,244,376)
Net unrealized appreciation of investments	6,336,058	1,740,303
Total net assets	<u>249,218,498</u>	<u>180,479,159</u>
Total liabilities and net assets	<u>\$465,819,038</u>	<u>\$388,045,494</u>
Net asset value per share	<u>\$ 13.42</u>	<u>\$ 12.09</u>

See accompanying notes.

TRIANGLE CAPITAL CORPORATION

Unaudited Consolidated Statements of Operations

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
Investment income:		
Loan interest, fee and dividend income:		
Non—Control / Non—Affiliate investments	\$ 8,749,449	\$ 4,801,642
Affiliate investments	1,374,243	1,030,596
Control investments	258,268	353,145
Total loan interest, fee and dividend income	10,381,960	6,185,383
Paid—in—kind interest income:		
Non—Control / Non—Affiliate investments	1,481,820	827,601
Affiliate investments	395,171	262,677
Control investments	65,297	125,948
Total paid—in—kind interest income	1,942,288	1,216,226
Interest income from cash and cash equivalent investments	101,149	83,298
Total investment income	12,425,397	7,484,907
Expenses:		
Interest expense	1,989,984	1,739,980
Amortization of deferred financing fees	309,763	96,431
General and administrative expenses	2,397,523	1,854,812
Total expenses	4,697,270	3,691,223
Net investment income	7,728,127	3,793,684
Net realized gain on investments — Non Control / Non-Affiliate	—	199,200
Net unrealized appreciation of investments	4,595,755	209,343
Total net gain on investments before income taxes	4,595,755	408,543
Income tax benefit (provision)	27,359	(52,898)
Net increase in net assets resulting from operations	\$12,351,241	\$ 4,149,329
Net investment income per share — basic and diluted	\$ 0.46	\$ 0.32
Net increase in net assets resulting from operations per share — basic and diluted	\$ 0.73	\$ 0.35
Dividends declared per common share	\$ 0.42	\$ 0.41
Weighted average number of shares outstanding — basic and diluted	16,848,570	11,877,688

See accompanying notes.

TRIANGLE CAPITAL CORPORATION

Unaudited Consolidated Statements of Changes in Net Assets

	Common Stock		Additional Paid In Capital	Investment Income in Excess of (Less Than) Distributions	Accumulated Realized Gains (Losses) on Investments	Net Unrealized Appreciation (Depreciation) of Investments	Total Net Assets
	Number of Shares	Par Value					
Balance, January 1, 2010	11,702,511	\$ 11,703	\$ 136,769,259	\$ 1,070,452	\$ 448,164	\$ (9,200,386)	\$ 129,099,192
Net investment income	—	—	—	3,793,684	—	—	3,793,684
Stock-based compensation	—	—	248,556	—	—	—	248,556
Net realized gain on investments	—	—	—	—	199,200	(179,200)	20,000
Net unrealized gains on investments	—	—	—	—	—	388,543	388,543
Provision for income taxes	—	—	—	(52,898)	—	—	(52,898)
Dividends/distributions declared	100,046	100	1,215,461	(4,893,183)	—	—	(3,677,622)
Expenses related to public offering of common stock	—	—	(2,255)	—	—	—	(2,255)
Issuance of restricted stock	142,499	142	(142)	—	—	—	—
Common stock withheld for payroll taxes upon vesting of restricted stock	(10,462)	(10)	(123,830)	—	—	—	(123,840)
Balance, March 31, 2010	<u>11,934,594</u>	<u>\$ 11,935</u>	<u>\$ 138,107,049</u>	<u>\$ (81,945)</u>	<u>\$ 647,364</u>	<u>\$ (8,991,043)</u>	<u>\$ 129,693,360</u>

	Common Stock		Additional Paid In Capital	Investment Income in Excess of (Less Than) Distributions	Accumulated Realized Gains (Losses) on Investments	Net Unrealized Appreciation (Depreciation) of Investments	Total Net Assets
	Number of Shares	Par Value					
Balance, January 1, 2011	14,928,987	\$ 14,929	\$ 183,602,755	\$ 3,365,548	\$ (8,244,376)	\$ 1,740,303	\$ 180,479,159
Net investment income	—	—	—	7,728,127	—	—	7,728,127
Stock-based compensation	—	—	414,329	—	—	—	414,329
Net unrealized gains on investments	—	—	—	—	—	4,595,755	4,595,755
Income tax benefit	—	—	—	27,359	—	—	27,359
Dividends/distributions declared	61,766	62	1,094,444	(7,773,397)	—	—	(6,678,891)
Public offering of common stock	3,450,000	3,450	63,134,805	—	—	—	63,138,255
Issuance of restricted stock	152,779	153	(153)	—	—	—	—
Common stock withheld for payroll taxes upon vesting of restricted stock	(23,676)	(24)	(485,571)	—	—	—	(485,595)
Balance, March 31, 2011	<u>18,569,856</u>	<u>\$ 18,570</u>	<u>\$ 247,760,609</u>	<u>\$ 3,347,637</u>	<u>\$ (8,244,376)</u>	<u>\$ 6,336,058</u>	<u>\$ 249,218,498</u>

See accompanying notes.

TRIANGLE CAPITAL CORPORATION

Unaudited Consolidated Statements of Cash Flows

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
Cash flows from operating activities:		
Net increase in net assets resulting from operations	\$ 12,351,241	\$ 4,149,329
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:		
Purchases of portfolio investments	(68,275,512)	(14,143,949)
Repayments received/sales of portfolio investments	14,936,864	6,520,580
Loan origination and other fees received	1,466,292	301,875
Net realized gain on investments	—	(199,200)
Net unrealized appreciation of investments	(4,789,955)	(246,344)
Deferred income taxes	194,200	37,000
Payment—in—kind interest accrued, net of payments received	(857,493)	(1,059,516)
Amortization of deferred financing fees	309,763	96,431
Accretion of loan origination and other fees	(415,247)	(215,033)
Accretion of loan discounts	(260,986)	(117,201)
Accretion of discount on SBA-guaranteed debentures payable	42,378	—
Depreciation expense	7,064	5,478
Stock-based compensation	414,329	248,556
Changes in operating assets and liabilities:		
Interest and fees receivable	(532,986)	(563,354)
Prepaid expenses	(218,943)	(62,373)
Accounts payable and accrued liabilities	(1,341,160)	(1,192,113)
Interest payable	(1,774,828)	(1,738,084)
Deferred revenue	5,287	(37,500)
Taxes payable	(191,672)	(27,245)
Net cash used in operating activities	<u>(48,931,364)</u>	<u>(8,242,663)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(18,115)	—
Net cash used in investing activities	<u>(18,115)</u>	<u>—</u>
Cash flows from financing activities:		
Borrowings under SBA-guaranteed debentures payable	21,600,000	—
Repayments of SBA-guaranteed debentures payable	(9,500,000)	—
Financing fees paid	(523,801)	—
Proceeds from public stock offerings, net of expenses	63,138,255	(2,255)
Common stock withheld for payroll taxes upon vesting of restricted stock	(485,595)	(123,840)
Cash dividends paid	(6,678,891)	(3,558,973)
Net cash provided by (used in) financing activities	<u>67,549,968</u>	<u>(3,685,068)</u>
Net increase (decrease) in cash and cash equivalents	18,600,489	(11,927,731)
Cash and cash equivalents, beginning of period	54,820,222	55,200,421
Cash and cash equivalents, end of period	<u>\$ 73,420,711</u>	<u>\$ 43,272,690</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 3,722,434</u>	<u>\$ 3,478,064</u>

See accompanying notes.

TRIANGLE CAPITAL CORPORATION

**Unaudited Consolidated Schedule of Investments
March 31, 2011**

Portfolio Company	Industry	Type of Investment (1) (2)	Principal Amount	Cost	Fair Value (3)
<u>Non—Control / Non—Affiliate Investments:</u>					
Ambient Air Corporation (“AA”) and Peaden-Hobbs Mechanical, LLC (“PHM”) (2%)*	Specialty Trade Contractors	Subordinated Note-AA (15% Cash, 3% PIK, Due 06/13) Common Stock-PHM (128,571 shares) Common Stock Warrants-AA (455 shares)	\$ 4,195,389	\$ 4,160,551 128,571 142,361	\$ 4,160,551 128,571 1,306,000
			<u>4,195,389</u>	<u>4,431,483</u>	<u>5,595,122</u>
Ann’s House of Nuts, Inc. (4%)*	Trail Mixes and Nut Producers	Subordinated Note (12% Cash, 1% PIK, Due 11/17) Preferred A Units (22,368 units) Preferred B Units (10,380 units) Common Units (190,935 units) Common Stock Warrants (14,558 shares)	7,027,416	6,631,493 2,124,957 986,059 150,000 14,558	6,631,493 2,124,957 986,059 150,000 14,558
			<u>7,027,416</u>	<u>9,907,067</u>	<u>9,907,067</u>
Assurance Operations Corporation (0%)*	Metal Fabrication	Common Stock (517 Shares)		516,867 516,867	523,400 523,400
Botanical Laboratories, Inc. (4%)*	Nutritional Supplement Manufacturing and Distribution	Senior Notes (14% Cash, 1% PIK, Due 02/15) Common Unit Warrants (998,680)	10,429,678	9,802,439 474,600	9,802,439 —
			<u>10,429,678</u>	<u>10,277,039</u>	<u>9,802,439</u>
Capital Contractors, Inc. (4%)*	Janitorial and Facilities Maintenance Services	Subordinated Notes (12% Cash, 2% PIK, Due 12/15) Common Stock Warrants (20 shares)	9,046,079	8,399,088 492,000	8,399,088 492,000
			<u>9,046,079</u>	<u>8,891,088</u>	<u>8,891,088</u>
Carolina Beer and Beverage, LLC (5%)*	Beverage Manufacturing and Packaging	Subordinated Note (12% Cash, 4% PIK, Due 02/16) Class A Units (11,974 Units) Class B Units (11,974 Units)	12,993,885	12,760,206 1,077,615 119,735	12,760,206 799,400 —
			<u>12,993,885</u>	<u>13,957,556</u>	<u>13,559,606</u>
CRS Reprocessing, LLC (9%)*	Fluid Reprocessing Services	Subordinated Note (12% Cash, 2% PIK, Due 11/15) Subordinated Note (10% Cash, 4% PIK, Due 11/15) Common Unit Warrant (508 Units)	11,185,210 10,685,609	10,783,135 9,729,313 1,078,456	10,783,135 9,729,313 1,412,500
			<u>21,870,819</u>	<u>21,590,904</u>	<u>21,924,948</u>
CV Holdings, LLC (5%)*	Specialty Healthcare Products Manufacturer	Subordinated Note (12% Cash, 4% PIK, Due 09/13) Royalty rights	11,802,569	11,209,482 874,400	11,209,482 730,000
			<u>11,802,569</u>	<u>12,083,882</u>	<u>11,939,482</u>
DLR Restaurants, LLC (4%)*	Restaurant	Subordinated Note (12% Cash, 2% PIK, Due 03/16) Royalty rights	9,010,500	8,770,500 —	8,770,500 —
			<u>9,010,500</u>	<u>8,770,500</u>	<u>8,770,500</u>
Electronic Systems Protection, Inc. (2%)*	Power Protection Systems Manufacturing	Subordinated Note (12% Cash, 2% PIK, Due 12/15) Senior Note (8.3% Cash, Due 01/14)	3,199,721	3,179,312	3,179,312
			828,035	828,035	828,035

		Common Stock (570 shares)	<u>285,000</u>	<u>147,000</u>
			4,027,756	4,292,347
Energy Hardware Holdings, LLC (0%)*	Machined Parts Distribution	Voting Units (4,833 units)	<u>4,833</u>	<u>1,011,800</u>
			4,833	1,011,800
Frozen Specialties, Inc. (3%)*	Frozen Foods Manufacturer	Subordinated Note (13% Cash, 5% PIK, Due 07/14)	<u>8,161,657</u>	<u>8,053,672</u>
			8,161,657	8,053,672
Garden Fresh Restaurant Corp. (0%)*	Restaurant	Membership Units (5,000 units)	<u>500,000</u>	<u>735,800</u>
			500,000	735,800
Great Expressions Group Holdings, LLC (0%)*	Dental Practice Management	Class A Units (225 Units)	<u>450,000</u>	<u>639,600</u>
			450,000	639,600
Grindmaster-Cecilware Corp. (2%)*	Food Services Equipment Manufacturer	Subordinated Note (12% Cash, 4.5% PIK, Due 04/16)	<u>6,062,732</u>	<u>5,972,635</u>
			6,062,732	5,972,635

<u>Portfolio Company</u>	<u>Industry</u>	<u>Type of Investment (1) (2)</u>	<u>Principal Amount</u>	<u>Cost</u>	<u>Fair Value (3)</u>
Hatch Chile Co., LLC (2%)*	Food Products Distributor	Senior Note (19% Cash, Due 07/15)	\$ 4,500,000	\$ 4,398,485	\$ 4,398,485
		Subordinated Note (14% Cash, Due 07/15)	1,000,000	844,400	844,400
		Unit Purchase Warrant (5,265 Units)		149,800	131,000
			<u>5,500,000</u>	<u>5,392,685</u>	<u>5,373,885</u>
Home Physicians, LLC ("HP") and Home Physicians Holdings, LP ("HPH") (5%)*	In-home primary care physician services	Subordinated Note-HP (12% Cash, 5% PIK, Due 03/16)	10,255,695	10,030,695	10,030,695
		Subordinated Note-HPH (4% Cash, 6% PIK, Due 03/16)	1,226,429	1,226,429	1,226,429
		Royalty rights		—	—
		<u>11,482,124</u>	<u>11,257,124</u>	<u>11,257,124</u>	
Infrastructure Corporation of America, Inc. (4%)*	Roadway Maintenance, Repair and Engineering Services	Subordinated Note (12% Cash, 1% PIK, Due 10/15)	10,796,065	9,641,655	9,641,655
		Common Stock Purchase Warrant (199,526 shares)		980,000	980,000
		<u>10,796,065</u>	<u>10,621,655</u>	<u>10,621,655</u>	
Inland Pipe Rehabilitation Holding Company LLC (7%)*	Cleaning and Repair Services	Subordinated Note (14% Cash, Due 01/14)	8,274,920	7,653,008	7,653,008
		Subordinated Note (18% Cash, Due 01/14)	3,905,108	3,878,922	3,878,922
		Subordinated Note (15% Cash, Due 01/14)	306,302	306,302	306,302
		Subordinated Note (15.3% Cash, Due 01/14)	3,500,000	3,467,128	3,467,128
		Membership Interest Purchase Warrant (3.0%)		853,500	2,310,000
		<u>15,986,330</u>	<u>16,158,860</u>	<u>17,615,360</u>	
Library Systems & Services, LLC (2%)*	Municipal Business Services	Subordinated Note (12.5% Cash, 4.5% PIK, Due 06/15)	5,309,063	5,169,473	5,169,473
		Common Stock Warrants (112 shares)		58,995	525,000
		<u>5,309,063</u>	<u>5,228,468</u>	<u>5,694,473</u>	
McKenzie Sports Products, LLC (2%)*	Taxidermy Manufacturer	Subordinated Note (13% Cash, 1% PIK, Due 10/17)	6,025,694	5,911,165	5,911,165
			<u>6,025,694</u>	<u>5,911,165</u>	<u>5,911,165</u>
Media Temple, Inc. (5%)*	Web Hosting Services	Subordinated Note (12% Cash, 5.5% PIK, Due 04/15)	8,800,000	8,632,828	8,632,828
		Convertible Note (8% Cash, 6% PIK, Due 04/15)	3,200,000	2,695,136	2,695,136
		Common Stock Purchase Warrant (28,000 Shares)		536,000	536,000
		<u>12,000,000</u>	<u>11,863,964</u>	<u>11,863,964</u>	
Minco Technology Labs, LLC (2%)*	Semiconductor Distribution	Subordinated Note (13% Cash, 3.25% PIK, Due 05/16)	5,143,671	5,029,574	5,029,574
		Class A Units (5,000 Units)		500,000	254,600
		<u>5,143,671</u>	<u>5,529,574</u>	<u>5,284,174</u>	

National Investment Managers Inc. (5%)*	Retirement Plan Administrator	Subordinated Note (11% Cash, 5% PIK, Due 09/16)	11,267,188	10,985,938	10,985,938
		Preferred A Units (90,000 Units)		900,000	900,000
		Common Units (10,000 Units)		100,000	100,000
			<u>11,267,188</u>	<u>11,985,938</u>	<u>11,985,938</u>
Novolyte Technologies, Inc. (4%)*	Specialty Manufacturing	Subordinated Note (12% Cash, 4% PIK, Due 07/16)	7,046,667	6,911,251	6,911,251
		Subordinated Note (12% Cash, 4% PIK, Due 07/16)	2,265,000	2,221,474	2,221,474
		Preferred Units (641 units)		661,227	664,600
		Common Units (24,522 units)		165,306	370,200
			<u>9,311,667</u>	<u>9,959,258</u>	<u>10,167,525</u>
Pomeroy IT Solutions (4%)*	Information Technology Outsourcing Services	Subordinated Notes (13% Cash, 2% PIK, Due 02/16)	10,027,222	9,770,229	9,770,229
			<u>10,027,222</u>	<u>9,770,229</u>	<u>9,770,229</u>
SRC, Inc. (4%)*	Specialty Chemical Manufacturer	Subordinated Notes (12% Cash, 2% PIK, Due 09/14)	9,046,078	8,757,574	8,757,574
		Common Stock Purchase Warrants		123,800	123,800
			<u>9,046,078</u>	<u>8,881,374</u>	<u>8,881,374</u>
Syrgis Holdings, Inc. (2%)*	Specialty Chemical Manufacturer	Senior Notes (7.75%- 10.75% Cash, Due 08/12-02/14)	2,730,518	2,717,342	2,717,342
		Class C Units (2,114 units)		1,000,000	1,264,000
			<u>2,730,518</u>	<u>3,717,342</u>	<u>3,981,342</u>
TBG Anesthesia Management, LLC (4%)*	Physician Management Services	Senior Note (13.5% Cash, Due 11/14)	11,000,000	10,632,294	10,632,294
		Warrant (263 shares)		276,100	226,200
			<u>11,000,000</u>	<u>10,908,394</u>	<u>10,858,494</u>
Top Knobs USA, Inc. (4%)*	Hardware Designer and Distributor	Subordinated Note (12% Cash, 4.5% PIK, Due 05/17)	10,019,345	9,831,398	9,831,398
		Common Stock (26,593 shares)		750,000	750,000
			<u>10,019,345</u>	<u>10,581,398</u>	<u>10,581,398</u>

<u>Portfolio Company</u>	<u>Industry</u>	<u>Type of Investment (1) (2)</u>	<u>Principal Amount</u>	<u>Cost</u>	<u>Fair Value (3)</u>
TrustHouse Services Group, Inc. (2%)*	Food Management Services	Subordinated Note (12% Cash, 2% PIK, Due 09/15)	\$ 4,462,746	\$ 4,406,514	\$ 4,406,514
		Class A Units (1,495 units)		475,000	556,300
		Class B Units (79 units)		25,000	—
			4,462,746	4,906,514	4,962,814
Tulsa Inspection Resources, Inc. (2%)*	Pipeline Inspection Services	Subordinated Note (14%-17.5% Cash, Due 03/14)	5,810,588	5,510,596	5,510,596
		Common Unit (1 unit)		200,000	—
		Common Stock Warrants (8 shares)		321,000	—
			5,810,588	6,031,596	5,510,596
Twin-Star International, Inc. (2%)*	Consumer Home Furnishings	Subordinated Note (12% Cash, 1% PIK, Due 04/14)	4,500,000	4,465,584	4,465,584
	Manufacturer	Senior Note (4.3%, Due 04/13)	1,059,996	1,059,996	1,059,996
			5,559,996	5,525,580	5,525,580
Wholesale Floors, Inc. (1%)*	Commercial Services	Subordinated Note (12.5% Cash, 3.5% PIK, Due 06/14)	3,811,639	3,416,190	3,057,400
		Membership Interest Purchase Warrant (4.0%)		132,800	—
			3,811,639	3,548,990	3,057,400
Yellowstone Landscape Group, Inc. (5%)*	Landscaping Services	Subordinated Note (12% Cash, 3% PIK, Due 04/14)	12,532,129	12,355,520	12,355,520
			12,532,129	12,355,520	12,355,520
Zoom Systems (3%)*	Retail Kiosk Operator	Subordinated Note (12.5% Cash, 1.5% PIK, Due 12/14)	8,155,730	7,994,845	7,994,845
		Royalty rights		—	—
			8,155,730	7,994,845	7,994,845
Subtotal Non—Control / Non—Affiliate Investments			280,606,273	287,830,346	290,736,361
<u>Affiliate Investments:</u>					
American De-Rosa Lamparts, LLC and Hallmark Lighting (2%)*	Wholesale and Distribution	Subordinated Note (5% PIK, Due 10/13)	5,613,162	5,167,911	3,985,700
		Membership Units (6,516 Units)		350,000	—
			5,613,162	5,517,911	3,985,700
AP Services, Inc. (3%)*	Fluid Sealing Supplies and Services	Subordinated Note (12% Cash, 2% PIK, Due 09/15)	5,864,100	5,756,863	5,756,863
		Class A Units (933 units)		933,333	976,000
		Class B Units (496 units)		—	79,000
			5,864,100	6,690,196	6,811,863
Asset Point, LLC (2%)*	Asset Management Software Provider	Senior Note (12% Cash, 5% PIK, Due 03/13)	5,828,514	5,781,329	5,506,899
		Senior Note (12% Cash, 2% PIK, Due 07/15)	608,216	608,216	491,400
		Options to Purchase Membership Units (342,407 units)		500,000	—
		Membership Unit Warrants (356,506 units)		—	—
			6,436,730	6,889,545	5,998,299

Axiom Manufacturing, Inc. (0%)*	Industrial Equipment Manufacturer	Common Stock (136,400 shares)		200,000	966,000
		Common Stock Warrant (4,000 shares)		—	28,300
				<u>200,000</u>	<u>994,300</u>
Brantley Transportation, LLC (“Brantley Transportation”) and Pine Street Holdings, LLC (“Pine Street”) (4) (2%)*	Oil and Gas Services	Subordinated Note— Brantley Transportation (14% Cash, Due 12/12)	3,800,000	3,745,701	3,745,701
		Common Unit Warrants— Brantley Transportation (4,560 common units)		33,600	—
		Preferred Units—Pine Street (200 units)		200,000	—
		Common Unit Warrants— Pine Street (2,220 units)		—	—
			<u>3,800,000</u>	<u>3,979,301</u>	<u>3,745,701</u>
Captek Softgel International, Inc. (3%)*	Nutraceutical Manufacturer	Subordinated Note (12% Cash, 4% PIK, Due 08/16)	8,028,445	7,868,445	7,868,445
		Class A Units (80,000 units)		800,000	800,000
			<u>8,028,445</u>	<u>8,668,445</u>	<u>8,668,445</u>
Dyson Corporation (1%)*	Custom Forging and Fastener Supplies	Class A Units (1,000,000 units)		1,000,000	2,707,000
				<u>1,000,000</u>	<u>2,707,000</u>
Equisales, LLC (2%)*	Energy Products and Services	Subordinated Note (13% Cash, 4% PIK, Due 04/12)	3,031,333	2,998,853	2,998,853
		Class A Units (500,000 units)		480,900	870,000
			<u>3,031,333</u>	<u>3,479,753</u>	<u>3,868,853</u>
Plantation Products, LLC (6%)*	Seed Manufacturing	Subordinated Notes (13% Cash, 4.5% PIK, Due 06/16)	14,691,125	14,340,163	14,340,163
		Preferred Units (1,127 units)		1,127,000	1,127,000
		Common Units (92,000 units)		23,000	23,000
			<u>14,691,125</u>	<u>15,490,163</u>	<u>15,490,163</u>

<u>Portfolio Company</u>	<u>Industry</u>	<u>Type of Investment (1) (2)</u>	<u>Principal Amount</u>	<u>Cost</u>	<u>Fair Value (3)</u>
QC Holdings, Inc. (0%)*	Lab Testing Services	Common Stock (5,594 shares)		\$ 563,602	\$ 477,000
				563,602	477,000
Technology Crops International (2%)*	Supply Chain Management Services	Subordinated Note (12% Cash, 5% PIK, Due 03/15)	\$ 5,400,543	5,321,724	5,321,724
		Common Units (50 Units)		500,000	350,800
			5,400,543	5,821,724	5,672,524
Waste Recyclers Holdings, LLC (2%)*	Environmental and Facilities Services	Class A Preferred Units (280 Units)		2,251,100	—
		Class B Preferred Units (985,372 Units)		3,304,218	3,529,000
		Class C Preferred Units (1,444,475 Units)		1,499,531	1,490,000
		Common Unit Purchase Warrant (1,170,083 Units)		748,900	—
		Common Units (153,219 Units)		180,783	—
				7,984,532	5,019,000
Subtotal Affiliate Investments			52,865,438	66,285,172	63,438,848
<u>Control Investments:</u>					
FCL Graphics, Inc. (1%)*	Commercial Printing Services	Senior Note (3.8% Cash, 2% PIK, Due 9/11)	1,499,343	1,497,269	1,497,269
		Senior Note (7.8% Cash, 2% PIK, Due 9/11)	2,055,472	2,051,807	1,049,232
		2nd Lien Note (2.8% Cash, 8% PIK, Due 12/11)	3,540,146	2,996,826	—
		Preferred Shares (35,000 shares)		—	—
		Common Shares (4,000 shares)		—	—
		Members Interests (3,839 Units)		—	—
			7,094,961	6,545,902	2,546,501
Fire Sprinkler Systems, Inc. (0%)*	Specialty Trade Contractors	Subordinated Notes (2% PIK, Due 04/12)	3,231,336	2,780,028	750,000
		Common Stock (2,978 shares)		294,624	—
			3,231,336	3,074,652	750,000
Fischbein, LLC (9%)*	Packaging and Materials Handling Equipment Manufacturer	Subordinated Note (13% Cash, 3.5% PIK, Due 05/13)	4,383,708	4,314,072	4,314,072
		Class A-1 Common Units (558,140 units)		558,140	2,544,000
		Class A Common Units (4,200,000 units)		4,200,000	16,286,000
			4,383,708	9,072,212	23,144,072
Gerli & Company (1%)*	Specialty Woven Fabrics Manufacturer	Subordinated Note (8.5% Cash, Due 03/15)	3,000,000	3,000,000	2,318,100
		Subordinated Note (6.25% Cash, 11.75% PIK, Due 08/11)	138,369	120,000	120,000
		Royalty rights		—	112,100
		Common Stock Warrants (56,559 shares)		83,414	—
		Class E Preferred Shares (400 shares)		161,440	—
		Common Stock (300 shares)		100,000	—

			3,138,369	3,464,854	2,550,200
Weave Textiles, LLC (0%)*	Specialty Woven Fabrics Manufacturer	Senior Note (12% PIK, Due 01/11) Membership Units (425 units)	319,648	319,648	319,648
				855,000	701,000
			<u>319,648</u>	<u>1,174,648</u>	<u>1,020,648</u>
Subtotal Control Investments			<u>18,168,022</u>	<u>23,332,268</u>	<u>30,011,421</u>
Total Investments, March 31, 2011(154%)*			<u>\$ 351,639,733</u>	<u>\$ 377,447,786</u>	<u>\$ 384,186,630</u>

* Value as a percent of net assets

- (1) All debt investments are income producing. Common stock, preferred stock and all warrants are non—income producing.
- (2) Disclosures of interest rates on notes include cash interest rates and payment—in—kind (“PIK”) interest rates.
- (3) All investments are restricted as to resale and were valued at fair value as determined in good faith by the Board of Directors.
- (4) Pine Street Holdings, LLC is the majority owner of Brantley Transportation, LLC and its sole business purpose is its ownership of Brantley Transportation, LLC.

See accompanying notes.

TRIANGLE CAPITAL CORPORATION

**Consolidated Schedule of Investments
December 31, 2010**

<u>Portfolio Company</u>	<u>Industry</u>	<u>Type of Investment (1) (2)</u>	<u>Principal Amount</u>	<u>Cost</u>	<u>Fair Value (3)</u>
<u>Non—Control / Non—Affiliate Investments:</u>					
Ambient Air Corporation (“AA”) and Peaden-Hobbs Mechanical, LLC (“PHM”) (3%)*	Specialty Trade Contractors	Subordinated Note-AA (15% Cash, 3% PIK, Due 06/13)	\$ 4,325,151	\$ 4,287,109	\$ 4,287,109
		Common Stock-PHM (128,571 shares)		128,571	68,500
		Common Stock Warrants- AA (455 shares)		142,361	852,000
			<u>4,325,151</u>	<u>4,558,041</u>	<u>5,207,609</u>
Ann’s House of Nuts, Inc. (5%)*	Trail Mixes and Nut Producers	Subordinated Note (12% Cash, 1% PIK, Due 11/17)	7,009,722	6,603,828	6,603,828
		Preferred A Units (22,368 units)		2,124,957	2,124,957
		Preferred B Units (10,380 units)		986,059	986,059
		Common Units (190,935 units)		150,000	150,000
		Common Stock Warrants (14,558 shares)		14,558	14,558
			<u>7,009,722</u>	<u>9,879,402</u>	<u>9,879,402</u>
Assurance Operations Corporation (0%)*	Metal Fabrication	Common Stock (517 Shares)		516,867	528,900
				<u>516,867</u>	<u>528,900</u>
Botanical Laboratories, Inc. (5%)*	Nutritional Supplement Manufacturing and Distribution	Senior Notes (14% Cash, Due 02/15)	10,500,000	9,843,861	9,843,861
		Common Unit Warrants (998,680)		474,600	—
			<u>10,500,000</u>	<u>10,318,461</u>	<u>9,843,861</u>
Capital Contractors, Inc. (5%)*	Janitorial and Facilities Maintenance Services	Subordinated Notes (12% Cash, 2% PIK, Due 12/15)	9,001,001	8,329,001	8,329,001
		Common Stock Warrants (20 shares)		492,000	492,000
			<u>9,001,001</u>	<u>8,821,001</u>	<u>8,821,001</u>
Carolina Beer and Beverage, LLC (8%)*	Beverage Manufacturing and Packaging	Subordinated Note (12% Cash , 4% PIK, Due 02/16)	12,865,233	12,622,521	12,622,521
		Class A Units (11,974 Units)		1,077,615	1,077,615
		Class B Units (11,974 Units)		119,735	119,735
			<u>12,865,233</u>	<u>13,819,871</u>	<u>13,819,871</u>
CRS Reprocessing, LLC (8%)*	Fluid Reprocessing Services	Subordinated Note (12% Cash, 2% PIK, Due 11/15)	11,129,470	10,706,406	10,706,406
		Subordinated Note (10% Cash, 4% PIK, Due 11/15)	3,403,211	3,052,570	3,052,570
		Common Unit Warrant (340 Units)		564,454	1,043,000
			<u>14,532,681</u>	<u>14,323,430</u>	<u>14,801,976</u>
CV Holdings, LLC (6%)*	Specialty Healthcare Products Manufacturer	Subordinated Note (12% Cash, 4% PIK, Due 09/13)	11,685,326	11,042,011	11,042,011
		Royalty rights		874,400	622,500
			<u>11,685,326</u>	<u>11,916,411</u>	<u>11,664,511</u>

Electronic Systems Protection, Inc. (2%)*	Power Protection Systems Manufacturing	Subordinated Note (12% Cash, 2% PIK, Due 12/15)	3,183,802	3,162,604	3,162,604
		Senior Note (8.3% Cash, Due 01/14)	835,261	835,261	835,261
		Common Stock (570 shares)		285,000	110,000
			<u>4,019,063</u>	<u>4,282,865</u>	<u>4,107,865</u>
Energy Hardware Holdings, LLC (0%)*	Machined Parts Distribution	Voting Units (4,833 units)		4,833	414,100
				<u>4,833</u>	<u>414,100</u>
Frozen Specialties, Inc. (4%)*	Frozen Foods Manufacturer	Subordinated Note (13% Cash, 5% PIK, Due 07/14)	8,060,481	7,945,904	7,945,904
			<u>8,060,481</u>	<u>7,945,904</u>	<u>7,945,904</u>
Garden Fresh Restaurant Corp. (0%)*	Restaurant	Membership Units (5,000 units)		500,000	723,800
				<u>500,000</u>	<u>723,800</u>
Gerli & Company (1%)*	Specialty Woven Fabrics Manufacturer	Subordinated Note (0.69% PIK, Due 08/11)	3,799,359	3,161,442	2,156,500
		Subordinated Note (6.25% Cash, 11.75% PIK, Due 08/11)	137,233	120,000	120,000
		Royalty rights		—	112,100
		Common Stock Warrants (56,559 shares)		83,414	—
		<u>3,936,592</u>	<u>3,364,856</u>	<u>2,388,600</u>	
Great Expressions Group Holdings, LLC (3%)*	Dental Practice Management	Subordinated Note (12% Cash, 4% PIK, Due 08/15)	4,561,311	4,498,589	4,498,589
		Class A Units (225 Units)		450,000	678,400
			<u>4,561,311</u>	<u>4,948,589</u>	<u>5,176,989</u>
Grindmaster-Cecilware Corp. (3%)*	Food Services Equipment Manufacturer	Subordinated Note (12% Cash, 4.5% PIK, Due 04/16)	5,995,035	5,900,500	5,900,500
			<u>5,995,035</u>	<u>5,900,500</u>	<u>5,900,500</u>

Portfolio Company	Industry	Type of Investment (1) (2)	Principal Amount	Cost	Fair Value (3)
Hatch Chile Co., LLC (3%)*	Food Products Distributor	Senior Note (19% Cash, Due 07/15)	\$ 4,500,000	\$ 4,394,652	\$ 4,394,652
		Subordinated Note (14% Cash, Due 07/15)	1,000,000	837,779	837,779
		Unit Purchase Warrant (5,265 Units)		149,800	149,800
			<u>5,500,000</u>	<u>5,382,231</u>	<u>5,382,231</u>
Infrastructure Corporation of America, Inc. (6%)*	Roadway Maintenance, Repair and Engineering Services	Subordinated Note (12% Cash, 1% PIK, Due 10/15)	10,769,120	9,566,843	9,566,843
		Common Stock Purchase Warrant (199,526 shares)		980,000	980,000
			<u>10,769,120</u>	<u>10,546,843</u>	<u>10,546,843</u>
Inland Pipe Rehabilitation Holding Company LLC (10%)*	Cleaning and Repair Services	Subordinated Note (14% Cash, Due 01/14)	8,274,920	7,621,285	7,621,285
		Subordinated Note (18% Cash, Due 01/14)	3,905,108	3,861,073	3,861,073
		Subordinated Note (15% Cash, Due 01/14)	306,302	306,302	306,302
		Subordinated Note (15.3% Cash, Due 01/14)	3,500,000	3,465,000	3,465,000
		Membership Interest Purchase Warrant (3.0%)		853,500	2,982,600
			<u>15,986,330</u>	<u>16,107,160</u>	<u>18,236,260</u>
Library Systems & Services, LLC (3%)*	Municipal Business Services	Subordinated Note (12.5% Cash, 4.5% PIK, Due 06/15)	5,250,000	5,104,255	5,104,255
		Common Stock Warrants (112 shares)		58,995	535,000
			<u>5,250,000</u>	<u>5,163,250</u>	<u>5,639,255</u>
McKenzie Sports Products, LLC (3%)*	Taxidermy Manufacturer	Subordinated Note (13% Cash, 1% PIK, Due 10/17)	6,010,667	5,893,359	5,893,359
			6,010,667	5,893,359	5,893,359
			<u>6,010,667</u>	<u>5,893,359</u>	<u>5,893,359</u>
Media Temple, Inc. (7%)*	Web Hosting Services	Subordinated Note (12% Cash, 4% PIK, Due 04/15)	8,800,000	8,624,776	8,624,776
		Convertible Note (8% Cash, 4% PIK, Due 04/15)	3,200,000	2,668,581	2,668,581
		Common Stock Purchase Warrant (28,000 Shares)		536,000	536,000
			<u>12,000,000</u>	<u>11,829,357</u>	<u>11,829,357</u>
Minco Technology Labs, LLC (3%)*	Semiconductor Distribution	Subordinated Note (13% Cash, 3.25% PIK, Due 05/16)	5,102,216	4,984,368	4,984,368
		Class A Units (5,000 Units)		500,000	296,800
			<u>5,102,216</u>	<u>5,484,368</u>	<u>5,281,168</u>
Novolyte Technologies, Inc. (5%)*	Specialty Manufacturing	Subordinated Note (12% Cash, 5.5% PIK, Due 04/15)	7,785,733	7,686,662	7,686,662
		Preferred Units (641 units)		640,818	664,600
		Common Units (24,522 units)		160,204	370,200
			<u>7,785,733</u>	<u>8,487,684</u>	<u>8,721,462</u>
SRC, Inc. (5%)*	Specialty Chemical Manufacturer	Subordinated Notes (12% Cash, 2% PIK, Due 09/14)	9,001,000	8,697,200	8,697,200
		Common Stock Purchase Warrants		123,800	123,800
			<u>9,001,000</u>	<u>8,821,000</u>	<u>8,821,000</u>

Syrgis Holdings, Inc. (2%)*	Specialty Chemical Manufacturer	Senior Notes (7.75%- 10.75% Cash, Due 08/12-02/14)	2,873,393	2,858,198	2,858,198
		Class C Units (2,114 units)		1,000,000	962,200
			<u>2,873,393</u>	<u>3,858,198</u>	<u>3,820,398</u>
TBG Anesthesia Management, LLC (6%)*	Physician Management Services	Senior Note (13.5% Cash, Due 11/14)	11,000,000	10,612,766	10,612,766
		Warrant (263 shares)		276,100	165,000
			<u>11,000,000</u>	<u>10,888,866</u>	<u>10,777,766</u>
Top Knobs USA, Inc. (6%)*	Hardware Designer and Distributor	Subordinated Note (12% Cash, 4.5% PIK, Due 05/17)	9,910,331	9,713,331	9,713,331
		Common Stock (26,593 shares)		750,000	750,000
			<u>9,910,331</u>	<u>10,463,331</u>	<u>10,463,331</u>
TrustHouse Services Group, Inc. (3%)*	Food Management Services	Subordinated Note (12% Cash, 2% PIK, Due 09/15)	4,440,543	4,381,604	4,381,604
		Class A Units (1,495 units)		475,000	492,900
		Class B Units (79 units)		25,000	—
			<u>4,440,543</u>	<u>4,881,604</u>	<u>4,874,504</u>
Tulsa Inspection Resources, Inc. (3%)*	Pipeline Inspection Services	Subordinated Note (14%- 17.5% Cash, Due 03/14)	5,810,588	5,490,797	5,490,797
		Common Unit(1 unit)		200,000	—
		Common Stock Warrants (8 shares)		321,000	—
			<u>5,810,588</u>	<u>6,011,797</u>	<u>5,490,797</u>
Twin-Star International, Inc. (3%)*	Consumer Home Furnishings Manufacturer	Subordinated Note (12% Cash, 1% PIK, Due 04/14)	4,500,000	4,462,290	4,462,290
		Senior Note (4.53%, Due 04/13)	1,088,962	1,088,962	1,088,962
			<u>5,588,962</u>	<u>5,551,252</u>	<u>5,551,252</u>

<u>Portfolio Company</u>	<u>Industry</u>	<u>Type of Investment (1)(2)</u>	<u>Principal Amount</u>	<u>Cost</u>	<u>Fair Value(3)</u>
Wholesale Floors, Inc. (1%)*	Commercial Services	Subordinated Note (12.5%Cash, 1.5% PIK, Due 06/14)	\$ 3,739,639	\$ 3,387,525	\$ 2,632,100
		Membership Interest Purchase Warrant (4.0%)		132,800	—
			<u>3,739,639</u>	<u>3,520,325</u>	<u>2,632,100</u>
Yellowstone Landscape Group, Inc. (7%)*	Landscaping Services	Subordinated Note (12% Cash, 3% PIK, Due 04/14)	<u>12,438,838</u>	<u>12,250,147</u>	<u>12,250,147</u>
			12,438,838	12,250,147	12,250,147
Zoom Systems (4%)*	Retail Kiosk Operator	Subordinated Note (12.5% Cash, 1.5% PIK, Due 12/14)	8,125,222	7,956,025	7,956,025
		Royalty rights		—	—
			<u>8,125,222</u>	<u>7,956,025</u>	<u>7,956,025</u>
Subtotal Non—Control / Non—Affiliate Investments			237,824,178	244,197,828	245,392,144
<u>Affiliate Investments:</u>					
American De-Rosa Lamparts, LLC and Hallmark Lighting (2%)*	Wholesale and Distribution	Subordinated Note (5% PIK, Due 10/13)	5,475,141	5,153,341	3,985,700
		Membership Units (6,516 Units)		350,000	—
			<u>5,475,141</u>	<u>5,503,341</u>	<u>3,985,700</u>
AP Services, Inc. (4%)*	Fluid Sealing Supplies and Services	Subordinated Note (12% Cash, 2% PIK, Due 09/15)	5,834,877	5,723,194	5,723,194
		Class A Units (933 units)		933,333	933,333
		Class B Units (496 units)		—	—
			<u>5,834,877</u>	<u>6,656,527</u>	<u>6,656,527</u>
Asset Point, LLC (3%)*	Asset Management Software Provider	Senior Note (12% Cash, 5% PIK, Due 03/13)	5,756,261	5,703,925	5,384,500
		Senior Note (12% Cash, 2% PIK, Due 07/15)	605,185	605,185	478,100
		Options to Purchase Membership Units (342,407 units)		500,000	—
		Membership Unit Warrants (356,506 units)		—	—
			<u>6,361,446</u>	<u>6,809,110</u>	<u>5,862,600</u>
Axxiom Manufacturing, Inc. (1%)*	Industrial Equipment Manufacturer	Common Stock (136,400 shares)		200,000	978,700
		Common Stock Warrant (4,000 shares)		—	28,700
				<u>200,000</u>	<u>1,007,400</u>
Brantley Transportation, LLC (“Brantley Transportation”) and Pine Street Holdings, LLC (“Pine Street”) (4) (2%)*	Oil and Gas Services	Subordinated Note—Brantley Transportation (14% Cash, Due 12/12)	3,800,000	3,738,821	3,546,600
		Common Unit Warrants—Brantley Transportation (4,560 common units)		33,600	—
		Preferred Units—Pine Street (200 units)		200,000	—
		Common Unit Warrants—Pine Street (2,220 units)		—	—
			<u>3,800,000</u>	<u>3,972,421</u>	<u>3,546,600</u>
Dyson Corporation (1%)*	Custom Forging and Fastener Supplies	Class A Units (1,000,000 units)		1,000,000	2,476,000
				<u>1,000,000</u>	<u>2,476,000</u>

Equisales, LLC (4%)*	Energy Products and Services	Subordinated Note (13% Cash, 4% PIK, Due 04/12)	6,000,000	5,959,983	5,959,983
		Class A Units (500,000 units)		<u>480,900</u>	<u>569,300</u>
			<u>6,000,000</u>	<u>6,440,883</u>	<u>6,529,283</u>
Plantation Products, LLC (8%)*	Seed Manufacturing	Subordinated Notes (13% Cash, 4.5% PIK, Due 06/16)	14,527,188	14,164,688	14,164,688
		Preferred Units (1,127 units)		1,127,000	1,127,000
		Common Units (92,000 units)		<u>23,000</u>	<u>23,000</u>
			<u>14,527,188</u>	<u>15,314,688</u>	<u>15,314,688</u>
QC Holdings, Inc. (0%)*	Lab Testing Services	Common Stock (5,594 shares)		<u>563,602</u>	<u>505,500</u>
				563,602	505,500
Technology Crops International (3%)*	Supply Chain Management Services	Subordinated Note (12% Cash, 5% PIK, Due 03/15)	5,333,595	5,250,980	5,250,980
		Common Units (50 Units)		<u>500,000</u>	<u>612,200</u>
			<u>5,333,595</u>	<u>5,750,980</u>	<u>5,863,180</u>
Waste Recyclers Holdings, LLC (2%)*	Environmental and Facilities Services	Class A Preferred Units (280 Units)		2,251,100	—
		Class B Preferred Units (985,372 Units)		3,304,218	2,384,100
		Class C Preferred Units (1,444,475 Units)		1,499,531	1,530,300
		Common Unit Purchase Warrant (1,170,083 Units)		748,900	—
		Common Units (153,219 Units)		<u>180,783</u>	<u>—</u>
				<u>7,984,532</u>	<u>3,914,400</u>
Subtotal Affiliate Investments			47,332,247	60,196,084	55,661,878

<u>Portfolio Company</u>	<u>Industry</u>	<u>Type of Investment (1) (2)</u>	<u>Principal Amount</u>	<u>Cost</u>	<u>Fair Value (3)</u>
Control Investments:					
FCL Graphics, Inc. (1%)*	Commercial Printing Services	Senior Note (3.76% Cash, 2% PIK, Due 9/11)	\$ 1,500,498	\$ 1,497,934	\$ 1,465,400
		Senior Note (7.79% Cash, 2% PIK, Due 9/11)	2,045,228	2,041,167	1,081,100
		2nd Lien Note (2.79% Cash, 8% PIK, Due 12/11)	3,470,254	2,996,287	—
		Preferred Shares (35,000 shares)		—	—
		Common Shares (4,000 shares)		—	—
		Members Interests (3,839 Units)		—	—
			<u>7,015,980</u>	<u>6,535,388</u>	<u>2,546,500</u>
Fire Sprinkler Systems, Inc. (0%)*	Specialty Trade Contractors	Subordinated Notes (2% PIK, Due 04/11)	3,065,981	2,626,072	750,000
		Common Stock (2,978 shares)		<u>294,624</u>	<u>—</u>
			<u>3,065,981</u>	<u>2,920,696</u>	<u>750,000</u>
Fischbein, LLC (11%)*	Packaging and Materials Handling Equipment Manufacturer	Subordinated Note (13% Cash, 5.5% PIK, Due 05/13)	4,345,573	4,268,333	4,268,333
		Class A-1 Common Units (558,140 units)		558,140	2,200,600
		Class A Common Units (4,200,000 units)		<u>4,200,000</u>	<u>13,649,600</u>
			<u>4,345,573</u>	<u>9,026,473</u>	<u>20,118,533</u>
Weave Textiles, LLC (1%)*	Specialty Woven Fabrics Manufacturer	Senior Note (12% PIK, Due 01/11)	310,238	310,238	310,238
		Membership Units (425 units)		<u>855,000</u>	<u>1,211,300</u>
			<u>310,238</u>	<u>1,165,238</u>	<u>1,521,538</u>
Subtotal Control Investments			<u>14,737,772</u>	<u>19,647,795</u>	<u>24,936,571</u>
Total Investments, December 31, 2010 (181%)*			<u>\$299,894,197</u>	<u>\$ 324,041,707</u>	<u>\$ 325,990,593</u>

* Value as a percent of net assets

- (1) All debt investments are income producing. Common stock, preferred stock and all warrants are non—income producing.
- (2) Disclosures of interest rates on subordinated notes include cash interest rates and payment—in—kind (“PIK”) interest rates.
- (3) All investments are restricted as to resale and were valued at fair value as determined in good faith by the Board of Directors.
- (4) Pine Street Holdings, LLC is the majority owner of Brantley Transportation, LLC and its sole business purpose is its ownership of Brantley Transportation, LLC.

See accompanying notes.

TRIANGLE CAPITAL CORPORATION

Notes to Unaudited Consolidated Financial Statements

1. ORGANIZATION, BASIS OF PRESENTATION AND BUSINESS

Organization

Triangle Capital Corporation and its wholly owned subsidiaries, including Triangle Mezzanine Fund LLLP (the "Fund") and Triangle Mezzanine Fund II LP ("Fund II") (collectively, the "Company"), operate as a Business Development Company ("BDC") under the Investment Company Act of 1940 (the "1940 Act"). The Fund and Fund II are specialty finance limited partnerships formed to make investments primarily in middle market companies located throughout the United States. On September 11, 2003, the Fund was licensed to operate as a Small Business Investment Company ("SBIC") under the authority of the United States Small Business Administration ("SBA"). On May 26, 2010, Fund II obtained its license to operate as an SBIC. As SBICs, both the Fund and Fund II are subject to a variety of regulations concerning, among other things, the size and nature of the companies in which they may invest and the structure of those investments.

The Company currently operates as a closed—end, non—diversified investment company and has elected to be treated as a BDC under the 1940 Act. The Company is internally managed by its executive officers under the supervision of its Board of Directors. The Company does not pay management or advisory fees, but instead incurs the operating costs associated with employing executive management and investment and portfolio management professionals.

Basis of Presentation

The financial statements of the Company include the accounts of the Company and its wholly-owned subsidiaries, including the Fund and Fund II. Neither the Fund nor Fund II consolidates portfolio company investments. The effects of all intercompany transactions between the Company and its subsidiaries have been eliminated in consolidation.

The accompanying unaudited financial statements are presented in conformity with United States 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 consolidated financial statements prepared in accordance with U.S. GAAP are omitted. In the opinion of management, all adjustments, consisting solely of normal recurring adjustments necessary for the fair presentation of financial statements for the interim period, have been reflected in the unaudited consolidated financial statements. The current period's results of operations are not necessarily indicative of results that ultimately may be achieved for the year. Therefore, the unaudited financial statements and notes should be read in conjunction with the audited financial statements and notes thereto for the period ended December 31, 2010. 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 consolidated 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.

2. INVESTMENTS

Summaries of the composition of the Company's investment portfolio at cost and fair value, and as a percentage of total investments, are shown in the following tables:

	Cost	Percentage of Total Portfolio	Fair Value	Percentage of Total Portfolio
March 31, 2011:				
Subordinated debt, Unitranche and 2 nd lien notes	\$330,396,564	88%	\$322,755,563	84%
Senior debt	8,474,097	2	7,471,522	2
Equity shares	31,202,841	8	45,032,087	12
Equity warrants	6,499,884	2	8,085,358	2
Royalty rights	874,400	—	842,100	—
	<u>\$377,447,786</u>	<u>100%</u>	<u>\$384,186,630</u>	<u>100%</u>
December 31, 2010:				
Subordinated debt, Unitranche and 2 nd lien notes	\$279,433,775	86%	\$270,994,677	83%
Senior debt	8,631,760	3	7,639,159	3
Equity shares	29,115,890	9	38,719,699	12
Equity warrants	5,985,882	2	7,902,458	2
Royalty rights	874,400	—	734,600	—
	<u>\$324,041,707</u>	<u>100%</u>	<u>\$325,990,593</u>	<u>100%</u>

During the three months ended March 31, 2011, the Company made five new investments totaling approximately \$51.5 million and investments in four existing portfolio companies totaling approximately \$16.8 million. During the three months ended March 31, 2010, the Company made two new investments totaling approximately \$11.6 million and five investments in existing portfolio companies totaling approximately \$2.5 million.

Valuation of Investments

The Company has established and documented processes and methodologies for determining the fair values of portfolio company investments on a recurring basis in accordance with FASB ASC Topic 820, *Fair Value Measurements and Disclosures* ("ASC Topic 820"). Under ASC Topic 820, a financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy established by ASC Topic 820 are defined as follows:

Level 1 — inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 — inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 — inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company's investment portfolio is comprised of debt and equity instruments of privately held companies for which quoted prices falling within the categories of Level 1 and Level 2 inputs are not available. Therefore, the Company values all of its investments at fair value, as determined in good faith by the Board of Directors (Level 3 inputs, as further described below). Due to the inherent uncertainty in the valuation process, the Board of Directors' estimate of fair value may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material. In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the valuations currently assigned.

Debt and equity securities that are not publicly traded and for which a limited market does not exist are valued at fair value as determined in good faith by the Board of Directors. There is no single standard for determining fair value in good faith, as fair value depends upon circumstances of each individual case. In general, fair value is the amount that the Company might reasonably expect to receive upon the current sale of the security.

Management evaluates the investments in portfolio companies using the most recent portfolio company financial statements and forecasts. Management also consults with the portfolio company's senior management to obtain further updates on the portfolio company's performance, including information such as industry trends, new product development and other operational issues.

In making the good faith determination of the value of debt securities, the Company starts with the cost basis of the security, which includes the amortized original issue discount, and payment-in-kind ("PIK") interest, if any. The Company also uses a risk rating system to estimate the probability of default on the debt securities and the probability of loss if there is a default. The risk rating system covers both qualitative and quantitative aspects of the business and the securities held. In valuing debt securities, management utilizes an "income approach" model that considers factors including, but not limited to, (i) the portfolio investment's current risk rating, (ii) the portfolio company's current trailing twelve months' ("TTM") results of operations as compared to the portfolio company's TTM results of operations as of the date the investment was made and the portfolio company's anticipated results for the next twelve months of operations, (iii) the portfolio company's current leverage as compared to its leverage as of the date the investment was made, (iv) publicly available information regarding current pricing and credit metrics for similar proposed and executed investment transactions of private companies and, (v) when management believes a relevant comparison exists, current pricing and credit metrics for similar proposed and executed investment transactions of publicly traded debt.

In valuing equity securities of private companies, the Company considers valuation methodologies consistent with industry practice, including but not limited to (i) valuation using a valuation model based on original transaction multiples and the portfolio company's recent financial performance, (ii) publicly available information regarding the valuation of the securities based on recent sales in comparable transactions of private companies and, (iii) when management believes there are comparable companies that are publicly traded, a review of these publicly traded companies and the market multiple of their equity securities.

The following table presents the Company's financial instruments carried at fair value as of March 31, 2011 and December 31, 2010, on the consolidated balance sheet by ASC Topic 820 valuation hierarchy, as previously described:

	Fair Value at March 31, 2011			
	Level 1	Level 2	Level 3	Total
Portfolio company investments	\$ —	\$ —	\$ 384,186,630	\$ 384,186,630
	\$ —	\$ —	\$ 384,186,630	\$ 384,186,630

	Fair Value at December 31, 2010			
	Level 1	Level 2	Level 3	Total
Portfolio company investments	\$ —	\$ —	\$ 325,990,593	\$ 325,990,593
	\$ —	\$ —	\$ 325,990,593	\$ 325,990,593

The following table reconciles the beginning and ending balances of our portfolio company investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the three months ended March 31, 2011 and 2010:

	Three Months Ended March 31,	
	2011	2010
Fair value of portfolio, beginning of period	\$ 325,990,593	\$ 201,317,970
New investments	68,275,512	14,143,949
Proceeds from sales of investments	—	(240,000)
Loan origination fees received	(1,466,292)	(301,875)
Principal repayments received	(14,936,864)	(6,280,580)
Payment in kind interest earned	1,942,288	1,216,226
Payment in kind interest payments received	(1,084,795)	(156,710)
Accretion of loan discounts	260,986	117,201
Accretion of deferred loan origination revenue	415,247	215,033
Realized gain on investments	—	199,200
Unrealized gain on investments	4,789,955	246,344
Fair value of portfolio, end of period	\$ 384,186,630	\$ 210,476,758

All realized and unrealized gains and losses are included in earnings (changes in net assets) and are reported on separate line items within the Company's statements of operations. Pre-tax net unrealized gains on investments of \$4.8 million during the three months ended March 31, 2011 are related to portfolio company investments that were still held by the Company as of March 31, 2011. Pre-tax net unrealized gains on investments of \$0.4 million during the three months ended March 31, 2010 are related to portfolio company investments that were still held by the Company as of March 31, 2010.

Duff & Phelps, LLC (“Duff & Phelps”), an independent valuation firm, provides third party valuation consulting services to the Company which consist of certain limited procedures that the Company identified and requested Duff & Phelps to perform (hereinafter referred to as the “procedures”). We generally request Duff & Phelps to perform the procedures on each portfolio company at least once in every calendar year and for new portfolio companies, at least once in the twelve-month period subsequent to the initial investment. In addition, we generally request Duff & Phelps to perform the procedures on a portfolio company when there has been a significant change in the fair value of the investment. In certain instances, we may determine that it is not cost-effective, and as a result is not in our stockholders’ best interest, to request Duff & Phelps to perform the procedures on one or more portfolio companies. Such instances include, but are not limited to, situations where the fair value of our investment in the portfolio company is determined to be insignificant relative to our total investment portfolio.

The total number of investments and the percentage of our portfolio on which we asked Duff & Phelps to perform such procedures are summarized below by period:

For the quarter ended:	Total companies	Percent of total investments at fair value⁽¹⁾
March 31, 2010	7	25%
June 30, 2010	8	29%
September 30, 2010	8	26%
December 31, 2010	9	29%
March 31, 2011	11	34%

(1) Exclusive of the fair value of new investments made during the quarter

Upon completion of the procedures, Duff & Phelps concluded that the fair value, as determined by the Board of Directors, of those investments subjected to the procedures did not appear to be unreasonable. Our Board of Directors is ultimately and solely responsible for determining the fair value of our investments in good faith.

Warrants

When originating a debt security, the Company will sometimes receive warrants or other equity—related securities from the borrower. The Company determines the cost basis of the warrants or other equity—related securities received based upon their respective fair values on the date of receipt in proportion to the total fair value of the debt and warrants or other equity—related securities received. Any resulting difference between the face amount of the debt and its recorded fair value resulting from the assignment of value to the warrant or other equity instruments is treated as original issue discount and accreted into interest income over the life of the loan.

Realized Gain or Loss and Unrealized Appreciation or Depreciation of Portfolio Investments

Realized gains or losses are recorded upon the sale or liquidation of investments and are calculated as the difference between the net proceeds from the sale or liquidation, if any, and the cost basis of the investment using the specific identification method. Unrealized appreciation or depreciation reflects the difference between the fair value of the investments and the cost basis of the investments.

Investment Classification

In accordance with the provisions of the 1940 Act, the Company classifies investments by level of control. As defined in the 1940 Act, “Control Investments” are investments in those companies that the Company is deemed to “Control.” “Affiliate Investments” are investments in those companies that are “Affiliated Companies” of the Company, as defined in the 1940 Act, other than Control Investments. “Non—Control/Non—Affiliate Investments” are those that are neither Control Investments nor Affiliate Investments. Generally, under the 1940 Act, the Company is deemed to control a company in which it has invested if the Company owns more than 25.0% of the voting securities of such company or has greater than 50.0% representation on its board. The Company is deemed to be an affiliate of a company in which the Company has invested if it owns between 5.0% and 25.0% of the voting securities of such company.

Investment Income

Interest income, adjusted for amortization of premium and accretion of original issue discount, is recorded on the accrual basis to the extent that such amounts are expected to be collected. Generally, when interest and/or principal payments on a loan become past due, or if the Company otherwise does not expect the borrower to be able to service its debt and other obligations, the Company will place the loan on non-accrual status and will generally cease recognizing interest income on that loan until all principal and interest

has been brought current through payment or due to a restructuring such that the interest income is deemed to be collectible. The Company writes off any previously accrued and uncollected interest when it is determined that interest is no longer considered collectible. Dividend income is recorded on the ex-dividend date.

Fee Income

Loan origination, facility, commitment, consent and other advance fees received in connection with loan agreements are recorded as deferred income and recognized as income over the term of the loan. Loan prepayment penalties and loan amendment fees are generally recorded into income when the respective prepayment or loan amendment occurs. Any previously deferred fees are immediately recorded into income upon prepayment of the related loan.

Payment-in-Kind Interest

The Company currently holds, and expects to hold in the future, some loans in its portfolio that contain a payment-in-kind ("PIK") interest provision. The PIK interest, computed at the contractual rate specified in each loan agreement, is added to the principal balance of the loan, rather than being paid to us in cash, and is recorded as interest income. Thus, the actual collection of PIK interest may be deferred until the time of debt principal repayment.

To maintain the Company's status as a Regulated Investment Company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as Amended (the "Code"), this non-cash source of income must be paid out to stockholders in the form of dividends, even though the Company has not yet collected the cash. Generally, when current cash interest and/or principal payments on a loan become past due, or if the Company otherwise does not expect the borrower to be able to service its debt and other obligations, the Company will place the loan on non-accrual status and will generally cease recognizing PIK interest income on that loan for financial reporting purposes until all principal and interest have been brought current through payment or through a restructuring such that the interest income is deemed to be collectible. The Company writes off any accrued and uncollected PIK interest when it is determined that the PIK interest is no longer collectible.

Concentration of Credit Risk

The Company's investees are generally lower middle-market companies in a variety of industries. At both March 31, 2011 and December 31, 2010, there were no individual investments greater than 10% of the fair value of the Company's portfolio. Income, consisting of interest, dividends, fees, other investment income, and realization of gains or losses on equity interests, can fluctuate dramatically upon repayment of an investment or sale of an equity interest and in any given year can be highly concentrated among several investees.

The Company's investments carry a number of risks including, but not limited to: 1) investing in lower middle market companies which have limited operating histories and financial resources; 2) investing in senior subordinated debt which ranks equal to or lower than debt held by other investors; 3) holding investments that are not publicly traded and are subject to legal and other restrictions on resale and other risks common to investing in below investment grade debt and equity instruments.

3. INCOME TAXES

Triangle Capital Corporation has elected for federal income tax purposes to be treated as a RIC under Subchapter M of the Code. As a RIC, so long as certain minimum distribution, source-of-income and asset diversification requirements are met, income taxes are generally required to be paid only on the portion of taxable income and gains that are not distributed (actually or constructively) and on certain built-in gains.

The Company has certain wholly owned taxable subsidiaries (the "Taxable Subsidiaries") each of which holds one or more of the Company's portfolio investments that are listed on the Consolidated Schedule of Investments. The Taxable Subsidiaries are consolidated for financial reporting purposes, such that the Company's consolidated financial statements reflect the Company's investments in the portfolio companies owned by the Taxable Subsidiaries. The purpose of the Taxable Subsidiaries is to permit the Company to hold certain portfolio companies that are organized as limited liability companies ("LLCs") (or other forms of pass-through entities) while satisfying the RIC tax requirement that at least 90% of the RIC's gross revenue for income tax purposes must consist of qualifying investment income. Absent the Taxable Subsidiaries, a proportionate amount of any gross income of an LLC (or other pass-through entity) portfolio investment would flow through directly to the RIC. To the extent that such income did not consist of qualifying investment income, it could jeopardize the Company's ability to qualify as a RIC and therefore cause the Company to incur significant amounts of federal income taxes. When LLCs (or other pass-through entities) are owned by the Taxable Subsidiaries, their income is taxed to the Taxable Subsidiaries and does not flow through to the RIC, thereby helping the Company preserve its RIC status and resultant tax advantages. The Taxable Subsidiaries are not consolidated for income tax purposes and may generate income tax expense as a result of their ownership of the portfolio companies. This income tax expense is reflected in the Company's Statements of Operations.

For federal income tax purposes, the cost of investments owned at March 31, 2011 was approximately \$379.5 million.

4. LONG—TERM DEBT

At March 31, 2011 and December 31, 2010, the Company had the following debentures guaranteed by the SBA outstanding:

Issuance/Pooling Date	Maturity Date	Prioritized Return (Interest) Rate	March 31, 2011	December 31, 2010
SBA Debentures:				
September 28, 2005	September 1, 2015	5.796%	\$ —	\$ 9,500,000
March 28, 2007	March 1, 2017	6.231%	4,000,000	4,000,000
March 26, 2008	March 1, 2018	6.214%	6,410,000	6,410,000
September 24, 2008	September 1, 2018	6.455%	50,900,000	50,900,000
March 25, 2009	March 1, 2019	5.337%	22,000,000	22,000,000
March 24, 2010	March 1, 2020	4.825%	6,800,000	6,800,000
September 22, 2010	September 1, 2020	3.687%	32,590,000	32,590,000
March 29, 2011	March 1, 2021	4.474%	75,400,000	63,400,000
March 11, 2011	September 1, 2021	1.293%	9,600,000	—
SBA LMI Debentures:				
September 14, 2010	March 1, 2016	2.508%	6,907,244	6,864,866
			<u>\$214,607,244</u>	<u>\$202,464,866</u>

Interest payments on SBA debentures are payable semi—annually. There are no principal payments required on these issues prior to maturity. Debentures issued prior to September 2006 were subject to prepayment penalties during their first five years. Those pre-payment penalties no longer apply to debentures issued after September 1, 2006. The Company's SBA Low or Moderate Income ("LMI") debentures are five-year deferred interest debentures that are issued at a discount to par. The accretion of discount on SBA LMI debentures is included in interest expense in the Company's consolidated financial statements.

Under the Small Business Investment Act and current SBA policy applicable to SBICs, an SBIC (or group of SBICs under common control) can have outstanding at any time SBA-guaranteed debentures up to two times (and in certain cases, up to three times) the amount of its regulatory capital. As of March 31, 2011, the maximum statutory limit on the dollar amount of outstanding SBA-guaranteed debentures that can be issued by a single SBIC is \$150.0 million and by a group of SBICs under common control is \$225.0 million. As of March 31, 2011, the Fund has issued \$140.5 million of SBA-guaranteed debentures and has the current capacity to issue up to the statutory maximum of \$150.0 million, subject to SBA approval. As of March 31, 2011, Fund II has issued \$75.0 million in face amount of SBA-guaranteed debentures. In addition to a one—time 1.0% fee on the total commitment from the SBA, the Company also pays a one—time 2.425% fee on the amount of each SBA debenture issued and a one-time 2.0% fee on the amount of each SBA LMI debenture issued. These fees are capitalized as deferred financing costs and are amortized over the term of the debt agreements using the effective interest method. The weighted average interest rates for all SBA-guaranteed debentures as of March 31, 2011 and December 31, 2010 were 4.80% and 3.95%, respectively. The weighted average interest rate as of March 31, 2011 included \$205.0 million of pooled SBA-guaranteed debentures with a weighted average fixed interest rate of 4.97% and \$9.6 million of unpooled SBA-guaranteed debentures with a weighted average interim interest rate of 1.29%. The weighted average interest rate as of December 31, 2010 included \$139.1 million of pooled SBA-guaranteed debentures with a weighted average fixed interest rate of 5.29% and \$63.4 million of unpooled SBA-guaranteed debentures with a weighted average interim interest rate of 1.00%.

5. EQUITY-BASED COMPENSATION

The Company's Board of Directors and stockholders have approved the Triangle Capital Corporation Amended and Restated 2007 Equity Incentive Plan (the "Plan"), under which there are 900,000 shares of the Company's Common Stock authorized for issuance. Under the Plan, the Board of Directors (or Compensation Committee, if delegated administrative authority by the Board of Directors) may award stock options, restricted stock or other stock based incentive awards to executive officers, employees and directors. Equity-based awards granted under the Plan to independent directors generally will vest over a one-year period and equity-based awards granted under the Plan to executive officers and employees generally will vest ratably over a four-year period.

The Company accounts for its equity-based compensation plan using the fair value method, as prescribed by ASC Topic 718, *Stock Compensation*. Accordingly, for restricted stock awards, we measure the grant date fair value based upon the market price of our common stock on the date of the grant and amortize this fair value to compensation expense over the requisite service period or vesting term.

The following table presents information with respect to the Plan for the three months ended March 31, 2011 and 2010:

	Three Months Ended March 31, 2011		Three Months Ended March 31, 2010	
	Number of Shares	Weighted-Average Grant-Date Fair Value per Share	Number of Shares	Weighted-Average Grant-Date Fair Value per Share
Unvested shares, beginning of period	302,698	\$ 11.40	219,813	\$ 10.76
Shares granted during the period	152,779	\$ 20.51	142,499	\$ 11.84
Shares vested during the period	(68,873)	\$ 11.25	(33,247)	\$ 10.62
Unvested shares, end of period	<u>386,604</u>	\$ 15.03	<u>329,065</u>	\$ 11.24

In the three months ended March 31, 2011 and 2010, the Company recognized equity-based compensation expense of approximately \$0.4 million and \$0.2 million, respectively. This expense is included in general and administrative expenses in the Company's consolidated statements of operations.

As of March 31, 2011, there was approximately \$5.2 million of total unrecognized compensation cost, related to the Company's non-vested restricted shares. This cost is expected to be recognized over a weighted-average period of approximately 2.5 years.

6. FINANCIAL HIGHLIGHTS

The following is a schedule of financial highlights for the three months ended March 31, 2011 and 2010:

	Three Months Ended March 31,	
	2011	2010
Per share data:		
Net asset value at beginning of period	\$ 12.09	\$ 11.03
Net investment income(1)	0.46	0.32
Net realized gain (loss) on investments(1)	—	0.02
Net unrealized appreciation on investments(1)	0.27	0.02
Total increase from investment operations(1)	0.73	0.36
Cash dividends/distributions declared	(0.42)	(0.41)
Shares issued pursuant to Dividend Reinvestment Plan	0.01	0.10
Common stock offerings	1.17	—
Stock-based compensation	(0.11)	(0.11)
Income tax provision(1)	—	(0.01)
Other(2)	(0.05)	(0.09)
Net asset value at end of period	\$ 13.42	\$ 10.87
Market value at end of period(3)	\$ 18.06	\$ 14.04
Shares outstanding at end of period	18,569,856	11,934,594
Net assets at end of period	\$ 249,218,498	\$ 129,693,360
Average net assets	\$ 205,618,569	\$ 131,333,496
Ratio of total expenses to average net assets (annualized)	9%	11%
Ratio of net investment income to average net assets (annualized)	15%	12%
Portfolio turnover ratio	5%	3%
Total Return(4)	(3%)	20%

(1) Weighted average basic per share data.

(2) Represents the impact of the different share amounts used in calculating per share data as a result of calculating certain per share data based upon the weighted average basic shares outstanding during the period and certain per share data based on the shares outstanding as of a period end or transaction date.

(3) Represents the closing price of the Company's common stock on the last day of the period.

(4) Total return equals the change in the ending market value of the Company's common stock during the period, plus dividends declared per share during the period, divided by the market value of the Company's common stock on the first day of the period. Total return is not annualized.

7. SUBSEQUENT EVENTS

In April 2011, the Company invested \$5.0 million in The Main Resource ("TMR") consisting of subordinated debt with warrants. TMR is a supplier of aftermarket automotive parts. Under the terms of the investments, TMR will pay interest on the subordinated debt at a rate of 14% per annum.

In April 2011, the Company invested \$4.0 million in subordinated debt, \$1.0 million in junior subordinated debt with warrants and \$0.3 million in equity of Main Street Gourmet ("MSG"). MSG is a provider of bakery items primarily for retail and foodservice companies. Under the terms of the investments, MSG will pay interest on the subordinated debt and junior subordinated debt at a rate of 16.5% and 10%, respectively, per annum.

In May 2011, the Company recognized a realized gain of approximately \$12.2 million related to the sale of certain assets of Fischbein, LLC.

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

The following discussion is designed to provide a better understanding of our unaudited consolidated financial statements, including a brief discussion of our business, key factors that impacted our performance and a summary of our operating results. The following discussion should be read in conjunction with the Unaudited Financial Statements and the notes thereto included in Item 1 of this Quarterly Report on Form 10-Q, and the Consolidated Financial Statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the year ended December 31, 2010. Historical results and percentage relationships among any amounts in the financial statements are not necessarily indicative of trends in operating results for any future periods.

Forward-Looking Statements

Some of the statements in this Quarterly Report constitute forward-looking statements because they relate to future events or our future performance or financial condition. Forward-looking statements may include, among other things, statements as to our future operating results, our business prospects and the prospects of our portfolio companies, the impact of the investments that we expect to make, the ability of our portfolio companies to achieve their objectives, our expected financings and investments, the adequacy of our cash resources and working capital, and the timing of cash flows, if any, from the operations of our portfolio companies. Words such as "expect," "anticipate," "target," "goals," "project," "intend," "plan," "believe," "seek," "estimate," "continue," "forecast," "may," "should," "potential," variations of such words, and similar expressions indicate a forward-looking statement, although not all forward-looking statements include these words. Readers are cautioned that the forward-looking statements contained in this Quarterly Report are only predictions, are not guarantees of future performance, and are subject to risks, events, uncertainties and assumptions that are difficult to predict. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors discussed herein and in Item 1A entitled "Risk Factors" in Part I of our Annual Report on Form 10-K for the year ended December 31, 2010. Other factors that could cause actual results to differ materially include changes in the economy, risks associated with possible disruption due to terrorism in our operations or the economy generally, and future changes in laws or regulations and conditions in our operating areas. These statements are based on our current expectations, estimates, forecasts, information and projections about the industry in which we operate and the beliefs and assumptions of our management as of the date of this Quarterly Report. We assume no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless we are required to do so by law. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, 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.

Overview of Our Business

We are a Maryland corporation which has elected to be treated and operates as an internally managed business development company, or BDC, under the Investment Company Act of 1940, or 1940 Act. Our wholly owned subsidiaries, Triangle Mezzanine Fund LLLP, or the Fund, and Triangle Mezzanine Fund II LP, or Fund II, are licensed as small business investment companies, or SBICs, by the United States Small Business Administration, or SBA. In addition, the Fund has also elected to be treated as a BDC under the 1940 Act. We, the Fund and Fund II invest primarily in debt instruments, equity investments, warrants and other securities of lower middle market privately held companies located in the United States.

Our business is to provide capital to lower middle market companies in the United States. We define lower middle market companies as those with annual revenues between \$10.0 and \$100.0 million. We focus on investments in companies with a history of generating revenues and positive cash flows, an established market position and a proven management team with a strong operating discipline. Our target portfolio company has annual revenues between \$20.0 and \$100.0 million and annual earnings before interest, taxes, depreciation and amortization, or EBITDA, between \$3.0 and \$20.0 million.

We invest primarily in subordinated debt securities secured by second lien security interests in portfolio company assets, coupled with equity interests. On a more limited basis, we also invest in senior debt securities secured by first lien security interests in portfolio companies. Our investments generally range from \$5.0 to \$15.0 million per portfolio company. In certain situations, we partner with other funds to provide larger financing commitments.

We generate revenues in the form of interest income, primarily from our investments in debt securities, loan origination and other fees and dividend income. Fees generated in connection with our debt investments are recognized over the life of the loan using the effective interest method or, in some cases, recognized as earned. In addition, we generate revenue in the form of capital gains, if any, on warrants or other equity-related securities that we acquire from our portfolio companies. Our debt investments generally have a term of between three and seven years and typically bear interest at fixed rates between 12.0% and 17.0% per annum. Certain of our debt investments have a form of interest, referred to as payment-in-kind, or PIK, interest, that is not paid currently but is instead accrued and added to the loan balance and paid at the end of the term. In our negotiations with potential portfolio companies, we generally seek to minimize PIK interest. Cash interest on our debt investments is generally payable monthly; however, some of our

debt investments pay cash interest on a quarterly basis. As of March 31, 2011, and December 31, 2010, the weighted average yield on our outstanding debt investments other than non-accrual debt investments (including PIK interest) was approximately 15.2% and 15.1%, respectively. The weighted average yield on all of our outstanding investments (including equity and equity-linked investments but excluding non-accrual debt investments) was approximately 13.9% and 13.7% as of March 31, 2011 and December 31, 2010, respectively. The weighted average yield on all of our outstanding investments (including equity and equity-linked investments and non-accrual debt investments) was approximately 13.3% and 12.9% as of March 31, 2011 and December 31, 2010, respectively.

The Fund and Fund II are eligible to issue debentures to the SBA, which pools these with debentures of other SBICs and sells them in the capital markets at favorable interest rates, in part as a result of the guarantee of payment from the SBA. We invest these funds in portfolio companies. We intend to continue to operate the Fund and Fund II as SBICs, subject to SBA approval, and to utilize the proceeds of the sale of SBA-guaranteed debentures, referred to herein as SBA leverage, to enhance returns to our stockholders.

Portfolio Composition

The total value of our investment portfolio was \$384.2 million as of March 31, 2011, as compared to \$326.0 million as of December 31, 2010. As of March 31, 2011, we had investments in 53 portfolio companies with an aggregate cost of \$377.4 million. As of December 31, 2010, we had investments in 48 portfolio companies with an aggregate cost of \$324.0 million. As of both March 31, 2011 and December 31, 2010, none of our portfolio investments represented greater than 10% of the total fair value of our investment portfolio.

As of March 31, 2011 and December 31, 2010, our investment portfolio consisted of the following investments:

	Cost	Percentage of Total Portfolio	Fair Value	Percentage of Total Portfolio
March 31, 2011:				
Subordinated debt, Unitranche and 2 nd lien notes	\$330,396,564	88%	\$322,755,563	84%
Senior debt	8,474,097	2	7,471,522	2
Equity shares	31,202,841	8	45,032,087	12
Equity warrants	6,499,884	2	8,085,358	2
Royalty rights	874,400	—	842,100	—
	<u>\$377,447,786</u>	<u>100%</u>	<u>\$384,186,630</u>	<u>100%</u>
December 31, 2010:				
Subordinated debt, Unitranche and 2 nd lien notes	\$279,433,775	86%	\$270,994,677	83%
Senior debt	8,631,760	3	7,639,159	3
Equity shares	29,115,890	9	38,719,699	12
Equity warrants	5,985,882	2	7,902,458	2
Royalty rights	874,400	—	734,600	—
	<u>\$324,041,707</u>	<u>100%</u>	<u>\$325,990,593</u>	<u>100%</u>

Investment Activity

During the three months ended March 31, 2011, we made five new investments totaling approximately \$51.5 million, debt investments in three existing portfolio companies totaling approximately \$16.6 million and two equity investments in existing portfolio companies totaling approximately \$0.1 million. We had two portfolio company loans repaid at par totaling approximately \$11.5 million and received normal principal repayments and partial loan prepayments totaling approximately \$3.4 million in the three months ended March 31, 2011.

During the three months ended March 31, 2010, we made two new investments totaling approximately \$11.6 million, one additional debt investment in an existing portfolio company of \$2.2 million and four additional equity investments in existing portfolio companies totaling approximately \$0.3 million. We sold one equity investment in a portfolio company for approximately \$0.2 million, resulting in a realized gain of \$0.2 million. We had one portfolio company loan repaid at par in the amount of approximately \$2.1 million and received normal principal repayments and partial loan prepayments totaling approximately \$4.2 million in the three months ended March 31, 2010.

Total portfolio investment activity for the three months ended March 31, 2011 and 2010 was as follows:

	Three Months Ended March 31,	
	2011	2010
Fair value of portfolio, beginning of period	\$325,990,593	\$201,317,970
New investments	68,275,512	14,143,949
Proceeds from sales of investments	—	(240,000)
Loan origination fees received	(1,466,292)	(301,875)
Principal repayments received	(14,936,864)	(6,280,580)
Payment in kind interest earned	1,942,288	1,216,226
Payment in kind interest payments received	(1,084,795)	(156,710)
Accretion of loan discounts	260,986	117,201
Accretion of deferred loan origination revenue	415,247	215,033
Realized gain on investments	—	199,200
Unrealized gain on investments	4,789,955	246,344
	<u>\$384,186,630</u>	<u>\$210,476,758</u>
Weighted average yield on debt investments at end of period(1)	<u>15.2%</u>	<u>14.7%</u>
Weighted average yield on total investments at end of period(1)	<u>13.9%</u>	<u>13.4%</u>
Weighted average yield on total investments at end of period	<u>13.3%</u>	<u>11.8%</u>

(1) Excludes non-accrual debt investments.

Non-Accrual Assets

As of March 31, 2011, the fair value of our non-accrual assets was approximately \$7.1 million, which comprised 1.8% of the total fair value of our portfolio, and the cost of our non-accrual assets was approximately \$13.9 million, which comprised 3.7% of the total cost of our portfolio. Our non-accrual assets as of March 31, 2011 are as follows:

Gerli and Company

In November 2008, we placed our debt investment in Gerli and Company, or Gerli, on non-accrual status. As a result, under generally accepted accounting principles in the United States, or U.S. GAAP, we no longer recognize interest income on our debt investment in Gerli for financial reporting purposes. During 2008, we recognized an unrealized loss on our debt investment in Gerli of \$1.2 million and in the year ended December 31, 2009, we recognized an additional unrealized loss on our debt investment in Gerli of \$0.5 million. In the year ended December 31, 2010, we recognized an unrealized gain on our debt investment in Gerli of approximately \$0.7 million. During the quarter ended March 31, 2011, we restructured our investment in Gerli. As a result of the restructuring, we received a new note from Gerli with a face amount of \$3.0 million and a fair value of approximately \$2.3 million and preferred stock with a liquidation preference of \$0.4 million. Under the terms of the new note, interest on the note is payable only if Gerli meets certain covenants, which they were not compliant with as of March 31, 2011. As of March 31, 2011, the fair value of our new debt investment in Gerli was \$2.3 million.

Fire Sprinkler Systems, Inc.

In October 2008, we placed our debt investment in Fire Sprinkler Systems, Inc., or Fire Sprinkler Systems, on non-accrual status. As a result, under U.S. GAAP, we no longer recognize interest income on our debt investment in Fire Sprinkler Systems for financial reporting purposes. During 2008, we recognized an unrealized loss of \$1.3 million on our subordinated note investment in Fire Sprinkler Systems. In each of the years ended December 31, 2009 and 2010, we recognized additional unrealized losses on our debt investment in Fire Sprinkler Systems of \$0.3 million. In the quarter ended March 31, 2011, we recorded an additional \$0.1 million unrealized loss on our debt investment. As of March 31, 2011, the cost of our debt investment in Fire Sprinkler Systems was \$2.8 million and the fair value of such investment was \$0.8 million.

American De-Rosa Lamparts, LLC and Hallmark Lighting

In 2008, we recognized an unrealized loss of \$1.2 million on our subordinated note investment in American De-Rosa Lamparts, LLC and Hallmark Lighting, or collectively, ADL. This unrealized loss reduced the fair value of our investment in ADL to \$6.9 million as of December 31, 2008. Through August 31, 2009, we continued to receive interest payments from ADL in accordance with the loan agreement. In September 2009, we received notification from ADL's senior lender that ADL was blocked from making interest payments to us. As a result, we placed our investment in ADL on non-accrual status and under U.S. GAAP, we no longer recognize interest income on our investment in ADL for financial reporting purposes. In the year ended December 31, 2009, we recognized an additional unrealized loss on our investment in ADL of \$3.2 million and in the first quarter of 2010, we recognized an

unrealized gain on our investment in ADL of approximately \$0.1 million. In June 2010, we converted approximately \$3.0 million of our subordinated debt in ADL to equity as part of a restructuring, resulting in realized loss of approximately \$3.0 million. As of March 31, 2011, the cost of our investment in ADL was approximately \$5.2 million and the fair value of such investment was approximately \$4.0 million.

FCL Graphics, Inc. 2nd Lien Note

During the first eight months of 2009, we received cash interest on our 2nd Lien note in FCL Graphics, Inc., or FCL, at the stated contractual rate (20% per annum as of September 30, 2009). In September 2009, FCL did not make the scheduled interest payments on its 2nd Lien notes. As a result, we placed our 2nd Lien note in FCL on non-accrual status and therefore, under U.S. GAAP, we no longer recognized interest income on our 2nd Lien note investment in FCL for financial reporting purposes. In November 2009, we amended the terms of our note with FCL. The terms of the amendment provide for cash interest at a rate of LIBOR plus 250 basis points per annum and PIK interest at a rate of 8% per annum. In addition, we exchanged approximately \$0.4 million of unpaid PIK interest on our FCL 2nd Lien note for common equity in FCL Graphics, resulting in a \$0.4 million realized loss. While we are currently recognizing cash interest on our 2nd Lien investment in FCL, we have placed the PIK component of this note on non-accrual status. In the year ended December 31, 2009, we recognized an unrealized loss on our 2nd Lien note investment in FCL of approximately \$2.2 million and in the year ended December 31, 2010, we recognized an unrealized loss on our 2nd Lien note investment in FCL of approximately \$0.8 million. As of March 31, 2011, the cost of our 2nd Lien note investment in FCL was approximately \$3.0 million and the fair value of our 2nd Lien note investment in FCL was zero.

Results of Operations

Comparison of three months ended March 31, 2011 and March 31, 2010

Investment Income

For the three months ended March 31, 2011, total investment income was \$12.4 million, a 66% increase from \$7.5 million of total investment income for the three months ended March 31, 2010. This increase was primarily attributable to a \$5.0 million increase in total loan interest, fee and dividend income (including PIK interest income) due to a net increase in our portfolio investments from March 31, 2010, to March 31, 2011, partially offset by a decrease in non-recurring fee income of approximately \$0.1 million. Non-recurring fee income was approximately \$0.5 million for the three months ended March 31, 2011 as compared to \$0.6 million for the three months ended March 31, 2010.

Expenses

For the three months ended March 31, 2011, expenses increased by 27% to \$4.7 million from \$3.7 million for the three months ended March 31, 2010. The increase in expenses was primarily attributable to a \$0.5 million increase in general and administrative expenses as a result of higher salary expenses due to an increase in employees and non-cash compensation expenses. In addition, the increase in expenses was also partially attributable to a \$0.2 million increase in amortization of deferred financing fees associated with the early repayment of certain SBA-guaranteed debentures in the first quarter of 2011 and a \$0.3 million increase in interest expense related to higher average balances of SBA-guaranteed debentures outstanding during the three months ended March 31, 2011 than in the comparable period in 2010.

Net Investment Income

As a result of the \$4.9 million increase in total investment income and the \$1.0 million increase in expenses, net investment income increased by 104% to \$7.7 million for the three months ended March 31, 2011 as compared to net investment income of \$3.8 million for the three months ended March 31, 2010.

Net Increase/Decrease in Net Assets Resulting From Operations

During the three months ended March 31, 2011, we recorded net unrealized appreciation of investments totaling approximately \$4.6 million, comprised of unrealized appreciation on 17 investments totaling approximately \$7.0 million and unrealized depreciation on 17 investments totaling approximately \$2.4 million.

During the three months ended March 31, 2010, we realized a gain on the sale of one non-control/non-affiliate investment of approximately \$0.2 million. In addition, during the three months ended March 31, 2010, we recorded net unrealized appreciation of investments totaling approximately \$0.2 million, comprised of 1) unrealized appreciation on 15 investments totaling approximately \$5.2 million, 2) unrealized depreciation on 11 investments totaling approximately \$4.8 million and 3) a \$0.2 million unrealized depreciation reclassification adjustment related to the realized gain noted above.

As a result of these events, our net increase in net assets from operations was \$12.4 million for the three months ended March 31, 2011 as compared to a net increase in net assets from operations of \$4.1 million for the three months ended March 31, 2010.

Liquidity and Capital Resources

We believe that our current cash and cash equivalents on hand, our available SBA leverage and our anticipated cash flows from operations will be adequate to meet our cash needs for our daily operations for at least the next twelve months.

In the future, depending on the valuation of the Fund's assets and Fund II's assets pursuant to SBA guidelines, the Fund and Fund II may be limited by provisions of the Small Business Investment Act of 1958, and SBA regulations governing SBICs, from making certain distributions to Triangle Capital Corporation that may be necessary to enable Triangle Capital Corporation to make the minimum required distributions to its stockholders and qualify as a Regulated Investment Company, or RIC.

Cash Flows

For the three months ended March 31, 2011, we experienced a net increase in cash and cash equivalents in the amount of \$18.6 million. During that period, our operating activities used \$48.9 million in cash, consisting primarily of new portfolio investments of \$68.3 million, partially offset by repayments received from portfolio companies and proceeds from the sale of investments totaling \$14.9 million. In addition, financing activities provided \$67.5 million of cash, consisting primarily of proceeds from a public stock offering of \$63.1 million, borrowings under SBA-guaranteed debentures payable of \$21.6 million, offset by cash dividends paid in the amount of \$6.7 million, repayments of SBA-guaranteed debentures of \$9.5 million and financing fees paid in the amount of \$0.5 million. At March 31, 2011, we had \$73.4 million of cash and cash equivalents on hand.

For the three months ended March 31, 2010, we experienced a net decrease in cash and cash equivalents in the amount of \$11.9 million. During that period, our operating activities used \$8.2 million in cash, consisting primarily of new portfolio investments of \$14.1 million, partially offset by repayments received from portfolio companies of \$6.5 million. In addition, we used \$3.7 million of cash in financing activities, consisting primarily of cash dividends paid in the amount of \$3.6 million. At March 31, 2010, we had \$43.3 million of cash and cash equivalents on hand.

Financing Transactions

Due to the Fund's and Fund II's status as licensed SBICs, the Fund and Fund II have the ability to issue debentures guaranteed by the SBA at favorable interest rates. Under the Small Business Investment Act and the SBA rules applicable to SBICs, an SBIC (or group of SBICs under common control) can have outstanding at any time debentures guaranteed by the SBA up to two times (and in certain cases, up to three times) the amount of its regulatory capital, which generally is the amount raised from private investors. The maximum statutory limit on the dollar amount of outstanding debentures guaranteed by the SBA issued by a single SBIC is currently \$150.0 million and by a group of SBICs under common control is \$225.0 million. Debentures guaranteed by the SBA have a maturity of ten years, with interest payable semi-annually. The principal amount of the debentures is not required to be paid before maturity but may be pre-paid at any time. Debentures issued prior to September 2006, were subject to pre-payment penalties during their first five years. Those pre-payment penalties no longer apply to debentures issued after September 1, 2006.

As of March 31, 2011, the Fund has issued \$140.5 million of SBA-guaranteed debentures and has the current capacity to issue up to the statutory maximum of \$150.0 million, subject to SBA approval. As of March 31, 2011, Fund II has issued \$75.0 million in face amount of SBA-guaranteed debentures. In addition to the one-time 1.0% fee on the total commitment from the SBA, the Company also pays a one-time 2.425% fee on the amount of each debenture issued (2.0% for SBA LMI debentures). These fees are capitalized as deferred financing costs and are amortized over the term of the debt agreements using the effective interest method. The weighted average interest rate for all SBA-guaranteed debentures as of March 31, 2011 was 4.80%. The weighted average interest rate as of March 31, 2011 included \$205.0 million of pooled SBA-guaranteed debentures with a weighted average fixed interest rate of 4.97% and \$9.6 million of unpooled SBA-guaranteed debentures with a weighted average interim interest rate of 1.29%.

Distributions to Stockholders

We have elected to be treated as a RIC under Subchapter M of the Internal Revenue Code of 1986, as amended, or the "Code," and intend to make the required distributions to our stockholders as specified therein. In order to qualify as a RIC and to obtain RIC tax benefits, we must meet certain minimum distribution, source-of-income and asset diversification requirements. If such requirements are met, then we are generally required to pay income taxes only on the portion of our taxable income and gains we do not distribute (actually or constructively) and certain built-in gains. We met our minimum distribution requirements for 2010, 2009, 2008 and 2007 and continually monitor our distribution requirements with the goal of ensuring compliance with the Code.

The minimum distribution requirements applicable to RICs require us to distribute to our stockholders each year at least 90% of our investment company taxable income, or "ICTI," as defined by the Code. Depending on the level of ICTI earned in a tax year, we

may choose to carry forward ICTI in excess of current year distributions into the next tax year and pay a 4% excise tax on such excess. Any such carryover ICTI must be distributed before the end of the next tax year through a dividend declared prior to filing the final tax return related to the year which generated such ICTI.

ICTI generally differs from net investment income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses. We may be required to recognize ICTI in certain circumstances in which we do not receive cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments issued with warrants), we must include in ICTI each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. We may also have to include in ICTI other amounts that we have not yet received in cash, such as 1) PIK interest income and 2) interest income from investments that have been classified as non-accrual for financial reporting purposes. Interest income on non-accrual investments is not recognized for financial reporting purposes, but generally is recognized in ICTI. Because any original issue discount or other amounts accrued will be included in our ICTI for the year of accrual, we may be required to make a distribution to our stockholders in order to satisfy the minimum distribution requirements, even though we will not have received and may not ever receive any corresponding cash amount. ICTI also excludes net unrealized appreciation or depreciation, as investment gains or losses are not included in taxable income until they are realized.

Current Market Conditions

Beginning in 2008, the debt and equity capital markets in the United States were severely impacted by significant write-offs in the financial services sector relating to subprime mortgages and the re-pricing of credit risk in the broadly syndicated bank loan market, among other factors. These events, along with the deterioration of the housing market, led to an economic recession in the U.S. and abroad. Banks, investment companies and others in the financial services industry reported significant write-downs in the fair value of their assets, which led to the failure of a number of banks and investment companies, a number of distressed mergers and acquisitions, the government take-over of the nation's two largest government-sponsored mortgage companies, the passage of the \$700 billion Emergency Economic Stabilization Act of 2008 in October 2008 and the passage of the American Recovery and Reinvestment Act of 2009 (the "Stimulus Bill") in February 2009. These events significantly impacted the financial and credit markets and reduced the availability of debt and equity capital for the market as a whole, and for financial firms in particular. Notwithstanding recent gains across both the equity and debt markets, these conditions may reoccur in the future and could then continue for a prolonged period of time. Although we have been able to secure access to additional liquidity, including our recent public stock offering, and increased leverage available through the SBIC program as a result of the Stimulus Bill, there is no assurance that debt or equity capital will be available to us in the future on favorable terms, or at all.

Recent Developments

In April 2011, the Company invested \$5.0 million in The Main Resource ("TMR") consisting of subordinated debt with warrants. TMR is a supplier of aftermarket automotive parts. Under the terms of the investments, TMR will pay interest on the subordinated debt at a rate of 14% per annum.

In April 2011, the Company invested \$4.0 million in subordinated debt, \$1.0 million in junior subordinated debt with warrants and \$0.3 million in equity of Main Street Gourmet ("MSG"). MSG is a provider of bakery items primarily for retail and foodservice companies. Under the terms of the investments, MSG will pay interest on the subordinated debt and junior subordinated debt at a rate of 16.5% and 10%, respectively, per annum.

In May 2011, we recognized a realized gain of approximately \$12.2 million related to the sale of certain assets of Fischbein, LLC.

Critical Accounting Policies and Use of Estimates

The preparation of our unaudited financial statements in accordance with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the periods covered by such financial statements. We have identified investment valuation and revenue recognition as our most critical accounting estimates. On an on-going basis, we evaluate our estimates, including those related to the matters described below. These estimates are based on the information that is currently available to us and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ materially from those estimates under different assumptions or conditions. A discussion of our critical accounting policies follows.

Investment Valuation

The most significant estimate inherent in the preparation of our financial statements is the valuation of investments and the related amounts of unrealized appreciation and depreciation of investments recorded. We have established and documented processes and methodologies for determining the fair values of portfolio company investments on a recurring (quarterly) basis in accordance with FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, or ASC Topic 820. ASC Topic 820 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value measurements. As discussed below, we have engaged an independent valuation firm to assist us in our valuation process.

ASC Topic 820 clarifies that the exchange price is the price in an orderly transaction between market participants to sell an asset or transfer a liability in the market in which the reporting entity would transact for the asset or liability, that is, the principal or most advantageous market for the asset or liability. The transaction to sell the asset or transfer the liability is a hypothetical transaction at the measurement date, considered from the perspective of a market participant that holds the asset or owes the liability. ASC Topic 820 provides a consistent definition of fair value which focuses on exit price and prioritizes, within a measurement of fair value, the use of market-based inputs over entity-specific inputs. In addition, ASC Topic 820 provides a framework for measuring fair value and establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels of valuation hierarchy established by ASC Topic 820 are defined as follows:

Level 1 — inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 — inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 — inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Our investment portfolio is comprised of debt and equity instruments of privately held companies for which quoted prices falling within the categories of Level 1 and Level 2 inputs are not available. Therefore, we value all of our investments at fair value, as determined in good faith by our Board of Directors, using Level 3 inputs, as further described below. Due to the inherent uncertainty in the valuation process, our Board of Directors' estimate of fair value may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material. In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the valuations currently assigned.

Debt and equity securities that are not publicly traded and for which a limited market does not exist are valued at fair value as determined in good faith by our Board of Directors. There is no single standard for determining fair value in good faith, as fair value depends upon circumstances of each individual case. In general, fair value is the amount that we might reasonably expect to receive upon the current sale of the security.

We evaluate the investments in portfolio companies using the most recently available portfolio company financial statements and forecasts. We also consult with the portfolio company's senior management to obtain further updates on the portfolio company's performance, including information such as industry trends, new product development and other operational issues. Additionally, we consider some or all of the following factors:

- financial standing of the issuer of the security;
- comparison of the business and financial plan of the issuer with actual results;
- the size of the security held as it relates to the liquidity of the market for such security;
- pending public offering of common stock by the issuer of the security;
- pending reorganization activity affecting the issuer, such as merger or debt restructuring;
- ability of the issuer to obtain needed financing;
- changes in the economy affecting the issuer;
- financial statements and reports from portfolio company senior management and ownership;
- the type of security, the security's cost at the date of purchase and any contractual restrictions on the disposition of the security;
- discount from market value of unrestricted securities of the same class at the time of purchase;
- special reports prepared by analysts;
- information as to any transactions or offers with respect to the security and/or sales to third parties of similar securities;
- the issuer's ability to make payments and the type of collateral;
- the current and forecasted earnings of the issuer;
- statistical ratios compared to lending standards and to other similar securities; and
- other pertinent factors.

In making the good faith determination of the value of debt securities, we start with the cost basis of the security, which includes the amortized original issue discount, and PIK interest, if any. We also use a risk rating system to estimate the probability of default on the debt securities and the probability of loss if there is a default. The risk rating system covers both qualitative and quantitative aspects of the business and the securities held. In valuing debt securities, management utilizes an "income approach" model that considers factors including, but not limited to, (i) the portfolio investment's current risk rating, (ii) the portfolio company's current trailing twelve months', or TTM, results of operations as compared to the portfolio company's TTM results of operations as of the date the investment was made and the portfolio company's anticipated results for the next twelve months of operations, (iii) the portfolio company's current leverage as compared to its leverage as of the date the investment was made, (iv) publicly available information regarding current pricing and credit metrics for similar proposed and executed investment transactions of private companies and, (v) when management believes a relevant comparison exists, current pricing and credit metrics for similar proposed and executed investment transactions of publicly traded debt.

In valuing equity securities of private companies, we consider valuation methodologies consistent with industry practice, including but not limited to (i) valuation using a valuation model based on original transaction multiples and the portfolio company's recent financial performance, (ii) publicly available information regarding the valuation of the securities based on recent sales in comparable transactions of private companies and, (iii) when management believes there are comparable companies that are publicly traded, a review of these publicly traded companies and the market multiple of their equity securities.

Duff & Phelps, LLC, or Duff & Phelps, an independent valuation firm, provides third party valuation consulting services to us, which consist of certain limited procedures that we identified and requested Duff & Phelps to perform (hereinafter referred to as the "procedures"). We generally request Duff & Phelps to perform the procedures on each portfolio company at least once in every calendar year and for new portfolio companies, at least once in the twelve-month period subsequent to the initial investment. In addition, we generally request Duff & Phelps to perform the procedures on a portfolio company when there has been a significant change in the fair value of the investment. In certain instances, we may determine that it is not cost-effective, and as a result is not in our stockholders' best interest, to request Duff & Phelps to perform the procedures on one or more portfolio companies. Such instances include, but are not limited to, situations where the fair value of our investment in the portfolio company is determined to be insignificant relative to our total investment portfolio.

The total number of investments and the percentage of our portfolio on which we asked Duff & Phelps to perform such procedures are summarized below by period:

For the quarter ended:	Total companies	Percent of total investments at fair value⁽¹⁾
March 31, 2010	7	25%
June 30, 2010	8	29%
September 30, 2010	8	26%
December 31, 2010	9	29%
March 31, 2011	11	34%

(1) Exclusive of the fair value of new investments made during the quarter

Upon completion of the procedures, Duff & Phelps concluded that the fair value, as determined by the Board of Directors, of those investments subjected to the procedures did not appear to be unreasonable. Our Board of Directors is ultimately and solely responsible for determining the fair value of our investments in good faith.

Revenue Recognition

Interest and Dividend Income

Interest income, adjusted for amortization of premium and accretion of original issue discount, is recorded on an accrual basis to the extent that such amounts are expected to be collected. Generally, when interest and/or principal payments on a loan become past due, or if we otherwise do not expect the borrower to be able to service its debt and other obligations, we will place the loan on non-accrual status and will generally cease recognizing interest income on that loan for financial reporting purposes until all principal and interest have been brought current through payment or due to a restructuring such that the interest income is deemed to be collectible. We write off any previously accrued and uncollected interest when it is determined that interest is no longer considered collectible. Dividend income is recorded on the ex-dividend date.

Fee Income

Loan origination, facility, commitment, consent and other advance fees received in connection with the origination of a loan are recorded as deferred income and recognized as income over the term of the loan. Loan prepayment penalties and loan amendment fees are recorded into income when received. Any previously deferred fees are immediately recorded into income upon prepayment of the related loan.

Payment-in-Kind Interest (PIK)

We currently hold, and we expect to hold in the future, some loans in our portfolio that contain a PIK interest provision. The PIK interest, computed at the contractual rate specified in each loan agreement, is added to the principal balance of the loan, rather than being paid to us in cash, and is recorded as interest income. Thus, the actual collection of PIK interest may be deferred until the time of debt principal repayment.

To maintain our status as a RIC, this non-cash source of income must be paid out to stockholders in the form of dividends, even though we have not yet collected the cash. Generally, when current cash interest and/or principal payments on a loan become past due, or if we otherwise do not expect the borrower to be able to service its debt and other obligations, we will place the loan on non-accrual status and will generally cease recognizing PIK interest income on that loan for financial reporting purposes until all principal and interest have been brought current through payment or due to a restructuring such that the interest income is deemed to be collectible. We write off any previously accrued and uncollected PIK interest when it is determined that the PIK interest is no longer collectible.

We may have to include in our taxable income, or ICTI, PIK interest income from investments that have been classified as non-accrual for financial reporting purposes. Interest income on non-accrual investments is not recognized for financial reporting purposes, but generally is recognized in ICTI. As a result, we may be required to make a distribution to our stockholders in order to satisfy the minimum distribution requirements, even though we will not have received and may not ever receive any corresponding cash amount.

Off-Balance Sheet Arrangements

We currently have no off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The recent economic recession may continue to impact the broader financial and credit markets and may continue to reduce the availability of debt and equity capital for the market as a whole and financial firms in particular. This reduction in spending has had an adverse effect on a number of the industries in which some of our portfolio companies operate, and on certain of our portfolio companies as well.

During 2009, we experienced write-downs in our portfolio, several of which were due to declines in the operating performance of certain portfolio companies. During 2010, we experienced a \$10.9 million increase in the fair value of our investment portfolio related to unrealized appreciation of investments and in the first quarter of 2011, we experienced a \$4.6 million increase in the fair value of our investment portfolio related to unrealized appreciation of investments.

As of March 31, 2011, the fair value of our non-accrual assets was approximately \$7.1 million, which comprised approximately 1.8% of the total fair value of our portfolio, and the cost of our non-accrual assets was approximately \$13.9 million, or 3.7% of the total cost of our portfolio. In addition to these non-accrual assets, as of March 31, 2011, we had, on a fair value basis, approximately \$10.1 million of debt investments, or 2.6% of the total fair value of our portfolio, which were current with respect to scheduled principal and interest payments, but which were carried at less than cost. The cost of these assets as of March 31, 2011 was approximately \$11.9 million, or 3.1% of the total cost of our portfolio.

While the equity and debt markets have recently improved, these stressed conditions may continue for a prolonged period of time or worsen in the future. In the event that the economy deteriorates further, the financial position and results of operations of certain of the middle-market companies in our portfolio could be further affected adversely, which ultimately could lead to difficulty in our portfolio companies meeting debt service requirements and lead to an increase in defaults. There can be no assurance that the performance of our portfolio companies will not be further impacted by economic conditions, which could have a negative impact on our future results.

In addition, we are subject to interest rate risk. Interest rate risk is defined as the sensitivity of our current and future earnings to interest rate volatility, variability of spread relationships, the difference in re-pricing intervals between our assets and liabilities and the effect that interest rates may have on our cash flows. Changes in the general level of interest rates can affect our net interest income, which is the difference between the interest income earned on interest earning assets and our interest expense incurred in connection with our interest bearing debt and liabilities. Changes in interest rates can also affect, among other things, our ability to acquire and originate loans and securities and the value of our investment portfolio. Our investment income is affected by fluctuations in various interest rates, including LIBOR and prime rates. We regularly measure exposure to interest rate risk and determine whether or not any hedging transactions are necessary to mitigate exposure to changes in interest rates. As of March 31, 2011, we were not a party to any hedging arrangements.

As of March 31, 2011, approximately 96.7%, or \$327.7 million of our debt portfolio investments bore interest at fixed rates and approximately 3.3%, or \$11.2 million of our debt portfolio investments bore interest at variable rates, which are either Prime-based or LIBOR-based. A 200 basis point increase or decrease in the interest rates on our variable-rate debt investments would increase or decrease, as applicable, our investment income by approximately \$0.2 million on an annual basis. All of our pooled SBA-guaranteed debentures bear interest at fixed rates.

Because we currently borrow, and plan to borrow in the future, money to make investments, our net investment income is dependent upon the difference between the rate at which we borrow funds and the rate at which we invest the funds borrowed. Accordingly, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. In periods of rising interest rates, our cost of funds would increase, which could reduce our net investment income if there is not a corresponding increase in interest income generated by our investment portfolio.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the evaluation of these disclosure controls and procedures, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective. It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the first quarter of 2011 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

Neither Triangle Capital Corporation nor any of its subsidiaries is currently a party to any material pending legal proceedings.

Item 1A. Risk Factors.

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, which could materially affect our business, financial condition or operating results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely 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, 2011, we issued a total of 61,766 shares of our common stock under our dividend reinvestment plan pursuant to an exemption from the registration requirements of the Securities Act of 1933. The aggregate offering price for the shares of common stock sold under the dividend reinvestment plan was \$1.1 million.

Issuer Purchases of Equity Securities

During the three months ended March 31, 2011, there were elections by employees to surrender shares of stock upon vesting of shares of restricted stock to cover tax withholding obligations. The following chart summarizes repurchases of our common stock for the three months ended March 31, 2011.

Period	Total Number of Shares	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
January 1-31, 2011	—	—	—	—
February 1-28, 2011	23,676 ⁽¹⁾	\$ 20.51	—	—
March 1-31, 2011	—	—	—	—
Total	<u>23,676</u>	<u>\$ 485,594.76</u>	<u>—</u>	<u>—</u>

(1) Represents shares of our common stock delivered to us in satisfaction of certain tax withholding obligations of holders of restricted shares that vested during this period.

Pursuant to Section 23(c)(1) of the Investment Company Act of 1940, we intend to purchase our common stock in the open market in order to satisfy our Dividend Reinvestment Plan obligations if, at the time of the distribution of any dividend, our common stock is trading at a price per share below net asset value. We did not purchase any shares of our common stock to satisfy our Dividend Reinvestment Plan obligations during the three months ended March 31, 2011.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. [Removed and Reserved.]

Item 5. Other Information.

Not applicable.

Item 6. Exhibits.

Number	Exhibit
3.1	Articles of Amendment and Restatement of the Registrant (Filed as Exhibit (a)(3) to the Registrant's Registration Statement on Form N-2/N-5 (File No. 333-138418) filed with the Securities and Exchange Commission on December 29, 2006 and incorporated herein by reference).
3.2	Third Amended and Restated Bylaws of the Registrant.
3.3	Certificate of Limited Partnership of Triangle Mezzanine Fund LLLP (Filed as Exhibit (a)(4) to the Registrant's Registration Statement on Form N-2/N-5 (File No. 333-138418) filed with the Securities and Exchange Commission on February 13, 2007 and incorporated herein by reference).
3.4	Second Amended and Restated Agreement of Limited Partnership of Triangle Mezzanine Fund LLLP (Filed as Exhibit 3.4 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 11, 2007 and incorporated herein by reference).
4.1	Form of Common Stock Certificate (Filed as Exhibit (d) to the Registrant's Registration Statement on Form N-2/N-5 (File No. 333-138418) filed with the Securities and Exchange Commission on February 15, 2007 and incorporated herein by reference).
4.2	Triangle Capital Corporation Dividend Reinvestment Plan (Filed as Exhibit 4.2 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2007 filed with the Securities and Exchange Commission on March 12, 2008 and incorporated herein by reference).
4.3	Agreement to Furnish Certain Instruments (Filed as Exhibit 4.19 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008 filed with the Securities and Exchange Commission on February 25, 2009 and incorporated herein by reference).
31.1	Chief Executive Officer Certification Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Chief Financial Officer Certification Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Chief Executive Officer Certification pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Chief Financial Officer Certification pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements 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.

TRIANGLE CAPITAL CORPORATION

Date: May 4, 2011

/s/ Garland S. Tucker, III

Garland S. Tucker, III
President, Chief Executive Officer and
Chairman of the Board of Directors

Date: May 4, 2011

/s/ Steven C. Lilly

Steven C. Lilly
Chief Financial Officer and Director

Date: May 4, 2011

/s/ C. Robert Knox, Jr.

C. Robert Knox, Jr.
Principal Accounting Officer

EXHIBIT INDEX

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**THIRD AMENDED AND RESTATED BYLAWS
OF
TRIANGLE CAPITAL CORPORATION
(the "Corporation")**

**ARTICLE I.
OFFICES**

Section 1.1 Principal Office. The principal office of the Corporation in the State of Maryland shall be located at such place as the Board of Directors may designate.

Section 1.2 Additional Offices. The Corporation may have additional offices, including a principal executive office, at such places as the Board of Directors may from time to time determine or the business of the Corporation may require.

**ARTICLE II.
MEETINGS OF STOCKHOLDERS**

Section 2.1 Place. All meetings of the stockholders shall be held at the principal executive office of the Corporation or at such other place as shall be set by the Board of Directors and stated in the notice of the meeting.

Section 2.2 Annual Meetings. An annual meeting of the stockholders shall be held to elect directors whose terms expire at the meeting and to transact such other business as may properly be brought before the meeting. The annual meeting shall be held on the date and at the time designated by the Board of Directors. Failure to hold an annual meeting does not invalidate the Corporation's existence or affect any otherwise valid acts of the Corporation.

Section 2.3 Special Meetings .

(a) *General.* The Chairman of the Board of Directors, the President or the Board of Directors may call a special meeting of the stockholders. Subject to Section 2.3(b), the Secretary of the Corporation shall also call a special meeting of stockholders to act upon any matter that may properly be considered at a meeting of stockholders upon the written request of stockholders entitled to cast not less than a majority of all the votes entitled to be cast on such matter at such meeting.

(b) *Stockholder Requested Special Meetings .*

(1) Any stockholder of record seeking to have stockholders request a special meeting shall, by sending written notice to the Secretary (the "Record Date Request Notice") by registered mail, return receipt requested, request the Board of Directors to fix a record date to determine the stockholders entitled to request a special meeting ("Request

Record Date”). The Record Date Request Notice shall set forth the purpose of the meeting and the matters proposed to be acted on at it (which shall only be lawful matters), shall be signed by one or more stockholders of record as of the date of signature (or their agents duly authorized in a writing accompanying the Record Date Request Notice), shall bear the date of signature of each such stockholder (or such agent), and shall set forth all information relating to each such stockholder and each matter proposed to be acted on at the meeting that would be required to be disclosed in connection with the solicitation of proxies for the election of directors in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such a solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Upon receiving the Record Date Request Notice, the Board of Directors may fix a Request Record Date. The Request Record Date shall not precede and shall not be more than ten days after the close of business on the date on which the Board of Directors adopts the resolution fixing the Request Record Date. If the Board of Directors, within ten days after the date on which a valid Record Date Request Notice is received, fails to adopt a resolution fixing the Request Record Date, the Request Record Date shall be the close of business on the tenth day after the first date on which the Record Date Request Notice is received by the Secretary.

(2) In order for any stockholder to request a special meeting to act on any matter that may properly be considered at a meeting of stockholders, one or more written requests for a special meeting (collectively the “Special Meeting Request”) signed by the stockholders of record (or their agents duly authorized in a writing accompanying the request) as of the Request Record Date entitled to cast not less than a majority of all of the votes entitled to be cast on such matter at such meeting (the “Special Meeting Request Percentage”) shall be delivered to the Secretary. In addition, the Special Meeting Request shall (a) set forth the purpose of the meeting and the matters proposed to be acted on at it (which shall be limited to those lawful matters set forth in the Record Date Request Notice received by the Secretary), (b) bear the date of signature of each such stockholder (or such agent) signing the Special Meeting Request, (c) set forth the name and address, as they appear in the Corporation’s books, of each stockholder signing such request (or on whose behalf the Special Meeting Request is signed), the class, series and number of all shares of stock of the Corporation which are owned (beneficially or of record) by such stockholder, and the nominee holder for, and number of, shares of stock of the Corporation owned beneficially but not of record by such stockholder, (d) be sent to the Secretary by registered mail, return receipt requested, and (e) be received by the Secretary within 60 days after the Request Record Date. Any requesting stockholder (or agent duly authorized in a writing accompanying the revocation or the Special Meeting Request) may revoke his, her or its Special Meeting Request at any time by written revocation delivered to the Secretary.

(3) The Secretary shall inform the requesting stockholders of the reasonably estimated cost of preparing and delivering the notice of the meeting (including the Corporation’s proxy materials). The Secretary shall not be required to call a special meeting upon a stockholder request and such meeting shall not be held unless, in addition to the documents required by Section 2.3(b)(2), the Secretary receives payment of such reasonably estimated cost prior to the preparation and mailing or delivery of such notice of the meeting.

(4) In the case of any special meeting called by the Secretary upon the request of stockholders (a "Stockholder Requested Meeting"), such meeting shall be held at such place, date and time as may be designated by the Board of Directors; provided, however, that the date of any Stockholder Requested Meeting shall not be more than 90 days after the record date for such meeting (the "Meeting Record Date"); and provided further that if the Board of Directors fails to designate, within ten days after the date that a valid Special Meeting Request is actually received by the Secretary (the "Delivery Date"), a date and time for a Stockholder Requested Meeting, then such meeting shall be held at 2:00 p.m. local time on the 90th day after the Meeting Record Date or, if such 90th day is not a Business Day (as defined below), on the first preceding Business Day; and provided further that in the event that the Board of Directors fails to designate a place for a Stockholder Requested Meeting within ten days after the Delivery Date, then such meeting shall be held at the principal executive office of the Corporation. In fixing a date for any special meeting, the Chairman of the Board of Directors, the President or the Board of Directors may consider such factors as he, she or it deems relevant, including, without limitation, the nature of the matters to be considered, the facts and circumstances surrounding any request for the meeting and any plan of the Board of Directors to call an annual meeting or a special meeting. In the case of any Stockholder Requested Meeting, if the Board of Directors fails to fix a Meeting Record Date that is a date within 30 days after the Delivery Date, then the close of business on the 30th day after the Delivery Date shall be the Meeting Record Date. The Board of Directors may revoke the notice for any Stockholder Request Meeting in the event that the requesting stockholders fail to comply with the provisions of Section 2.3(b)(3).

(5) If written revocations of requests of the Special Meeting Request have been delivered to the Secretary and the result is that stockholders of record (or their agents duly authorized in writing), as of the Request Record Date, entitled to cast less than the Special Meeting Percentage have delivered, and not revoked, requests for a special meeting to the Secretary: (i) if the notice of meeting has not already been delivered, the Secretary shall refrain from delivering the notice of the meeting and send to all requesting stockholders who have not revoked such requests written notice of any revocation of a request for the special meeting, or (ii) if the notice of meeting has been delivered and if the Secretary first sends to all requesting stockholders who have not revoked requests for a special meeting on a matter written notice of any revocation of a request for the special meeting and written notice of the Corporation's intention to revoke the notice of the meeting or for the chairman of the meeting to adjourn the meeting without action on the matter, (A) the Secretary may revoke the notice of the meeting at any time before ten days before the commencement of the meeting or (B) the chairman of the meeting may call the meeting to order and adjourn the meeting without acting on the matter. Any request for a special meeting received after a revocation by the Secretary of a notice of a meeting shall be considered a request for a new special meeting.

(6) The Chairman of the Board of Directors, the President or the Board of Directors may appoint independent inspectors of elections to act as the agent of the Corporation for the purpose of promptly performing a ministerial review of the validity of any purported Special Meeting Request received by the Secretary. For the purpose of permitting the inspectors to perform such review, no such purported Special Meeting Request shall be

deemed to have been delivered to the Secretary until the earlier of (i) five Business Days after receipt by the Secretary of such purported request and (ii) such date as the independent inspectors certify to the Corporation that the valid requests received by the Secretary represent, as of the Request Record Date, stockholders of record entitled to cast not less than the Special Meeting Percentage. Nothing contained in this Section 2.3(b)(6) shall in any way be construed to suggest or imply that the Corporation or any stockholder shall not be entitled to contest the validity of any request, whether during or after such five Business Day period, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation).

(7) For purposes of these Bylaws, "Business Day" shall mean any day other than a Saturday, a Sunday or other day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

Section 2.4 Notice of Meetings. At least ten days, but not more than 90 days, prior to the date designated for each meeting of stockholders, the Secretary of the Corporation shall give to each stockholder entitled to vote at such meeting and to each stockholder not entitled to vote who is entitled to notice of the meeting notice in writing or by electronic transmission of the time and place of the meeting and, in the case of a special meeting or as otherwise may be required by any statute, the purpose or purposes for which the meeting is called, by placing the notice in the mail, delivering it by overnight delivery service or transmitting the notice by electronic mail or any other electronic means. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to each stockholder at such stockholder's address appearing on the books of the Corporation or supplied by the stockholder to the Corporation for the purpose of notice. If transmitted electronically, such notice shall be deemed to be given when transmitted to the stockholder by an electronic transmission to any address or number of the stockholder at which the stockholder receives electronic transmissions. A single notice to all stockholders who share an address shall be effective as to any stockholder at such address who consents to such notice or after having been notified of the Corporation's intent to give a single notice fails to object in writing to such single notice within 60 days. Failure to give notice of any meeting to one or more stockholders, or any irregularity in such notice, shall not affect the validity of any meeting fixed in accordance with this Article II, or the validity of any proceedings at any such meeting. The notice of any meeting of stockholders may be accompanied by a form of proxy approved by the Board of Directors in favor of the actions or director nominees as the Board of Directors may select. Notice of any meeting of stockholders shall be deemed waived by any stockholder who attends the meeting in person or by proxy or who before or after the meeting submits a waiver of notice in writing or by electronic transmission that is filed with the records of the meeting. Subject to Section 2.11 of this Article II, any business of the Corporation may be transacted at an annual meeting of stockholders without being specifically designated in the notice of such meeting, except such business as is required by any statute to be stated in such notice. No business shall be transacted at a special meeting of stockholders except as specifically designated in the notice of such meeting. The Corporation may postpone or cancel a meeting of stockholders by making a "public announcement" (as defined in Section 2.11(c)(3) of such postponement or cancellation prior to the meeting. Notice of the date to which the meeting is postponed shall be given not less than ten days prior to such date and otherwise in the manner

set forth in this Section 2.4.

Section 2.5 Organization and Conduct . Every meeting of stockholders shall be conducted by an individual appointed by the Board of Directors to be chairman of the meeting or, in the absence of such appointment, by the Chairman of the Board of Directors, if any, or, in the case of a vacancy in the office or absence of the Chairman of the Board of Directors, by one of the following officers present at the meeting: the Vice Chairman of the Board, if any, the President, any Vice President, the Secretary, the Treasurer or, in the absence of such officers, a chairman chosen by the stockholders by the vote of a majority of the votes cast by stockholders present in person or by proxy. The Secretary or, in the Secretary's absence, an individual appointed by the Board of Directors or, in the absence of such appointment, an individual appointed by the chairman of the meeting shall act as secretary. In the event that the Secretary presides at a meeting of the stockholders, an individual appointed by the Board of Directors or the chairman of the meeting, shall record the minutes of the meeting. The chairman of the meeting shall determine the order of business and all other matters of procedure at any meeting of stockholders. The chairman of the meeting may prescribe such rules, regulations and procedures and take such action as, in the discretion of the chairman and without any action by the stockholders, are appropriate for the proper conduct of the meeting, including, without limitation, (a) restricting admission to the time set for the commencement of the meeting; (b) limiting attendance at the meeting to stockholders of record of the Corporation, their duly authorized proxies or other such individuals as the chairman of the meeting may determine; (c) limiting participation at the meeting on any matter to stockholders of record of the Corporation entitled to vote on such matter, their duly authorized proxies or other such individuals as the chairman of the meeting may determine; (d) limiting the time allotted to questions or comments by participants; (e) determining when and for how long the polls should be opened and when the polls should be closed; (f) maintaining order and security at the meeting; (g) removing any stockholder or any other individual who refuses to comply with meeting procedures, rules or guidelines as set forth by the chairman of the meeting; (h) concluding a meeting or recessing or adjourning the meeting to a later date and time and at a place announced at the meeting; and (i) complying with any state and local laws and regulations concerning safety and security. Unless otherwise determined by the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 2.6 Quorum . The presence in person or by proxy of the holders of shares of stock of the Corporation entitled to cast a majority of all the votes entitled to be cast (without regard to class) at any meeting shall constitute a quorum at such meeting of the stockholders, except with respect to any such matter that, under applicable statutes or regulatory requirements, requires approval by a separate vote of one or more classes of stock, in which case the presence in person or by proxy of the holders of shares entitled to cast a majority of the votes entitled to be cast by each such class on such a matter shall constitute a quorum. If, however, such quorum shall not be present at any meeting of the stockholders, the chairman of the meeting may adjourn the meeting from time to time to a date not more than 120 days after the original record date without notice other than announcement at the meeting. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified. The stockholders present either in person or by proxy, at a meeting which has been duly called and at which a quorum was established, may continue to

transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 2.7 Voting . A plurality of all the votes cast at a meeting of the stockholders duly called and at which a quorum is present shall be sufficient to elect a director. Each share may be voted for as many individuals as there are directors to be elected and for whose election the share is entitled to be voted. A majority of the votes cast at a meeting of stockholders duly called and at which a quorum is present shall be sufficient to approve any other matter which may properly come before the meeting, unless more than a majority of the votes cast is required by statute or by the charter of the Corporation. Unless otherwise provided by statute or in the charter of the Corporation, each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of the stockholders.

Section 2.8 Proxies . A stockholder may cast the votes entitled to be cast by the shares of stock owned of record by the stockholder in person or by proxy executed by the stockholder or by the stockholder's duly authorized agent in any manner permitted by law. Such proxy or evidence of authorization of such proxy shall be filed with the Secretary of the Corporation before or at the meeting. No proxy shall be valid more than eleven months after its date unless otherwise provided in the proxy.

Section 2.9 Voting of Stock by Certain Holders . Stock of the Corporation registered in the name of a corporation, partnership, trust or other entity, if entitled to be voted, may be voted by the president or a vice president, a general partner or trustee thereof, as the case may be, or a proxy appointed by any of the foregoing individuals, unless some other person who has been appointed to vote such stock pursuant to a bylaw or a resolution of the governing body of such corporation or other entity or agreement of the partners of a partnership presents a certified copy of such bylaw, resolution or agreement, in which case such person may vote such stock. Any director or other fiduciary may vote stock registered in his or her name in his or her capacity as such a fiduciary, either in person or by proxy. Shares of stock of the Corporation directly or indirectly owned by it shall not be voted at any meeting and shall not be counted in determining the total number of outstanding shares entitled to be voted at any given time, unless they are held by it in a fiduciary capacity, in which case they may be voted and shall be counted in determining the total number of outstanding shares at any given time. The Board of Directors may adopt by resolution a procedure by which a stockholder may certify in writing to the Corporation that any shares of stock registered in the name of the stockholder are held for the account of a specified person other than the stockholder. The resolution shall set forth the class of stockholders who may make the certification, the purpose for which the certification may be made, the form of certification and the information to be contained in it; if the certification is with respect to a record date, the time after the record date within which the certification must be received by the Corporation; and any other provisions with respect to the procedure which the Board of Directors considers necessary or desirable. On receipt of such certification, the person specified in the certification shall be regarded as, for the purposes set forth in the certification, the stockholder of record of the specified stock in place of the stockholder who makes the certification.

Section 2.10 Inspectors . The Board of Directors, or the chairman of the meeting may

appoint, before or at the meeting, one or more inspectors for the meeting and any successor thereto. The inspectors, if any, shall (i) determine the number of shares of stock represented at the meeting, in person or by proxy, and the validity and effect of proxies, (ii) receive and tabulate all votes, ballots or consents, (iii) report such tabulation to the chairman of the meeting, (iv) hear and determine all challenges and questions arising in connection with the right to vote, and/or (v) do such acts as are proper to fairly conduct the election or vote. Each such report shall be in writing and signed by him or her or by a majority of them if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the inspector or inspectors on the number of shares represented at the meeting and the results of the voting shall be prima facie evidence thereof.

Section 2.11 Advance Notice of Stockholder Nominees for Director and Other Stockholder Proposals .

(a) Annual Meetings of Stockholders .

(1) Nominations of individuals for election to the Board of Directors and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders (i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the Board of Directors or (iii) by any stockholder of the Corporation who was a stockholder of record both at the time of giving of notice provided for in this Section 2.11(a) and at the time of the annual meeting, who is entitled to vote at the meeting in the election of each individual so nominated or on any such other business and who has complied with this Section 2.11(a).

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to Section 2.11(a)(1)(iii), the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and such other business must otherwise be a proper matter for action by the stockholders. To be timely, a stockholder's notice shall set forth all information required under this Section 2.11 and shall be delivered to the Secretary at the principal executive office of the Corporation not earlier than the 120th day nor later than 5:00 p.m., Eastern Time, on the 90th day prior to the first anniversary of the date of the proxy statement for the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced or delayed by more than 30 days from the first anniversary of the date of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not earlier than the 120th day prior to the date of such annual meeting and not later than the close of business on the later of the 90th day prior to the date of such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made. In no event shall the public announcement of a postponement or adjournment of an annual meeting commence a new time period for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth: (i) as to each individual whom the stockholder proposes to nominate for election or reelection (each, a "Proposed Nominee"), all information relating to the Proposed Nominee that would be required to be disclosed in connection with the solicitation of proxies for the election of the Proposed Nominee as a director in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such solicitation, in each case pursuant to

Regulation 14A (or any successor provision) under the Exchange Act and the rules thereunder (including the Proposed Nominee's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (ii) as to any business that the stockholder proposes to bring before the meeting, a description of such business, the stockholder's reasons for proposing such business at the meeting and any material interest in such business of such stockholder or any Stockholder Associated Person (as defined below), individually or in the aggregate, including any anticipated benefit to the stockholder or the Stockholder Associated Person therefrom; (iii) as to the stockholder giving the notice, any Proposed Nominee and any Stockholder Associated Person, (A) the class, series and number of all shares of stock or other securities of the Corporation or any affiliate thereof (collectively, the "Corporation Securities"), if any, which are owned (beneficially or of record) by such stockholder, Proposed Nominee or Stockholder Associated Person, the date on which each such Corporation Security was acquired and the investment intent of such acquisition, and any short interest (including any opportunity to profit or share in any benefit from any decrease in the price of such stock or other security) in any Corporation Securities of any such person; (B) the nominee holder for, and number of, any Corporation Securities owned beneficially but not of record by such stockholder, Proposed Nominee or Stockholder Associated Person; (C) whether and the extent to which such stockholder, Proposed Nominee or Stockholder Associated Person, directly or indirectly (through brokers, nominees or otherwise), is subject to or during the last six months has engaged in any hedging, derivative or other transaction or series of transactions or entered into any other agreement, arrangement or understanding (including any short interest, any borrowing or lending of securities or any proxy or voting agreement), the effect or intent of which is to (I) manage risk or benefit of changes in the price of (x) Corporation Securities or (y) any security of any entity that was listed in the Peer Group in the Stock Performance Graph in the most recent annual report to security holders of the Corporation (a "Peer Group Company") for such stockholder, Proposed Nominee or Stockholder Associated Person or (II) increase or decrease the voting power of such stockholder, Proposed Nominee or Stockholder Associated Person in the Corporation or any affiliate thereof (or, as applicable, in any Peer Group Company) disproportionately to such person's economic interest in the Corporation Securities (or, as applicable, in any Peer Group Company); (D) any substantial interest, direct or indirect (including, without limitation, any existing or prospective commercial, business or contractual relationship with the Corporation), by security holdings or otherwise, of such stockholder, Proposed Nominee or Stockholder Associated Person, in the Corporation or any affiliate thereof, other than an interest arising from the ownership of Corporation Securities where such stockholder, Proposed Nominee or Stockholder Associated Person receives no extra or special benefit not shared on a pro rata basis by all other holders of the same class or series; and (E) whether such stockholder believes any Proposed Nominee is, or is not, an "interested person" of the Corporation, as defined in the Investment Company Act of 1940, as amended, and the rules promulgated thereunder (the "Investment Company Act") and information regarding such Proposed Nominee that is sufficient, in the discretion of the Board of Directors or any committee thereof or any authorized officer of the Corporation, to make such determination; (iv) as to the stockholder giving the notice, any Stockholder Associated Person with an interest or ownership referred to in Section 11(a)(2)(ii) and Section 11(a)(2)(iii) and any Proposed Nominee, (A) the name and address of such stockholder, as they appear on the Corporation's stock ledger, and the current name and business address, if different, of each such Stockholder Associated Person and any Proposed Nominee; and (B) the investment strategy or objective, if any, of such stockholder

and each such Stockholder Associated Person who is not an individual and a copy of the prospectus, offering memorandum or similar document, if any, provided to investors or potential investors in such stockholder, and each such Stockholder Associated Person; and (v) to the extent known by the stockholder giving the notice, the name and address of any other stockholder supporting the nominee for election or reelection as a director or the proposal of other business on the date of such stockholder's notice.

(3) Notwithstanding anything in this Section 2.11(a) to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased, and there is no public announcement of such action at least 100 days prior to the first anniversary of the date of the proxy statement for the preceding year's annual meeting, a stockholder's notice required by this Section 2.11(a) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive office of the Corporation not later than 5:00 p.m., Eastern Time, on the tenth day following the day on which such public announcement is first made by the Corporation.

(4) For purposes of this Section 2.11, "Stockholder Associated Person" of any stockholder shall mean (i) any person acting in concert with such stockholder, (ii) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder (other than a stockholder that is a depository) and (iii) any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with such stockholder or Stockholder Associated Person.

(b) *Special Meetings of Stockholders* . Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Notwithstanding anything contained herein to the contrary, nominations of individuals for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected only (i) by or at the direction of the Board of Directors or (ii) provided that the special meeting has been called in accordance with Section 2.3 for the purpose of electing directors, by any stockholder of the Corporation who is a stockholder of record both at the time of giving of notice provided for in this Section 2.11(b) and at the time of the special meeting, who is entitled to vote at the meeting in the election of each individual so nominated and who has complied with this Section 2.11(b). In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more individuals to the Board of Directors, any such stockholder may nominate an individual or individuals (as the case may be) for election as a director as specified in the Corporation's notice of meeting, if the stockholder's notice containing the information required by Section 2.11(a)(2) shall be delivered to the Secretary at the principal executive office of the Corporation not earlier than the 120th day prior to such special meeting and not later than 5:00 p.m. Eastern Time, on the later of the 90th day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of a postponement or adjournment of a special meeting to a later date or time commence a new time period for the giving of a stockholder's notice as described above.

(c) *General* .

(1) If information submitted pursuant to this Section 2.11 by any stockholder proposing a nominee for election as a director or any proposal for other business at a meeting of stockholders shall be inaccurate in any material respect, such information may be deemed not to have been provided in accordance with this Section 2.11. Any such stockholder shall notify the Corporation of any inaccuracy or change (within two Business Days of becoming aware of such inaccuracy or change) in any such information. Upon written request by the secretary or the Board of Directors, any such stockholder shall provide, within five Business Days of delivery of such request (or such other period as may be specified in such request), (A) written verification, satisfactory in the discretion of the Board of Directors or any authorized officer of the Corporation, to demonstrate the accuracy of any information submitted by the stockholder pursuant to this Section 2.11 and (B) a written update of any information submitted by the stockholder pursuant to this Section 2.11 as of an earlier date. If a stockholder fails to provide such written verification or written update within such period, the information as to which written verification or a written update was requested may be deemed not to have been provided in accordance with this Section 2.11.

(2) Only such individuals who are nominated in accordance with this Section 2.11 shall be eligible for election by stockholders as directors, and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with this Section 2.11. The chairman of the meeting shall have the power to determine whether a nomination or any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with this Section 2.11.

(3) "Public announcement" shall mean disclosure (i) in a press release reported by the Dow Jones News Service, Associated Press, Business Wire, PR Newswire or other widely circulated news or wire service or (ii) in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to the Exchange Act or the Investment Company Act.

(4) Notwithstanding the foregoing provisions of this Section 2.11, a stockholder shall also comply with all applicable requirements of state law and of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.11. Nothing in this Section 2.11 shall be deemed to affect any right of a stockholder to request inclusion of a proposal in, nor the right of the Corporation to omit a proposal from, the Corporation's proxy statement pursuant to Rule 14a-8 (or any successor provision) under the Exchange Act. Nothing in this Section 2.11 shall require disclosure of revocable proxies received by the stockholder or Stockholder Associated Person pursuant to a solicitation of proxies after the filing of an effective Schedule 14A by such stockholder or Stockholder Associated Person under Section 14(a) of the Exchange Act.

(d) *Control Share Acquisition Act* . Notwithstanding any other provision of the charter of the Corporation or these Bylaws, Title 3, Subtitle 7 of the Maryland General Corporation Law (the "MGCL"), or any successor statute, shall not apply to any acquisition by any person of shares of stock of the Corporation. This section may be repealed, in whole or part, at any time, whether before or after an acquisition of control shares and, upon such repeal, may, to the extent provided by any successor bylaw, apply to any prior or subsequent control share acquisition.

Section 2.12 Voting by Ballot . Voting on any question or in any election may be viva voce unless the presiding officer shall order or any stockholder shall demand that voting be by ballot.

**ARTICLE III.
DIRECTORS**

Section 3.1 General Powers . The business and affairs of the Corporation shall be managed under the direction of its Board of Directors.

Section 3.2 Number and Tenure . At any regular meeting or at any special meeting called for that purpose, a majority of the entire Board of Directors may establish, increase or decrease the number of directors, provided that the number shall never be less than one (1) nor more than twelve (12), and the tenure of office of a director shall not be affected by any decrease in the number of directors. At such time as permitted by Section 3-802(a) of Title 3, Subtitle 8 of the MGCL, the Corporation elects to be subject to Section 3-804(b) of Title 3, Subtitle 8 of the MGCL.

Section 3.3 Annual and Regular Meetings . An annual meeting of the Board of Directors shall be held immediately after and at the same place as the annual meeting of stockholders, no notice other than this Bylaw being necessary. In the event such meeting is not so held, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors. Regular meetings of the Board of Directors shall be held from time to time at such places and times as provided by the Board of Directors by resolution, without notice other than such resolution.

Section 3.4 Special Meetings . Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board of Directors, the President or by a majority of the directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix any place as the place for holding any special meeting of the Board of Directors called by them. The Board of Directors may provide, by resolution, the time and place for the holding of special meetings of the Board of Directors without notice other than such resolution.

Section 3.5 Notice . Notice of any special meeting of the Board of Directors shall be delivered personally or by telephone, electronic mail, facsimile transmission, United States mail or courier to each director at his or her business or residence address. Notice by personal delivery, telephone, electronic mail or facsimile transmission shall be given at least 24 hours prior to the meeting. Notice by United States mail shall be given at least three days prior to the meeting. Notice by courier shall be given at least two days prior to the meeting. Telephone notice shall be deemed to be given when the director or his or her agent is personally given such notice in a telephone call to which the director or his or her agent is a party. Electronic mail notice shall be deemed to be given upon transmission of the message to the electronic mail address given to the Corporation by the director. Facsimile transmission notice shall be deemed to be given upon completion of the transmission of the message to the number given to the Corporation by the director and receipt of a completed answer back indicating receipt. Notice by United States mail shall be deemed to be given when deposited in the United States mail properly addressed, with postage thereon prepaid. Notice by courier shall be deemed to be given when deposited with or delivered to a courier properly addressed. Neither the business to be

transacted at, nor the purpose of, any annual, regular or special meeting of the Board of Directors need be stated in the notice, unless specifically required by statute or these Bylaws.

Section 3.6 Quorum . A majority of the directors shall constitute a quorum for transaction of business at any meeting of the Board of Directors, provided that, if less than a majority of such directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice, and provided further that if, pursuant to applicable law, the charter of the Corporation or these Bylaws, the vote of a majority or other percentage of a particular group of directors is required for action a quorum must also include a majority of such group. The directors present at a meeting, which has been duly called and at which a quorum was established may continue to transact business until adjournment, notwithstanding the withdrawal from the meeting of enough directors to leave fewer than were required to establish a quorum

Section 3.7 Voting . The action of a majority of the directors present at a meeting at which a quorum is present shall be the action of the Board of Directors, unless the concurrence of a greater proportion is required for such action by applicable law, the charter of the Corporation or these Bylaws. If enough directors have withdrawn from a meeting to leave fewer than were required to establish a quorum but the meeting is not adjourned, the action of a majority of that number of directors necessary to constitute a quorum at such meeting shall be the action of the Board of Directors, unless the concurrence of a greater proportion is required for such action by applicable law, the charter of the Corporation or these Bylaws.

Section 3.8 Chairman of the Board . The Board of Directors shall designate one or more chairmen of the board who shall preside over board meetings and stockholders' meetings at which he or she must be present. The Board of Directors may also designate a Vice Chairman of the Board who shall perform the same duties as the Chairman of the Board of Directors.

Section 3.9 Organization . At each meeting of the Board of Directors, the Chairman of the Board of Directors or, in the absence of the Chairman, the Vice Chairman of the Board of Directors, if any, shall act as chairman of the meeting. In the absence of both the Chairman and Vice Chairman of the Board, the Chief Executive Officer or in the absence of the Chief Executive Officer, the President or in the absence of the President, a director chosen by a majority of the directors present, shall act as chairman of the meeting. The Secretary or, in his or her absence, an individual appointed by the chairman of the meeting, shall act as secretary of the meeting.

Section 3.10 Telephone Meetings . Directors may participate in a meeting by means of a conference telephone or other communications equipment if all persons participating in the meeting can hear each other at the same time; provided however, this Section 3.10 does not apply to any action of the directors pursuant to the Investment Company Act that requires the vote of the directors to be cast in person at a meeting. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 3.11 Consent by Directors Without a Meeting . Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if a consent in writing or by electronic transmission to such action is given by each director and is filed with the minutes of proceedings of the Board of Directors; provided, however, this Section 3.11 does not apply to any action of the directors pursuant to the Investment Company Act that requires the vote of the directors to be cast in person at a meeting.

Section 3.12 Vacancies . If for any reason any or all the directors cease to be directors, such event shall not terminate the Corporation or affect these Bylaws or the powers of the remaining directors hereunder, if any. At such time as permitted by Section 3-802(a) of Title 3, Subtitle 8 of the MGCL, the Corporation elects to be subject to Section 3-804(c) of Subtitle 8 of Title 3 of the MGCL. Accordingly, at such time, except as may be provided by the Board of Directors in setting the terms of any class or series of preferred stock, any vacancy and all vacancies on the Board of Directors may be filled only by the affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum. Any director elected to fill a vacancy shall serve for the remainder of the full term of the directorship in which the vacancy occurred and until a successor is elected and qualifies, subject to any applicable requirements of the Investment Company Act.

Section 3.13 Compensation . Directors shall not receive any stated salary for their services as directors but, by resolution of the Board of Directors, may receive compensation per year and/or per meeting and for any service or activity they performed or engaged in as directors. Directors may be reimbursed for expenses of attendance, if any, at each annual, regular or special meeting of the Board of Directors or of any committee thereof and for their expenses, if any, in connection with such service or activity they performed or engaged in as directors; but nothing herein contained shall be construed to preclude any directors from serving the Corporation in any other capacity and receiving compensation therefor.

Section 3.14 Removal and Resignation of Directors . The stockholders may, at any time, remove any director in the manner provided in the charter of the Corporation. Any director of the Corporation may resign at any time by delivering his or her resignation to the Board of Directors, the Chairman of the Board of Directors, or the Secretary of the Corporation. Any resignation shall take effect immediately upon its receipt or at such later time specified in the resignation. The acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation.

Section 3.15 Reliance . Each director and officer of the Corporation shall, in the performance of his or her duties with respect to the Corporation, be entitled to rely on any information, opinion, report or statement, including any financial statement or other financial data, prepared or presented by an officer or employee of the Corporation whom the director or officer reasonably believes to be reliable and competent in the matters presented, by a lawyer, certified public accountant or other person, as to a matter which the director or officer reasonably believes to be within the person's professional or expert competence, or, with respect to a director, by a committee of the Board of Directors on which the director does not serve, as to a matter within its designated authority, if the director reasonably believes the committee to merit

confidence.

Section 3.16 Ratification. The Board of Directors or the stockholders may ratify and make binding on the Corporation any action or inaction by the Corporation or its officers to the extent that the Board of Directors or the stockholders could have originally authorized the matter. Moreover, any action or inaction questioned in any stockholders' derivative proceeding or any other proceeding on the ground of lack of authority, defective or irregular execution, adverse interest of a director, officer or stockholder, non-disclosure, miscomputation, the application of improper principles or practices of accounting, or otherwise, may be ratified, before or after judgment, by the Board of Directors or by the stockholders, and if so ratified, shall have the same force and effect as if the questioned action or inaction had been originally duly authorized, and such ratification shall be binding upon the Corporation and its stockholders and shall constitute a bar to any claim or execution of any judgment in respect of such questioned action or inaction.

Section 3.17 Emergency Provisions. Notwithstanding any other provision in the charter of the Corporation or these Bylaws, this Section 3.17 shall apply during the existence of any catastrophe, or other similar emergency condition, as a result of which a quorum of the Board of Directors under Article III of these Bylaws cannot readily be obtained (an "Emergency"). During any Emergency, unless otherwise provided by the Board of Directors, (i) a meeting of the Board of Directors or a committee thereof may be called by any director or officer by any means feasible under the circumstances; (ii) notice of any meeting of the Board of Directors during such an Emergency may be given less than 24 hours prior to the meeting to as many directors and by such means as may be feasible at the time, including publication, television or radio and (iii) the number of directors necessary to constitute a quorum shall be one-third of the entire Board of Directors.

ARTICLE IV. COMMITTEES

Section 4.1 Number, Tenure and Qualifications . The Board of Directors may appoint from among its members an Executive Committee, an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee and other committees, composed of one or more directors, to serve at the pleasure of the Board of Directors.

Section 4.2 Powers . The Board of Directors may delegate to committees appointed under Section 4.1 of this Article any of the powers of the Board of Directors, except as prohibited by law.

Section 4.3 Meetings . Notice of committee meetings shall be given in the same manner as notice for special meetings of the Board of Directors. A majority of the members of the committee shall constitute a quorum for the transaction of business at any meeting of the committee. The act of a majority of the committee members present at a meeting shall be the act of such committee. The Board of Directors may designate a chairman of any committee, and such chairman or, in the absence of a chairman, any two members of any committee (if there are

at least two members of the Committee) may fix the time and place of its meeting unless the Board shall otherwise provide. In the absence of any member of any such committee, the members thereof present at any meeting, whether or not they constitute a quorum, may appoint another director to act in the place of such absent member. Each committee shall keep minutes of its proceedings.

Section 4.4 Telephone Meetings . Members of a committee of the Board of Directors may participate in a meeting by means of a conference telephone or other communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 4.5 Consent by Committees Without a Meeting . Any action required or permitted to be taken at any meeting of a committee of the Board of Directors may be taken without a meeting, if a consent in writing or by electronic transmission to such action is given by each member of the committee is filed with the minutes of proceedings of such committee.

Section 4.6 Vacancies . Subject to the provisions hereof, the Board of Directors shall have the power at any time to change the membership of any committee, to fill any vacancy to designate an alternate member to replace any absent or disqualified member or to dissolve any such committee. Subject to the power of the Board of Directors, the members of the committee shall have the power to fill any vacancies on the committee.

ARTICLE V. OFFICERS

Section 5.1 General Provisions . The officers of the Corporation shall include a President, a Chief Executive Officer, a Secretary and a Treasurer and may include one or more Vice Presidents, a Chief Operating Officer, a Chief Financial Officer, a Chief Investment Officer, and one or more Managing Directors. In addition, the Board of Directors may from time to time elect such other officers with such powers and duties as it shall deem necessary or desirable. The officers of the Corporation shall be elected annually by the Board of Directors, except that the Chief Executive Officer or President may from time to time appoint one or more Vice Presidents or other officers. Each officer shall serve until his or her successor is elected and qualifies or until his or her death or his or her resignation or removal in the manner hereinafter provided. The same person may hold any two or more offices except President and Vice President. Election of an officer or agent shall not of itself create contract rights between the Corporation and such officer or agent.

Section 5.2 Removal and Resignation . Any officer or agent of the Corporation may be removed, with or without cause, by the Board of Directors if in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any officer of the Corporation may resign at any time by delivering his or her resignation to the Board of Directors, the Chairman of the Board of Directors, the President or the Secretary. Any resignation shall take effect immediately upon its receipt or at such later time specified in the notice of resignation. The acceptance of a

resignation shall not be necessary to make it effective unless otherwise stated in the resignation. Such resignation shall be without prejudice to the contract rights, if any, of the Corporation.

Section 5.3 Vacancies . A vacancy in any office may be filled by the Board of Directors for the balance of the term.

Section 5.4 Chief Executive Officer . The Board of Directors may designate a Chief Executive Officer. In the absence of such designation, the President shall be the Chief Executive Officer of the Corporation. The Chief Executive Officer shall have general responsibility for implementation of the policies of the Corporation, as determined by the Board of Directors, and for the management of the business and affairs of the Corporation. He or she may execute any deed, mortgage, bond, contract or other instrument, except in cases where the execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law to be otherwise executed, and in general shall perform all duties incident to the office of Chief Executive Officer and such other duties as may be prescribed by the Board of Directors from time to time.

Section 5.5 President . In the absence of a designation of a Chief Executive Officer by the Board of Directors, the President shall be the Chief Executive Officer. He or she may execute any deed, mortgage, bond, contract or other instrument, except in cases where the execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law to be otherwise executed, and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 5.6 Chief Financial Officer . The Board of Directors may designate a Chief Financial Officer. The Chief Financial Officer shall have the responsibilities and duties as determined by the Board of Directors or the Chief Executive Officer.

Section 5.7 Chief Investment Officer . The Board of Directors may designate a Chief Investment Officer. The Chief Investment Officer shall have the responsibilities and duties as determined by the Board of Directors or the Chief Executive Officer.

Section 5.8 Secretary . The Secretary shall (a) keep the minutes of the proceedings of the stockholders, the Board of Directors, committees of the Board of Directors, and committees of the officers in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of any seal adopted by the Corporation; (d) keep a register of the post office address of each stockholder which shall be furnished to the Secretary by such stockholder; (e) have general charge of the stock transfer books of the Corporation; and (f) in general perform such other duties as from time to time may be assigned to him or her by the Chief Executive Officer, the President or the Board of Directors.

Section 5.9 Treasurer . The Treasurer shall have the custody of the funds and securities of the Corporation and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other

valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. In the absence of a designation of a Chief Financial Officer by the Board of Directors, the Treasurer shall be the Chief Financial Officer of the Corporation. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and Board of Directors, at the regular meetings of the Board of Directors or whenever it may so require, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation.

Section 5.10 Managing Directors . The Managing Directors, if any, shall serve as officers of the Corporation. The Managing Directors shall perform such duties as shall be assigned to them by the President, the Chief Executive Officer or the Board of Directors.

Section 5.11 Investment Committee and Other Committees . The President, Chief Executive Officer, and Board of Directors shall appoint individuals to serve as members of the Corporation's Investment Committee. The Investment Committee shall perform such duties as required to evaluate investments of the Corporation, and shall perform such duties as shall be assigned to it by the President, the Chief Executive Officer or the Board of Directors. The President and Chief Executive Officer may, from time to time, establish other committees.

ARTICLE VI.

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 6.1 Contracts . The Board of Directors may authorize any officer or agent to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances. Any agreement, deed, mortgage, lease or other document shall be valid and binding upon the Corporation when duly authorized or ratified by action of the Board of Directors and executed by an authorized person.

Section 6.2 Checks and Drafts . All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or agent of the Corporation in such manner as shall from time to time be determined by the Board of Directors.

Section 6.3 Deposits . All funds of the Corporation not otherwise employed shall be deposited or invested from time to time to the credit of the Corporation as the Board of Directors, the Chief Executive Officer, the Chief Financial Officer or any other officer designated by the Board of Directors may determine.

ARTICLE VII.

STOCK

Section 7.1 Certificates: Required Information . Except as otherwise may be provided by the Board of Directors, stockholders of the Corporation are not entitled to certificates representing the shares of stock held by them. In the event that the Corporation

issues shares of stock represented by certificates, such certificates shall be in such form as prescribed by the Board of Directors or a duly authorized officer, shall contain any information required by the MGCL and shall be signed by the officers of the Corporation in the manner permitted by the MGCL. In the event that the Corporation issues shares of stock without certificates, to the extent then required by the MGCL, the Corporation shall provide to the record holders of such shares a written statement of the information required by the Maryland General Corporation Law to be included on stock certificates. There shall be no differences in the rights and obligations of stockholders based on whether or not their shares are represented by certificates.

Section 7.2 Transfers When Certificates Issued . All transfers of shares of stock shall be made on the books of the Corporation, by the holder of the shares, in person or by his or her attorney, in such manner as the Board of Directors or any officer of the Corporation may prescribe and, if such shares are certificated, upon surrender of certificates duly endorsed. The issuance of a new certificate upon the transfer of certificated shares is subject to the determination of the Board of Directors that such shares shall no longer be represented by certificates. Upon the transfer of uncertificated shares, to the extent then required by the MGCL, the Corporation shall provide to record holders of such shares a written statement of the information required by the MGCL to be included on stock certificates. The Corporation shall be entitled to treat the holder of record of any share of stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Maryland. Notwithstanding the foregoing, transfers of shares of any class or series of stock will be subject in all respects to the charter of the Corporation and all of the terms and conditions contained therein.

Section 7.3 Replacement Certificate . The President, the Secretary, the Treasurer or any other officer of the Corporation may direct a new certificate to be issued in place of any certificate previously issued by the Corporation alleged to have been lost, stolen, destroyed or mutilated upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen, destroyed or mutilated; provided, however, if such shares have ceased to be certificated, no new certificate shall be issued unless requested in writing by such stockholder and the Board of Directors has determined that such certificates may be issued. Unless otherwise determined by an officer of the Corporation, the owner of such lost, stolen, destroyed or mutilated certificate or certificates, or his or her legal representative, shall be required, as a condition precedent to the issuance of a new certificate or certificates, to give the Corporation a bond in such sums as it may direct as indemnity against any claim that may be made against the Corporation.

Section 7.4 Closing of Transfer Books or Fixing of Record Date . The Board of Directors may set, in advance, a record date for the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or determining stockholders entitled to receive payment of any dividend or the allotment of any other rights, or in order to make a determination of stockholders for any other proper purpose. Such date, in any case, shall not be prior to the close of business on the day the record date is fixed and shall be not more than 90 days and, in the case of a meeting of stockholders, not less than ten days, before the date on

which the meeting or particular action requiring such determination of stockholders of record is to be held or taken. When a record date for the determination of stockholders entitled to notice of and to vote at any meeting of stockholders has been set as provided in this Section 7.4, such record date shall continue to apply to the meeting if adjourned or postponed, except if the meeting is adjourned to a date more than 120 days or postponed to a date more than 90 days after the record date originally fixed for the meeting, in which case a new record date for such meeting may be determined as set forth herein.

Section 7.5 Stock Ledger . The Corporation shall maintain at its principal office or at the office of its counsel, accountants or transfer agent, an original or duplicate stock ledger containing the name and address of each stockholder and the number of shares of stock of each class held by such stockholder.

Section 7.6 Fractional Stock; Issuance of Units . The Board of Directors may issue fractional stock or provide for the issuance of scrip, all on such terms and under such conditions as they may determine. Notwithstanding any other provision of the charter of the Corporation or these Bylaws, the Board of Directors may issue units consisting of different securities of the Corporation. Any security issued in a unit shall have the same characteristics as any identical securities issued by the Corporation, except that the Board of Directors may provide that for a specified period securities of the Corporation issued in such unit may be transferred on the books of the Corporation only in such unit.

ARTICLE VIII. ACCOUNTING YEAR

The Board of Directors shall have the power, from time to time, to fix the fiscal year of the Corporation by a duly adopted resolution.

ARTICLE IX. DISTRIBUTIONS

Section 9.1 Authorization . Dividends and other distributions upon the stock of the Corporation may be authorized by the Board of Directors, subject to the provisions of law and the charter of the Corporation. Dividends and other distributions may be paid in cash, property or stock of the Corporation, subject to the provisions of law and the charter of the Corporation.

Section 9.2 Contingencies . Before payment of any dividends or other distributions, there may be set aside out of any assets of the Corporation available for dividends or other distributions such sum or sums as the Board of Directors may from time to time, in its absolute discretion, think proper as a reserve fund for contingencies, for equalizing dividends, for repairing or maintaining any property of the Corporation or for such other purpose as the Board of Directors shall determine, and the Board of Directors may modify or abolish any such reserve.

**ARTICLE X.
SEAL**

Section 10.1 Seal . The Board of Directors may authorize the adoption of a seal by the Corporation. The seal shall contain the name of the Corporation and the year of its incorporation and the words "Incorporated Maryland." The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof.

Section 10.2 Affixing Seal . Whenever the Corporation is permitted or required to affix its seal to a document, it shall be sufficient to meet the requirements of any law, rule or regulation relating to a seal to place the word "(SEAL)" adjacent to the signature of the person authorized to execute the document on behalf of the Corporation.

**ARTICLE XI.
INDEMNIFICATION AND ADVANCE OF EXPENSES**

To the maximum extent permitted by Maryland law and the Investment Company Act, in effect from time to time, the Corporation shall indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, shall pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (a) any individual who is a present or former director or officer of the Corporation and who is made, or threatened to be made, a party to the proceeding by reason of his or her service in that capacity or (b) any individual who, while a director or officer of the Corporation and at the request of the Corporation, serves or has served as a director, officer, partner or trustee of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made, or threatened to be made, a party to the proceeding by reason of his or her service in any such capacity. The rights to indemnification and advance of expenses provided by the charter of the Corporation and these Bylaws shall vest immediately upon election of a director or officer. The Corporation may, with the approval of its Board of Directors or any duly authorized committee thereof, provide such indemnification and advance for expenses to a person who served a predecessor of the Corporation in any of the capacities described in (a) or (b) above and to any employee or agent of the Corporation or a predecessor of the Corporation upon receipt of an undertaking by or on behalf of such indemnified person to repay amounts that have so been paid if it is ultimately determined that indemnification of such expenses is not authorized under these Bylaws. The indemnification and payment or reimbursement of expenses provided in these Bylaws shall not be deemed exclusive of or limit in any way other rights to which any person seeking indemnification or payment of expenses may be or may become entitled under any bylaw, regulation, insurance, agreement or otherwise. Neither the amendment nor repeal of this Article, nor the adoption or amendment of any other provision of the Bylaws or charter of the Corporation inconsistent with this Article, shall apply to or affect in any respect the applicability of the preceding paragraph with respect to any act or failure to act that occurred prior to such amendment, repeal or adoption. Any indemnification or payment or reimbursement of expenses made pursuant to these Bylaws shall be subject to applicable requirements of the Investment Company Act.

**ARTICLE XII.
WAIVER OF NOTICE**

Whenever any notice of a meeting is required to be given pursuant to the charter of the Corporation or these Bylaws or pursuant to applicable law, a waiver thereof in writing or by electronic transmission, given by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at nor the purpose of any meeting need be set forth in the waiver of notice, unless specifically required by statute. The attendance of any person at any meeting shall constitute a waiver of notice of such meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

**ARTICLE XIII.
INSPECTION OF RECORDS**

A stockholder who is otherwise eligible under the MGCL to inspect certain books and records of the Corporation shall have no right to inspect any such books and records if the Board of Directors determines that such stockholder has an improper purpose for such inspection.

**ARTICLE XIV.
INVESTMENT COMPANY ACT**

If and to the extent that any provision of the MGCL, including, without limitation, Subtitle 6 and, if then applicable, Subtitle 7, of Title 3 of the MGCL, or any provision of the charter of the Corporation or these Bylaws conflicts with any provision of the Investment Company Act, the applicable provision of the Investment Company Act shall control.

**ARTICLE XV.
AMENDMENT OF BYLAWS**

The Board of Directors shall have the exclusive power to adopt, alter or repeal any provision of these Bylaws and to make new Bylaws.

**Certification of Chief Executive Officer of Triangle Capital Corporation
pursuant to Rule 13a-14(a) under the Exchange Act,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Garland S. Tucker, III, as Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Triangle Capital 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(s) 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (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(s) 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.

/s/ GARLAND S. TUCKER, III

Garland S. Tucker, III
Chief Executive Officer

May 4, 2011

**Certification of Chief Financial Officer of Triangle Capital Corporation
pursuant to Rule 13a-14(a) under the Exchange Act,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Steven C. Lilly, as Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Triangle Capital 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(s) 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (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(s) 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.

/s/ STEVEN C. LILLY

Steven C. Lilly
Chief Financial Officer

May 4, 2011

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Triangle Capital Corporation (the "Company") on Form 10-Q for the period ended March 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Garland S. Tucker, III, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ GARLAND S. TUCKER, III

Garland S. Tucker, III
Chief Executive Officer

May 4, 2011

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Triangle Capital Corporation (the "Company") on Form 10-Q for the period ended March 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven C. Lilly, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ STEVEN C. LILLY

Steven C. Lilly
Chief Financial Officer

May 4, 2011