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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 20, 2021

Great Elm Capital Corp.

(Exact name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

814-01211
(Commission File Number)

81-2621577
(IRS Employer
Identification No.)

800 South Street, Suite 230, Waltham, MA
(Address of Principal Executive Offices)

02453
(Zip Code)

Registrant's Telephone Number, Including Area Code: (617) 375-3006

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.01 per share	GECC	Nasdaq Global Market
6.50% Notes due 2022	GECCL	Nasdaq Global Market
6.75% Notes due 2025	GECCM	Nasdaq Global Market
6.50% Notes due 2024	GECCN	Nasdaq Global Market
5.875% Notes due 2026	GECCO	Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 3.02 Unregistered Sales of Equity Securities.

On September 20, 2021, Great Elm Capital Corp. (the “Company”) entered into a Membership Interest Purchase Agreement with Lenders Funding, LLC (“LF”), pursuant to which the Company acquired a majority equity interest in LF, a wholesale lending and participant funding business. At the closing: (i) the Company paid \$7.25 million in cash to LF, \$3.25 million of which was used to purchase 833,333 newly issued shares of the Company’s common stock at net asset value and (ii) the Company issued 2,564,103 shares of the Company’s common stock to LF at net asset value in exchange for a promissory note in aggregate principal amount of \$10.0 million payable by LF to the Company. All of the proceeds from the transaction were retained by LF to support the growth of the business.

The issuance of the shares was a private placement exempt from registration under Section 4(a)(2) of the Securities Act of 1933, as amended.

Item 8.01 Other Events.

On September 20, 2021, the Company issued a press release in connection with the closing of the acquisition. A copy of the press release is filed as Exhibit 99.1 to this report.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release, dated September 20, 2021.

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 hereunto duly authorized.

GREAT ELM CAPITAL CORP.

Date: September 20, 2021

By: /s/ Keri A. Davis

Name: Keri A. Davis

Title: Chief Financial Officer



GREAT ELM CAPITAL CORP. ANNOUNCES ACQUISITION OF MAJORITY INTEREST IN LENDERS FUNDING, LLC

WALTHAM, MA, September 20, 2021 – Great Elm Capital Corp. (“we,” “us,” “our,” or “GECC,”) (NASDAQ: GECC), a business development company, today announced that it has acquired a majority equity interest in Lenders Funding, LLC (“Lenders Funding”) a private funding and risk sharing source for factors and asset-based lenders.

Established in 2000, Lenders Funding purchases participations in factoring and asset-based lending transactions as well as provides working capital to customers under a variety of lending programs.

Transaction Details

GECC is purchasing a majority ownership position in Lenders Funding for \$7.25 million, consisting of \$4 million in cash and \$3.25 million in GECC shares issued at GECC’s net asset value (NAV). In connection with the transaction, GECC will also issue to Lenders Funding \$10 million of additional GECC shares at NAV in exchange for a subordinated note in an equal principal amount. The proceeds from the transaction will be retained by Lenders Funding to help support the growth of the business.

Founder and CEO Mr. Robert A. Zadek will continue to own the remaining equity in Lenders Funding and manage the business along with Harvey Friedman and Jean Madden. Mr. Zadek has been active in commercial finance and factoring for fifty years, as an attorney, lecturer, and lender. He was instrumental in the formation of the International Factoring Association and was an instructor for the Commercial Finance Association.

Management Commentary

Peter A. Reed, GECC’s Chief Executive Officer, stated, “We are pleased to announce the acquisition of a majority interest in Lenders Funding as we continue to weight our portfolio more heavily toward specialty finance. Lenders Funding has an excellent, long-term track record of profitably growing its business while maintaining a very strong underwriting culture. We are excited to partner with Bob, a well-known and highly regarded decision maker in asset-based lending. This transaction gives us additional access to proprietary overflow opportunities as well as visibility into the specialty finance market through the relationships with the many businesses to which Lenders Funding provides capital. We look forward to supporting Lenders Funding’s growth and expanding our partnership over time.”

Mr. Zadek noted, “Throughout our history, we have specialized in providing creative lending solutions to factors and other asset based lenders. We are delighted to have a partner in Great Elm that can help enhance the earnings generated by our lending model in addition to understanding both our credit and corporate culture.”

About Lenders Funding, LLC

Lenders Funding is a private funding and risk sharing source for factors and asset-based lenders. It purchases participations in their transactions on a non-recourse basis or provides working capital to them under a variety of flexible programs. Since its formation, Lenders Funding has worked with over 150 lenders and factors and have supplied several hundred million dollars in funding. Additional information on the company can be found at www.lendersfunding.com.

About Great Elm Capital Corp.

Great Elm Capital Corp. is an externally managed business development company that seeks to generate current income and capital appreciation by investing in debt and income generating equity securities, including investments in specialty finance businesses. Additional information can be found at www.greatelmcc.com.

Cautionary Statement Regarding Forward-Looking Statements

Statements in this communication that are not historical facts are “forward-looking” statements within the meaning of the federal securities laws. These statements are often, but not always, made through the use of words or phrases such as “expect,” “anticipate,” “should,” “will,” “estimate,” “designed,” “seek,” “continue,” “upside,” “potential” and similar expressions. All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the results expressed in the statements. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are: conditions in the credit markets, the price of GECC common stock, the performance of GECC’s portfolio and investment manager and risks associated with the economic impact of the COVID-19 pandemic on GECC and its portfolio companies. Information concerning these and other factors can be found in GECC’s Annual Report on Form 10-K and other reports filed with the SEC. GECC assumes no obligation to, and expressly disclaims any duty to, update any forward-looking statements contained in this communication or to conform prior statements to actual results or revised expectations except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

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