

TEEKAY TANKERS LTD.
Form 6-K
November 28, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934
For the quarterly period ended September 30, 2016
Commission file number 1-33867

TEEKAY TANKERS LTD.
(Exact name of Registrant as specified in its charter)

4th Floor, Belvedere Building, 69 Pitts Bay Road, Hamilton, HM 08, Bermuda
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.
Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T
Rule 101(b)(1).

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T
Rule 101(b)(7).

Yes No

TEEKAY TANKERS LTD.
REPORT ON FORM 6-K FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2016
INDEX

<u>PART I: FINANCIAL INFORMATION</u>	PAGE
Item 1. <u>Financial Statements</u>	
<u>Unaudited Consolidated Statements of (Loss) Income for the three and nine months ended September 30, 2016 and 2015</u>	<u>1</u>
<u>Unaudited Consolidated Balance Sheets as at September 30, 2016 and December 31, 2015</u>	<u>2</u>
<u>Unaudited Consolidated Statements of Cash Flows for the nine months ended September 30, 2016 and 2015</u>	<u>3</u>
<u>Unaudited Consolidated Statement of Changes in Equity for the nine months ended September 30, 2016</u>	<u>4</u>
<u>Notes to the Unaudited Consolidated Financial Statements</u>	<u>5</u>
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>21</u>
Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	<u>35</u>
<u>PART II: OTHER INFORMATION</u>	<u>37</u>
<u>SIGNATURES</u>	<u>38</u>

TEEKAY TANKERS LTD.

September 30, 2016

PART I – FINANCIAL INFORMATION

ITEM 1 — FINANCIAL STATEMENTS

TEEKAY TANKERS LTD.

UNAUDITED CONSOLIDATED STATEMENTS OF (LOSS) INCOME (note 3)

(in thousands of U.S. dollars, except share and per share amounts)

	Three Months Ended September 30, 2016 \$	Three Months Ended September 30, 2015 \$	Nine Months Ended September 30, 2016 \$	Nine Months Ended September 30, 2015 \$
REVENUES				
Net pool revenues (note 12a)	49,174	92,022	250,426	263,510
Time charter revenues (note 12a)	23,276	20,339	68,884	48,387
Voyage charter revenues	23,176	5,502	59,750	20,327
Other revenues (notes 6 and 16)	8,995	8,538	30,132	12,983
Total revenues	104,621	126,401	409,192	345,207
Voyage expenses (note 12a)	(14,933)	(2,653)	(37,514)	(10,164)
Vessel operating expenses (note 12a)	(44,783)	(35,267)	(136,245)	(87,085)
Time-charter hire expense	(11,335)	(21,382)	(47,964)	(53,178)
Depreciation and amortization	(25,888)	(17,878)	(78,576)	(48,346)
General and administrative expenses (note 12a)	(3,572)	(4,310)	(13,774)	(10,992)
Loss on sale of vessel	(137)	—	(137)	—
Asset impairments (note 13)	(7,766)	—	(14,186)	—
Restructuring charges (note 16)	—	(327)	—	(4,772)
(Loss) income from operations	(3,793)	44,584	80,796	130,670
Interest expense	(6,809)	(4,008)	(22,421)	(9,659)
Interest income	18	28	70	67
Realized and unrealized gain (loss) on derivative instruments (note 8)	3,629	(1,031)	(7,902)	(2,095)
Equity income (note 5)	1,045	2,762	9,599	8,931
Other income (expense) (note 9)	453	(1,385)	(4,133)	(1,838)
Net (loss) income	(5,457)	40,950	56,009	126,076
Per common share amounts (note 14)				
- Basic (loss) income per share	(0.03)	0.31	0.36	1.02
- Diluted (loss) income per share	(0.03)	0.30	0.36	1.02
- Cash dividends declared	0.06	0.03	0.15	0.09
Weighted-average number of Class A and Class B common stock outstanding (note 14)				
- Basic	156,284,136	134,630,768	156,192,572	121,933,274
- Diluted	156,284,136	135,174,756	156,458,691	122,504,070
Related party transactions (note 12)				

The accompanying notes are an integral part of the unaudited consolidated financial statements.

1

TEEKAY TANKERS LTD.
 UNAUDITED CONSOLIDATED BALANCE SHEETS (note 3)
 (in thousands of U.S. dollars)

	As at September 30, 2016 \$	As at December 31, 2015 \$
ASSETS		
Current		
Cash and cash equivalents	59,237	96,417
Restricted cash	1,000	870
Pool receivable from affiliates, net (note 12b)	14,073	62,735
Accounts receivable	25,245	28,313
Vessel held for sale (note 13)	13,151	—
Due from affiliates (note 12b)	52,501	67,159
Current portion of derivative assets (note 8)	1,554	—
Prepaid expenses	20,053	24,320
Total current assets	186,814	279,814
Vessels and equipment		
At cost, less accumulated depreciation of \$449.6 million (2015 - \$391.0 million)	1,664,859	1,767,925
Investment in and advances to equity accounted investments (note 5)	78,771	86,808
Derivative assets (note 8)	717	5,164
Intangible assets - net (note 17)	18,491	29,619
Goodwill (note 17)	8,059	—
Other non-current assets	73	146
Total assets	1,957,784	2,169,476
LIABILITIES AND EQUITY		
Current		
Accounts payable	9,858	16,717
Accrued liabilities	26,259	62,029
Current portion of long-term debt (note 7)	155,690	174,047
Current portion of derivative liabilities (note 8)	1,861	6,330
Current portion of in-process revenue contracts (notes 6 and 16)	—	1,223
Deferred revenue	1,955	2,676
Due to affiliates (note 12b)	26,470	26,630
Total current liabilities	222,093	289,652
Long-term debt (note 7)	810,961	990,558
Derivative liabilities (note 8)	2,763	4,208
Other long-term liabilities (note 9)	11,293	7,597
Total liabilities	1,047,110	1,292,015
Commitments and contingencies (notes 5, 7 and 8)		
Equity		
Common stock and additional paid-in capital (300.0 million shares authorized, 133.1 million Class A and 23.2 million Class B shares issued and outstanding as of September 30, 2016 and 132.8 million Class A and 23.2 million Class B shares issued and outstanding as of December 31, 2015)	1,095,511	1,094,874
Accumulated deficit	(184,837) (217,413)
Total equity	910,674	877,461

Total liabilities and equity	1,957,784	2,169,476
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The accompanying notes are an integral part of the unaudited consolidated financial statements.

TEEKAY TANKERS LTD.

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS (note 3)

(in thousands of U.S. dollars)

	Nine Months Ended September 30, 2016 \$	Nine Months Ended September 30, 2015 \$
Cash and cash equivalents provided by (used for)		
OPERATING ACTIVITIES		
Net income	56,009	126,076
Non-cash items:		
Depreciation and amortization	78,576	48,346
Loss on sale of vessel	137	—
Asset impairments (note 13)	14,186	—
Unrealized gain on derivative instruments	(3,021)	(5,297)
Equity income	(9,599)	(8,931)
Other	6,555	1,821
Change in operating assets and liabilities	45,089	571
Expenditures for dry docking	(6,477)	(17,749)
Net operating cash flow	181,455	144,837
FINANCING ACTIVITIES		
Proceeds from long-term debt, net of issuance costs	875,467	575,328
Repayments of long-term debt	(119,252)	(21,276)
Prepayment of long-term debt	(957,541)	(191,592)
Repayment of long-term debt of Entities under Common Control (note 3)	—	(3,971)
Equity contribution from Teekay Corporation to Entities under Common Control (note 3)	—	1,641
Net advances to affiliates (note 3)	—	(3,156)
Cash dividends paid	(42,159)	(10,519)
Proceeds from equity offerings, net of offering costs	—	227,995
Net financing cash flow	(243,485)	574,450
INVESTING ACTIVITIES		
Proceeds from sale of vessels (note 13)	14,078	—
Expenditures for vessels and equipment	(6,728)	(230,664)
Expenditures for Principal Maritimes vessel acquisitions	—	(526,021)
Loan repayments from equity accounted investment (note 5a)	2,500	1,000
Return of capital from (investment in) Teekay Tanker Operations Ltd. (note 5c)	15,000	(239)
Acquisition of SPT, net of \$0.4 million of cash assumed (note 17)	—	(45,581)
Net investing cash flow	24,850	(801,505)
Decrease in cash and cash equivalents	(37,180)	(82,218)
Cash and cash equivalents, beginning of the period	96,417	162,797
Cash and cash equivalents, end of the period	59,237	80,579
The accompanying notes are an integral part of the unaudited consolidated financial statements.		

TEEKAY TANKERS LTD.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of U.S. dollars, except share amounts)

	Common Stock and Additional Paid-in Capital				Accumulated	Total
	Thousands of Common Stock #	Class A \$	Class B \$	Deficit \$		\$
Balance as at December 31, 2015	156,031	1,032,239	62,635	(217,413)	877,461
Net income	—	—	—	56,009		56,009
Dividends declared	—	—	—	(23,433)	(23,433)
Equity-based compensation (note 11)	253	637	—	—		637
Balance as at September 30, 2016	156,284	1,032,876	62,635	(184,837)	910,674

The accompanying notes are an integral part of the unaudited consolidated financial statements.

TEEKAY TANKERS LTD.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(all tabular amounts stated in thousands of U.S. dollars, other than share or per share data)

1. Basis of Presentation

The unaudited interim consolidated financial statements (or consolidated financial statements) have been prepared in conformity with United States generally accepted accounting principles (or GAAP). These consolidated financial statements include the accounts of Teekay Tankers Ltd. and its wholly-owned subsidiaries and equity accounted investments (collectively the Company). The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Certain information and footnote disclosures required by GAAP for complete annual financial statements have been omitted and, therefore, these consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements filed on Form 20-F for the year ended December 31, 2015. In the opinion of management, these consolidated financial statements reflect all adjustments, consisting solely of a normal recurring nature, necessary to present fairly, in all material respects, the Company's consolidated financial position, results of operations, and cash flows for the interim periods presented. The results of operations for the interim periods presented are not necessarily indicative of those for a full fiscal year. Significant intercompany balances and transactions have been eliminated upon consolidation.

2. Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (or FASB) issued Accounting Standards Update 2014-09, Revenue from Contracts with Customers, (or ASU 2014-09). ASU 2014-09 will require an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This update creates a five-step model that requires entities to exercise judgment when considering the terms of the contract(s) which include (i) identifying the contract(s) with the customer, (ii) identifying the separate performance obligations in the contract, (iii) determining the transaction price, (iv) allocating the transaction price to the separate performance obligations, and (v) recognizing revenue as each performance obligation is satisfied. ASU 2014-09 is effective for the Company January 1, 2018 and shall be applied, at the Company's option, retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. The Company is evaluating the effect of adopting this new accounting guidance.

In February 2016, the FASB issued Accounting Standards Update 2016-02, Leases (or ASU 2016-02). ASU 2016-02 establishes a right-of-use model that requires a lessee to record a right of use asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. ASU 2016-02 is effective for the Company January 1, 2019 with early adoption permitted. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company is evaluating the effect of adopting this new accounting guidance.

In March 2016, the FASB issued Accounting Standards Update 2016-09, Improvements to Employee Share-Based Payment Accounting (or ASU 2016-09). ASU 2016-09 simplifies aspects of accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. ASU 2016-09 is effective for the Company January 1, 2017 with early adoption permitted. The Company expects the impact of adopting this new accounting guidance will result in a change in presentation of cash payments for tax withholdings on share settled equity awards from an operating cash outflow

to financing cash outflow on the Company's statements of cash flows.

In June 2016, the FASB issued Accounting Standards Update 2016-13, Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments. This update replaces the incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. This update is effective for the Company January 1, 2020, with a modified-retrospective approach. The Company is currently evaluating the effect of adopting this new guidance.

In August 2016, the FASB issued Accounting Standards Update 2016-15, Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments, which, among other things, provides guidance on two acceptable approaches of classifying distributions received from equity method investees in the statement of cash flows. This update is effective for the Company January 1, 2018, with a retrospective approach. The Company is currently evaluating the effect of adopting this new guidance.

3. Acquisition of Entities under Common Control

On December 18, 2015, the Company acquired from Teekay Offshore Partners L.P. (or TOO), which is an entity controlled by Teekay Corporation (or Teekay), two conventional oil tankers (the Explorer Spirit, formerly known as the SPT Explorer, and the Navigator Spirit), associated working capital and debt facilities, for an aggregate price of \$39.0 million, including working capital of approximately \$8.6 million and net of outstanding debt of approximately \$49.6 million (or the 2015 Acquired Business). Of this net amount, \$30.4 million was paid on closing of the transaction in December 2015 and the remaining \$8.6 million was paid in the first quarter of 2016. As part of this acquisition Teekay paid the Company \$2.9 million to terminate the existing time-charters for the Explorer Spirit and Navigator Spirit. Subsequent to the acquisition, Teekay entered into a contract with the Company to guarantee commitments under the existing credit facilities related to the two vessels for a payment of \$1.5 million. As a result of the 2015 Acquired Business, the Company's consolidated financial statements prior to the date of the Company acquired interests in the vessels are retroactively adjusted to include the results of these vessels during

TEEKAY TANKERS LTD.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(all tabular amounts stated in thousands of U.S. dollars, other than share or per share data)

the periods they were under common control of Teekay and had begun operations. The effect of adjusting such information to account for the 2015 Acquired Business in periods prior to the Company's acquisition thereof is referred to as the Entities under Common Control.

Assets and liabilities of the vessels the Company acquired from TOO are reflected on the Company's consolidated balance sheet at TOO's historical carrying values. The amount of the net purchase price of \$39.0 million that was in excess of TOO's historical carrying value of the net assets acquired of \$25.0 million has been accounted for as a \$14.0 million return of capital to Teekay.

All periods prior to the acquisition of these vessels from TOO have been retroactively adjusted to include the results of these vessels, as is required for a reorganization of entities under common control. All intercorporate transactions relating to these vessels between us and Teekay that occurred prior to the vessels' acquisition by us have been eliminated upon consolidation.

The effect of adjusting the Company's consolidated financial statements to account for these common control exchanges decreased the Company's net income for the three months ended September 30, 2015 by \$0.3 million and increased the Company's net income for the nine months ended September 30, 2015 by \$1.6 million. The adjustments for the Entities under Common Control increased the Company's revenues for the three and nine months ended September 30, 2015 by \$1.0 million and \$8.4 million, respectively.

In the preparation of the comparative amounts in these consolidated financial statements, shore-based costs for commercial management services (voyage expenses), ship management services (vessel operating expenses) and corporate/administrative services (general and administrative) were not identifiable as relating solely to each specific vessel. Costs for commercial management services were allocated based on the rates charged by Teekay to third parties to provide such services. Costs for ship management services were allocated based on internal estimates of the cost to provide this function. Costs for corporate/administrative services were allocated based on the actual per day costs incurred for the Company's other conventional tankers. Management believes these allocations reasonably present the interest expense and the general and administrative expenses of the Entities under Common Control.

4. Segment Reporting

On July 31, 2015, the Company acquired a ship-to-ship transfer business (or SPT) from a company jointly-owned by Teekay and a Norway-based marine transportation company I.M. Skaugen SE (see note 17). Following the acquisition, the Company has two reportable segments, its conventional tanker segment and its ship-to-ship transfer segment. The Company's conventional tanker segment consists of the operation of all of its tankers, including those employed on full service lightering contracts. The Company's ship-to-ship transfer segment consists of the Company's lightering support services, including those provided to the Company's conventional tanker segment as part of full service lightering operations and other related services. Segment results are evaluated based on income from operations. The accounting policies applied to the reportable segments are the same as those used in the preparation of the Company's consolidated financial statements.

The following table includes results for the Company's revenues and income from vessel operations by segment for the period ended September 30, 2016.

Three Months Ended September 30, 2016

Conventional Tanker Segment	Ship-to-Ship Transfer Segment	Inter-segment	Total
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			Adjustment (1)	
Revenues	95,626	9,837	(842)	104,621
Voyage expenses	(15,775)	—	842	(14,933)
Vessel operating expenses	(37,462)	(7,321)	—	(44,783)
Time-charter hire expense	(10,784)	(551)	—	(11,335)
Depreciation and amortization	(24,651)	(1,237)	—	(25,888)
General and administrative expenses	(2,955)	(617)	—	(3,572)
Asset impairment	(7,766)	—	—	(7,766)
Loss on sale of vessel	(137)	—	—	(137)
(Loss) income from operations ⁽²⁾	(3,904)	111	—	(3,793)
Equity Income	1,045	—	—	1,045

The ship-to-ship transfer segment provides lightering support services to the conventional tanker segment for full (1) service lightering operations and the pricing for such services is based on estimated costs incurred of approximately \$25,000 per voyage.

(2) Includes direct general and administrative expenses and indirect general and administrative expenses (allocated to each segment based on estimated use of corporate resources).

TEEKAY TANKERS LTD.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(all tabular amounts stated in thousands of U.S. dollars, other than share or per share data)

Three months ended September 30, 2015

	Conventional Tanker Segment	Ship-to-Ship Transfer Segment	Inter-segment Adjustment (1)	Total
Revenues	117,863	8,850	(312)	126,401
Voyage expenses	(2,461)	(192)	—	(2,653)
Vessel operating expenses	(29,164)	(6,415)	312	(35,267)
Time-charter hire expense	(21,344)	(38)	—	(21,382)
Depreciation and amortization	(17,234)	(644)	—	(17,878)
General and administrative expenses	(3,398)	(912)	—	(4,310)
Restructuring charges	—	(327)	—	(327)
Income from operations ⁽²⁾	44,262	322	—	44,584
Equity Income	2,762	—	—	2,762

The ship-to-ship transfer segment provides lightering support services to the conventional tanker segment for full (1) service lightering operations and the pricing for such services is based on estimated costs incurred of approximately \$25,000 per voyage.

(2) Includes direct general and administrative expenses and indirect general and administrative expenses (allocated to each segment based on estimated use of corporate resources).

Nine Months Ended September 30, 2016

	Conventional Tanker Segment	Ship-to-Ship Transfer Segment	Inter-segment Adjustment (1)	Total
Revenues	380,283	30,922	(2,013)	409,192
Voyage expenses	(39,527)	—	2,013	(37,514)
Vessel operating expenses	(112,248)	(23,997)	—	(136,245)
Time-charter hire expense	(46,670)	(1,294)	—	(47,964)
Depreciation and amortization	(74,925)	(3,651)	—	(78,576)
General and administrative expenses	(11,359)	(2,415)	—	(13,774)
Asset impairments	(14,186)	—	—	(14,186)
Loss on sale of vessel	(137)	—	—	(137)
Income (loss) from operations ⁽²⁾	81,231	(435)	—	80,796
Equity Income	9,599	—	—	9,599

The ship-to-ship transfer segment provides lightering support services to the conventional tanker segment for full (1) service lightering operations and the pricing for such services is based on estimated costs incurred of approximately \$25,000 per voyage.

(2) Includes direct general and administrative expenses and indirect general and administrative expenses (allocated to each segment based on estimated use of corporate resources).

TEEKAY TANKERS LTD.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(all tabular amounts stated in thousands of U.S. dollars, other than share or per share data)

Nine months ended September 30, 2015

	Conventional Tanker Segment	Ship-to-Ship Transfer Segment	Inter-segment Adjustment (1)	Total
Revenues	336,669	8,850	(312)	345,207
Voyage expenses	(9,972)	(192)	—	(10,164)
Vessel operating expenses	(80,982)	(6,415)	312	(87,085)
Time-charter hire expense	(53,140)	(38)	—	(53,178)
Depreciation and amortization	(47,702)	(644)	—	(48,346)
General and administrative expenses	(10,080)	(912)	—	(10,992)
Restructuring charges	(4,445)	(327)	—	(4,772)
Income from operations ⁽²⁾	130,348	322	—	130,670
Equity Income	8,931	—	—	8,931

(119)

Incorporated by reference from the Registrant's Post-Effective Amendment No. 11 to the Registration Statement on Form N-2, filed on January 23, 2015.

(120) Incorporated by reference from the Registrant's Post-Effective Amendment No. 12 to the Registration Statement on Form N-2, filed on January 29, 2015.

C-22

- (121) Incorporated by reference from the Registrant's Post-Effective Amendment No. 13 to the Registration Statement on Form N-2, filed on February 5, 2015.
- (122) Incorporated by reference from the Registrant's Post-Effective Amendment No. 14 to the Registration Statement on Form N-2, filed on February 20, 2015.
- (123) Incorporated by reference from the Registrant's Post-Effective Amendment No. 15 to the Registration Statement on Form N-2, filed on February 26, 2015.
- (124) Incorporated by reference from the Registrant's Post-Effective Amendment No. 16 to the Registration Statement on Form N-2, filed on March 5, 2015.
- (125) Incorporated by reference from the Registrant's Post-Effective Amendment No. 17 to the Registration Statement on Form N-2, filed on March 12, 2015.
- (126) Incorporated by reference from the Registrant's Post-Effective Amendment No. 18 to the Registration Statement on Form N-2, filed on March 19, 2015.
- (127) Incorporated by reference from the Registrant's Post-Effective Amendment No. 19 to the Registration Statement on Form N-2, filed on March 26, 2015.
- (128) Incorporated by reference from the Registrant's Post-Effective Amendment No. 20 to the Registration Statement on Form N-2, filed on April 2, 2015.
- (129) Incorporated by reference from the Registrant's Post-Effective Amendment No. 21 to the Registration Statement on Form N-2, filed on April 9, 2015.
- (130) Incorporated by reference from the Registrant's Post-Effective Amendment No. 22 to the Registration Statement on Form N-2, filed on April 16, 2015.
- (131) Incorporated by reference from the Registrant's Post-Effective Amendment No. 23 to the Registration Statement on Form N-2, filed on April 23, 2015.
- (132) Incorporated by reference from the Registrant's Post-Effective Amendment No. 24 to the Registration Statement on Form N-2, filed on April 29, 2015.
- (133) Incorporated by reference from the Registrant's Post-Effective Amendment No. 25 to the Registration Statement on Form N-2, filed on May 7, 2015.
- (134) Incorporated by reference from the Registrant's Post-Effective Amendment No. 26 to the Registration Statement on Form N-2, filed on May 21, 2015.
- (135) Incorporated by reference from the Registrant's Post-Effective Amendment No. 27 to the Registration Statement on Form N-2, filed on May 29, 2015.
- (136) Incorporated by reference from the Registrant's Post-Effective Amendment No. 28 to the Registration Statement on Form N-2, filed on June 4, 2015.
- (137) Incorporated by reference from the Registrant's Post-Effective Amendment No. 29 to the Registration Statement on Form N-2, filed on June 11, 2015.
- (138) Incorporated by reference from the Registrant's Post-Effective Amendment No. 30 to the Registration Statement on Form N-2, filed on June 18, 2015.
- (139) Incorporated by reference from the Registrant's Post-Effective Amendment No. 31 to the Registration Statement on Form N-2, filed on June 25, 2015.
- (140) Incorporated by reference from the Registrant's Post-Effective Amendment No. 32 to the Registration Statement on Form N-2, filed on July 2, 2015.
- (141) Incorporated by reference from the Registrant's Post-Effective Amendment No. 33 to the Registration Statement on Form N-2, filed on July 9, 2015.
- (142) Incorporated by reference from the Registrant's Post-Effective Amendment No. 34 to the Registration Statement on Form N-2, filed on July 16, 2015.
- (143) Incorporated by reference from the Registrant's Post-Effective Amendment No. 35 to the Registration Statement on Form N-2, filed on July 23, 2015.
- (144) Incorporated by reference from the Registrant's Post-Effective Amendment No. 36 to the Registration Statement on Form N-2, filed on July 30, 2015.
- (145)

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- Incorporated by reference from the Registrant's Post-Effective Amendment No. 37 to the Registration Statement on Form N-2, filed on August 6, 2015.
- (146) Incorporated by reference from the Registrant's Post-Effective Amendment No. 38 to the Registration Statement on Form N-2, filed on August 13, 2015.
- (147) Incorporated by reference from the Registrant's Post-Effective Amendment No. 39 to the Registration Statement on Form N-2, filed on August 20, 2015.
- (148) Incorporated by reference from the Registrant's Post-Effective Amendment No. 40 to the Registration Statement on Form N-2, filed on August 27, 2015.
- (149) Incorporated by reference to Exhibit 14 of the Registrant's Form 10-K, filed on August 26, 2015.

C-23

- (150) Incorporated by reference from the Registrant's Pre-Effective Registration Statement on Form N-2, filed on August 31, 2015.
- (151) Incorporated by reference to Exhibit 99.1 of the Registrant's Form 10-K/A, filed on September 11, 2015.
- (152) Incorporated by reference to Exhibit 99.2 of the Registrant's Form 10-K/A, filed on September 11, 2015.
- (153) Incorporated by reference from the Registrant's Post-Effective Amendment No. 42 to the Registration Statement on Form N-2, filed on September 16, 2015.
- (154) Incorporated by reference from the Registrant's Post-Effective Amendment No. 43 to the Registration Statement on Form N-2, filed on September 17, 2015.
- (155) Incorporated by reference from the Registrant's Post-Effective Amendment No. 44 to the Registration Statement on Form N-2, filed on September 24, 2015.
- (156) Incorporated by reference from the Registrant's Post-Effective Amendment No. 45 to the Registration Statement on Form N-2, filed on October 1, 2015.
- (157) Incorporated by reference from the Registrant's Post-Effective Amendment No. 46 to the Registration Statement on Form N-2, filed on October 8, 2015.
- (158) Incorporated by reference from the Registrant's Pre-Effective Amendment No. 1 to the Registration Statement on Form N-2, filed on October 9, 2015.
- (159) Incorporated by reference from the Registrant's Post-Effective Amendment No. 47 to the Registration Statement on Form N-2, filed on October 16, 2015.
- (160) Incorporated by reference from the Registrant's Post-Effective Amendment No. 48 to the Registration Statement on Form N-2, filed on October 22, 2015.
- (161) Incorporated by reference from the Registrant's Post-Effective Amendment No. 49 to the Registration Statement on Form N-2, filed on October 29, 2015.
- (162) Incorporated by reference from the Registrant's Pre-Effective Amendment No. 2 to the Registration Statement on Form N-2, filed on November 2, 2015.
- (163) Incorporated by reference from the Registrant's Post-Effective Amendment No. 50 to the Registration Statement on Form N-2, filed on November 4, 2015.
- (164) Incorporated by reference from the Registrant's Post-Effective Amendment No. 1 to the Registration Statement on Form N-2, filed on November 19, 2015.
- (165) Incorporated by reference from the Registrant's Post-Effective Amendment No. 2 to the Registration Statement on Form N-2, filed on November 27, 2015.
- (166) Incorporated by reference from the Registrant's Post-Effective Amendment No. 3 to the Registration Statement on Form N-2, filed on December 3, 2015.
- (167) Incorporated by reference from the Registrant's Post-Effective Amendment No. 4 to the Registration Statement on Form N-2, filed on December 10, 2015.
- (168) Incorporated by reference from the Registrant's Post-Effective Amendment No. 5 to the Registration Statement on Form N-2, filed on December 17, 2015.
- (169) Incorporated by reference from the Registrant's Post-Effective Amendment No. 6 to the Registration Statement on Form N-2, filed on December 24, 2015.
- (170) Incorporated by reference from the Registrant's Post-Effective Amendment No. 7 to the Registration Statement on Form N-2, filed on December 31, 2015.
- (171) Incorporated by reference from the Registrant's Post-Effective Amendment No. 8 to the Registration Statement on Form N-2, filed on January 7, 2016.
- (172) Incorporated by reference from the Registrant's Post-Effective Amendment No. 9 to the Registration Statement on Form N-2, filed on January 14, 2016.
- (173) Incorporated by reference from the Registrant's Post-Effective Amendment No. 10 to the Registration Statement on Form N-2, filed on January 22, 2016.
- (174) Incorporated by reference from the Registrant's Post-Effective Amendment No. 11 to the Registration Statement on Form N-2, filed on February 12, 2016.

† Filed herewith.

*To be filed by amendment.

ITEM 26. MARKETING ARRANGEMENTS

The information contained under the heading “Plan of Distribution” on this Registration Statement is incorporated herein by reference and any information concerning any underwriters will be contained in the accompanying prospectus supplement, if any.

C-24

ITEM 27. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

Commission registration fee	\$503,500
NASDAQ Global Select Additional Listing Fees	155,000
Accounting fees and expenses*	500,000
Legal fees and expenses*	1,000,000
Printing and engraving*	500,000
Miscellaneous fees and expenses*	100,000
Total	\$2,758,500

* These amounts are estimates.

All of the expenses set forth above shall be borne by the Company.

ITEM 28. PERSONS CONTROLLED BY OR UNDER COMMON CONTROL

As of October 27, 2015, the following list sets forth entities in which the Registrant owns a controlling interest, the state under whose laws the entity is organized, and the percentage of voting securities or membership interests owned by the Registrant in such entity.

Name of Entity and Place of Jurisdiction	% of Voting Securities Owned	
SB Forging Company, Inc. (Delaware)*	100.0	%
Arctic Oilfield Equipment USA, Inc. (Delaware)*	100.0	%
Arctic Energy Services, LLC (Delaware)	70.0	%
CP Holdings of Delaware LLC (Delaware)*	100.0	%
CP Energy Services Inc. (Delaware)	82.9	%
CP Well Testing, LLC (Delaware)	82.9	%
ProHaul Transports, LLC (Oklahoma)	82.9	%
Wright Foster Disposals, LLC (Delaware)	82.9	%
Wright Trucking, Inc. (Delaware)	82.9	%
Foster Testing Co., Inc. (Delaware)	82.9	%
Echelon Aviation LLC (Delaware)	100.0	%
Echelon Aviation II, LLC (Delaware)	100.0	%
Echelon Prime Coöperatief U.A. (Netherlands)	100.0	%
AerLift Leasing Limited (Isle of Man)	60.7	%
AerLift Leasing Jet Limited (Ireland)	50.0	%
AerLift Aircraft Leasing Limited (Isle of Man)	60.7	%
AerLift Leasing Isle of Man MSN 28415 Limited (Isle of Man)	60.7	%
Alpha Fifteenth Waha Lease Limited (Isle of Man)	60.7	%
Bravo Fifteenth Waha Lease Limited (Isle of Man)	60.7	%
Fourteenth Waha Lease Limited (Isle of Man)	60.7	%
Wahafлот Leasing 963 (Bermuda) Limited (Bermuda)	60.7	%
Wahafлот Leasing 1 Limited (Cyprus)	60.7	%
Name of Entity and Place of Jurisdiction	% of Voting Securities Owned	
16TH Waha Lease (Labuan) Limited (Labuan)	60.7	%
Waha Lease (Labuan) Limited (Labuan)	60.7	%
AerLift Leasing Netherlands B.V. (Netherlands)	60.7	%
AerLift Leasing Isle of Man 1 Limited (Isle of Man)	60.7	%
AerLift Leasing France MSN 24698 S.a.r.l. (France)	60.7	%
Energy Solutions Holdings Inc. (Delaware)*	100.0	%

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Freedom Marine Services Solutions, LLC (Delaware)	100.0	%
Vessel Company, LLC (Louisiana)	100.0	%
Vessel Company II, LLC (Delaware)	100.0	%
MV Gulf Endeavor L.L.C. (Louisiana)	100.0	%
MV Clint L.L.C. (Louisiana)	100.0	%
MV JF Jett L.L.C. (Louisiana)	100.0	%
Vessel Company III, LLC (Delaware)	100.0	%
MV FMS Courage LLC (Louisiana)	100.0	%
MV FMS Endurance LLC (Louisiana)	100.0	%
First Tower Holdings of Delaware LLC (Delaware)*	100.0	%
First Tower Finance Company LLC (Mississippi)†	80.1	%
First Tower, LLC (Mississippi)†	80.1	%
First Tower Loan, LLC (Louisiana)†	80.1	%
Gulfco of Louisiana, LLC (Louisiana)†	80.1	%
Gulfco of Mississippi, LLC (Mississippi)†	80.1	%
Gulfco of Alabama, LLC (Alabama)†	80.1	%
Tower Loan of Illinois, LLC (Mississippi)†	80.1	%
Tower Loan of Mississippi, LLC (Mississippi)†	80.1	%
Tower Loan of Missouri, LLC (Mississippi)†	80.1	%
Tower Auto Loan, LLC (Mississippi)†	80.1	%
American Federated Holding Company (Mississippi)†	80.1	%
American Federated Insurance Company, Inc. (Mississippi)†	80.1	%
American Federated Life Insurance Company, Inc. (Mississippi)†	80.1	%
Harbortouch Holdings of Delaware Inc. (Delaware)*	100.0	%
Harbortouch Payments, LLC (Delaware)†	53.5	%
Credit Card Processing USA, LLC (New Jersey)†	53.5	%
Integrated Contract Services, Inc. (Delaware)	100.0	%
NMMB Holdings, Inc. (Delaware)*	100.0	%
NMMB, Inc. (Delaware)	83.5	%
refuel agency, Inc. (Delaware)	83.5	%
Armed Forces Communications, Inc. (New York)	83.5	%
Prospect Capital Funding LLC (Delaware)*	100.0	%
Prospect Small Business Lending LLC (Delaware)*	100.0	%
PSBL, LLC (Delaware)*	100.0	%
Prospect Yield Corporation, LLC (Delaware)*	100.0	%
Wolf Energy Holdings Inc. (Delaware)*	100.0	%
Wolf Energy, LLC (Delaware)	100.0	%
Appalachian Energy LLC (Delaware)	100.0	%
C & S Operating, LLC (Delaware)	100.0	%

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Name of Entity and Place of Jurisdiction	% of Voting Securities Owned	
The Healing Staff, Inc. (Texas)	100.0	%
R-V Industries, Inc. (Pennsylvania)	88.3	%
STI Holding, Inc. (Delaware)	100.0	%
APH Property Holdings, LLC (Delaware)*	100.0	%
American Property REIT Corp. (Maryland)	100.0	%
APH Guarantor, LLC (Delaware)	100.0	%
1557 Terrell Mill Road, LLC (Delaware)	92.6	%
5100 Live Oaks Blvd, LLC (Delaware)	97.7	%
APH Carroll Resort, LLC (Delaware)	95.0	%
ARIUM Resort, LLC (Delaware)	95.0	%
Arlington Park Marietta, LLC (Delaware)	93.3	%
Lofton Place, LLC (Delaware)	93.2	%
Vista Palma Sola, LLC (Delaware)	93.2	%
APH Gulf Coast Holdings, LLC (Delaware)	99.3	%
NPH Property Holdings, LLC (Delaware)*	100.0	%
NPH Property Holdings II, LLC (Delaware)*	100.0	%
American Consumer Lending Holdings Limited (Cayman Islands)	100.0	%
American Consumer Lending (Near-Prime), LLC (Delaware)	100.0	%
American Consumer Lending (Prime), LLC (Delaware)	100.0	%
American Consumer Lending Intermediate Limited (Cayman Islands)	100.0	%
American Consumer Lending II (Near-Prime), LLC (Delaware)	100.0	%
American Consumer Lending II (Prime), LLC (Delaware)	100.0	%
American Consumer Lending III (Near-Prime), LLC (Delaware)	100.0	%
American Consumer Lending III (Prime), LLC (Delaware)	100.0	%
American Consumer Lending IV (Near-Prime), LLC (Delaware)	100.0	%
American Consumer Lending IV (Prime), LLC (Delaware)	100.0	%
American Consumer Lending Intermediate (Near-Prime), LLC (Delaware)	100.0	%
American Consumer Lending Intermediate (Prime), LLC (Delaware)	100.0	%
ACL Prime, LLC (Delaware)	100.0	%
ACL Near-Prime, LLC (Delaware)	100.0	%
ACL Patient Solutions, LLC (Delaware)	100.0	%
ACL Patient Solutions Holdings, LLC (Delaware)	100.0	%
ACL Consumer Lending Patient Solutions, LLC (Delaware)	100.0	%
ACL Intermediate Company, LLC (Delaware)	100.0	%
ACL Intermediate Company II, LLC (Delaware)	100.0	%
National Property REIT Corp. (Maryland)	100.0	%
NPH Guarantor, LLC (Delaware)	100.0	%
ACL Loan Holdings, Inc. (Delaware)	100.0	%
ACL Loan Company, Inc. (Delaware)	100.0	%
ACL Loan Company II, Inc. (Delaware)	100.0	%
ACL Loan Company III, Inc. (Delaware)	100.0	%
ACL Loan Company IV, Inc. (Delaware)	100.0	%
ACL Consumer Loan Trust (Delaware)	100.0	%
ACL Consumer Loan Trust II (Delaware)	100.0	%
ACL Consumer Loan Trust III (Delaware)	100.0	%

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Name of Entity and Place of Jurisdiction	% of Voting Securities Owned	
ACL Consumer Loan Trust IV (Delaware)	100.0	%
APH Carroll 41, LLC (Delaware)	94.0	%
APH Carroll Bartram Park, LLC (Delaware)	93.0	%
NPH Carroll Atlantic Beach, LLC (Delaware)	93.0	%
NPH McDowell, LLC (Delaware)	90.0	%
Matthews Reserve II, LLC (Delaware)	90.0	%
City West Apartments II, LLC (Delaware)	90.0	%
Mission Gate II, LLC (Delaware)	90.0	%
Vinings Corner II, LLC (Delaware)	90.0	%
Uptown Park Apartments II, LLC (Delaware)	90.0	%
St. Marin Apartments II, LLC (Delaware)	90.0	%
UPH Property Holdings, LLC (Delaware)*	100.0	%
United Property REIT Corp. (Maryland)	100.0	%
Canterbury Green Apartments Holdings, LLC (Delaware)	92.5	%
Canterbury Green Apartments, LLC (Delaware)	92.5	%
Canterbury Green Apartments TRS, LLC (Delaware)	92.5	%
Columbus OH Apartments HoldCo, LLC (Delaware)	65.4	%
Abbie Lakes OH Partners, LLC (Delaware)	65.4	%
Kengary Way OH Partners, LLC (Delaware)	65.4	%
Jefferson Chase OH Partners, LLC (Delaware)	65.4	%
Lakepoint OH Partners, LLC (Delaware)	65.4	%
Heatherbridge OH Partners, LLC (Delaware)	65.4	%
Sunbury OH Partners, LLC (Delaware)	65.4	%
Lakeview Trail OH Partners, LLC (Delaware)	65.4	%
Goldenstrand OH Partners, LLC (Delaware)	65.4	%
Michigan Storage, LLC (Delaware)	85.0	%
Michigan Storage TRS LLC (Delaware)	85.0	%
Ford Road Self Storage, LLC (Delaware)	85.0	%
Ball Avenue Self Storage, LLC (Delaware)	85.0	%
23 Mile Road Self Storage, LLC (Delaware)	85.0	%
36th Street Self Storage, LLC (Delaware)	85.0	%
Ann Arbor Kalamazoo Self Storage, LLC (Delaware)	85.0	%
Waldon Road Self Storage, LLC (Delaware)	85.0	%
Jolly Road Self Storage, LLC (Delaware)	85.0	%
Haggerty Road Self Storage, LLC (Delaware)	85.0	%
Eaton Rapids Road Self Storage, LLC (Delaware)	85.0	%
Tyler Road Self Storage, LLC (Delaware)	85.0	%
South Atlanta Portfolio Holding Company, LLC (Delaware)	92.6	%
South Atlanta Eastwood Village LLC (Georgia)	92.6	%
South Atlanta Monterey Village LLC (Georgia)	92.6	%
South Atlanta Hidden Creek LLC (Georgia)	92.6	%
South Atlanta Meadow Springs LLC (Georgia)	92.6	%
South Atlanta Meadow View LLC (Georgia)	92.6	%
South Atlanta Peachtree Landing LLC (Georgia)	92.6	%
AWC, LLC (Delaware)	100.0	%

Name of Entity and Place of Jurisdiction	% of Voting Securities Owned	
CCPI Holdings, Inc. (Delaware)*	100.0	%
CCPI Inc. (Delaware)	94.0	%
Credit Central Holdings of Delaware, LLC (Delaware)*	100.0	%
Credit Central Loan Company, LLC (South Carolina)	74.9	%
Credit Central, LLC (South Carolina)	74.9	%
Credit Central South, LLC (South Carolina)	74.9	%
Credit Central of Tennessee, LLC (South Carolina)	74.9	%
Credit Central of Texas, LLC (South Carolina)	74.9	%
MITY Holdings of Delaware Inc. (Delaware)*	100.0	%
MITY, Inc. (Utah)	94.9	%
MITY-LITE, Inc. (Utah)	94.9	%
Broda Enterprises ULC (British Columbia, Canada)	94.9	%
Broda USA, Inc. (Utah)	94.9	%
Nationwide Acceptance Holdings LLC (Delaware)*	100.0	%
Nationwide Loan Company LLC (Delaware)	93.8	%
Nationwide Online Lending LLC (Delaware)	93.8	%
Pelican Loan Company LLC (Delaware)	93.8	%
Nationwide Acceptance LLC (Delaware)	93.8	%
Hercules Insurance Agency LLC (Illinois)	93.8	%
Nationwide CAC LLC (Illinois)	93.8	%
Nationwide Cassel LLC (Illinois)	93.8	%
Nationwide Installment Services LLC (Illinois)	93.8	%
Nationwide Loans LLC (Illinois)	93.8	%
Nationwide Nevada LLC (Illinois)	93.8	%
Nationwide Northwest LLC (Illinois)	93.8	%
Nationwide Southeast LLC (Illinois)	93.8	%
Nationwide West LLC (Illinois)	93.8	%
NIKO Credit Services LLC (Illinois)	93.8	%
Valley Electric Holdings I, Inc. (Delaware)*	100.0	%
Valley Electric Holdings II, Inc. (Delaware)*	100.0	%
Valley Electric Company, Inc. (Delaware)	94.9	%
VE Company, Inc (Delaware)	94.9	%
Valley Electric Co. of Mt. Vernon, Inc. (Washington)	94.9	%
Gulf Coast Machine & Supply Company (Texas)	100.0	%

*Entity is consolidated for purposes of financial reporting.

† Entities for which separate financial statements are filed.

Prospect Capital Management L.P., a Delaware limited partnership, does not own any shares of the Registrant. Without conceding that Prospect Capital Management L.P. controls the Registrant, an affiliate of Prospect Capital Management L.P. is the general partner of, and may be deemed to control, the following entities:

Name	Jurisdiction of Organization
Prospect Street Ventures I, LLC	Delaware
Prospect Management Group LLC	Delaware
Prospect Street Energy LLC	Delaware
Prospect Administration LLC	Delaware
Prospect Capital Fund Management LLC	Delaware
Priority Senior Secured Income Management, LLC	Delaware
Pathway Energy Infrastructure Management, LLC	Delaware
Prospect Capital Investment Management, LLC	Delaware

ITEM 29. NUMBER OF HOLDERS OF SECURITIES

The following table sets forth the approximate number of record holders of our common stock at October 27, 2015.

Title of Class	Number of Record Holders
Common Stock, par value \$.001 per share	120

ITEM 30. INDEMNIFICATION

Maryland law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty established by a final judgment as being material to the cause of action. Our charter contains such a provision which eliminates directors' and officers' liability to the maximum extent permitted by Maryland law, subject to the requirements of the 1940 Act.

Our charter authorizes us, to the maximum extent permitted by Maryland law and subject to the requirements of the 1940 Act, to obligate ourselves to indemnify any present or former director or officer or any individual who, while a director or officer and at our request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee, from and against any claim or liability to which that person may become subject or which that person may incur by reason of his or her service in any such capacity and to pay or reimburse their reasonable expenses in advance of final disposition of a proceeding. Our bylaws obligate us, to the maximum extent permitted by Maryland law and subject to the requirements of the 1940 Act, to indemnify any present or former director or officer or any individual who, while a director or officer and at our request, serves or has served another corporation, real estate investment trust, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner, member, manager or trustee 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 from and against any claim or liability to which that person may become subject or which that person may incur by reason of his or her service in any such capacity and to pay or reimburse their reasonable expenses in advance of final disposition of a proceeding. The charter and bylaws also permit us to indemnify and advance expenses to any person who served a predecessor of us in any of the capacities described above and any of our employees or agents or any employees or agents of our predecessor. In accordance with the 1940 Act, we will not indemnify any person for any liability to which such person would be subject by reason of such person's willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office.

Maryland law requires a corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he

or she is made, or threatened to be made, a party by reason of his or her service in that capacity. Maryland law permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made, or threatened to be made, a party by reason of their service in those or other capacities unless it is established that (a) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (1) was committed in bad faith or (2) was the result of active and deliberate dishonesty, (b) the director or officer actually received an improper personal benefit in money, property or services or (c) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. However, under Maryland law, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that a personal benefit was improperly received, unless in either case a court orders indemnification, and then only for expenses. In addition, Maryland law

C-29

permits a corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of (a) a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation and (b) a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard of conduct was not met.

The Investment Advisory Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, Prospect Capital Management LLC (the "Adviser") and its officers, managers, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from the Company for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of the Adviser's services under the Investment Advisory Agreement or otherwise as an Investment Adviser of the Company.

The Administration Agreement provides that, absent willful misfeasance, bad faith or negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, Prospect Administration LLC and its officers, manager, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from the Company for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of Prospect Administration LLC's services under the Administration Agreement or otherwise as administrator for the Company.

The Administrator is authorized to enter into one or more sub-administration agreements with other service providers (each a "Sub-Administrator") pursuant to which the Administrator may obtain the services of the service providers in fulfilling its responsibilities hereunder. Any such sub-administration agreements shall be in accordance with the requirements of the 1940 Act and other applicable U.S. Federal and state law and shall contain a provision requiring the Sub-Administrator to comply with the same restrictions applicable to the Administrator.

ITEM 31. BUSINESS AND OTHER CONNECTIONS OF INVESTMENT ADVISER

A description of any other business, profession, vocation or employment of a substantial nature in which the Adviser, and each managing member, director or executive officer of the Adviser, is or has been during the past two fiscal years, engaged in for his or her own account or in the capacity of director, officer, employee, partner or trustee, is set forth in Part A of this Registration Statement in the section entitled "Management." Additional information regarding the Adviser and its officers and directors is set forth in its Form ADV, as filed with the Securities and Exchange Commission (SEC File No. 801-62969), and is incorporated herein by reference.

ITEM 32. LOCATION OF ACCOUNTS AND RECORDS

All accounts, books and other documents required to be maintained by Section 31(a) of the Investment Company Act of 1940, and the rules thereunder are maintained at the offices of:

(1) the Registrant, Prospect Capital Corporation, 10 East 40th Street, 42nd Floor, New York, NY 10016;

(2) the Transfer Agent, American Stock Transfer & Trust Company;

(3) the Custodians, U.S. Bank National Association, Israeli Discount Bank of New York Ltd., Fifth Third Bank, Customers Bank and Peapack-Gladstone Bank; and

(4) the Adviser, Prospect Capital Management L.P., 10 East 40th Street, 42nd Floor, New York, NY 10016.

ITEM 33. MANAGEMENT SERVICES

Not Applicable.

ITEM 34. UNDERTAKINGS

1. The Registrant undertakes to suspend the offering of shares until the prospectus is amended if (1) subsequent to the effective date of its registration statement, the net asset value declines more than ten percent from its net asset value as of the effective date of the registration statement; or (2) the net asset value increases to an amount greater than the net proceeds as stated in the prospectus.

C-30

The Registrant undertakes if the securities being registered are to be offered to existing stockholders pursuant to warrants or rights, and any securities not taken by stockholders are to be reoffered to the public, to supplement the prospectus, after the expiration of the subscription period, to set forth the results of the subscription offer, the transactions by underwriters during the subscription period, the amount of unsubscribed securities to be purchased by underwriters, and the terms of any subsequent reoffering thereof. If any public offering by the underwriters of the securities being registered is to be made on terms differing from those set forth on the cover page of the prospectus, we will file a post-effective amendment to set forth the terms of such offering.

3. The Registrant undertakes:

a. to file, during any period in which offers or sales are being made, a post-effective amendment to the registration statement:

(1) to include any prospectus required by Section 10(a)(3) of the 1933 Act;

(2) to reflect in the prospectus any facts or events after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and

(3) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

b. that, for the purpose of determining any liability under the 1933 Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of those securities at that time shall be deemed to be the initial bona fide offering thereof;

c. to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering;

d. that, for the purpose of determining liability under the 1933 Act to any purchaser, each prospectus filed pursuant to Rule 497(b), (c), (d) or (e) under the 1933 Act as part of a registration statement relating to an offering, other than prospectuses filed in reliance on Rule 430A under the 1933 Act, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use; and

e. that, for the purpose of determining liability of the Registrant under the 1933 Act to any purchaser in the initial distribution of securities: The undersigned Registrant undertakes that in a primary offering of securities of the undersigned Registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned Registrant will be a seller to the purchaser and will be considered to offer or sell such securities to the purchaser: (1) any preliminary prospectus or prospectus of the undersigned Registrant relating to the offering required to be filed pursuant to Rule 497 under the 1933 Act; (2) the portion of any advertisement pursuant to Rule 482 under the 1933 Act relating to the offering containing material information about the undersigned Registrant or its securities provided by or on behalf of the undersigned Registrant; and (3) any other

communication that is an offer in the offering made by the undersigned Registrant to the purchaser.

4. The Registrant undertakes that it will not sell any units consisting of combinations of securities that have not previously been described in a registration statement of the Registrant or an amendment thereto that was subject to review by the Commission and that subsequently became effective.

C-31

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement on Form N-2 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, in the State of New York, on the 3rd day of March 2016.

PROSPECT CAPITAL CORPORATION

By: /s/ JOHN F. BARRY III
John F. Barry III
Chief Executive Officer and Chairman of the Board
of Directors

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on March 3, 2016. This document may be executed by the signatories hereto on any number of counterparts, all of which constitute one and the same instrument.

Signature	Title
/s/ JOHN F. BARRY III John F. Barry III	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)
/s/ M. GRIER ELIASEK M. Grier Eliasek	Chief Operating Officer and Director
/s/ BRIAN H. OSWALD Brian H. Oswald	Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer)
/s/ WILLIAM J. GREMP* William J. Grempe	Director
/s/ ANDREW C. COOPER* Andrew C. Cooper	Director
/s/ EUGENE S. STARK* Eugene S. Stark	Director

*By: /s/ M. GRIER ELIASEK
M. Grier Eliasek,
as Attorney-in-Fact

INDEX TO EXHIBITS

Exhibit No.	Description
(d)(412)	Four Hundred Fourteenth Supplemental Indenture dated as of March 3, 2016, to the U.S. Bank Indenture and Form of 5.375% Prospect Capital InterNote® due 2021