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As filed with the Securities and Exchange Commission on August 15, 2007
Securities Act File No. 333-142879

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

Form N-2

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Pre-Effective Amendment No. 2

Main Street Capital Corporation

(Exact name of registrant as specified in charter)

1300 Post Oak Boulevard, Suite 800
Houston, TX 77056
(713) 350-6000
(Address and telephone number, including area code, of principal executive offices)

Vincent D. Foster
Chief Executive Officer
Main Street Capital Corporation
1300 Post Oak Boulevard, Suite 800
Houston, TX 77056
(Name and address of agent for service)

COPIES TO:

Steven B. Boehm, Esq.
Harry S. Pangas, Esq.
Sutherland Asbill & Brennan LLP
1275 Pennsylvania Avenue, NW
Washington, DC 20004-2415
Tel: (202) 383-0100
Fax: (202) 637-3593

John A. Good, Esq.
Bass, Berry & Sims PLC
100 Peabody Place, Suite 900
Memphis, Tennessee 38103-3672
Tel: (901) 543-5901
Fax: (888) 543-4644

Approximate date of proposed public offering: As soon as practicable after the effective date of this Registration Statement.

If any securities being registered on this form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, other than securities offered in connection with a dividend reinvestment plan, check the following box. ☐

It is proposed that this filing will become effective (check appropriate box): ☐ when declared effective pursuant to section 8(c).

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Title of Securities Being Registered	Proposed Maximum Aggregate Offering Price[1]	Amount of Registration Fee
Common Stock, $0.01 par value per share	$115,000,000	$3,531[2]

(1) Estimated pursuant to Rule 457(o) under the Securities Act of 1933 solely for the purpose of determining the registration fee. Includes shares subject to the underwriters over-allotment option.

(2) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED AUGUST , 2007

PRELIMINARY PROSPECTUS

6,666,667 Shares

Main Street Capital Corporation

Common Stock

We are a specialty investment company focused on providing customized debt and equity financing to lower middle market companies that operate in diverse industries. We seek to fill the current financing gap for lower middle market businesses, which have limited access to financing from commercial banks and other traditional sources.

Our investment objective is to maximize our portfolio's total return by generating current income from our debt investments and realizing capital appreciation from our equity-related investments. Upon completion of this offering, we will be an internally managed, closed-end, non-diversified management investment company that has elected to be treated as a business development company under the Investment Company Act of 1940.

Upon completion of the formation transactions described in this prospectus, we will acquire (i) Main Street Mezzanine Fund, LP, which is licensed as a Small Business Investment Company, or SBIC, by the United States Small Business Administration and (ii) Main Street Mezzanine Management, LLC, the general partner of Main Street Mezzanine Fund, LP. In addition, as part of the formation transactions, we will acquire Main Street Capital Partners, LLC, which is the manager and investment adviser to two SBICs, including Main Street Mezzanine Fund, LP.

We are offering 6,666,667 shares of our common stock. This is our initial public offering, and no public market currently exists for our shares. We have applied to have our common stock approved for quotation on the Nasdaq Global Market under the symbol "MAIN."

Investing in our common stock involves risks, including the risk of leverage, and should be considered speculative. See "Risk Factors" beginning on page 15. Shares of closed-end investment companies have in the past frequently traded at a discount to their net asset value. If our shares trade at a discount to net asset value, it may increase the risk of loss for purchasers in this offering. Assuming an initial public offering price of $15.00 per share, purchasers in this offering will experience immediate dilution in net asset value of approximately $1.46 per share. See "Dilution" for more information.

This prospectus contains important information about us that a prospective investor should know before investing in our common stock. Please read this prospectus before investing and keep it for future reference. Upon completion of this offering, we will file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission. This information will be available free of charge by contacting us at 1300 Post Oak Boulevard, Suite 800, Houston, TX 77056 or by telephone at (713) 350-6000 or on our website at www.mainstreethouston.com. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider that information to be part of this prospectus. The Securities and Exchange Commission also maintains a website at www.sec.gov that contains such information.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price(1)	$ 15.00	$100,000,000
Underwriting discount (sales load)	$ 1.05	$ 7,000,000
Proceeds to us, before expenses(2)	$ 13.95	$ 93,000,000

(1) In addition, we will issue 4,525,674 shares in exchange for the aggregate consideration of $59.5 million in connection with the formation transactions described herein.

(2) We estimate that we will incur approximately $2 million of expenses in connection with this offering.

We have granted the underwriters a 30-day option to purchase up to an additional 1,000,000 shares of our common stock at the public offering price, less the underwriting discount (sales load), solely to cover over-allotments, if any. If the over-allotment option is exercised in full, the total public offering price would be $115,000,000, the total underwriting discount (sales load) would be $8,050,000, and the proceeds to us, before expenses, would be $106,950,000.

The underwriters expect to deliver the shares on or about , 2007.

Morgan Keegan & Company, Inc. **BB&T Capital Markets**
A Division of Scott & Stringfellow, Inc.

SMH Capital Inc. **Ferris, Baker Watts**
Incorporated

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You should rely only on the information contained in this prospectus. Neither we nor the underwriters have authorized any other person to provide you with different information from that contained in this prospectus. The information contained in this prospectus is complete and accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or sale of our common stock. However, if any material change occurs while this prospectus is required by law to be delivered, this prospectus will be amended or supplemented accordingly.

PROSPECTUS SUMMARY

This summary highlights some of the information in this prospectus. It is not complete and may not contain all of the information that you may want to consider. You should read the entire prospectus carefully, including the section entitled "Risk Factors."

Since commencing investment operations in 2002, Main Street Mezzanine Fund, LP has invested primarily in secured debt instruments, equity investments, warrants and other securities of lower middle market, privately-held companies based in the United States. Main Street Mezzanine Fund is licensed as a Small Business Investment Company, or SBIC, by the United States Small Business Administration, or SBA. Main Street Mezzanine Management, LLC, or the General Partner, has been the general partner of Main Street Mezzanine Fund since its inception, and Main Street Capital Partners, LLC, or the Investment Adviser, has acted as Main Street Mezzanine Fund's manager and investment adviser. The Investment Adviser also acts as the manager and investment adviser to Main Street Capital II, LP, a separate affiliated SBIC which commenced its investment operations in January 2006. The Investment Adviser receives management fees pursuant to separate management services agreements with both Main Street Mezzanine Fund and Main Street Capital II. Immediately prior to our election to be treated as a business development company under the Investment Company Act of 1940 and the consummation of the offering, in what we sometimes refer to in this prospectus as the "formation transactions," Main Street Capital Corporation will acquire all of the outstanding equity interests of Main Street Mezzanine Fund, the General Partner and the Investment Adviser through a series of transactions described in this prospectus under the caption "Formation; Business Development Company and Regulated Investment Company Elections." We will not acquire any equity interest in Main Street Capital II in connection with the formation transactions but the Investment Adviser will continue to act as the manager and investment adviser to Main Street Capital II and receive a management fee pursuant to the management services agreement with Main Street Capital II subsequent to such transactions.

Unless otherwise noted, the terms "we," "us," "our" and "Main Street" refer to Main Street Mezzanine Fund, the General Partner and the Investment Adviser prior to consummation of the formation transactions, and to Main Street Capital Corporation, Main Street Mezzanine Fund, the General Partner and the Investment Adviser after that time.

Main Street

We are a specialty investment company focused on providing customized financing solutions to lower middle market companies, which we define as companies with annual revenues between $10.0 million and $100.0 million. Our investment objective is to maximize our portfolio's total return by generating current income from our debt investments and realizing capital appreciation from our equity-related investments. Our investments generally range in size from $2.0 million to $15.0 million. For larger investments in this range, we have generally secured co-investments from other institutional investors due to our historical regulatory size limits. Since our wholly owned subsidiary, Main Street Mezzanine Fund, was formed in 2002, it has funded over $100 million in debt and equity investments. Our ability to invest across a company's capital structure, from senior secured loans to subordinated debt to equity securities, allows us to offer portfolio companies a comprehensive suite of financing solutions, or "one-stop" financing.

We typically seek to partner with entrepreneurs, business owners and management teams to provide customized financing for strategic acquisitions, business expansion and other growth initiatives, ownership transitions and recapitalizations. In structuring transactions, we seek to protect our rights, manage our risk and create value by: (i) providing financing at lower leverage ratios; (ii) taking first priority liens on assets; and (iii) providing equity incentives for management teams of our portfolio companies. We seek to avoid competing with other capital providers for transactions because we believe competitive transactions often have execution risks and can result in potential conflicts among creditors and lower returns due to more aggressive valuation multiples and higher leverage ratios. In that regard, based upon information provided to us by our portfolio companies (which we have not independently verified), our portfolio had a total net debt to EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) ratio of approximately 3.4 to 1.0 and a total EBITDA to interest expense ratio of 2.1 to 1.0. In calculating these ratios, we included all portfolio company

debt, EBITDA and interest expense as of June 30, 2007, including debt junior to our debt investments but excluding amounts related to one portfolio company with less than one year of operations. If we also excluded debt junior to our debt investments in calculating these ratios, the ratios would be 2.8 to 1.0 and 2.3 to 1.0, respectively. In addition, approximately 90% of our total investments at cost are debt investments and over 90.0% of such debt investments at cost were secured by first priority liens on the assets of our portfolio companies as of June 30, 2007. At June 30, 2007, our average fully diluted ownership in portfolio companies where we have an equity warrant and/or direct equity investment was approximately 22%.

As of June 30, 2007, we had debt and equity investments in 25 portfolio companies with an aggregate fair market value of $81.1 million and the weighted average effective yield on all of our debt investments was approximately 14.7%. Weighted average effective yields are computed using the effective interest rates for all debt investments at June 30, 2007, including amortization of deferred debt origination fees and original issue discount. As of June 30, 2007, the weighted average effective yield on all of our outstanding debt investments was 13.8%, excluding the impact of the deferred debt origination fee amortization.

The following table sets forth certain unaudited information as of June 30, 2007, for each portfolio company in which we had an investment:

Company	Nature of Principal Business	Cost of Investment[1][2]	Fair Value of Investment[3]
		(dollars in thousands)	
Advantage Millwork Company, Inc.	Manufactures/distributes wood doors	$ 2,480	$ 2,480
All Hose & Specialty, LLC	Distributes commercial/industrial hoses	2,680	4,600
American Sensor Technologies, Inc.	Manufactures commercial/industrial sensors	3,450	3,975
Café Brazil, LLC	Operates casual restaurant chain	2,992	4,100
Carlton Global Resources, LLC	Produces and processes industrial minerals	4,931	4,931
CBT Nuggets, LLC	Produces and sells IT certification training videos	2,724	3,380
East Teak Fine Hardwoods, Inc.	Distributes hardwood products	1,737	2,062
Hawthorne Customs & Dispatch Services, LLC	Provides “one stop” logistics services	1,950	2,203
Hayden Acquisition, LLC	Manufactures utility structures	1,955	1,955
Houston Plating & Coatings, LLC	Provides plating and industrial coating services	310	2,220
Jensen Jewelers of Idaho, LLC	Sells retail jewelry	2,694	2,694
KBK Industries, LLC	Manufactures oilfield and industrial products	4,713	5,836
Laurus Healthcare, LP	Develops and manages healthcare facilities	3,115	3,115
Magna Card, Inc.	Distributes wholesale/consumer magnetic products	2,116	2.016
National Trench Safety, LLC	Rents and sells trench and traffic safety equipment	1,939	1,939
Pulse Systems, LLC	Manufactures components for medical devices	2,642	2,874
Quest Design & Production, LLC	Designs and fabricates custom displays	3,940	3,940
Support Systems Homes, Inc.	Manages substance abuse treatment centers	1,663	1,663
TA Acquisition Group, LP	Produces and processes construction aggregates	2,640	7,680
Technical Innovations, LLC	Manufactures specialty cutting tools and punches	2,065	3,105
Transportation General, Inc.	Provides taxi cab/transportation services	3,670	4,080
Turbine Air Systems, Ltd.	Manufactures commercial/industrial chilling systems	1,097	1,097
Vision Interests, Inc.	Manufactures/installs commercial signage	4,292	4,292
Wicks ’N More, LLC	Manufactures high-end candles	4,290	3,720
WorldCall, Inc.	Provides telecommunication/information services	1,064	1,150
	Total	$ 67,149	$ 81,107

(1) Net of prepayments but before accumulated unearned income allocations.

(2) Aggregates the cost of all of our investments in each of our portfolio companies.

(3) Aggregates the fair value of all of our investments in each of our portfolio companies.

Recent Developments

In August 2007, Turbine Air Systems, Ltd. raised approximately $20 million through an equity capital funding transaction with certain institutional investors. In connection with this funding transaction, Main Street Mezzanine Fund agreed to the sale of its equity warrant position in Turbine Air Systems, Ltd. for $1.1 million in cash. The sale of the equity warrant resulted in a realized capital gain of approximately $1 million, which will be fully recognized in the third quarter of 2007.

Subsequent to December 31, 2006, Main Street Mezzanine Fund has continued to make regular quarterly cash distributions to its partners from accumulated net investment income. On January 2, 2007, April 2, 2007 and July 2, 2007, Main Street Mezzanine Fund made regular quarterly cash distributions to its partners totaling $0.9 million, $1.0 million and $1.1 million, respectively.

In addition, Main Street Mezzanine Fund periodically distributes special cash distributions to its partners from the net proceeds of realized gains on investments. On January 5, 2007 and January 31, 2007, Main Street Mezzanine Fund made special cash distributions to its partners of $1.7 million and $1.0 million, respectively, relating to realized gains on its investments. Also, in August 2007, Main Street Mezzanine Fund made a special cash distribution to its partners of approximately $1 million related to the Turbine Air Systems, Ltd. realized gain.

As of July 31, 2007, we have executed non-binding term sheets for approximately $15 million of investment commitments in prospective portfolio companies. These proposed investments are subject to the completion of our due diligence and approval process as well as negotiation of definitive agreements with the prospective portfolio companies and, as a result, may not result in completed investments.

Why We Are Going Public

In 2002, Main Street Mezzanine Fund raised its initial capital, obtained its license to operate as an SBIC and began investing its capital. While we intend to continue to operate Main Street Mezzanine Fund as an SBIC, subject to SBA approval, and to utilize lower cost capital we can access through the SBA's SBIC Debenture Program, which we refer to as SBA leverage or SBIC leverage, to partially fund our investment portfolio, we believe that being a public company will offer certain key advantages for our business that would not be available to us if we continue to operate as a private SBIC. These key advantages include:

- *Permanent Capital Base and Longer Investment Horizon.* Unlike traditional private investment vehicles such as SBICs, which typically are finite-life limited partnerships with a limited investment horizon, we will operate as a corporation with a perpetual life and no requirement to return capital to investors. We believe raising separate pools of capital with finite investment terms unreasonably diverts management's time from its basic investment activities. We believe that our new structure will allow us to make investments with a longer investment horizon and to better control the timing and method of exiting our investments, which we believe will enhance our returns.
- *Investment Efficiency.* SBICs are subject to a number of regulatory restrictions on their investment activities, including limits on the size of individual investments and the size and types of companies in which they are permitted to invest. Subsequent to the consummation of this offering, we may make investments through Main Street Capital Corporation without these restrictions, allowing us to pursue certain attractive investment opportunities that we previously were required to forgo. In addition, as a public company with more capital available, we generally will not be required to secure co-investments from non-affiliated investors for investments exceeding our historical regulatory size limits.
- *Greater Access to Capital.* As a public company, we expect to have access to greater amounts and types of capital that we can use to grow our investment portfolio. In addition, we should be able to obtain additional capital in a more efficient and cost effective manner than if we were to remain a private entity. We will also have the ability to spread our overhead and operating costs over a larger capital base.

- *Key Personnel Retention.* Retaining and providing proper incentives to key personnel over longer periods of time is critical to the success of our operations. As a public company, we will have the ability to provide competitive rates of compensation, including equity incentives to current and future employees, to further align their economic interests with our stockholders.

Market Opportunity

Our business is to provide customized financing solutions to lower middle market companies, which we define as companies with annual revenues between $10.0 million and $100.0 million. Based on a search of the Dun and Bradstreet database completed on June 20, 2007, we believe there are approximately 68,000 companies in the United States with revenues between $10.0 million and $100.0 million. We believe many lower middle market companies are unable to obtain sufficient financing from traditional financing sources. Due to evolving market trends, traditional lenders and other sources of private investment capital have focused their efforts on larger companies and transactions. We believe this dynamic is attributable to several factors, including the consolidation of commercial banks and the aggregation of private investment funds into larger pools of capital that are focused on larger investments. In addition, many current funding sources do not have relevant experience in dealing with some of the unique business issues facing lower middle market companies. Consequently, we believe that the market for lower middle market investments, particularly those investments of less than $10.0 million, is currently underserved and less competitive. This market situation creates the opportunity for us to meet the financing requirements of lower middle market companies while also negotiating favorable transaction terms and equity participations.

Business Strategies

Our investment objective is to maximize our portfolio's total return by generating current income from our debt investments and realizing capital appreciation from our equity-related investments. We have adopted the following business strategies to achieve our investment objective:

- *Delivering Customized Financing Solutions.* We believe our ability to provide a broad range of customized financing solutions to lower middle market companies sets us apart from other capital providers that focus on providing a limited number of financing solutions. We offer to our portfolio companies customized debt financing solutions with equity components that are tailored to the facts and circumstances of each situation. Our ability to invest across a company's capital structure, from senior secured loans to subordinated debt to equity securities, allows us to offer our portfolio companies a comprehensive suite of financing solutions, or "one-stop" financing.
- *Focusing on Established Companies in the Lower Middle Market.* We generally invest in companies with established market positions, experienced management teams and proven revenue streams. Those companies generally possess better risk-adjusted return profiles than newer companies that are building management or are in the early stages of building a revenue base. In addition, established lower middle market companies generally provide opportunities for capital appreciation.
- *Leveraging the Skills and Experience of Our Investment Team.* Our investment team has over 35 years of combined experience in lending to and investing in lower middle market companies. The members of our investment team have broad investment backgrounds, with prior experience at private investment funds, investment banks and other financial services companies, and currently include five certified public accountants and one chartered financial analyst. The expertise of our investment team in analyzing, valuing, structuring, negotiating and closing transactions should provide us with competitive advantages by allowing us to consider customized financing solutions and non-traditional and complex structures.
- *Maintaining Portfolio Diversification.* We seek to maintain a portfolio of investments that is appropriately diversified among various companies, industries, geographic regions and end markets. This portfolio diversity is intended to mitigate the potential effects of negative economic events for particular companies, regions and industries.

- *Capitalizing on Strong Transaction Sourcing Network.* Our investment team seeks to leverage its extensive network of referral sources for investments in lower middle market companies developed over the last ten years. Since our wholly-owned subsidiary, Main Street Mezzanine Fund, was formed in 2002, it has originated and been the lead investor in over 25 principal investment transactions and has developed a reputation in our marketplace as a responsive, efficient and reliable source of financing, which has created a growing proprietary deal flow for us.
- *Benefiting from Lower Cost of Capital.* Main Street Mezzanine Fund's SBIC license has allowed it and, subject to SBA approval, will allow us to issue SBA-guaranteed debentures. SBA-guaranteed debentures carry long-term fixed rates that are generally lower than rates on comparable bank and public debt. Because lower cost SBA leverage is, and will continue to be, a significant part of our capital base, our relative cost of debt capital should be lower than many of our competitors.

Investment Criteria

Our investment team has identified the following investment criteria that it believes are important in evaluating prospective portfolio companies. Our investment team uses these criteria in evaluating investment opportunities. However, not all of these criteria have been, or will be, met in connection with each of our investments.

- *Proven Management Team with Meaningful Financial Commitment.* We look for operationally-oriented management with direct industry experience and a successful track record. In addition, we expect the management team of each portfolio company to have meaningful equity ownership in the portfolio company to better align our respective economic interests. We believe management teams with these attributes are more likely to manage the companies in a manner that protects our debt investment and enhances the value of our equity investment.
- *Established Companies with Positive Cash Flow.* We seek to invest in established companies in the lower middle market with sound historical financial performance. We typically focus on companies that have historically generated EBITDA of greater than $1.0 million and commensurate levels of free cash flow. We generally do not intend to invest in start-up companies or companies with speculative business plans.
- *Defensible Competitive Advantages/Favorable Industry Position.* We primarily focus on companies having competitive advantages in their respective markets and/or operating in industries with barriers to entry, which may help to protect their market position and profitability.
- *Exit Alternatives.* We expect that the primary means by which we exit our debt investments will be through the repayment of our investment from internally generated cash flow and/or refinancing. In addition, we seek to invest in companies whose business models and expected future cash flows may provide alternate methods of repaying our investment, such as through a strategic acquisition by other industry participants or a recapitalization.

Formation Transactions

Main Street Capital Corporation is a newly organized Maryland corporation, formed on March 9, 2007, for the purpose of acquiring Main Street Mezzanine Fund, the General Partner and the Investment Adviser, raising capital in this offering and thereafter operating as an internally-managed business development company under the Investment Company Act of 1940, or the 1940 Act.

Immediately prior to our election to be treated as a business development company under the 1940 Act and the closing of this offering, we will consummate the following formation transactions to create an internally-managed operating structure which we believe will align the interests of management and stockholders and also enhance our net investment income, net cash flow from operations and dividend paying potential:

- Pursuant to a merger agreement that has received the approval of the General Partner and over 95% of the limited partners of Main Street Mezzanine Fund, or the Limited Partners, we will acquire 100.0%

of the limited partnership interests in Main Street Mezzanine Fund for $40.9 million (which represents the audited net asset value of Main Street Mezzanine Fund as of December 31, 2006, less cash distributed to partners in January 2007 related to realized gains). We will issue to the Limited Partners shares of common stock valued at $40.9 million in exchange for their limited partnership interests. The $40.9 million valuation represents a 54.4% premium over the total capital contributions made by the Limited Partners to Main Street Mezzanine Fund as a result of Main Street Mezzanine Fund's cumulative retained earnings as well as the net unrealized appreciation recorded in the value of the investments held by Main Street Mezzanine Fund. The aggregate number of shares issuable to the Limited Partners will be determined by dividing $40.9 million by the initial public offering price per share. The shares issuable to the Limited Partners will be allocated among the Limited Partners in proportion to the respective limited partnership interests held by the Limited Partners.

- We will acquire from the members of the General Partner 100.0% of their equity interests in the General Partner and, consequently, 100.0% of the general partnership interest in Main Street Mezzanine Fund for $9.0 million. We will issue to the members of the General Partner shares of common stock valued at $9.0 million in exchange for their equity interests in the General Partner. The aggregate number of shares issuable to the members of the General Partner will be determined by dividing $9.0 million by the initial public offering price per share. Under the current agreement of limited partnership, or partnership agreement, of Main Street Mezzanine Fund, the General Partner is entitled to 20.0% of Main Street Mezzanine Fund's profits and related distributions. We refer to the General Partner's right to receive such profits and related distributions as "carried interest." The consideration being received by the members of the General Partner is based largely on the estimated present value of the 20.0% carried interest in Main Street Mezzanine Fund and comparable public market transactions, and was determined using industry standard valuation methodologies that we believe are reasonable and supportable.

  In addition to serving as the general partner of Main Street Mezzanine Fund, the General Partner holds partnership interests in Main Street Mezzanine Fund equaling 0.7% of the total partnership interests.

- We will acquire from the members of the Investment Adviser 100.0% of their equity interests in the Investment Adviser for $18.0 million. We will issue to the members of the Investment Adviser shares of common stock valued at $18.0 million in exchange for their equity interests in the Investment Adviser. The aggregate number of shares issuable to the members of the Investment Adviser will be determined by dividing $18.0 million by the initial public offering price per share. The consideration payable to the members of the Investment Adviser is based on the estimated present value of net distributable income related to the management fees to which the Investment Adviser is entitled to receive pursuant to certain agreements and comparable public market transactions, and was determined using industry standard valuation methodologies that we believe are reasonable and supportable.

  In connection with the determination of the fair value of the investments held by Main Street Mezzanine Fund at December 31, 2006, the value of the equity interests in the General Partner and value of the equity interests in the Investment Advisor, the General Partner engaged Duff & Phelps LLC, an independent valuation firm ("Duff & Phelps"), to provide third party valuation consulting services which consisted of certain mutually agreed limited procedures that the General Partner identified and requested Duff & Phelps to perform (hereinafter referred to as the "Procedures"). Upon completion of the Procedures, Duff and Phelps concluded that the fair value of the investments and the value of the equity interests subjected to the Procedures, as determined by the General Partner, did not appear unreasonable. Duff & Phelps' performance of the Procedures did not constitute an opinion or recommendation as to the formation transactions. See also "Business — Valuation Process and Determination of Net Asset Value" and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies — Investment Valuation."

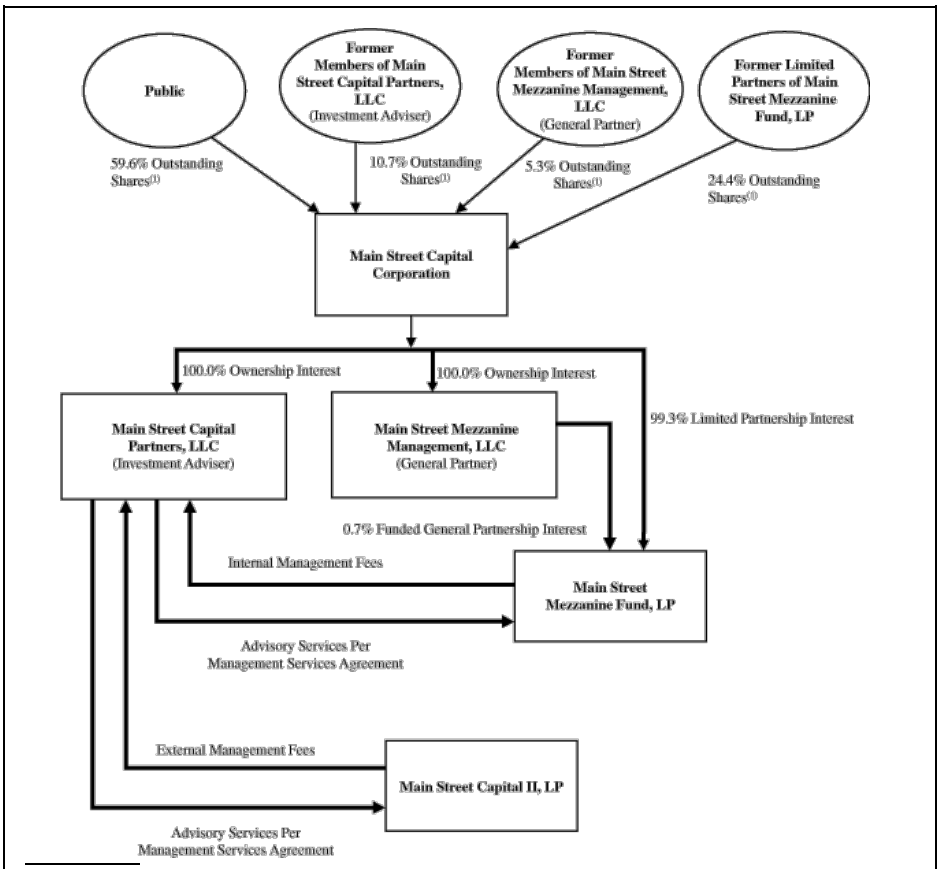
  Under two separate management services agreements with Main Street Mezzanine Fund and Main Street Capital II, the Investment Adviser receives management fees from both Main Street Mezzanine Fund and Main Street Capital II. Until September 30, 2007, the Investment Adviser is entitled to

receive a quarterly management fee, paid in advance, from Main Street Mezzanine Fund equal to 0.625% (2.5% annualized) of the sum of (i) the amount of qualifying private capital contributed or committed to Main Street Mezzanine Fund, (ii) any SBA permitted return of capital distributions made by Main Street Mezzanine Fund to its Limited Partners and (iii) an amount equal to two times qualifying private capital, representing the SBIC leverage available to Main Street Mezzanine Fund. After September 30, 2007, the Investment Adviser is entitled to receive a quarterly management fee from Main Street Mezzanine Fund equal to 0.625% (2.5% annualized) of the sum of (i) the amount of private capital contributed to Main Street Mezzanine Fund and (ii) the actual outstanding SBIC leverage of Main Street Mezzanine Fund. In connection with the formation transactions, the quarterly management fee from Main Street Mezzanine Fund will be adjusted to equal 0.625% (2.5% annualized) multiplied by the cost basis of active investments.

From January 1, 2006 until December 31, 2010 (or an earlier date if Main Street Capital II receives 80.0% or greater of its combined private funding and SBIC leverage), the Investment Adviser is entitled to receive a quarterly management fee, paid in advance, from Main Street Capital II equal to 0.5% (2.0% annualized) of the sum of (i) the amount of qualifying private capital contributed or committed to Main Street Capital II, (ii) any SBA permitted return of capital distributions made by Main Street Capital II to its limited partners, and (iii) an amount equal to two times qualifying private capital, representing the SBIC leverage available to Main Street Capital II. Thereafter, the Investment Adviser is entitled to receive a quarterly management fee, paid in advance, from Main Street Capital II equal to 0.5% (2.0% annualized) of the total cost of all active portfolio investments of Main Street Capital II.

Pursuant to the applicable management fee provisions as discussed above and the existing capital committed to both funds, the Investment Adviser is entitled to receive management fees of approximately $2 million and $3.2 million from Main Street Mezzanine Fund and Main Street Capital II, respectively, for the year ending December 31, 2007.

Prior to the closing of the formation transactions, the Investment Advisor will compensate its personnel and its members consistent with past practices, including paying bonus compensation of substantially all accumulated net earnings. After the closing of the formation transactions, the personnel of the Investment Advisor will be compensated as determined by the management of Main Street and the Compensation Committee of its Board of Directors.



(1) Based on 11,192,341 shares of common stock to be outstanding after this offering and completion of the formation transactions described elsewhere in this prospectus. Does not include 1,000,000 shares of common stock issuable pursuant to the underwriters' over-allotment option.

After completion of this offering, we will be a closed-end, non-diversified management investment company that has elected to be treated as a business development company under the 1940 Act. We will be internally managed by our executive officers under the supervision of our board of directors ("Board of Directors"). As a result, we will not pay any external investment advisory fees, but instead we will incur the operating costs associated with employing investment and portfolio management professionals.

As a business development company, we will be required to comply with numerous regulatory requirements. We will be permitted to, and expect to, finance our investments using debt and equity. However, our ability to use debt will be limited in certain significant respects. See "Regulations." We intend to elect to be treated for federal income tax purposes as a regulated investment company, or RIC, under the Internal Revenue Code of 1986, or the Code. See "Material U.S. Federal Income Tax Considerations." As a RIC, we generally will not have to pay corporate-level federal income taxes on any net ordinary income or capital gains that we distribute to our stockholders if we meet certain source-of-income, asset diversification and other requirements.

Corporate Information

Our principal executive offices are located at 1300 Post Oak Boulevard, Suite 800, Houston, Texas 77056. We maintain a website on the Internet at www.mainstreethouston.com. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider that information to be part of this prospectus.

Available Information

We have filed with the SEC a registration statement on Form N-2, together with all amendments and related exhibits, under the Securities Act, with respect to our shares of common stock offered by this prospectus. The registration statement contains additional information about us and our shares of common stock being offered by this prospectus.

Upon completion of this offering, we will file with or submit to the SEC annual, quarterly and current reports, proxy statements and other information meeting the informational requirements of the Securities Exchange Act of 1934. You may inspect and copy these reports, proxy statements and other information, as well as the registration statement and related exhibits and schedules, at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements and other information filed electronically by us with the SEC, which are available on the SEC's website at http://www.sec.gov. Copies of these reports, proxy and information statements and other information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the SEC's Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549.

The Offering

Common stock offered by us	6,666,667 shares[1]
Common stock issued in formation transactions	4,525,674 shares
Common stock to be outstanding after this offering	11,192,341 shares[1]
Use of proceeds	Our net proceeds from this offering will be approximately $91 million, assuming an initial public offering price of $15.00 per share. We intend to use all of the net proceeds from this offering to make investments in lower middle market companies in accordance with our investment objective and strategies described in this prospectus, pay our operating expenses and dividends to our stockholders and for general corporate purposes. Pending such use, we will invest the net proceeds primarily in short-term securities consistent with our business development company election and our election to be taxed as a RIC. See "Use of Proceeds."
Proposed Nasdaq Global Market symbol	"MAIN"
Dividends	We intend to pay quarterly dividends to our stockholders out of assets legally available for distribution. Our dividends, if any, will be determined by our Board of Directors.
Taxation	We intend to elect, effective as of the date of our formation, to be treated as a RIC for federal income tax purposes. As a RIC, we generally will not pay corporate-level federal income taxes on any net ordinary income or capital gains that we distribute to our stockholders as dividends. To obtain and maintain RIC tax treatment, we must meet specified source-of-income and asset diversification requirements and distribute annually at least 90.0% of our net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. See "Material U.S. Federal Income Tax Considerations."
Dividend reinvestment plan	We have adopted a dividend reinvestment plan for our stockholders. The dividend reinvestment plan is an "opt out" reinvestment plan. As a result, if we declare dividends, then stockholders' cash dividends will be automatically reinvested in additional shares of our common stock, unless they specifically "opt out" of the dividend reinvestment plan so as to receive cash dividends. Stockholders who receive dividends in the form of stock will be subject to the same federal, state and local tax consequences as stockholders who elect to receive their dividends in cash. See "Dividend Reinvestment Plan."
Trading at a discount	Shares of closed-end investment companies frequently trade at a discount to their net asset value. This risk is separate and distinct from the risk that our net asset value per share may decline. We cannot predict whether our shares will trade above, at or below net asset value.
Risk factors	See "Risk Factors" beginning on page 15 and the other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.

[1] Does not include 1,000,000 shares of common stock issuable pursuant to the over-allotment option granted by us to the underwriters.

FEES AND EXPENSES

The following table is intended to assist you in understanding the costs and expenses that an investor in this offering will bear directly or indirectly. We caution you that some of the percentages indicated in the table below are estimates and may vary. Except where the context suggests otherwise, whenever this prospectus contains a reference to fees or expenses paid by "you," "us" or "Main Street," or that "we" will pay fees or expenses, stockholders will indirectly bear such fees or expenses as investors in us.

Stockholder Transaction Expenses:

Sales load (as a percentage of offering price)	7.0%(1)
Offering and formation transaction expenses (as a percentage of offering price)	2.0%(2)
Dividend reinvestment plan expenses	— (3)
Total stockholder transaction expenses (as a percentage of offering price)	9.0%

Annual Expenses (as a percentage of net assets attributable to common stock):

Operating expenses	1.9%(4)
Acquired fund fees and expenses	2.1%(5)
Interest payments on borrowed funds	—%(6)
Total annual expenses	4.0%(7)

Example

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common stock. In calculating the following expense amounts, we have assumed we would have no additional leverage and that our annual operating expenses would remain at the levels set forth in the table above, and that you would pay a sales load of 7.0% (the underwriting discount to be paid by us with respect to common stock sold by us in this offering).

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a $1,000 investment, assuming a 5.0% annual return	$ 131	$ 215	$ 300	$ 520

(1) The underwriting discount with respect to shares sold in this offering, which is a one-time fee, is the only sales load paid in connection with this offering.

(2) Amount reflects estimated offering and formation transaction expenses of approximately $2 million to be paid by us.

(3) The expenses of administering our dividend reinvestment plan are included in operating expenses.

(4) Operating expenses represent our estimated annual operating expenses, excluding overhead incurred by the Investment Adviser related to its investment management responsibilities for Main Street Mezzanine Fund and Main Street Capital II. Upon consummation of the formation transactions, the Investment Adviser will be reflected as an investment in affiliated operating company as it does not conduct substantially all of its investment management activities for Main Street Mezzanine Fund. Operating expenses also exclude interest payments on borrowed funds, which is presented separately above.

(5) Acquired fund fees and expenses are not fees and expenses to be incurred by Main Street Capital Corporation directly, but rather are expenses directly incurred by Main Street Mezzanine Fund which will be a wholly-owned subsidiary of Main Street Capital Corporation upon consummation of the formation transactions and the offering. These fees and expenses principally consist of approximately $3.2 million of annual interest payments on funds borrowed directly by Main Street Mezzanine Fund. As discussed elsewhere in this prospectus, Main Street Mezzanine Fund currently has $55.0 million of outstanding indebtedness guaranteed by the SBA. You will incur these fees and expenses indirectly through Main Street Capital Corporation's 100% ownership of Main Street Mezzanine Fund.

(6) There are no interest payments on borrowed funds as Main Street Capital Corporation has not directly issued any indebtedness. You will indirectly incur interest payments on the $55.0 million of outstanding indebtedness of Main Street Mezzanine Fund, as a wholly-owned subsidiary of Main Street Capital Corporation. However, the interest payments to be made by Main Street Mezzanine Fund are reflected in the "Acquired fund fees and expense" line item above.

(7) The total annual expenses are the sum of operating expenses, acquired fund fees and expenses and interest payments on borrowed funds. In the future we may borrow money to leverage our net assets and increase our total assets.

The example and the expenses in the tables above should not be considered a representation of our future expenses, and actual expenses may be greater or less than those shown. While the example assumes, as required by the SEC, a 5.0% annual return, our performance will vary and may result in a return greater or less than 5.0%. In addition, while the example assumes reinvestment of all dividends at net asset value, participants in our dividend reinvestment plan will receive a number of shares of our common stock, determined by dividing the total dollar amount of the dividend payable to a participant by the market price per share of our common stock at the close of trading on the dividend payment date, which may be at, above or below net asset value. See "Dividend Reinvestment Plan" for additional information regarding our dividend reinvestment plan.

SUMMARY FINANCIAL AND OTHER DATA

The summary financial and other data below reflects the combined operations of Main Street Mezzanine Fund and the General Partner. The summary financial data for the years ended December 31, 2004, 2005 and 2006, and as of December 31, 2006, have been derived from combined financial statements that have been audited by Grant Thornton LLP, an independent registered public accounting firm. The summary financial and other data for the six months ended June 30, 2006 and June 30, 2007, and as of June 30, 2007, have been derived from unaudited financial data but, in the opinion of management, reflect all adjustments (consisting only of normal recurring adjustments) that are necessary to present fairly the results for such interim periods. Interim results as of and for the six months ended June 30, 2007 are not necessarily indicative of the results that may be expected for the year ending December 31, 2007. You should read this summary financial and other data in conjunction with our "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and notes thereto.

	Year Ended December 31,			Six Months Ended June 30,	
	2004	2005	2006	2006	2007
				(Unaudited)	
			(dollars in thousands)		
Income statement data:					
Investment income:					
Total interest, fee and dividend income	$4,452	$7,338	$ 9,013	$4,574	$5,181
Interest from idle funds and other	9	222	749	368	374
Total investment income	4,461	7,560	9,762	4,942	5,555
Expenses:					
Management fees to affiliate	1,916	1,929	1,942	968	1,000
Interest	869	2,064	2,717	1,349	1,547
General and administrative	184	197	198	104	172
Professional costs related to offering	—	—	—	—	695
Total expenses	2,969	4,190	4,857	2,421	3,414
Net investment income	1,492	3,370	4,905	2,521	2,141
Total net realized gain (loss) from investments	1,171	1,488	2,430	181	597
Net realized income	2,663	4,858	7,335	2,702	2,738
Total net change in unrealized appreciation (depreciation) from investments	1,764	3,032	8,488	3,699	372
Net increase (decrease) in members' equity and partners' capital resulting from operations	$4,427	$7,890	$15,823	$6,401	$3,110
Other data:					
Weighted average effective yield on debt investments(1)	15.3%	15.3%	15.0%	15.2%	14.7%
Number of portfolio companies	14	19	24	24	25
Expense ratios (as percentage of average net assets):					
Operating expenses(2)	13.7%	9.0%	5.5%	3.0%	4.4%
Interest expense	5.7%	8.8%	7.0%	3.8%	3.7%

	As of December 31, 2006	As of June 30, 2007 (Unaudited)
	(dollars in thousands)	
Balance sheet data:		
Assets:		
Total investments at fair value	$ 76,209	$ 81,107
Accumulated unearned income	(2,498)	(2,523)
Total investments net of accumulated unearned income	73,711	78,584
Cash and cash equivalents	13,769	17,663
Deferred financing costs, net of accumulated amortization	1,333	1,484
Interest receivable and other assets	630	628
Deferred offering costs	—	698
Total assets	$ 89,443	$ 99,057
Liabilities, members' equity and partners' capital:		
SBIC debentures	$ 45,100	$ 55,000
Interest payable	855	1,017
Accounts payable-offering costs	—	938
Accounts payable and other liabilities	216	259
Total liabilities	46,171	57,214
Total members' equity and partners' capital	43,272	41,843
Total liabilities, members' equity and partners' capital	$ 89,443	$ 99,057

(1) Weighted average effective yield is calculated based upon our debt investments at the end of each period and includes amortization of deferred debt origination fees.

(2) The six months ended June 30, 2007 ratio includes the impact of professional costs related to this offering. These costs were 37.3% of operating expenses for that period.

RISK FACTORS

Investing in our common stock involves a number of significant risks. In addition to the other information contained in this prospectus, you should consider carefully the following information before making an investment in our common stock. The risks set out below are not the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us might also impair our operations and performance. If any of the following events occur, our business, financial condition and results of operations could be materially and adversely affected. In such case, our net asset value and the trading price of our common stock could decline, and you may lose all or part of your investment.

Risks Relating to Our Business and Structure

A significant portion of our investment portfolio is and will continue to be recorded at fair value as determined in good faith by our Board of Directors and, as a result, there is and will continue to be uncertainty as to the value of our portfolio investments.

Under the 1940 Act, we are required to carry our portfolio investments at market value or, if there is no readily available market value, at fair value as determined by our Board of Directors. Typically, there is not a public market for the securities of the privately held companies in which we have invested and will generally continue to invest. As a result, we will value these securities quarterly at fair value as determined in good faith by our Board of Directors.

Certain factors that may be considered in determining the fair value of our investments include the nature and realizable value of any collateral, the portfolio company's earnings and its ability to make payments on its indebtedness, the markets in which the portfolio company does business, comparison to comparable publicly-traded companies, discounted cash flow and other relevant factors. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. Due to this uncertainty, our fair value determinations may cause our net asset value on a given date to materially understate or overstate the value that we may ultimately realize upon one or more of our investments. As a result, investors purchasing our common stock based on an overstated net asset value would pay a higher price than the value of our investments might warrant. Conversely, investors selling shares during a period in which the net asset value understates the value of our investments will receive a lower price for their shares than the value of our investments might warrant.

Our financial condition and results of operations will depend on our ability to effectively manage and deploy capital.

Our ability to achieve our investment objective of maximizing our portfolio's total return by generating current income from our debt investments and capital appreciation from our equity-related investments will depend on our ability to effectively manage and deploy capital raised in this offering, which will depend, in turn, on our investment team's ability to identify, evaluate and monitor, and our ability to finance and invest in, companies that meet our investment criteria. We cannot assure you that we will achieve our investment objective.

Accomplishing our investment objective on a cost-effective basis will be largely a function of our investment team's handling of the investment process, its ability to provide competent, attentive and efficient services and our access to investments offering acceptable terms. In addition to monitoring the performance of our existing investments, members of our investment team may also be called upon to provide managerial assistance to our portfolio companies. These demands on their time may distract them or slow the rate of investment.

Even if we are able to grow and build upon our investment operations in a manner commensurate with the increased capital available to us as a result of this offering, any failure to manage our growth effectively could have a material adverse effect on our business, financial condition, results of operations and prospects.

The results of our operations will depend on many factors, including the availability of opportunities for investment, readily accessible short and long-term funding alternatives in the financial markets and economic conditions. Furthermore, if we cannot successfully operate our business or implement our investment policies and strategies as described in this prospectus, it could negatively impact our ability to pay dividends and cause you to lose all or part of your investment.

We may face increasing competition for investment opportunities.

We compete for investments with other business development companies and investment funds (including private equity funds and mezzanine funds), as well as traditional financial services companies such as commercial banks and other sources of funding. Moreover, alternative investment vehicles, such as hedge funds, have begun to invest in areas they have not traditionally invested in, including making investments in lower middle market companies. As a result of these new entrants, competition for investment opportunities in lower middle market companies may intensify. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, some competitors may have a lower cost of capital and access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments than we have. These characteristics could allow our competitors to consider a wider variety of investments, establish more relationships and offer better pricing and more flexible structuring than we are able to do. We may lose investment opportunities if we do not match our competitors' pricing, terms and structure. If we are forced to match our competitors' pricing, terms and structure, we may not be able to achieve acceptable returns on our investments or may bear substantial risk of capital loss. A significant part of our competitive advantage stems from the fact that the market for investments in lower middle market companies is underserved by traditional commercial banks and other financing sources. A significant increase in the number and/or the size of our competitors in this target market could force us to accept less attractive investment terms. Furthermore, many of our competitors have greater experience operating under, or are not subject to, the regulatory restrictions that the 1940 Act will impose on us as a business development company.

We are dependent upon our key investment personnel for our future success.

We depend on the members of our investment team, particularly Vincent D. Foster, Todd A. Reppert, Curtis L. Hartman, Dwayne L. Hyzak and David L. Magdol, for the identification, review, final selection, structuring, closing and monitoring of our investments. These employees have significant investment expertise and relationships that we rely on to implement our business plan. Although we intend to enter into employment agreements with Messrs, Reppert, Stout, Hartman, Hyzak and Magdol and a non-compete agreement with Mr. Foster, we have no guarantee that they will remain employed with us. If we lose the services of these individuals, we may not be able to operate our business as we expect, and our ability to compete could be harmed, which could cause our operating results to suffer.

Additionally, the increase in available capital for investment resulting from this offering will require that we retain new investment and administrative personnel. We believe our future success will depend, in part, on our ability to identify, attract and retain sufficient numbers of highly skilled employees. If we do not succeed in identifying, attracting and retaining these personnel, we may not be able to operate our business as we expect.

We have no operating history as a business development company or as a regulated investment company, which may impair your ability to assess our prospects.

Main Street Mezzanine Fund was formed in 2002 by certain members of our management team. Prior to this offering, however, we have not operated, and our management team has no experience operating, as a business development company under the 1940 Act or as a RIC under Subchapter M of the Code. As a result, we have no operating results under these regulatory frameworks that can demonstrate to you either their effect on our business or our ability to manage our business under these frameworks. If we fail to operate our business so as to maintain our status as a business development company or a RIC, our operating flexibility will be significantly reduced.

Because we borrow money, the potential for gain or loss on amounts invested in us is magnified and may increase the risk of investing in us.

Borrowings, also known as leverage, magnify the potential for gain or loss on invested equity capital. As we intend to use leverage to partially finance our investments, you will experience increased risks of investing in our common stock. We, through Main Street Mezzanine Fund, issue debt securities guaranteed by the SBA and sold in the capital markets. As a result of its guarantee of the debt securities, the SBA has fixed dollar claims on the assets of Main Street Mezzanine Fund that are superior to the claims of our common stockholders. We may also borrow from banks and other lenders in the future. If the value of our assets also increases, leveraging would cause the net asset value attributable to our common stock to increase more sharply than it would have had we not leveraged. Conversely, if the value of our assets decreases, leveraging would cause net asset value to decline more sharply than it otherwise would have had we not leveraged. Similarly, any increase in our income in excess of interest payable on the borrowed funds would cause our net income to increase more than it would without the leverage, while any decrease in our income would cause net income to decline more sharply than it would have had we not borrowed. Such a decline could negatively affect our ability to pay common stock dividends. Leverage is generally considered a speculative investment technique.

On June 30, 2007, we, through Main Street Mezzanine Fund, had $55.0 million of outstanding indebtedness guaranteed by the SBA, which had a weighted average annualized interest cost of approximately 5.8% (exclusive of deferred financing costs). The debentures guaranteed by the SBA have a maturity of ten years and require semi-annual payments of interest. We will need to generate sufficient cash flow to make required interest payments on the debentures. If we are unable to meet the financial obligations under the debentures, the SBA, as a creditor, will have a superior claim to the assets of Main Street Mezzanine Fund over our stockholders in the event we liquidate or the SBA exercises its remedies under such debentures as the result of a default by us.

Illustration. The following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns, net of expenses. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing below.

Assumed Return on Our Portfolio[(1)]
(net of expenses)

	(10.0)%	(5.0)%	0.0%	5.0%	10.0%
Corresponding net return to common stockholder	(31.3)%	(19.5)%	(7.6)%	4.2%	16.0%

(1) Assumes $99.1 million in total assets, $55.0 million in debt outstanding, $41.8 million in members' equity and partners' capital, and an average cost of funds of 5.8%. Actual interest payments may be different.

Our ability to achieve our investment objective may depend in part on our ability to achieve additional leverage on favorable terms by issuing debentures guaranteed by the SBA, or by borrowing from banks or insurance companies, and there can be no assurance that such additional leverage can in fact be achieved.

SBA regulations limit the outstanding dollar amount of SBA-guaranteed debentures that may be issued by an SBIC or group of SBICs under common control.

The SBA regulations currently limit the dollar amount of SBA-guaranteed debentures that can be issued by any one SBIC or group of SBICs under common control to $127.2 million (which amount is subject to increase on an annual basis based on cost of living increases). Because of our and our investment team's affiliations with Main Street Capital II, a separate SBIC which commenced investment operations in January 2006, Main Street Mezzanine Fund and Main Street Capital II may be deemed to be a group of SBICs under common control. Thus, the dollar amount of SBA-guaranteed debentures that can be issued collectively by Main Street Mezzanine Fund and Main Street Capital II may be limited to $127.2 million, absent relief from the SBA. Currently, we, through Main Street Mezzanine Fund, do not intend to issue SBA-guaranteed debentures in excess of $55.0 million based upon Main Street Mezzanine Fund's existing equity capital.

Main Street Mezzanine Fund's current status as an SBIC does not automatically assure that it will continue to receive SBA-guaranteed debenture funding. Receipt of SBA leverage funding is dependent upon Main Street Mezzanine Fund continuing to be in compliance with SBA regulations and policies. Moreover, the amount of SBA leverage funding available to SBICs is dependent upon annual Congressional authorizations and in the future may be subject to annual Congressional appropriations. There can be no assurance that there will be sufficient debenture funding available at the times desired by Main Street Mezzanine Fund.

Our ability to enter into and exit investment transactions with our affiliates will be restricted.

Except in those instances where we have received prior exemptive relief from the SEC, we will be prohibited under the 1940 Act from knowingly entering into certain investment transactions with our affiliates. Since January 2006, Main Street Mezzanine Fund has co-invested with Main Street Capital II in a number of lower middle market companies. Each co-investment was made at the same time and on the same terms. In connection with our election to be regulated as a business development company, neither we nor Main Street Mezzanine Fund will be permitted to co-invest with Main Street Capital II in certain types of negotiated investment transactions unless we receive an order from the SEC permitting us to do so. Moreover, we may be limited in our ability to make follow-on investments or liquidate our existing equity investments in such companies. Although we have applied to the SEC for exemptive relief to permit such co-investment and liquidity transactions, subject to certain conditions, we cannot be certain that our application for such relief will be granted or what conditions will be placed on such relief.

There are significant potential conflicts of interest which could impact our investment returns.

The members of our investment team serve or may serve as officers, directors or principals of entities that operate in the same or a related line of business as we do or of investment funds managed by our affiliates. Accordingly, they may have obligations to investors in those entities, the fulfillment of which might not be in the best interests of us or our stockholders. For example, Messrs. Foster, Reppert, Hartman, Hyzak, Magdol and Stout, each of whom are members of our investment team, are and, following this offering, will continue to have responsibilities for and an economic interest in Main Street Capital II, a separate SBIC which commenced investment operations in January 2006. Importantly, Main Street Capital II has overlapping investment objectives with those of Main Street and, accordingly, makes loans to, and invests in, companies similar to those targeted by Main Street. As a result of their responsibilities for and economic interest in Main Street Capital II, the members of our investment team will face conflicts in the allocation of investment opportunities to Main Street Capital II. Although the members of our investment team will endeavor to allocate investment opportunities in a fair and equitable manner, it is possible that we may not be given the opportunity to participate in certain investments made by Main Street Capital II. Pending receipt of exemptive relief from the SEC to permit co-investment as described above, the members of our investment team will be forced to choose whether we or Main Street Capital II should make the investment when they identify an investment opportunity.

We may experience fluctuations in our quarterly results.

We could experience fluctuations in our quarterly operating results due to a number of factors, including our ability or inability to make investments in companies that meet our investment criteria, the interest rate payable on the debt securities we acquire, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

Our Board of Directors may change our operating policies and strategies without prior notice or stockholder approval, the effects of which may be adverse.

Our Board of Directors has the authority to modify or waive our current operating policies, investment criteria and strategies without prior notice and without stockholder approval. We cannot predict the effect any changes to our current operating policies, investment criteria and strategies would have on our business, net

asset value, operating results and value of our stock. However, the effects might be adverse, which could negatively impact our ability to pay you dividends and cause you to lose all or part of your investment. Moreover, we will have significant flexibility in investing the net proceeds of this offering and may use the net proceeds from this offering in ways with which investors may not agree or for purposes other than those contemplated at the time of this offering.

We will be subject to corporate-level income tax if we are unable to qualify as a RIC under Subchapter M of the Code.

To obtain and maintain RIC tax treatment under the Code, we must meet the following annual distribution, income source and asset diversification requirements.

- The annual distribution requirement for a RIC will be satisfied if we distribute to our stockholders on an annual basis at least 90.0% of our net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. We will be subject to a 4.0% nondeductible federal excise tax, however, to the extent that we do not satisfy certain additional minimum distribution requirements on a calendar-year basis. See "Material U.S. Federal Income Tax Considerations." Because we use debt financing, we are subject to an asset coverage ratio requirement under the 1940 Act and may in the future become subject to certain financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to satisfy the distribution requirement. If we are unable to obtain cash from other sources, we could fail to qualify for RIC tax treatment and thus become subject to corporate-level income tax.
- The income source requirement will be satisfied if we obtain at least 90.0% of our income for each year from distributions, interest, gains from the sale of stock or securities or similar sources.
- The asset diversification requirement will be satisfied if we meet certain asset diversification requirements at the end of each quarter of our taxable year. To satisfy this requirement, at least 50.0% of the value of our assets must consist of cash, cash equivalents, U.S. Government securities, securities of other RICs, and other acceptable securities; and no more than 25.0% of the value of our assets can be invested in the securities, other than U.S. government securities or securities of other RICs, of one issuer, of two or more issuers that are controlled, as determined under applicable Code rules, by us and that are engaged in the same or similar or related trades or businesses or of certain "qualified publicly traded partnerships." Failure to meet these requirements may result in our having to dispose of certain investments quickly in order to prevent the loss of RIC status. Because most of our investments will be in private companies, and therefore will be relatively illiquid, any such dispositions could be made at disadvantageous prices and could result in substantial losses.

If we fail to qualify for or maintain RIC tax treatment for any reason and are subject to corporate income tax, the resulting corporate taxes could substantially reduce our net assets, the amount of income available for distribution and the amount of our distributions.

We may not be able to pay you dividends, and our dividends may not grow over time.

We intend to pay quarterly dividends to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash dividends or year-to-year increases in cash dividends. Our ability to pay dividends might be adversely affected by, among other things, the impact of one or more of the risk factors described in this prospectus. In addition, the inability to satisfy the asset coverage test applicable to us as a business development company can limit our ability to pay dividends. All dividends will be paid at the discretion of our Board of Directors and will depend on our earnings, our financial condition, maintenance of our RIC status, compliance with applicable business development company regulations, Main Street Mezzanine Fund's compliance with applicable SBIC regulations and such other factors as our Board of Directors may deem relevant from time to time. We cannot assure you that we will pay dividends to our stockholders in the future.

We may have difficulty paying our required distributions if we recognize income before or without receiving cash representing such income.

For federal income tax purposes, we will include in income certain amounts that we have not yet received in cash, such as original issue discount, which may arise if we receive warrants in connection with the origination of a loan or possibly in other circumstances, or contractual payment-in-kind, or PIK, interest, which represents contractual interest added to the loan balance and due at the end of the loan term. Such original issue discounts or increases in loan balances as a result of contractual PIK arrangements will be included in income before we receive any corresponding cash payments. We also may be required to include in income certain other amounts that we will not receive in cash.

Since, in certain cases, we may recognize income before or without receiving cash representing such income, we may have difficulty meeting the annual distribution requirement necessary to obtain and maintain RIC tax treatment under the Code. Accordingly, we may have to sell some of our investments at times and/or at prices we would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities for this purpose. If we are not able to obtain cash from other sources, we may fail to qualify for RIC tax treatment and thus become subject to corporate-level income tax. For additional discussion regarding the tax implications of a RIC, please see "Material U.S. Federal Income Tax Considerations — Taxation as a RIC."

Main Street Mezzanine Fund, as an SBIC, may be unable to make distributions to us that will enable us to meet or maintain RIC status, which could result in the imposition of an entity-level tax.

In order for us to qualify for RIC tax treatment, we will be required to distribute on an annual basis substantially all of our taxable income, including income from our subsidiaries, which includes the income from Main Street Mezzanine Fund. We will be partially dependent on Main Street Mezzanine Fund for cash distributions to enable us to meet the RIC distribution requirements. Main Street Mezzanine Fund may be limited by the Small Business Investment Act of 1958, and SBA regulations governing SBICs, from making certain distributions to us that may be necessary to enable us to qualify for RIC tax treatment. We may have to request a waiver of the SBA's restrictions for Main Street Mezzanine Fund to make certain distributions to maintain our eligibility for RIC tax treatment. We cannot assure you that the SBA will grant such waiver and if Main Street Mezzanine Fund is unable to obtain a waiver, compliance with the SBA regulations may result in loss of RIC tax treatment and a consequent imposition of an entity-level tax on us.

Because we intend to distribute substantially all of our income to our stockholders upon our election to be treated as a RIC, we will continue to need additional capital to finance our growth, and regulations governing our operation as a business development company will affect our ability to, and the way in which we, raise additional capital.

In order to satisfy the requirements applicable to a RIC and to avoid payment of excise taxes, we intend to distribute to our stockholders substantially all of our net ordinary income and net capital gain income except for certain net long-term capital gains recognized after we become a RIC, some or all of which we may retain, pay applicable income taxes with respect thereto, and elect to treat as deemed distributions to our stockholders. As a business development company, we generally are required to meet a coverage ratio of total assets to total senior securities, which includes all of our borrowings and any preferred stock we may issue in the future, of at least 200.0%. This requirement limits the amount that we may borrow. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be required to sell a portion of our investments or sell additional shares of common stock and, depending on the nature of our leverage, to repay a portion of our indebtedness at a time when such sales may be disadvantageous. In addition, issuance of additional securities could dilute the percentage ownership of our current stockholders in us.

While we expect to be able to borrow and to issue additional debt and equity securities, we cannot assure you that debt and equity financing will be available to us on favorable terms, or at all. In addition, as a business development company, we generally will not be permitted to issue equity securities priced below net

asset value without stockholder approval. If additional funds are not available to us, we could be forced to curtail or cease new investment activities, and our net asset value could decline.

Changes in laws or regulations governing our operations may adversely affect our business or cause us to alter our business strategy.

We, Main Street Mezzanine Fund, and our portfolio companies will be subject to regulation at the local, state and federal level. New legislation may be enacted or new interpretations, rulings or regulations could be adopted, including those governing the types of investments we are permitted to make, any of which could harm us and our stockholders, potentially with retroactive effect. In addition, any change to the SBA's current Debenture SBIC program could have a significant impact on our ability to obtain lower-cost leverage and, therefore, our competitive advantage over other finance companies.

Additionally, any changes to the laws and regulations governing our operations relating to permitted investments may cause us to alter our investment strategy in order to avail ourselves of new or different opportunities. Such changes could result in material differences to the strategies and plans set forth in this prospectus and may result in our investment focus shifting from the areas of expertise of our investment team to other types of investments in which our investment team may have less expertise or little or no experience. Thus, any such changes, if they occur, could have a material adverse effect on our results of operations and the value of your investment.

Efforts to comply with the Sarbanes-Oxley Act will involve significant expenditures, and non-compliance with the Sarbanes-Oxley Act may adversely affect us.

Upon completion of our initial public offering, we will be subject to the Sarbanes-Oxley Act of 2002, and the related rules and regulations promulgated by the SEC. Under current SEC rules, beginning with our fiscal year ending December 31, 2008, our management will be required to report on our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 and rules and regulations of the SEC thereunder. We will be required to review on an annual basis our internal control over financial reporting, and on a quarterly and annual basis to evaluate and disclose changes in our internal control over financial reporting. As a result, we expect to incur significant additional expenses in the near term, which may negatively impact our financial performance and our ability to make distributions. This process also will result in a diversion of management's time and attention. We cannot be certain as to the timing of completion of our evaluation, testing and remediation actions or the impact of the same on our operations and we may not be able to ensure that the process is effective or that our internal control over financial reporting is or will be effective in a timely manner. There can be no assurance that we will successfully identify and resolve all issues required to be disclosed prior to becoming a public company or that our quarterly reviews will not identify additional material weaknesses. In the event that we are unable to maintain or achieve compliance with the Sarbanes-Oxley Act and related rules, we may be adversely affected.

Risks Related to Our Investments

Our investments in portfolio companies may be risky, and we could lose all or part of our investment.

Investing in lower middle market companies involves a number of significant risks. Among other things, these companies:

- may have limited financial resources and may be unable to meet their obligations under their debt instruments that we hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of us realizing any guarantees from subsidiaries or affiliates of our portfolio companies that we may have obtained in connection with our investment, as well as a corresponding decrease in the value of the equity components of our investments;
- may have shorter operating histories, narrower product lines, smaller market shares and/or significant customer concentrations than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;

- are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on our portfolio company and, in turn, on us;
- generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position; and
- generally have less publicly available information about their businesses, operations and financial condition. If we are unable to uncover all material information about these companies, we may not make a fully informed investment decision, and may lose all or part of our investment.

In addition, in the course of providing significant managerial assistance to certain of our portfolio companies, certain of our officers and directors may serve as directors on the boards of such companies. To the extent that litigation arises out of our investments in these companies, our officers and directors may be named as defendants in such litigation, which could result in an expenditure of funds (through our indemnification of such officers and directors) and the diversion of management time and resources.

The lack of liquidity in our investments may adversely affect our business.

We invest, and will continue to invest in companies whose securities are not publicly traded, and whose securities will be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. The illiquidity of these investments may make it difficult for us to sell these investments when desired. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we had previously recorded these investments. As a result, we do not expect to achieve liquidity in our investments in the near-term. Our investments are usually subject to contractual or legal restrictions on resale or are otherwise illiquid because there is usually no established trading market for such investments. The illiquidity of most of our investments may make it difficult for us to dispose of them at a favorable price, and, as a result, we may suffer losses.

We may not have the funds or ability to make additional investments in our portfolio companies.

We may not have the funds or ability to make additional investments in our portfolio companies. After our initial investment in a portfolio company, we may be called upon from time to time to provide additional funds to such company or have the opportunity to increase our investment through the exercise of a warrant to purchase common stock. There is no assurance that we will make, or will have sufficient funds to make, follow-on investments. Any decisions not to make a follow-on investment or any inability on our part to make such an investment may have a negative impact on a portfolio company in need of such an investment, may result in a missed opportunity for us to increase our participation in a successful operation or may reduce the expected yield on the investment.

Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies.

We invest primarily in secured term debt as well as equity issued by lower middle market companies. Our portfolio companies may have, or may be permitted to incur, other debt that ranks equally with, or senior to, the debt in which we invest. By their terms, such debt instruments may entitle the holders to receive payment of interest or principal on or before the dates on which we are entitled to receive payments with respect to the debt instruments in which we invest. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of debt instruments ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution. After repaying such senior creditors, such portfolio company may not have any remaining assets to use for repaying its obligation to us. In the case of debt ranking equally with debt instruments in which we invest, we would have to share on an equal basis any distributions with other creditors holding such

debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company.

There may be circumstances where our debt investments could be subordinated to claims of other creditors or we could be subject to lender liability claims.

Even though we may have structured certain of our investments as secured loans, if one of our portfolio companies were to go bankrupt, depending on the facts and circumstances, including the extent to which we actually provided managerial assistance to that portfolio company, a bankruptcy court might recharacterize our debt investment and subordinate all or a portion of our claim to that of other creditors. We may also be subject to lender liability claims for actions taken by us with respect to a borrower's business or instances where we exercise control over the borrower. It is possible that we could become subject to a lender's liability claim, including as a result of actions taken in rendering significant managerial assistance.

Second priority liens on collateral securing loans that we make to our portfolio companies may be subject to control by senior creditors with first priority liens. If there is a default, the value of the collateral may not be sufficient to repay in full both the first priority creditors and us.

Certain loans that we make to portfolio companies will be secured on a second priority basis by the same collateral securing senior secured debt of such companies. The first priority liens on the collateral will secure the portfolio company's obligations under any outstanding senior debt and may secure certain other future debt that may be permitted to be incurred by the company under the agreements governing the loans. The holders of obligations secured by the first priority liens on the collateral will generally control the liquidation of and be entitled to receive proceeds from any realization of the collateral to repay their obligations in full before us. In addition, the value of the collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from the sale or sales of all of the collateral would be sufficient to satisfy the loan obligations secured by the second priority liens after payment in full of all obligations secured by the first priority liens on the collateral. If such proceeds are not sufficient to repay amounts outstanding under the loan obligations secured by the second priority liens, then we, to the extent not repaid from the proceeds of the sale of the collateral, will only have an unsecured claim against the company's remaining assets, if any.

The rights we may have with respect to the collateral securing the loans we make to our portfolio companies with senior debt outstanding may also be limited pursuant to the terms of one or more intercreditor agreements that we enter into with the holders of senior debt. Under such an intercreditor agreement, at any time that obligations that have the benefit of the first priority liens are outstanding, any of the following actions that may be taken in respect of the collateral will be at the direction of the holders of the obligations secured by the first priority liens: the ability to cause the commencement of enforcement proceedings against the collateral; the ability to control the conduct of such proceedings; the approval of amendments to collateral documents; releases of liens on the collateral; and waivers of past defaults under collateral documents. We may not have the ability to control or direct such actions, even if our rights are adversely affected.

If we do not invest a sufficient portion of our assets in qualifying assets, we could fail to qualify as a business development company or be precluded from investing according to our current business strategy.

As a business development company, we may not acquire any assets other than "qualifying assets" unless, at the time of and after giving effect to such acquisition, at least 70.0% of our total assets are qualifying assets. See "Regulation."

We believe that substantially all of our investments will constitute qualifying assets. However, we may be precluded from investing in what we believe are attractive investments if such investments are not qualifying assets for purposes of the 1940 Act. If we do not invest a sufficient portion of our assets in qualifying assets, we could lose our status as a business development company, which would have a material adverse effect on our business, financial condition and results of operations. Similarly, these rules could prevent us from making follow-on investments in existing portfolio companies (which could result in the dilution of our position).

We are a non-diversified investment company within the meaning of the 1940 Act, and therefore we are not limited with respect to the proportion of our assets that may be invested in securities of a single issuer.

We are classified as a non-diversified investment company within the meaning of the 1940 Act, which means that we are not limited by the 1940 Act with respect to the proportion of our assets that we may invest in securities of a single issuer. To the extent that we assume large positions in the securities of a small number of issuers, our net asset value may fluctuate to a greater extent than that of a diversified investment company as a result of changes in the financial condition or the market's assessment of the issuer. We may also be more susceptible to any single economic or regulatory occurrence than a diversified investment company. Beyond our RIC asset diversification requirements, we do not have fixed guidelines for diversification, and our investments could be concentrated in relatively few portfolio companies.

We generally will not control our portfolio companies.

We do not, and do not expect to, control most of our portfolio companies, even though we may have board representation or board observation rights, and our debt agreements may contain certain restrictive covenants. As a result, we are subject to the risk that a portfolio company in which we invest may make business decisions with which we disagree and the management of such company, as representatives of the holders of their common equity, may take risks or otherwise act in ways that do not serve our interests as debt investors. Due to the lack of liquidity for our investments in non-traded companies, we may not be able to dispose of our interests in our portfolio companies as readily as we would like or at an appropriate valuation. As a result, a portfolio company may make decisions that could decrease the value of our portfolio holdings.

Economic recessions or downturns could impair our portfolio companies and harm our operating results.

Many of our portfolio companies may be susceptible to economic slowdowns or recessions and may be unable to repay our debt investments during these periods. Therefore, our non-performing assets are likely to increase, and the value of our portfolio is likely to decrease during these periods. Adverse economic conditions also may decrease the value of collateral securing some of our debt investments and the value of our equity investments. Economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events could prevent us from increasing investments and harm our operating results.

Defaults by our portfolio companies will harm our operating results.

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize a portfolio company's ability to meet its obligations under the debt or equity securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms, which may include the waiver of certain financial covenants, with a defaulting portfolio company.

Prepayments of our debt investments by our portfolio companies could adversely impact our results of operations and reduce our return on equity.

We are subject to the risk that the investments we make in our portfolio companies may be repaid prior to maturity. When this occurs, we will generally reinvest these proceeds in temporary investments, pending their future investment in new portfolio companies. These temporary investments will typically have substantially lower yields than the debt being prepaid and we could experience significant delays in reinvesting these amounts. Any future investment in a new portfolio company may also be at lower yields than the debt that was repaid. As a result, our results of operations could be materially adversely affected if one or more of our portfolio companies elect to prepay amounts owed to us. Additionally, prepayments could negatively impact our return on equity, which could result in a decline in the market price of our common stock.

Changes in interest rates may affect our cost of capital and net investment income.

Most of our debt investments will bear interest at fixed rates and the value of these investments could be negatively affected by increases in market interest rates. In addition, an increase in interest rates would make it more expensive to use debt to finance our investments. As a result, a significant increase in market interest rates could both reduce the value of our portfolio investments and increase our cost of capital, which would reduce our net investment income. Conversely, a decrease in interest rates may have an adverse impact on our returns by requiring us to seek lower yields on our debt investments and by increasing the risk that our portfolio companies will prepay our debt investments, resulting in the need to redeploy capital at potentially lower rates.

We may not realize gains from our equity investments.

Certain investments that we have made in the past and may make in the future include warrants or other equity securities. In addition, we make direct equity investments in companies. Our goal is ultimately to realize gains upon our disposition of such equity interests. However, the equity interests we receive may not appreciate in value and, in fact, may decline in value. Accordingly, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience. We also may be unable to realize any value if a portfolio company does not have a liquidity event, such as a sale of the business, recapitalization or public offering, which would allow us to sell the underlying equity interests. We often seek puts or similar rights to give us the right to sell our equity securities back to the portfolio company issuer. We may be unable to exercise these puts rights for the consideration provided in our investment documents if the issuer is in financial distress.

Risks Relating to this Offering and Our Common Stock

We may be unable to invest a significant portion of the net proceeds of this offering on acceptable terms in the timeframe contemplated by this prospectus.

Delays in investing the net proceeds of this offering may cause our performance to be worse than that of other fully invested business development companies or other lenders or investors pursuing comparable investment strategies. We cannot assure you that we will be able to identify any investments that meet our investment objective or that any investment that we make will produce a positive return. We may be unable to invest the net proceeds of this offering on acceptable terms within the time period that we anticipate or at all, which could harm our financial condition and operating results.

We anticipate that, depending on market conditions, it may take us up to 18 months to invest substantially all of the net proceeds of this offering in securities meeting our investment objective. During this period, we will invest the net proceeds of this offering primarily in cash, cash equivalents, U.S. government securities, repurchase agreements and high-quality debt instruments maturing in one year or less from the time of investment, which may produce returns that are significantly lower than the returns which we expect to achieve when our portfolio is fully invested in securities meeting our investment objective. As a result, any distributions that we pay during this period may be substantially lower than the distributions that we may be able to pay when our portfolio is fully invested in securities meeting our investment objective. In addition, until such time as the net proceeds of this offering are invested in securities meeting our investment objective, the market price for our common stock may decline. Thus, the initial return on your investment may be lower than when, if ever, our portfolio is fully invested in securities meeting our investment objective.

Shares of closed-end investment companies, including business development companies, may trade at a discount to their net asset value.

Shares of closed-end investment companies, including business development companies, may trade at a discount from net asset value. This characteristic of closed-end investment companies and business development companies is separate and distinct from the risk that our net asset value per share may decline. We cannot predict whether our common stock will trade at, above or below net asset value.

Investing in our common stock may involve an above average degree of risk.

The investments we make in accordance with our investment objective may result in a higher amount of risk than alternative investment options and a higher risk of volatility or loss of principal. Our investments in portfolio companies may be highly speculative, and therefore, an investment in our shares may not be suitable for someone with lower risk tolerance.

Investors in this offering are likely to incur immediate dilution upon the closing of this offering.

In connection with the formation transactions, we will issue common stock equal to approximately $40.9 million, which represents the net asset value of Main Street Mezzanine Fund as of December 31, 2006, as reduced for certain cash distributions made to its partners in January 2007 related to realized gains, to the Limited Partners in exchange for their respective interests, as described in the section entitled "Formation; Business Development Company and Regulated Investment Company Elections". However, the formation transactions will not take place until immediately prior to our election to be treated as a business development company under the 1940 Act and the closing of the initial public offering. On the closing date of the formation transactions, the actual net asset value of Main Street Mezzanine Fund may be greater or less than the net asset value of Main Street Mezzanine Fund as of December 31, 2006 used to determine the number of shares of common stock that the Limited Partners will receive in connection with the formation transactions. If, on the closing date of the formation transactions, the net asset value of Main Street Mezzanine Fund has decreased from its value as of December 31, 2006, the Limited Partners will receive more shares of common stock than they would have if the net asset value was determined closer to the time of the closing date for the formation transactions.

Furthermore, after giving effect to the sale of our common stock in this offering at an assumed initial public offering price of $15.00 per share, and after deducting estimated underwriting discounts and estimated offering and formation transaction expenses payable by us, our as-adjusted pro forma net asset value as of June 30, 2007, would have been approximately $151.5 million, or $13.54 per share. This represents an immediate increase in our net asset value per share of $0.32 to Limited Partners, the members of the General Partner and the members of the Investment Adviser and dilution in net asset value per share of $1.46 to new investors who purchase shares in this offering. See "Dilution" for more information.

We have not identified specific investments in which to invest all of the proceeds of this offering.

As of the date of this prospectus, we have not entered into definitive agreements for any specific investments in which to invest the net proceeds of this offering. Although we are and will continue to evaluate and seek new investment opportunities, you will not be able to evaluate prior to your purchase of common stock in this offering the manner in which we will invest the net proceeds of this offering, or the economic merits of any new investment.

The market price of our common stock may fluctuate significantly.

The market price and liquidity of the market for shares of our common stock may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include:

- significant volatility in the market price and trading volume of securities of business development companies or other companies in our sector, which are not necessarily related to the operating performance of these companies;
- changes in regulatory policies or tax guidelines, particularly with respect to RICs, business development companies or SBICs;
- inability to obtain certain exemptive relief from the SEC;
- loss of RIC status or Main Street Mezzanine Fund's status as an SBIC;
- changes in earnings or variations in operating results;

- changes in the value of our portfolio of investments;
- any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts;
- departure of our key personnel; and
- general economic trends and other external factors.

Prior to this offering, there has been no public market for our common stock, and we cannot assure you that the market price of our shares will not decline following the offering.

Prior to this offering, there has been no public market for our common stock. Consequently, the initial public offering price of our common stock was determined through negotiations among us and the underwriters. We cannot assure you that a trading market will develop for our common stock after this offering or, if one develops, that such trading market can be sustained. Initially, the market for our common stock will be extremely limited. Following this offering, sales of substantial amounts of our common stock or the availability of such shares for sale, could adversely affect the prevailing market prices for our common stock.

In connection with the formation transactions, the former Limited Partners and members of the General Partner and the Investment Adviser will receive restricted common stock in consideration for their respective equity interests in such entities. See "Formation; Business Development Company and Regulated Investment Company Elections-Formation Transactions." This stock may be transferred subject to certain terms and limitations under Rule 144 (a non-exclusive resale exemption under the Securities Act of 1933) following the first anniversary of issuance. Moreover, we have agreed to use reasonable best efforts to register the resale of this restricted stock as soon as practicable following the first anniversary of the closing of this offering. Thus, this restricted stock represents a significant "overhang," and significant sales of this stock, once it becomes tradable following the first anniversary of the closing, could have an adverse affect on the price of our shares. Any such adverse effects upon our share price could impair our ability to raise additional capital through the sale of equity securities should we desire to do so.

Provisions of the Maryland General Corporation Law and our articles of incorporation and bylaws could deter takeover attempts and have an adverse impact on the price of our common stock.

The Maryland General Corporation Law and our articles of incorporation and bylaws contain provisions that may have the effect of discouraging, delaying or making difficult a change in control of our company or the removal of our incumbent directors. We will be covered by the Business Combination Act of the Maryland General Corporation Law to the extent that such statute is not superseded by applicable requirements of the 1940 Act. However, our Board of Directors has adopted a resolution exempting from the Business Combination Act any business combination between us and any person to the extent that such business combination receives the prior approval of our Board of Directors, including a majority of our directors who are not interested persons as defined in the 1940 Act. If the applicable board resolution is repealed following such period of time or our Board of Directors does not otherwise approve a business combination, the Business Combination Act and the Control Share Acquisition Act (if we amend our bylaws to be subject to that Act) may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer.

In addition, our Board of Directors may, without stockholder action, authorize the issuance of shares of stock in one or more classes or series, including preferred stock. See "Description of Capital Stock." Subject to compliance with the 1940 Act, our Board of Directors may, without stockholder action, amend our articles of incorporation to increase the number of shares of stock of any class or series that we have authority to issue. The existence of these provisions, among others, may have a negative impact on the price of our common stock and may discourage third party bids for ownership of our company. These provisions may prevent any premiums being offered to you for shares of our common stock.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements in this prospectus constitute forward-looking statements because they relate to future events or our future performance or financial condition. The forward-looking statements contained in this prospectus may include 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.

In addition, words such as "anticipate," "believe," "expect" and "intend" indicate a forward-looking statement, although not all forward-looking statements include these words. The forward-looking statements contained in this prospectus involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in "Risk Factors" and elsewhere in this prospectus. Other factors that could cause actual results to differ materially include:

- changes in the economy;
- risks associated with possible disruption in our operations or the economy generally due to terrorism or natural disasters; and
- future changes in laws or regulations and conditions in our operating areas.

We have based the forward-looking statements included in this prospectus on information available to us on the date of this prospectus, and we assume no obligation to update any such forward-looking statements. 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.

FORMATION; BUSINESS DEVELOPMENT COMPANY AND REGULATED INVESTMENT COMPANY ELECTIONS

Formation Transactions

Prior to the closing of this offering and the transactions described below, investments were made by Main Street Mezzanine Fund, LP, a privately-held Delaware limited partnership which holds a license as an SBIC. Prior to the closing of this offering, Main Street Mezzanine Fund had 98 limited partners, and a general partner, Main Street Mezzanine Management, LLC, or the General Partner. Main Street Mezzanine Fund's investments have been managed by Main Street Capital Partners, LLC, or the Investment Adviser, pursuant to a management services agreement between the Investment Adviser and Main Street Mezzanine Fund.

The Investment Adviser also serves as the manager and investment adviser for Main Street Capital II, LP, which also holds an SBIC license. We will not acquire any interest in Main Street Capital II in connection with the transactions described below but the Investment Adviser will continue to act as the manager and investment adviser to Main Street Capital II subsequent to such transactions.

Main Street Capital Corporation was incorporated as a Maryland corporation on March 9, 2007, for the purpose of acquiring Main Street Mezzanine Fund, the General Partner and the Investment Adviser, raising capital in this offering and thereafter operating as an internally managed business development company under the 1940 Act. Upon the closing of this offering, we will own and operate Main Street Mezzanine Fund through the corporate structure described below.

On May 10, 2007, we entered into acquisition agreements with Main Street Mezzanine Fund, the General Partner and the Investment Adviser to effect the following transactions. Pursuant to these acquisition agreements, immediately prior to our election to be treated as a business development company under the 1940 Act and the closing of this offering, we will consummate the following formation transactions to create an internally-managed operating structure which we believe will align the interests of management and stockholders and also enhance our net investment income, net cash flow from operations and dividend-paying potential:

- Pursuant to a merger agreement that has received the approval of the General Partner and over 95% of the limited partners of Main Street Mezzanine Fund, or the Limited Partners, we will acquire 100.0% of the limited partnership interests in Main Street Mezzanine Fund for $40.9 million (which represents the audited net asset value of Main Street Mezzanine Fund as of December 31, 2006, less cash distributed to partners in January 2007 related to realized gains). We will issue to the Limited Partners shares of common stock valued at $40.9 million in exchange for their limited partnership interests. The $40.9 million valuation represents a 54.4% premium over the total capital contributions made by the Limited Partners to Main Street Mezzanine Fund as a result of Main Street Mezzanine Fund's cumulative retained earnings as well as the net unrealized appreciation recorded in the value of the investments held by Main Street Mezzanine Fund. The aggregate number of shares issuable to the Limited Partners will be determined by dividing $40.9 million by the initial public offering price per share. The shares issuable to the Limited Partners under the agreement will be allocated among the Limited Partners in proportion to the respective limited partnership interests held by the Limited Partners.
- We will acquire from the members of the General Partner 100.0% of their equity interests in the General Partner and, consequently, 100.0% of the general partnership interest in Main Street Mezzanine Fund for $9.0 million. We will issue to the members of the General Partner shares of common stock valued at $9.0 million in exchange for their equity interests in the General Partner. The aggregate number of shares issuable to the members of the General Partner will be determined by dividing $9.0 million by the initial public offering price per share. Under the current agreement of limited partnership, or partnership agreement, of Main Street Mezzanine Fund, the General Partner is entitled to 20.0% of Main Street Mezzanine Fund's profits and related distributions. We refer to the General Partner's right to receive such profits and related distributions as "carried interest." The consideration being received by the members of the General Partner is based largely on the estimated present value of the 20.0% carried interest in Main

Street Mezzanine Fund and comparable public market transactions, and was determined using industry standard valuation methodologies that we believe are reasonable and supportable.

In addition to serving as the general partner of Main Street Mezzanine Fund, the General Partner holds partnership interests in Main Street Mezzanine Fund equaling 0.7% of the total partnership interests.

- We will acquire from the members of the Investment Adviser 100.0% of their equity interests in the Investment Adviser for $18.0 million. We will issue to the members of the Investment Adviser shares of common stock valued at $18.0 million in exchange for their equity interests in the Investment Adviser. The aggregate number of shares issuable to the members of the Investment Adviser will be determined by dividing $18.0 million by the initial public offering price per share. The consideration payable to the members of the Investment Adviser is based on the estimated present value of net distributable income related to the management fees to which the Investment Advisor is entitled to receive pursuant to certain agreements and comparable public market transactions, and was determined using industry standard valuation methodologies that we believe are reasonable and supportable.

  In connection with the determination of the fair value of the investments held by Main Street Mezzanine Fund at December 31, 2006, the value of the equity interests in the General Partner and value of the equity interests in the Investment Advisor, the General Partner engaged Duff & Phelps LLC, and independent valuation firm ("Duff & Phelps"), to provide third party valuation consulting services which consisted of certain mutually agreed limited procedures that the General Partner identified and requested Duff & Phelps to perform (hereinafter referred to as the "Procedures"). Upon completion of the Procedures, Duff and Phelps concluded that the fair value of the investments and the value of the equity interests subjected to the Procedures, as determined by the General Partner, did not appear unreasonable. Duff & Phelps' performance of the Procedures did not constitute an opinion or recommendation as to the formation transactions. See also "Business — Valuation Process and Determination of Net Asset Value" and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies — Investment Valuation."

  Under two separate management services agreements with Main Street Mezzanine Fund and Main Street Capital II, the Investment Adviser receives management fees from both Main Street Mezzanine Fund and Main Street Capital II. Until September 30, 2007, the Investment Adviser is entitled to receive a quarterly management fee, paid in advance, from Main Street Mezzanine Fund equal to 0.625% (2.5% annualized) of the sum of (i) the amount of qualifying private capital contributed or committed to Main Street Mezzanine Fund, (ii) any SBA permitted return of capital distributions made by Main Street Mezzanine Fund to its limited partners and (iii) an amount equal to two times qualifying private capital, representing the SBIC leverage available to Main Street Mezzanine Fund. After September 30, 2007, the Investment Adviser is entitled to receive a quarterly management fee from Main Street Mezzanine Fund equal to 0.625% (2.5% annualized) of the sum of (i) the amount of private capital contributed to Main Street Mezzanine Fund and (ii) the actual outstanding SBIC leverage of Main Street Mezzanine Fund. In connection with the formation transactions, the quarterly management fee from Main Street Mezzanine Fund will be adjusted to equal 0.625% (2.5% annualized) multiplied by the cost basis of active investments.

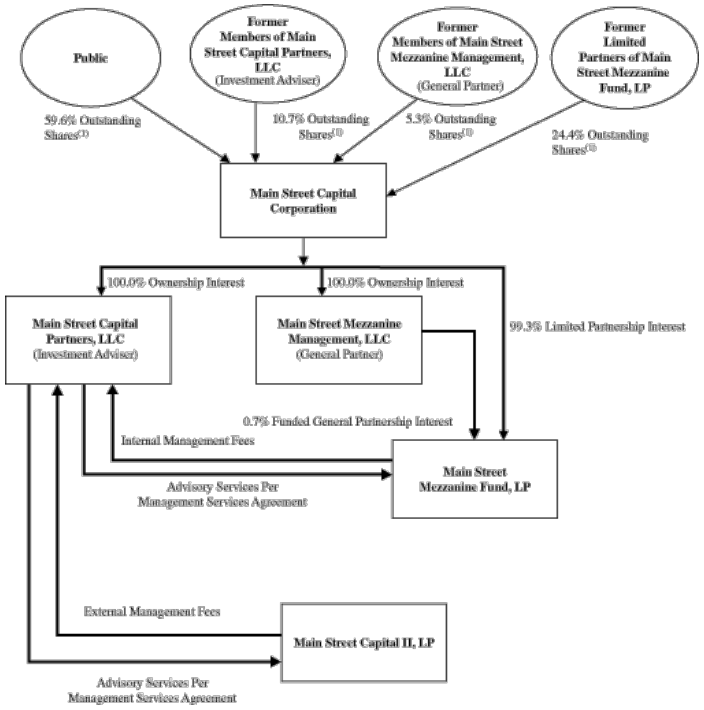
  From January 1, 2006 until December 31, 2010 (or an earlier date if Main Street Capital II receives 80.0% or greater of its combined private funding and SBIC leverage), the Investment Adviser is entitled to receive a quarterly management fee, paid in advance, from Main Street Capital II equal to 0.5% (2.0% annualized) of the sum of (i) the amount of qualifying private capital contributed or committed to Main Street Capital II, (ii) any SBA permitted return of capital distributions made by Main Street Capital II to its limited partners and (iii) an amount equal to two times qualifying private capital, SBIC leverage available to Main Street Capital II. Thereafter, the Investment Adviser is entitled to receive a quarterly management fee, paid in advance, from Main Street Capital II equal to 0.5% (2.0% annualized) of the total cost of all active portfolio investments of Main Street Capital II.

  Pursuant to the applicable management fee provisions discussed above and the existing capital committed to both funds, the Investment Adviser is entitled to receive management fees of

approximately $2 million and $3.2 million from Main Street Mezzanine Fund and Main Street Capital II, respectively, for the year ending December 31, 2007.

Prior to the closing of the formation transactions, the Investment Advisor will compensate its personnel and its members consistent with past practices, including paying bonus compensation of substantially all accumulated net earnings. After the closing of the formation transactions, the personnel of the Investment Advisor will be compensated as determined by the management of Main Street and the Compensation Committee of its Board of Directors.

The following diagram depicts our organizational structure upon completion of this offering and the formation transactions described elsewhere in this prospectus:



(1) Based on 11,192,341 shares of common stock to be outstanding after this offering and completion of the formation transactions described elsewhere in this prospectus. Does not include 1,000,000 shares of common stock issuable pursuant to the underwriters' over-allotment option.

Because the SBA prohibits, without prior SBA approval, a "change of control" of an SBIC or issuances or transfers that would result in any person (or group of persons acting in concert) owning 10.0% or more of a class of stock of an SBIC, the formation transactions described above and this offering require the written consent of the SBA. Main Street Mezzanine Fund has formally requested the SBA's written approval to these

transactions and this offering. Main Street Mezzanine Fund intends to continue to hold its SBIC license upon the closing of this offering and be subject to the rules and regulations of the SBIC Program.

The consummation of the formation transactions is subject only to the receipt of the SBA approval described above.

Business Development Company and Regulated Investment Company Elections

In connection with this offering, we will file an election to be regulated as a business development company under the 1940 Act. In addition, we intend to elect to be treated as a RIC under Subchapter M of the Code, effective as of the date of our formation. Our election to be regulated as a business development company and our election to be treated as a RIC will have a significant impact on our future operations. Some of the most important effects on our future operations of our election to be regulated as a business development company and our election to be treated as a RIC are outlined below.

We will report our investments at market value or fair value with changes in value reported through our statement of operations.

In accordance with the requirements of Article 6 of Regulation S-X, we will report all of our investments, including debt investments, at market value or, for investments that do not have a readily available market value, at their fair value as determined by our Board of Directors. Changes in these values will be reported through our statement of operations under the caption entitled "total net change in unrealized appreciation (depreciation) from investments." See "Business — Valuation Process and Determination of Net Asset Value."

Our ability to enter into and exit investment transactions with Main Street Capital II may be restricted.

Since January 2006, Main Street Mezzanine Fund has co-invested with Main Street Capital II in lower middle market companies. Each such investment was made at the same time and on the same terms. In connection with our election to be regulated as a business development company, neither we nor Main Street Mezzanine Fund will be permitted to co-invest with Main Street Capital II in certain types of negotiated investment transactions unless we receive an order from the SEC permitting us to do so. Moreover, we may be limited in our ability to make follow-on investments or liquidate our existing investments in such companies. Although we have applied to the SEC for exemptive relief to permit such co-investment and liquidity transactions, subject to certain conditions, we cannot be certain that our application for such relief will be granted or what conditions will be placed on such relief.

We generally will be required to pay income taxes only on the portion of our taxable income we do not distribute to stockholders (actually or constructively).

As a RIC, so long as we meet certain minimum distribution, source-of-income and asset diversification requirements, we generally will be 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, if any.

Our ability to use leverage as a means of financing our portfolio of investments will be limited.

As a business development company, we will be required to meet a coverage ratio of total assets to total senior securities of at least 200.0%. For this purpose, senior securities include all borrowings and any preferred stock we may issue in the future. Additionally, our ability to continue to utilize leverage as a means of financing our portfolio of investments will be limited by this asset coverage test. In connection with this offering and our intended election to be regulated as a business development company, we have filed a request with the SEC for exemptive relief to allow us to exclude any indebtedness guaranteed by the SBA and issued by Main Street Mezzanine Fund from the 200.0% asset coverage requirements applicable to us. While the SEC has granted exemptive relief in substantially similar circumstances in the past, no assurance can be given that an exemptive order will be granted.

We intend to distribute substantially all of our income to our stockholders.

As a RIC, we intend to distribute to our stockholders substantially all of our income, except possibly for certain net long-term capital gains. We may make deemed distributions to our stockholders of some or all of our retained net long-term capital gains. If this happens, you will be treated as if you had received an actual distribution of the capital gains and reinvested the net after-tax proceeds in us. In general, you also would be eligible to claim a tax credit (or, in certain circumstances, a tax refund) equal to your allocable share of the tax we paid on the deemed distribution. See "Material U.S. Federal Income Tax Considerations."

USE OF PROCEEDS

We estimate that the net proceeds we will receive from the sale of shares of our common stock in this offering will be approximately $91 million, or approximately $105 million if the underwriters fully exercise their over-allotment option, in each case assuming an initial public offering price of $15.00 per share, after deducting the underwriting discount and estimated offering and formation transaction expenses of approximately $2 million.

We intend to use all of the net proceeds from this offering to make investments in lower middle market companies in accordance with our investment objective and strategies described in this prospectus, pay our operating expenses and dividends to our stockholders, and for general corporate purposes. Based on current market conditions, we anticipate that it may take up to 18 months to fully invest the net proceeds we receive in connection with this offering, depending on the availability of investment opportunities that are consistent with our investment objective and strategies. However, if market conditions change, it may take us longer than 18 months to fully invest the net proceeds from this offering. Pending such use, we will invest the net proceeds primarily in short-term securities consistent with our business development company election and our election to be taxed as a RIC. See “Regulation — Temporary Investments.”

DIVIDENDS

We intend to pay quarterly dividends to our stockholders following our election to be taxed as a RIC, which we intend will be effective as of the date of our formation. Our quarterly dividends, if any, will be determined by our Board of Directors.

To obtain and maintain RIC tax treatment, we must, among other things, distribute at least 90.0% of our net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. In order to avoid certain excise taxes imposed on RICs, we currently intend to distribute during each calendar year an amount at least equal to the sum of (1) 98.0% of our net ordinary income for the calendar year, (2) 98.0% of our capital gains in excess of capital losses for the one-year period ending on October 31 of the calendar year and (3) any net ordinary income and net capital gains for preceding years that were not distributed during such years. We may retain for investment some or all of our net capital gains (i.e., realized net long-term capital gains in excess of realized net short-term capital losses) and treat such amounts as deemed distributions to our stockholders. If we do this, you will be treated as if you had received an actual distribution of the capital gains we retained and then reinvested the net after-tax proceeds in our common stock. In general, you also would be eligible to claim a tax credit (or, in certain circumstances, a tax refund) equal to your allocable share of the tax we paid on the capital gains deemed distributed to you. Please refer to "Material U.S. Federal Income Tax Considerations" for further information regarding the consequences of our retention of net capital gains. We can offer no assurance that we will achieve results that will permit the payment of any cash distributions and, if we issue senior securities, we will be prohibited from making distributions if doing so causes us to fail to maintain the asset coverage ratios stipulated by the 1940 Act or if distributions are limited by the terms of any of our borrowings. See "Regulation" and "Material U.S. Federal Income Tax Considerations."

We have adopted an "opt out" dividend reinvestment plan for our common stockholders. As a result, if we declare a dividend, then stockholders' cash dividends will be automatically reinvested in additional shares of our common stock, unless they specifically "opt out" of the dividend reinvestment plan so as to receive cash dividends. See "Dividend Reinvestment Plan."

CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2007:

- on an actual unaudited basis; and
- on a pro forma as adjusted basis to reflect the issuance by us of shares of common stock in the formation transactions and the sale by us of 6,666,667 shares of common stock in this offering at an assumed initial public offering price of $15.00 per share, after deducting the estimated underwriting discounts and estimated offering and formation transaction expenses payable by us.

This table assumes no exercise of the underwriters' over-allotment option of shares. You should read this table together with "Use of Proceeds" and our balance sheet included elsewhere in this prospectus.

	As of June 30, 2007	
	Actual	Pro Forma As Adjusted
	(Unaudited)	
	(dollars in thousands)	
Cash and cash equivalents	$17,663	$ 109,118
Borrowings (SBA-guaranteed debentures payable)	$55,000	$ 55,000
Equity:		
Members' equity and partners' capital	41,843	—
Common stock, $0.01 par value per share; no shares authorized, no shares issued and outstanding, actual (150,000,000 shares authorized; 11,192,341 shares issued and outstanding, as adjusted)	—	112
Additional paid-in capital/Undistributed Earnings	—	151,426
Total members' equity and partners' capital/stockholders' equity	41,843	151,538
Total capitalization	$96,843	$ 206,538

PRO FORMA AS ADJUSTED BALANCE SHEET

The following unaudited pro forma as adjusted balance sheet is based on the historical unaudited combined balance sheet of Main Street Mezzanine Fund and the General Partner as of June 30, 2007, included elsewhere in this prospectus and pro forma as adjusted to give effect to the completion of the formation transactions and the initial public offering discussed in this prospectus.

	Main Street Mezzanine Fund and General Partner Historical Balance Sheet as of June 30, 2007	Adjustments for Formation Transactions(1)(2)	Pro Forma Main Street Mezzanine Fund and General Partner(2)	Initial Public Offering Adjustments(3)	Pro Forma Main Street Mezzanine Fund and General Partner As Adjusted(4)
		(dollars in thousands)			
Assets:					
Investments at fair value	$ 81,107	$ —	$ 81,107	$ —	$ 81,107
Investment — affiliate operating company	—	18,000	18,000	—	18,000
Accumulated unearned income	(2,523)	—	(2,523)	—	(2,523)
Total investments net of accumulated unearned income	78,584	18,000	96,584	—	96,584
Cash and cash equivalents	17,663	—	17,663	91,455	109,118
Deferred financing costs, net	1,484	—	1,484	—	1,484
Interest receivable and other assets	628	—	628	—	628
Deferred offering costs	698	—	698	(698)	—
Total Assets	$ 99,057	$ 18,000	$ 117,057	$ 90,757	$ 207,814
Liabilities and Members' Equity and Partners' Capital:					
SBIC debentures	$ 55,000	$ —	$ 55,000	$ —	$ 55,000
Interest payable	1,017	—	1,017	—	1,017
Accounts payable-offering costs	938	—	938	(938)	—
Accounts payable and other liabilities	259	—	259	—	259
Total Liabilities	57,214	—	57,214	(938)	56,276
Members' equity (General Partner) and partners' capital contributions	41,843	(41,843)	—	—	—
Common stock, $0.01 par value per share; 150,000,000 shares authorized; 4,525,674 and 11,192,341 shares issued and outstanding, for pro forma and pro forma as adjusted, respectively	—	45	45	67	112
Additional paid-in capital/undistributed earnings	—	59,798	59,798	91,628	151,426
Total members' equity and partners' capital/stockholders' equity	41,843	18,000	59,843	91,695	151,538
Total liabilities and members' equity and partners' capital/stockholders' equity	$ 99,057	$ 18,000	$ 117,057	$ 90,757	$ 207,814
Shares outstanding			4,525,674		11,192,341
Net asset value per share			$ 13.22		$ 13.54

(1) The formation transactions consist of (i) the issuance of 2,725,674 shares of common stock representing $40.9 million in total value to the Limited Partners for all of their limited partnership interests, (ii) the issuance of 600,000 shares of common stock, representing $9.0 million in total value, to the members of the General Partner for all of their equity interests in the General Partner and (iii) the issuance of 1,200,000 shares of common stock, representing $18.0 million in total value, to the members of the Investment Adviser for all of their equity interests in the Investment Adviser.

(2) The acquisition of the Investment Adviser pursuant to the formation transactions is reflected in the pro forma balance sheet as an investment in affiliate operating company. The management activities of the Investment Adviser include investment management activities for both Main Street Mezzanine Fund and for Main Street Capital II. Therefore, the Investment Adviser does not conduct substantially all of its investment management activities for Main Street Mezzanine Fund.

(3) The "Initial Public Offering Adjustments" consist of the sale of 6,666,667 shares of common stock at $15.00 per share in an initial public offering, net of underwriting discounts and offering and formation transaction expenses.

(4) "Pro Forma Main Street Mezzanine Fund and General Partner As Adjusted" reflects the historical combined balance sheet of Main Street Mezzanine Fund and the General Partner as of June 30, 2007, as adjusted for the completion of the formation transactions and the initial public offering.

The following unaudited pro forma financial information is based upon the historical financial statements of Main Street Mezzanine Fund, LP and the General Partner for the periods presented included elsewhere in this prospectus, as hypothetically adjusted to give effect to the consummation of the formation transactions.

	Years Ended December 31,			Six Months Ended June 30,	Pro Forma Adjustments for Formation Transactions	Pro Forma for Formation Transactions
	2004	2005	2006	2007		
	(dollars in thousands)					
Total return to the General Partner(1)	436.2%	243.8%	184.6%	16.6%	N/A	6,622.2%(2)
Total return to the Limited Partners(1)	23.9%	37.9%	39.9%	6.3%	N/A	75.3%(2)
Net asset value allocation to the General Partner	$ 663	$ 1,755	$ 3,850	$ 3,546	$ 5,454(3)	$ 9,000
Net asset value allocation to the Limited Partners	16,575	31,514	39,423	38,297	(5,454)(3)	32,843
Total net asset value	$17,238	$33,269	$43,273	$ 41,843	$ —	$ 41,843

(1) Total returns based on the change in net asset values were calculated using the sum of the ending net asset value for the period plus the distributions to members (General Partner) or partners (Limited Partners) during the period less capital contributions during the period, as divided by the beginning net asset value. Total returns for the interim period are not annualized.

(2) These total returns were based on approximately $26.5 million and $0.2 million, respectively, of total cumulative contributions from Limited Partners and the General Partner. The pro forma total returns also include a hypothetical adjustment related to the acquisition of the General Partner interests as part of the formation transactions. The Limited Partners and the General Partner have received total cumulative cash distributions of approximately $13.3 million and $3.3 million, respectively, through June 30, 2007.

(3) These adjustments represent a hypothetical change in relative net asset value related to the acquisition of the General Partner interests as part of the formation transactions.

DILUTION

If you invest in our common stock, your interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the as-adjusted pro forma net asset value per share of our common stock immediately after the completion of this offering.

Our net asset value as of June 30, 2007, was $41.8 million. Our pro forma net asset value, as of June 30, 2007, would have been $13.22 per share. We determined our pro forma net asset value per share before this offering by dividing the net asset value (total assets less total liabilities) as of June 30, 2007, by the pro forma number of shares of common stock outstanding as of June 30, 2007, after giving effect to the formation transactions occurring immediately prior to our election to be treated as a business development company under the 1940 Act and this offering. See "Formation; Business Development Company and Regulated Investment Company Elections — Formation Transactions."

After giving effect to the sale of our common stock in this offering at an assumed initial public offering price of $15.00 per share, the application of the net proceeds from this offering as set forth in "Use of Proceeds" and after deducting estimated underwriting discounts and commissions and estimated offering and formation transaction expenses payable by us, our as-adjusted pro forma net asset value as of June 30, 2007 would have been $151.5 million, or $13.54 per share. This represents an immediate increase in our net asset value per share of $0.32 to existing stockholders and dilution in net asset value per share of $1.46 to new investors who purchase shares in this offering. The following table illustrates this per share dilution:

Assumed initial public offering price per share		$15.00
Pro forma net asset value per share after giving effect to the formation transactions	$13.22	
Increase in net asset value per share attributable to new investors in this offering	$ 0.32	
As-adjusted pro forma net asset value per share after this offering		$13.54
Dilution per share to new investors(1)		$ 1.46

(1) To the extent the underwriters' over-allotment option is exercised, there will be further dilution to new investors.

The following table summarizes, as of June 30, 2007, the number of shares of common stock purchased from us, the total consideration paid to us and the average price per share paid by existing stockholders and to be paid by new investors purchasing shares of common stock in this offering assuming an initial public offering price of $15.00 per share, before deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Average Price per Share
	Number	Percent	Amount	Percent	
Existing stockholders(1)	4,525,674	40.4%	$ 59,842,866	37.4%	$ 13.22
New investors	6,666,667	59.6	100,000,000	62.6	$ 15.00
Total	11,192,341	100.0%	$ 159,842,866	100.0%	

(1) Reflects the formation transactions that we expect to occur immediately prior to our election to be treated as a business development company under the 1940 Act and the closing of this offering.

SELECTED FINANCIAL AND OTHER DATA

The selected financial and other data below reflects the combined operations of Main Street Mezzanine Fund and the General Partner. The selected financial data at December 31, 2005 and 2006 and for the years ended December 31, 2004, 2005 and 2006, have been derived from combined financial statements that have been audited by Grant Thornton LLP, an independent registered public accounting firm. The selected financial data at December 31, 2002, 2003 and 2004 and for the years ended December 31, 2002 and 2003 have been derived from unaudited combined financial statements. The selected financial and other data for the six months ended June 30, 2006 and June 30, 2007, and as of June 30, 2006 and June 30, 2007, have been derived from unaudited financial data but, in the opinion of management, reflect all adjustments (consisting only of normal recurring adjustments) that are necessary to present fairly the results for such interim periods. Interim results as of and for the six months ended June 30, 2007 are not necessarily indicative of the results that may be expected for the year ending December 31, 2007. You should read this selected financial and other data in conjunction with our "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and notes thereto.

	Years Ended December 31,					Six Months Ended June 30,	
	2002[1]	2003	2004	2005	2006	2006	2007
	(Unaudited)	(Unaudited)				(Unaudited)	
	(dollars in thousands)						
Income statement data:							
Investment income:							
Total interest, fee and dividend income	$ 431	$ 3,397	$4,452	$7,338	$ 9,013	$4,574	$5,181
Interest from idle funds and other	5	7	9	222	749	368	374
Total investment income	436	3,404	4,461	7,560	9,762	4,942	5,555
Expenses:							
Management fees to affiliate	439	1,722	1,916	1,929	1,942	968	1,000
Interest	—	113	869	2,064	2,717	1,349	1,547
Organizational expenses	237	—	—	—	—		
General and administrative	42	135	184	197	198	104	172
Professional costs related to offering	—	—	—	—	—	—	695
Total expenses	718	1,970	2,969	4,190	4,857	2,421	3,414
Net investment income	(282)	1,434	1,492	3,370	4,905	2,521	2,141
Total net realized gain (loss) from investments	—	(225)	1,171	1,488	2,430	181	597
Net realized income	(282)	1,209	2,663	4,858	7,335	2,702	2,738
Total net change in unrealized appreciation (depreciation) from investments	—	300	1,764	3,032	8,488	3,699	372
Net increase (decrease) in members' equity and partners' capital resulting from operations	$ (282)	$ 1,509	$4,427	$7,890	$15,823	$6,401	$3,110

	As of December 31,					As of June 30,	
	2002(1)	2003	2004	2005	2006	2006	2007
	(Unaudited)	(Unaudited)	(Unaudited)			(Unaudited)	
			(dollars in thousands)				
Balance sheet data:							
Assets:							
Total investments at fair value	$ 7,265	$ 19,920	$ 40,733	$53,795	$76,209	$71,922	$81,107
Accumulated unearned income	(1,500)	(1,972)	(2,761)	(2,603)	(2,498)	(2,953)	(2,523)
Total investments net of accumulated unearned income	5,765	17,948	37,972	51,192	73,711	68,969	78,584
Cash and cash equivalents	4,300	1,537	796	26,261	13,769	12,999	17,663
Deferred financing costs, net of accumulated amortization	—	416	984	1,442	1,333	1,413	1,484
Interest receivable and other assets	70	266	262	439	630	405	628
Deferred offering costs						—	698
Total assets	$ 10,135	$ 20,167	$ 40,014	$79,334	$89,443	$83,786	$99,057
Liabilities and members' equity and partners' capital:							
SBIC debentures	$ —	$ 5,000	$ 22,000	$45,100	$45,100	$45,100	$55,000
Interest payable	—	60	354	771	855	855	1,017
Accounts payable-offering costs	—	—	—	—	—	—	938
Accounts payable and other liabilities	59	139	422	194	216	39	259
Total liabilities	59	5,199	22,776	46,065	46,171	45,994	57,214
Total members' equity and partners' capital	10,076	14,968	17,238	33,269	43,272	37,792	41,843
Total liabilities and members' equity and partners' capital	$ 10,135	$ 20,167	$ 40,014	$79,334	$89,443	$83,786	$99,057
Other data:							
Weighted average effective yield on debt investments(2)	18.9%	16.2%	15.3%	15.3%	15.0%	15.2%	14.7%
Number of portfolio companies	2	8	14	19	24	24	25
Expense ratios (as percentage of average net assets):							
Operating expenses(3)	14.2%	12.3%	13.7%	9.0%	5.5%	3.0%	4.4%
Interest expense	—	0.7%	5.7%	8.8%	7.0%	3.8%	3.7%

(1) Represents the period from inception (June 30, 2002) through December 31, 2002.

(2) Weighted average effective yield is calculated based upon our debt investments at the end of each period and includes amortization of deferred debt origination fees.

(3) The six months ended June 30, 2007 ratio includes the impact of professional costs related to this offering. These costs were 37.3% of operating expenses for that period.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information in this section contains forward-looking statements that involve risks and uncertainties. Please see "Risk Factors" and "Special Note Regarding Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with these statements. You should read the following discussion in conjunction with the financial statements and related notes and other financial information appearing elsewhere in this prospectus.

Overview

We are a specialty investment company focused on providing customized debt and equity financing to lower middle market companies that operate in diverse industries. Since our wholly-owned subsidiary, Main Street Mezzanine Fund, was formed in 2002, it has funded over $100 million of debt and equity investments. See the "Portfolio Companies" section for further information on our current investments. We seek to fill the current financing gap for lower middle market businesses, which have limited access to financing from commercial banks and other traditional sources. The underserved nature of the lower middle market creates the opportunity for us to meet the financing requirements of lower middle market companies while also negotiating favorable transaction terms and equity participations.

Since commencing investment operations in 2002, Main Street Mezzanine Fund has invested primarily in secured debt instruments, equity investments, warrants and other securities of lower middle market companies based in the United States. Main Street Mezzanine Fund is licensed as an SBIC by the SBA. Main Street Mezzanine Management, LLC, or the General Partner, has been the general partner of Main Street Mezzanine Fund since its inception and Main Street Capital Partners, LLC, or the Investment Adviser, has acted as Main Street Mezzanine Fund's manager and investment adviser. The Investment Adviser also acts as the manager and investment adviser to Main Street Capital II, LP, a separate SBIC which commenced its investment operations in January 2006. The Investment Adviser receives a management fee pursuant to separate management service agreements with both Main Street Mezzanine Fund and Main Street Capital II. Immediately prior to our election to be treated as a business development company under the 1940 Act and the consummation of this offering, we will acquire all of the outstanding equity interests of Main Street Mezzanine Fund, the General Partner and the Investment Adviser through the formation transactions. We will not acquire any interest in Main Street Capital II in connection with such transactions, but the Investment Adviser will continue to act as the manager and investment adviser to Main Street Capital II. For the year ending December 31, 2007, the Investment Adviser will be entitled to receive management fees from Main Street Capital II of $3.2 million.

Our financial statements reflect the combined operations of Main Street Mezzanine Fund and the General Partner prior to the formation transactions described elsewhere in this prospectus.

Critical Accounting Policies

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions affecting amounts reported in the financial statements. We have identified investment valuation and revenue recognition as our most critical accounting estimates. We continuously 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 combined financial statements is the valuation of our investments and the related amounts of unrealized appreciation and depreciation. We are required to report our investments at fair value.

As of June 30, 2007, approximately 82% of our total assets represented investments in portfolio companies valued at fair value. We base the fair value of our investments on the enterprise value of the portfolio companies in which we invest. The enterprise value is the value at which an enterprise could be sold in a transaction between two willing parties other than through a forced or liquidation sale. Typically, private companies are bought and sold based on multiples of EBITDA, cash flows, net income, revenues, or in limited cases, book value. There is no single methodology for determining enterprise value and for any one portfolio company enterprise value is generally described as a range of values from which a single estimate of enterprise value is derived. In determining the enterprise value of a portfolio company, we analyze various factors, including the portfolio company's historical and projected financial results. We also generally prepare and analyze discounted cash flow models based on its projections of the future free cash flows of the business and industry derived cost of capital. We review external events, including private mergers and acquisitions, and include these events in the enterprise valuation process.

Due to the inherent uncertainty in the valuation process, our estimate of fair value may differ materially from the values that would have been used had a ready market for the securities existed. In addition, changes in the market environment and other events that may occur over the lives of the investments may cause the gains or losses ultimately realized on these investments to be different than the valuations currently assigned. We determine the fair value of each individual investment and record changes in fair value as unrealized appreciation or depreciation.

If there is adequate enterprise value to support the repayment of the debt, the fair value of our loan or debt security normally corresponds to cost plus accumulated unearned income unless the borrower's condition or other factors lead to a determination of fair value at a different amount. The fair value of equity interests in portfolio companies is determined based on various factors, including revenues, EBITDA and cash flow from operations of the portfolio company and other pertinent factors such as recent offers to purchase a portfolio company's securities, financing events or other liquidation events.

In connection with the determination of the fair value of the investments at December 31, 2006 and June 30, 2007, the General Partner engaged Duff & Phelps, LLC, an independent valuation firm ("Duff & Phelps"), to provide third party valuation consulting services which consisted of certain mutually agreed limited procedures that the General Partner identified and requested Duff and Phelps to perform ("hereinafter referred to as the "Procedures"). For the year ended December 31, 2006, the General Partner asked Duff & Phelps to perform the Procedures on investments in 22 portfolio companies comprising approximately 99.0% of the total investments at fair value as of December 31, 2006. For the quarters ended March 31, 2007 and June 30, 2007, the General Partner asked Duff & Phelps to perform the Procedures on investments in 6 portfolio companies during each quarter comprising approximately 35.0% and 19.0%, respectively, of the total investments at fair value as of March 31, 2007 and June 30, 2007. Upon completion of the Procedures, Duff & Phelps concluded that the fair value, as determined by the General Partner, of those investments subjected to the Procedures did not appear to be unreasonable. The General Partner is ultimately and solely responsible for determining the fair value of the investments in good faith. See also "Business — Valuation Process and Determination of Net Asset Value" for a discussion of our valuation process and for a description of the Procedures performed by Duff & Phelps.

Revenue Recognition

Interest and Dividend 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. We stop accruing interest on investments and write off any previously accrued and uncollected interest when it is determined that interest is no longer collectible. Distributions from portfolio companies are recorded as dividend income when the distribution is received.

Fee Income

We may periodically provide services, including structuring and advisory services, to our portfolio companies. We recognize income from fees for providing such structuring and advisory services when the services are rendered or the transactions completed. We also receive upfront debt origination or closing fees in connection with our debt investments. Such upfront debt origination and closing fees are capitalized as unearned income on our balance sheet and amortized as additional interest income over the life of the debt investment.

Payment-in-Kind Interest (PIK)

While not significant to our total debt investment portfolio, we currently hold several 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 and recorded as interest income. To maintain RIC tax treatment, this non-cash source of income will need to be paid out to stockholders in the form of distributions, even though we have not yet collected the cash. We will stop accruing PIK interest and write off any accrued and uncollected interest when it is determined that PIK interest is no longer collectable.

Portfolio Composition

Investments principally consist of secured debt, equity warrants and direct equity investments in privately-held companies. The debt investments are secured by either a first or second lien on the assets of the portfolio company, generally bear interest at fixed rates, and generally mature between five and seven years from original investment.

Summaries of the composition of our investment portfolio at cost and fair value as a percentage of total investments are shown in following table:

	December 31,		June 30,
Cost:	**2005**	**2006**	**2007**
			(Unaudited)
First lien debt	69.9%	77.1%	82.3%
Second lien debt	20.4	11.8%	7.3
Equity	5.2	7.6%	7.9
Equity warrants	4.5	3.5%	2.5
	100.0%	100.0%	100.0%

	December 31,		June 30,
Fair Value:	**2005**	**2006**	**2007**
			(Unaudited)
First lien debt	62.7%	63.9%	68.9%
Second lien debt	18.5%	9.7%	6.0%
Equity	6.8%	12.6%	16.8%
Equity warrants	12.0%	13.8%	8.3%
	100.0%	100.0%	100.0%

The following table shows the portfolio composition by geographic region at cost and fair value as a percentage of total investments. The geographic composition is determined by the location of the corporate headquarters of the portfolio company.

Cost:	December 31, 2005	December 31, 2006	June 30, 2007 (Unaudited)
Southwest	66.6%	39.9%	39.1%
West	14.3	24.8	31.1
Northeast	19.1	14.7	13.8
Southeast	—	13.8	9.0
Midwest	—	6.8	7.0
	100.0%	100.0%	100.0%

Fair Value:	December 31, 2005	December 31, 2006	June 30, 2007 (Unaudited)
Southwest	69.0%	47.2%	46.4%
West	12.7	20.8	26.9
Northeast	18.3	11.1	12.4
Southeast	—	13.1	7.1
Midwest	—	7.8	7.2
	100.0%	100.0%	100.0%

Set forth below are tables showing the industry composition of our portfolio at cost and fair value as of December 31, 2005 and 2006, and June 30, 2007 (excluding unearned income):

Cost:	December 31, 2005	December 31, 2006	June 30, 2007 (Unaudited)
Manufacturing	—%	15.1%	25.1%
Construction/industrial minerals	8.8	11.7	11.3
Distribution	5.6	11.6	6.6
Health care products	11.5	8.2	7.0
Transportation/logistics	8.9	9.6	8.3
Custom wood products	8.5	6.3	5.9
Restaurant	7.7	5.3	4.4
Electronics manufacturing	6.3	5.2	5.1
Health care services	6.4	5.0	7.1
Professional services	5.9	4.8	4.1
Retail	—	4.3	4.0
Building products	5.2	3.9	2.9
Consumer products	4.1	3.2	3.2
Equipment rental	10.9	2.9	2.9
Information services	5.3	2.4	1.6
Industrial services	4.9	0.5	0.5
Total	100.0%	100.0%	100.0%

Fair Value:	December 31, 2005	December 31, 2006	June 30, 2007 (Unaudited)
Manufacturing	—%	14.1%	21.5%
Construction/industrial minerals	11.1	15.9	15.5
Distribution	5.1	12.3	8.2
Health care products	11.8	8.3	7.4
Transportation/logistics	9.8	9.7	7.7
Restaurant	8.1	5.3	5.1
Custom wood products	7.7	5.2	4.9
Electronics manufacturing	6.6	4.9	4.9
Professional services	4.0	4.4	4.2
Health care services	5.8	4.1	5.9
Retail	—	3.6	3.3
Building products	5.2	3.2	2.4
Consumer products	3.7	2.5	2.5
Industrial services	6.5	2.4	2.7
Equipment rental	9.8	2.3	2.4
Information services	4.8	1.8	1.4
Total	100.0%	100.0%	100.0%

Our investments carry a number of risks including, but not limited to: (1) investing in lower middle market companies which have a limited operating history and financial resources; (2) holding investments that are not publicly traded and which may be subject to legal and other restrictions on resale and (3) other risks common to investing in below investment grade debt and equity investments in private, smaller companies.

Portfolio Asset Quality

We utilize an investment rating system for our entire portfolio of investments. Investment Rating 1 is used for investments that have exceeded expectations and with respect to which return of capital invested, collection of all interest, and a substantial capital gain are expected. Investment Rating 2 is used for investments that are performing in accordance with or above expectations and with respect to which the equity component, if any, has the potential to realize capital gain. Investment Rating 3 is used for investments that are generally performing in accordance with expectations and with respect to which a full return of original capital invested and collection of all interest is expected, but no capital gain can currently be foreseen. Investment Rating 4 is used for investments that are underperforming, have the potential for a realized loss and require closer monitoring. Investment Rating 5 is used for investments performing significantly below expectations and where we expect a loss.

The following table shows the distribution of our investments on the 1 to 5 investment rating scale at fair value as of December 31, 2005, December 31, 2006 and June 30, 2007:

Investment Rating	December 31, 2005 Investments at Fair Value	December 31, 2005 Percentage of Total Portfolio	December 31, 2006 Investments at Fair Value	December 31, 2006 Percentage of Total Portfolio	June 30, 2007 (Unaudited) Investments at Fair Value	June 30, 2007 (Unaudited) Percentage of Total Portfolio
	(dollars in thousands)					
1	$ 4,475	8.3%	$ 31,686	41.6%	$ 25,778	31.8%
2	27,256	50.7	23,581	30.9	24,986	30.8
3	21,421	39.8	15,094	19.8	24,607	30.3
4	100	0.2	5,848	7.7	5,736	7.1
5	543	1.0	—	—	—	—
Totals	$ 53,795	100.0%	$ 76,209	100.0%	$ 81,107	100.0%

Based upon our investment rating system, the weighted average rating of our portfolio as of December 31, 2005, December 31, 2006 and June 30, 2007 was approximately 2.3, 1.9 and 2.1, respectively. As of December 31, 2005, 2006 and June 30, 2007 other than one investment that had been impaired as of December 31, 2005, we had no debt investments that were delinquent on interest payments or which were otherwise on non-accrual status.

Discussion and Analysis of Results of Operations

Comparison of six months ended June 30, 2007 and June 30, 2006

Investment Income

For the six months ended June 30, 2007, total investment income was $5.6 million, a $0.7 million, or 12.4%, increase over the $4.9 million of total investment income for the six months ended June 30, 2006. The increase was primarily attributable to a $0.6 million increase in interest, fee and dividend income from investments. The increase in interest, fee and dividend income is primarily attributable to (i) higher average levels of outstanding debt investments, which was principally due to the closing of three new debt investments in the six months ended June 30, 2007 and several new debt investments in the last nine months of 2006, partially offset by debt repayments received during the same periods, and (ii) higher levels of dividend income from portfolio equity investments. The increases in interest and dividend income during the six months ended June 30, 2007 were partially offset by a decrease in fee income during the six months ended June 30, 2007.

Expenses

For the six months ended June 30, 2007, total expenses increased by approximately $1.0 million, or 41.0%, to approximately $3.4 million from $2.4 million for the six months ended June 30, 2006. The increase in total expenses excluding the professional costs related to offering was primarily attributable to a $0.2 million increase in interest expense as a result of the additional $9.9 million of SBIC Debentures borrowed during the six months ended June 30, 2007 and $0.7 million of professional costs related to this offering. The professional costs related to the proposed initial public offering of Main Street Capital Corporation that were deducted in determining the net increase in members' equity and partners' capital principally consisted of audit and review costs related to the financial statements contained in this prospectus as well as other offering-related professional fees. In addition, general and administrative expenses increased $0.1 million primarily attributable to an increase in transaction-related professional fees. The management fees paid to the Investment Adviser did not significantly change between periods.

Net Investment Income

As a result of the $0.6 million increase in total investment income as compared to the $1.0 million increase in total expenses, net investment income for the six months ended June 30, 2007, was $2.1 million, or a 15.1% decrease, compared to net investment income of $2.5 million during the six months ended June 30,

2006. Professional fees related to this offering represented $0.7 million of the $1.0 million increase in total expenses, or 20.4% of total expenses for the six months ended June 30, 2007.

Net Realized Income and Net Increase in Members' Equity and Partners' Capital Resulting From Operations

For the six months ended June 30, 2007, net realized gains from investments were $0.6 million, representing a $0.4 million increase over net realized gains during the six months ended June 30, 2006. The higher level of net realized gains during the six months ended June 30, 2007 principally related to realized gains on the sale or redemption of equity investments in two portfolio companies, partially offset by the realized loss on the disposition of two portfolio company equity investments.

The higher net realized gains in the six months ended June 30, 2007 partially offset by the lower net investment income during the same period resulted in a $0.1 million, or 1.3%, increase, in the net realized income for the six months ended June 30, 2007 compared with the comparable period in 2006.

During the six months ended June 30, 2007, we recorded a net change in unrealized appreciation in the amount of $0.4 million, or a $3.3 million decrease over the $3.7 million in net change in unrealized appreciation for the six months ended June 30, 2006. The lower level of net change in unrealized appreciation for the six months ended June 30, 2007 included unrealized appreciation on nine equity investments in portfolio companies, offset by unrealized depreciation on three equity investments and the reclassification of certain previously recognized unrealized gains into realized gains on three exited investments. The higher net change in unrealized appreciation for the six months ended June 30, 2006 was generally attributable to larger increases in net unrealized appreciation from the economic performance of our portfolio companies, and a lower amount of reclassifications related to previously recognized unrealized appreciation and depreciation into realized gains or losses on investments that were exited.

As a result of these events, our net increase in members' equity and partners' capital resulting from operations during the six months ended June 30, 2007, was $3.1 million, or a 51.4% decrease compared to a net increase in members' equity and partners' capital resulting from operations of $6.4 million during the six months ended June 30, 2006.

Comparison of fiscal years ended December 31, 2006 and December 31, 2005

Investment Income

For the twelve months ended December 31, 2006, total investment income was $9.8 million, a $2.2 million, or 29.1%, increase over the $7.6 million of total investment income for the twelve months ended December 31, 2005. The increase was attributable to a $1.7 million increase in interest, fee and dividend income from investments and a $0.5 million increase in interest from idle funds. The increase in interest, fee and dividend income is primarily attributable to (i) higher average levels of outstanding debt investments, which was principally due to the closing of eight new debt investments totaling $24.7 million during 2006, partially offset by debt repayments in 2006, (ii) higher levels of fee income attributable to greater investment activity and (iii) the fact that several portfolio companies began paying dividends on our equity investments during the year. The increase in interest income from idle funds during 2006 was attributable to higher cash balances as a result of the final capital call by Main Street Mezzanine Fund from the Limited Partners in September 2005.

Expenses

For the twelve months ended December 31, 2006, total expenses increased by approximately $0.7 million, or 15.9%, to approximately $4.9 million from $4.2 million for the twelve months ended December 31, 2005. The increase in total expenses was primarily attributable to a $0.7 million increase in interest expense as a result of $45.1 million of SBIC Debentures being outstanding for the full year of 2006. The management fees

paid to the Investment Adviser and other general and administrative expenses did not significantly change between 2006 and 2005.

Net Investment Income

As a result of the $2.2 million increase in total investment income as compared to the $0.7 million increase in total expenses, net investment income for the twelve months ended December 31, 2006, was $4.9 million, or a 45.5% increase, compared to net investment income of $3.4 million during the twelve months ended December 31, 2005.

Net Realized Income and Net Increase in Members' Equity and Partners' Capital Resulting From Operations

For the twelve months ended December 31, 2006, net realized gains from investments were $2.4 million, or a 63.3% increase over the $1.5 million of net realized gains during the twelve months ended December 31, 2005. The higher level of net realized gains during 2006 principally related to greater gains on the sale or redemption of equity investments in five portfolio companies, partially offset by the write off of one portfolio company investment.

The higher net realized gains in 2006 coupled with the higher net investment income during 2006 resulted in a $2.5 million, or 51.0%, increase, in the net realized income for the twelve months ended December 31, 2006 compared with the twelve months ended December 31, 2005.

During the twelve months ended December 31, 2006, we recorded a net change in unrealized appreciation in the amount of $8.5 million, or a 179.9% increase over the $3.0 million in net change in unrealized appreciation for the twelve months ended December 31, 2005. The higher 2006 unrealized appreciation included unrealized appreciation on 13 equity investments in portfolio companies partially offset by unrealized depreciation on four equity investments. The higher unrealized appreciation for 2006 was generally attributable to better economic performance by our portfolio companies, as adjusted for reclassification of prior year unrealized appreciation and depreciation into realized gains or losses on certain investments that were exited during 2006.

As a result of these events, our net increase in members' equity and partners' capital resulting from operations during the year ended December 31, 2006, was $15.8 million, or a 100.5% increase compared to a net increase in members' equity and partners' capital resulting from operations of $7.9 million during the year ended December 31, 2005.

Comparison of fiscal years ended December 31, 2005 and December 31, 2004

Investment Income

For the twelve months ended December 31, 2005, total investment income was $7.6 million, a $3.1 million, or 69.4%, increase over the $4.5 million of total investment income for the twelve months ended December 31, 2004. The increase was attributable to a $2.9 million increase in interest, fee and dividend income from investments and approximately a $0.2 million increase in interest from idle funds. The increase in interest, fee and dividend income is primarily attributable to (i) higher average levels of outstanding debt investments due to the closing of seven new debt investments in 2005 totaling $15.7 million, partially offset by debt repayments in 2005, (ii) higher levels of fee income attributable to greater investment activity and (iii) the fact that one portfolio company began paying dividends on our equity investment during the year 2005. The increase in interest income from idle funds during 2005 was attributable to higher cash balances as a result of the final capital call by Main Street Mezzanine Fund from the Limited Partners in September 2005.

Expenses

For the twelve months ended December 31, 2005, total expenses increased by approximately $1.2 million, or 41.1%, to approximately $4.2 million from $3.0 million for the twelve months ended December 31, 2004. The increase in total expenses was primarily attributable to a $1.2 million increase in interest expense as a

result of $23.1 million of SBIC debenture borrowings drawn during 2005 in order to support new investment activities. The management fees paid to the Investment Adviser and other general and administrative expenses did not significantly change between 2005 and 2004.

Net Investment Income

As a result of the $3.1 million year-over-year increase in total investment income as compared to the $1.2 million year-over-year increase in total expenses, net investment income for the twelve months ended December 31, 2005, was $3.4 million, or a 125.9% increase, compared to net investment income of $1.5 million during the twelve months ended December 31, 2004.

Net Realized Income and Net Increase in Members' Equity and Partners' Capital Resulting From Operations

For the twelve months ended December 31, 2005, net realized gains from investments were $1.5 million, or a 27.1% increase over the $1.2 million of net realized gains during the twelve months ended December 31, 2004. The higher level of net realized gains during 2005 principally related to gains from the sale or redemption of equity investments in four portfolio companies.

The higher net realized gains in 2005 coupled with the higher net investment income during 2005 resulted in a $2.2 million or 82.5% increase in the net realized income for the twelve months ended December 31, 2005 compared with the twelve months ended December 31, 2004.

During the twelve months ended December 31, 2005, we recorded a net change in unrealized appreciation in the amount of $3.0 million, or a 71.8% increase over the $1.8 million net change in unrealized appreciation for the twelve months ended December 31, 2004. The higher 2005 unrealized appreciation included unrealized appreciation on eight equity investments in portfolio companies partially offset by unrealized depreciation on three equity investments. The higher unrealized appreciation for 2005 was generally attributable to better economic performance by our portfolio companies, as adjusted for reclassification of prior year unrealized appreciation and depreciation into realized gains or losses on certain investments that were exited during 2005.

As a result of these events, our net increase in members' equity and partners' capital resulting from operations during the year ended December 31, 2005, was $7.9 million, or a 78.2% increase compared to a net increase in members' equity and partners' capital resulting from operations of $4.4 million during the year ended December 31, 2004.

Liquidity and Capital Resources

Cash Flows

For the six months ended June 30, 2007, we experienced a net increase in cash and equivalents in the amount of $3.9 million. During that period, we generated $2.6 million of cash from our operating activities primarily from net investment income. During the six months ended June 30, 2007, we used $3.7 million in net cash for investing activities. During the first six months of 2007, net cash used for investing activities principally included the funding of three new investments and several smaller follow-on investments for a total of $10.3 million of invested capital, partially offset by $5.4 million in cash proceeds from repayment of debt investments and $1.1 million of cash proceeds from the redemption and sale of several equity investments. During the first six months of 2007, we generated $4.9 million in cash from financing activities, which principally consisted of the net proceeds from $9.9 million in additional SBIC debenture borrowings, partially offset by $4.6 million of cash distributions to partners and $0.2 million of payments related to deferred offering costs.

For the twelve months ended December 31, 2006, we experienced a net decrease in cash and cash equivalents in the amount of $12.5 million. During that period, we generated $4.2 million of cash from our operating activities primarily from net investment income. During 2006, we used $10.9 million in cash for investing activities. The 2006 net cash used for investing activities included the funding of new or follow on investments for a total of $28.1 million of invested capital, partially offset by $12.2 million in cash proceeds

from repayments of debt investments and $5.0 million of cash proceeds from the redemption or sale of several equity investments. During 2006, we used $5.9 million in cash for financing activities which principally consisted of $6.2 million of cash distributions to partners (including a $0.5 million return of capital distribution) partially offset by additional partner contributions.

For the twelve months ended December 31, 2005, we experienced a net increase in cash and cash equivalents in the amount of $25.5 million. During that period, we generated $3.0 million of cash from our operating activities primarily from net investment income. During 2005, we used $8.2 million in cash for investing activities. The 2005 net cash used for investing activities principally included the funding of new or follow on investments for a total of $19.7 million of invested capital, partially offset by $10.3 million in cash proceeds from repayment of debt investments and $1.1 million of cash proceeds from the redemption and sale of several equity investments. During 2005, we generated $30.7 million in cash from financing activities, which principally consisted of the net proceeds from $23.1 million in additional SBIC debenture borrowings and $11.0 million in additional partner capital contributions, partially offset by $2.9 million of cash distributions to partners. The additional SBIC debenture borrowings and additional partner capital contributions during 2005 were used to support our investment activities.

For the twelve months ended December 31, 2004, we experienced a net decrease in cash and cash equivalents in the amount of $0.7 million. During that period, we generated $1.8 million of cash from our operating activities primarily from net investment income. During 2004, we used $16.8 million in cash for investing activities. The 2004 net cash used for investing activities principally included the funding of new and follow on investments for a total of $22.2 million of invested capital, partially offset by $1.5 million in cash proceeds from repayment of debt investments and $3.9 million of cash proceeds from the redemption and sale of several equity investments and related derivative transactions. During 2004, we generated $14.2 million in cash from financing activities which principally consisted of the net proceeds from $17.0 million in additional SBIC debenture borrowings, partially offset by $2.3 million of cash distributions to partners. The additional SBIC debenture borrowings during 2004 were used to support our investment activities.

Capital Resources

As of June 30, 2007, we had $17.7 million in cash and cash equivalents, and our net assets totaled $41.8 million.

We intend to generate additional cash primarily from net proceeds of this offering and any future offerings of securities, future borrowings as well as cash flows from operations, including income earned from investments in our portfolio companies and, to a lesser extent, from the temporary investment of cash in U.S. government securities and other high-quality debt investments that mature in one year or less. Our primary use of funds will be investments in portfolio companies and cash distributions to holders of our common stock.

In order to satisfy the Code requirements applicable to a RIC, we intend to distribute to our stockholders substantially all of our income except for certain net capital gains. In addition, as a business development company, we generally will be required to meet a coverage ratio of total assets to total senior securities, which include all of our borrowings and any preferred stock we may issue in the future, of at least 200.0%. This requirement will limit the amount that we may borrow. Upon the receipt of the net proceeds from this offering, we will be in compliance with the asset coverage ratio under the 1940 Act.

We anticipate that we will continue to fund our investment activities through a combination of debt and additional equity capital. Due to Main Street Mezzanine Fund's status as a licensed SBIC, it has 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 can have outstanding at any time debentures guaranteed by the SBA generally in an amount up to twice 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 or group of SBICs under common control as of June 30, 2007, was $127.2 million (which amount is subject to increase on an annual basis based on cost of living index increases).

Because of our and our investment team's affiliations with Main Street Capital II, a separate SBIC which commenced investment operations in January 2006, Main Street Mezzanine Fund and Main Street Capital II may be deemed to be a group of SBICs under common control. Thus, the dollar amount of SBA-guaranteed debentures that can be issued collectively by Main Street Mezzanine Fund and Main Street Capital II may be limited to $127.2 million, absent relief from the SBA. Currently, we, through Main Street Mezzanine Fund, do not intend to borrow SBA-guaranteed indebtedness in excess of $55.0 million based upon Main Street Mezzanine Fund's existing equity capital.

Debentures guaranteed by the SBA have fixed interest rates that approximate prevailing 10-year Treasury Note rates plus a spread and 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. On June 30, 2007, Main Street Mezzanine Fund had $55.0 million of outstanding indebtedness guaranteed by the SBA, which carried an average fixed interest rate of 5.8%.

Recently Issued Accounting Standards

In December 2004, the Financial Accounting Standards Board (FASB) issued FASB Statement No. 123 (revised 2004) *Share Based Payment* (SFAS 123R). Generally, the approach in SFAS 123R is similar to the approach described in SFAS 123; however, SFAS 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. We adopted SFAS 123R effective January 1, 2006 and there was no impact on our combined financial statements.

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections" ("SFAS 154"), which replaces Accounting Principles Board Opinion No. 20, "Accounting Changes" and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements — An Amendment of APB Opinion No. 28." SFAS 154 provides guidance on the accounting for and reporting of accounting changes and error corrections. It establishes retrospective application, or the latest practicable date, as the required method of reporting a change in accounting principle and the reporting of a correction of an error. SFAS 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The adoption of this statement did not have a material effect on our combined financial statements.

In September 2006, The FASB issued SFAS No. 157, *Fair Value Measurements.* FASB Statement No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. This statement addressed how to calculate fair value measurements required or permitted under other accounting pronouncements. Accordingly, this statement does not require any new fair value measurements. However, for some entities, the application of this statement will change current practice. FASB Statement No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. Early adoption is permitted, provided that financial statements for that fiscal year, including any interim periods within that fiscal year, have not been issued. We are currently evaluating the impact, if any, that the implementation of SFAS No. 157 will have on our results of operations or financial condition.

In September 2006, the SEC issued Staff Accounting Bulletin No. 108, "Considering Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements," ("SAB 108"). SAB 108, which became effective beginning on January 1, 2007, provides guidance on the consideration of the effects of prior periods misstatements in quantifying current year misstatements for the purpose of a materiality assessment. SAB 108 requires an entity to evaluate the impact of correcting all misstatements, including both the carryover and reversing effects of prior year misstatements, on current year financial statements. If a misstatement is material to the current year financial statements, the prior year financial statements should also be corrected, even though such revision was, and continues to be, immaterial to the prior year financial statements. Correcting prior year financial statements for immaterial errors would not require previously filed reports to be amended. Such correction should be made in the current period filings. Management has

evaluated the impact of adopting SAB 108. The adoption of SAB 108 did not have a material impact on our combined financial statements.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, The Fair Value Option for Financial Assets and Financial Liabilities ("SFAS 159"), which provides companies with an option to report selected financial assets and liabilities at fair value. The objective of SFAS 159 is to reduce both complexity in accounting for financial instruments and the volatility in earnings caused by measuring related assets and liabilities differently. SFAS 159 establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities and to more easily understand the effect of the company's choice to use fair value on its earnings. SFAS 159 also requires entities to display the fair value of the selected assets and liabilities on the face of the combined balance sheet. SFAS 159 does not eliminate disclosure requirements of other accounting standards, including fair value measurement disclosures in SFAS 157. This Statement is effective as of the beginning of an entity's first fiscal year beginning after November 15, 2007. Early adoption is permitted as of the beginning of the previous fiscal year provided that the entity makes that choice in the first 120 days of that fiscal year and also elects to apply the provisions of Statement 157. At this time, we are evaluating the implications of SFAS 159, and its impact on our financial statements has not yet been determined.

Off-Balance Sheet Arrangements

We may be a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of our portfolio companies. These instruments include commitments to extend credit and involve, to varying degrees, elements of credit risk in excess of the amount recognized in the balance sheet. However, as of June 30, 2007, we had no unused firm commitments to extend credit to our portfolio companies, which would not be reflected on our balance sheet.

Contractual Obligations

As of December 31, 2006, our future fixed commitments for cash payments on contractual obligations for each of the next five years and thereafter are as follows:

	Total	2007	2008	2009	2010	2011	2012 and Thereafter
			(dollars in thousands)				
SBIC debentures payable	$45,100	$ —	$ —	$ —	$ —	$ —	$ 45,100
Interest due on SBIC debentures	21,337	2,558	2,565	2,558	2,558	2,558	8,540
Total	$66,437	$2,558	$2,565	$2,558	$2,558	$2,558	$ 53,640

During the six months ended June 30, 2007, Main Street Mezzanine Fund issued $9.9 million in SBIC Debentures which have a maturity date of March 1, 2017. The annual interest due on these additional SBIC Debentures is approximately $0.6 million.

Main Street Mezzanine Fund is obligated for payments under the management services agreement with the Investment Adviser as more fully described in "Formation; Business Development Company and Regulated Investment Company Elections" and in the Notes to Combined Financial Statements elsewhere in this prospectus. The management fees payable under such management services agreement are approximately $2 million for the year ending December 31, 2007. Upon consummation of the formation transactions described in this prospectus, the Investment Adviser will become our wholly-owned subsidiary.

Quantitative and Qualitative Disclosure about Market Risk

We are subject to financial market risks, including changes in interest rates. Changes in interest rates affect both our cost of funding and the valuation of our investment portfolio. Our risk management systems and procedures are designed to identify and analyze our risk, to set appropriate policies and limits and to

continually monitor these risks and limits by means of reliable administrative and information systems and other policies and programs. Our investment income will be affected by changes in various interest rates, including LIBOR and prime rates, to the extent of any debt investments that include floating interest rates. The significant majority of our debt investments are made with fixed interest rates for the term of the investment. However, as of June 30, 2007, approximately 3.7% of our debt investment portfolio (at cost) bore interest at floating rates. All of our current outstanding indebtedness is subject to fixed interest rates for the 10-year life of such debt. At June 30, 2007, December 31, 2006 and 2005, based on our applicable levels of floating-rate debt investments, a 1.0% change in interest rates would not have a material effect on our level of interest income from debt investments.

Related Party Transactions

Main Street Mezzanine Fund has co-invested with Main Street Capital II in several investments since January 2006. Main Street Capital II and Main Street Mezzanine Fund are both managed by the Investment Adviser and the general partners for Main Street Mezzanine Fund and Main Street Capital II are under common control. Main Street Capital II is an SBIC with similar investment objectives to Main Street Mezzanine Fund and which began its investment operations in January 2006. The co-investments among the two funds were made at the same time and on the same terms and conditions. The co-investments were made in accordance with the Investment Adviser's conflicts policy and in accordance with the applicable SBIC conflict of interest regulations.

Main Street Mezzanine Fund paid $1.9 million in management fees to the Investment Adviser for each of the years ended December 31, 2004, 2005 and 2006. Main Street Mezzanine Fund paid $1.0 million in management fees to the Investment Advisor for the six months ended June 30, 2007 and June 30, 2006. The Investment Adviser is an affiliate of Main Street Mezzanine Fund as it is commonly controlled by principals who also control the General Partner.

The principals of the General Partner, management of the Investment Adviser, and their affiliates, collectively have invested $3.6 million in the limited partnership interests of Main Street Mezzanine Fund, representing approximately 13.5% of such limited partner interests.

SENIOR SECURITIES

Information about our senior securities is shown in the following table as of December 31 for the years indicated in the table, unless otherwise noted. Grant Thornton LLP's report on the senior securities table as of December 31, 2006, is attached as an exhibit to the registration statement of which this prospectus is a part.

Class and Year	Total Amount Outstanding Exclusive of Treasury Securities[1]	Asset Coverage per Unit[2]	Involuntary Liquidating Preference per Unit[3]	Average Market Value per Unit[4]
	(dollars in thousands)			
SBIC debentures payable				
2003	$ 5,000	$ 3,994	—	N/A
2004	22,000	1,784	—	N/A
2005	45,100	1,738	—	N/A
2006	45,100	1,959	—	N/A
2007 (as of June 30, unaudited)	55,000	1,761	—	N/A

(1) Total amount of each class of senior securities outstanding at the end of the period presented.

(2) Asset coverage per unit is the ratio of the carrying value of our total consolidated assets, less all liabilities and indebtedness not represented by senior securities, to the aggregate amount of senior securities representing indebtedness. Asset coverage per unit is expressed in terms of dollar amounts per $1,000 of indebtedness.

(3) The amount to which such class of senior security would be entitled upon the involuntary liquidation of the issuer in preference to any security junior to it. The "—" indicates information which the Securities and Exchange Commission expressly does not require to be disclosed for certain types of senior securities.

(4) Not applicable because senior securities are not registered for public trading.

BUSINESS

General

Main Street

We are a specialty investment company focused on providing customized financing solutions to lower middle market companies, which we define as companies with annual revenues between $10.0 million and $100.0 million. Our investment objective is to maximize our portfolio's total return by generating current income from our debt investments and realizing capital appreciation from our equity-related investments. Our investments generally range in size from $2.0 million to $15.0 million. For larger investments in this range, we have generally secured co-investments from other institutional investors due to our historical regulatory size limits. Since our wholly-owned subsidiary, Main Street Mezzanine Fund, was formed in 2002, it has funded over $100 million in debt and equity investments. Our ability to invest across a company's capital structure, from senior secured loans to subordinated debt to equity securities, allows us to offer portfolio companies a comprehensive suite of financing solutions, or "one-stop" financing.

We typically seek to partner with entrepreneurs, business owners and management teams to provide customized financing for strategic acquisitions, business expansion and other growth initiatives, ownership transitions and recapitalizations. In structuring transactions, we seek to protect our rights, manage our risk and create value by: (i) providing financing at lower leverage ratios; (ii) taking first priority liens on assets; and (iii) providing equity incentives for management teams of our portfolio companies. We seek to avoid competing with other capital providers for transactions because we believe competitive transactions often have execution risks and can result in potential conflicts among creditors and lower returns due to more aggressive valuation multiples and higher leverage ratios. In that regard, based upon information provided to us by our portfolio companies (which we have not independently verified), our portfolio had a total net debt to EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) ratio of approximately 3.4 to 1.0 and a total EBITDA to interest expense ratio of 2.1 to 1.0. In calculating these ratios, we included all portfolio company debt, EBITDA and interest expense as of June 30, 2007, including debt junior to our debt investments but excluding amounts related to one portfolio company with less than one year of operations. If we also excluded debt junior to our debt investments in calculating these ratios, the ratios would be 2.8 to 1.0 and 2.3 to 1.0, respectively. In addition, approximately 90% of our total investments at cost are debt investments and over 90.0% of such debt investments at cost were secured by first priority liens on the assets of our portfolio companies as of June 30, 2007. At June 30, 2007, our average fully diluted ownership in portfolio companies where we have an equity warrant and/or direct equity investment was approximately 22%.

As of June 30, 2007, we had debt and equity investments in 25 portfolio companies with an aggregate fair market value of $81.1 million and the weighted average effective yield on all of our debt investments was approximately 14.7%. Weighted effective average yields are computed using the effective interest rates for all debt investments at June 30, 2007, including amortization of deferred debt origination fees and original issue discount. As of June 30, 2007, the weighted average effective yield on all of our outstanding debt investments was 13.8%, excluding the impact of the deferred debt origination fee amortization.

As of July 31, 2007, we have received executed non-binding term sheets for approximately $15 million of investment commitments in prospective portfolio companies. These proposed investments are subject to the completion of our due diligence and approval process as well as negotiation of definitive agreements with the prospective portfolio companies and, as a result, may not result in completed investments.

Why We Are Going Public

In 2002, Main Street Mezzanine Fund raised its initial capital, obtained its license to operate as an SBIC and began investing its capital. While we intend to continue to operate Main Street Mezzanine Fund as an SBIC, subject to SBA approval, and to utilize lower cost capital we can access through the SBA's SBIC Debenture Program, which we refer to as SBA leverage or SBIC leverage, to partially fund our investment

portfolio, we believe that being a public company will offer certain key advantages for our business that would not be available to us if we continue to operate as a private SBIC. These key advantages include:

- *Permanent Capital Base and Longer Investment Horizon.* Unlike traditional private investment vehicles such as SBICs, which typically are finite-life limited partnerships with a limited investment horizon, we will operate as a corporation with a perpetual life and no requirement to return capital to investors. We believe raising separate pools of capital with finite investment terms unreasonably diverts management's time from its basic investment activities. We believe that our new structure will allow us to make investments with a longer investment horizon and to better control the timing and method of exiting our investments, which we believe will enhance our returns.
- *Investment Efficiency.* SBICs are subject to a number of regulatory restrictions on their investment activities, including limits on the size of individual investments and the size and types of companies in which they are permitted to invest. Subsequent to the consummation of this offering, we may make investments through Main Street Capital Corporation without these restrictions, allowing us to pursue certain attractive investment opportunities that we previously were required to forgo. In addition, as a public company with more capital available, we generally will not be required to secure co-investments from non-affiliated investors for investments exceeding our historical regulatory size limits.
- *Greater Access to Capital.* As a public company, we expect to have access to greater amounts and types of capital that we can use to grow our investment portfolio. In addition, we should be able to obtain additional capital in a more efficient and cost effective manner than if we were to remain a private entity. We will also have the ability to spread our overhead and operating costs over a larger capital base.
- *Key Personnel Retention.* Retaining and providing proper incentives to key personnel over longer periods of time is critical to the success of our operations. As a public company, we will have the ability to provide competitive rates of compensation, including equity incentives to current and future employees, to further align their economic interests with our stockholders.

Market Opportunity

Our business is to provide customized financing solutions to lower middle market companies, which we define as companies with annual revenues between $10.0 million and $100.0 million. Based on a search of the Dun and Bradstreet database completed on June 20, 2007, we believe there are approximately 68,000 companies in the United States with revenues between $10.0 million and $100.0 million. We believe many lower middle market companies are unable to obtain sufficient financing from traditional financing sources. Due to evolving market trends, traditional lenders and other sources of private investment capital have focused their efforts on larger companies and transactions. We believe this dynamic is attributable to several factors, including the consolidation of commercial banks and the aggregation of private investment funds into larger pools of capital that are focused on larger investments. In addition, many current funding sources do not have relevant experience in dealing with some of the unique business issues facing lower middle market companies. Consequently, we believe that the market for lower middle market investments, particularly those investments of less than $10.0 million, is currently underserved and less competitive. This market situation creates the opportunity for us to meet the financing requirements of the lower middle market companies while also negotiating favorable transaction terms and equity participations.

Business Strategy

Our investment objective is to maximize our portfolio's total return by generating current income from our debt investments and realizing capital appreciation from our equity-related investments. We have adopted the following business strategies to achieve our investment objective:

- *Delivering Customized Financing Solutions.* We believe our ability to provide a broad range of customized financing solutions to lower middle market companies sets us apart from other capital providers that focus on providing a limited number of financing solutions. We offer to our portfolio

companies customized debt financing solutions with equity components that are tailored to the facts and circumstances of each situation. Our ability to invest across a company's capital structure, from senior secured loans to subordinated debt to equity securities, allows us to offer our portfolio companies a comprehensive suite of financing solutions, or "one-stop" financing.

- *Focusing on Established Companies in the Lower Middle Market.* We generally invest in companies with established market positions, experienced management teams and proven revenue streams. Those companies generally possess better risk-adjusted return profiles than newer companies that are building management or are in the early stages of building a revenue base. In addition, established lower middle market companies generally provide opportunities for capital appreciation.
- *Leveraging the Skills and Experience of Our Investment Team.* Our investment team has over 35 years of combined experience in lending to and investing in lower middle market companies. The members of our investment team have broad investment backgrounds, with prior experience at private investment funds, investment banks and other financial services companies, and currently include five certified public accountants and one chartered financial analyst. The expertise of our investment team in analyzing, valuing, structuring, negotiating and closing transactions should provide us with competitive advantages by allowing us to consider customized financing solutions and non-traditional and complex structures.
- *Maintaining Portfolio Diversification.* We seek to maintain a portfolio of investments that is appropriately diversified among various companies, industries, geographic regions and end markets. This portfolio diversity is intended to mitigate the potential effects of negative economic events for particular companies, regions and industries.
- *Capitalizing on Strong Transaction Sourcing Network.* Our investment team seeks to leverage its extensive network of referral sources for investments in lower middle market companies developed over the last ten years. Since 2002, we have originated and been the lead investor in over 25 principal investment transactions and have developed a reputation in our marketplace as a responsive, efficient and reliable source of financing, which has created growing proprietary deal flow for us.
- *Benefiting from Lower Cost of Capital.* Main Street Mezzanine Fund's SBIC license has allowed it and, subject to SBA approval, will allow us to issue SBA-guaranteed debentures. SBA-guaranteed debentures carry long-term fixed rates that are generally lower than rates on comparable bank and public debt. Because lower cost SBA leverage is, and will continue to be, a significant part of a capital base, our relative cost of debt capital should be lower than many of our competitors.

Investment Criteria

Our investment team has identified the following investment criteria that it believes are important in evaluating prospective portfolio companies. Our investment team uses these criteria in evaluating investment opportunities for us. However, not all of these criteria were, or will be, met in connection with each of our investments.

- *Proven Management Team with Meaningful Financial Commitment.* We look for operationally-oriented management with direct industry experience and a successful track record. In addition, we expect the management team of each portfolio company to have meaningful equity ownership in the portfolio company to better align our respective economic interests. We believe management teams with these attributes are more likely to manage the companies in a manner that protects our debt investment and enhances the value of our equity investment.
- *Established Companies with Positive Cash Flow.* We generally seek to invest in established companies with sound historical financial performance. We typically focus on companies that have historically generated EBITDA of greater than $1.0 million and commensurate levels of free cash flow. We generally do not intend to invest in start-up companies or companies with speculative business plans.

- *Defensible Competitive Advantages/Favorable Industry Position.* We primarily focus on companies having competitive advantages in their respective markets and/or operating in industries with barriers to entry, which may help to protect their market position and profitability.
- *Exit Alternatives.* We expect that the primary means by which we exit our debt investments will be through the repayment of our investment from internally generated cash flow and/or refinancing. In addition, we seek to invest in companies whose business models and expected future cash flows may provide alternate methods of repaying our investment, such as through a strategic acquisition by other industry participants or a recapitalization.

Investments

Debt Investments

Historically, Main Street Mezzanine Fund has made debt investments principally in the form of single tranche debt. Single tranche debt financing involves issuing one debt security that blends the risk and return profiles of both secured and subordinated debt. We believe that single tranche debt is more appropriate for many lower middle market companies given their size in order to reduce structural complexity and potential conflicts among creditors.

Our debt investments generally have terms of three to seven years, with limited required amortization prior to maturity, and provide for monthly or quarterly payment of interest at fixed interest rates between 12.0% and 14.0% per annum, payable currently in cash. In some instances, we have provided floating interest rates for a small portion of a single tranche debt security. In addition, certain debt investments may have a form of interest that is not paid currently but is accrued and added to the loan balance and paid at maturity. We refer to this as PIK interest. We typically structure our debt investments with the maximum seniority and collateral that we can reasonably obtain while seeking to achieve our total return target. In most cases, our debt investment will be collateralized by a first lien on substantially all the assets of the portfolio company. As of June 30, 2007, over 90.0% of our debt investments were secured by first priority liens on the assets of the portfolio company and the rest of our debt investments were secured on a second lien basis.

While we will continue to focus on single tranche debt investments, we also anticipate structuring some of our future debt investments as mezzanine loans. We anticipate that these mezzanine loans will be primarily junior secured or unsecured, subordinated loans that provide for relatively high fixed interest rates that will provide us with significant current interest income. These loans typically will have interest-only payments in the early years, with amortization of principal deferred to the later years of the mezzanine loan term. Also, in some cases, our mezzanine loans may be collateralized by a subordinated lien on some or all of the assets of the borrower. Typically, our mezzanine loans will have maturities of three to five years. We will generally target fixed interest rates of 12.0% to 14.0%, payable currently in cash for our mezzanine loan investments with higher targeted total returns from equity warrants, direct equity investments or PIK interest.

In addition to seeking a senior lien position in the capital structure of our portfolio companies, we seek to limit the downside potential of our investments by negotiating covenants that are designed to protect our investments while affording our portfolio companies as much flexibility in managing their businesses as possible. Such restrictions may include affirmative and negative covenants, default penalties, lien protection, change of control or change of management provisions, key man life insurance, guarantees, equity pledges, personal guaranties, where appropriate, and put rights. In addition, we typically seek board seats or observation rights in all of our portfolio companies.

Warrants

In connection with our debt investments, we have historically received equity warrants to establish or increase a minority equity interest in the portfolio company. Warrants we receive in connection with a debt investment typically require only a nominal cost to exercise, and thus, as a portfolio company appreciates in value, we may achieve additional investment return from this equity interest. We typically structure the warrants to provide provisions protecting our rights as a minority-interest holder, as well as secured or

unsecured put rights, or rights to sell such securities back to the portfolio company, upon the occurrence of specified events. In certain cases, we also may obtain registration rights in connection with these equity interests, which may include demand and "piggyback" registration rights.

Direct Equity Investments

We also will seek to make direct equity investments in situations where appropriate to align our interests with key management and stockholders, and to allow for some participation in the appreciation in enterprise values of our portfolio companies. We usually make our direct equity investments in connection with debt investments. In addition, we may have both equity warrants and direct equity positions in some of our portfolio companies. We seek to maintain fully-diluted equity positions in our portfolio companies of 5.0% to 50.0%, and may have controlling interests in some instances. We have a value orientation toward our direct equity investments and have traditionally been able to purchase our equity investments at reasonable valuations.

Investment Process

Our investment committee is responsible for all aspects of our investment process. The current members of our investment committee are Messrs. Foster, Reppert and Magdol. Our investment strategy involves a "team" approach whereby potential transactions are screened by members of our investment team before being presented to the investment committee. Our investment committee meets at least once a week but also meets on an as needed basis depending on transaction volume. Our investment committee generally categorizes our investment process into seven distinct stages:

Deal Generation/Origination

Deal generation and origination is maximized through long-standing and extensive relationships with industry references, brokers, commercial and investment bankers, entrepreneurs, services providers such as lawyers and accountants, as well as current and former portfolio companies and investors. Our investment team has focused its investment efforts in prior investment funds on lower middle market companies. We have developed a reputation as a knowledgeable, reliable and active source of capital and assistance in this sector. This focus and level of historical deal activity in the lower middle market has led to deal flow momentum for our investment activities. In addition, we anticipate that we will obtain leads from our greater visibility as a public company.

Screening

During the screening process, if a transaction initially meets our investment criteria, we will perform preliminary due diligence, taking into consideration some or all of the following factors:

- A comprehensive financial model based on quantitative analysis of historical financial performance, projections and pro forma adjustments to determine the estimated internal rate of return.
- A brief industry and market analysis; importing direct industry expertise from other portfolio companies or investors.
- Preliminary qualitative analysis of the management team's competencies and backgrounds.
- Potential investment structures and pricing terms.
- Regulatory compliance.

Upon successful screening of the proposed transaction, the investment team makes a recommendation to our investment committee. If our investment committee concurs with moving forward on the proposed transaction, we issue a non-binding term sheet to the company.

Term Sheet

The non-binding term sheet will include the key economic terms based upon our analysis performed during the screening process as well as a proposed timeline and our qualitative expectation for the transaction. While the term sheet is non-binding, it generally does require an expense deposit to be paid in order to move the transaction to the due diligence phase. Upon execution of a term sheet and payment of the expense deposit, we begin our formal due diligence and underwriting process.

Due Diligence

Due diligence on a proposed investment is performed by a minimum of two members of our investment team, whom we refer to collectively as the deal team, and certain external resources, who together conduct due diligence to understand the relationships among the prospective portfolio company's business plan, operations and financial performance. Our due diligence review includes some or all of the following:

- Initial or additional site visits with management and key personnel;
- Detailed review of historical and projected financial statements;
- Operational reviews and analysis;
- Interviews with customers and suppliers;
- Detailed evaluation of company management, including background checks;
- Review of material contracts;
- In-depth industry, market, and strategy analysis;
- Review by legal, environmental or other consultants, if applicable; and
- Financial sponsor diligence, if applicable, including portfolio company and other reference checks.

During the due diligence process, significant attention is given to sensitivity analyses and how the company might be expected to perform given downside, "base-case" and upside scenarios.

Document and Close

Upon completion of a satisfactory due diligence review, the deal team presents the findings and a recommendation to our investment committee. The presentation contains information including, but not limited to, the following:

- Company history and overview;
- Transaction overview, history and rationale, including an analysis of transaction strengths and risks;
- Analysis of key customers and suppliers and key contracts;
- A working capital analysis;
- An analysis of the company's business strategy;
- A management background check and assessment;
- Third party accounting, legal, environmental or other due diligence findings;
- Investment structure and expected returns;
- Anticipated sources of repayment and potential exit strategies;
- Pro forma capitalization and ownership;
- An analysis of historical financial results and key financial ratios;

- Sensitivities to management's financial projections; and
- Detailed reconciliations of historical to pro forma results.

If any adjustments to the transaction terms or structures are proposed by the investment committee, such changes are made and applicable analyses updated. Approval for the transaction must be made by the affirmative vote from a majority of the members of the investment committee. Upon receipt of transaction approval, we will re-confirm regulatory company compliance, process and finalize all required legal documents, and fund the investment.

Post-Investment

We continuously monitor the status and progress of the portfolio companies. We offer managerial assistance to our portfolio companies giving them access to our investment experience, direct industry expertise and contacts. The same deal team that was involved in the investment process will continue its involvement in the portfolio company post-investment. This provides for continuity of knowledge and allows the deal team to maintain a strong business relationship with key management of its portfolio companies for post-investment assistance and monitoring purposes. As part of the monitoring process, the deal team will analyze monthly/quarterly financial statements versus the previous periods and year, review financial projections, meet with management, attend board meetings and review all compliance certificates and covenants. While we maintain limited involvement in the ordinary course operations of our portfolio companies, we maintain a higher level of involvement in non-ordinary course financing or strategic activities and any non-performing scenarios.

We also use an investment rating system to characterize and monitor our expected level of returns on each of our investments.

- Investment Rating 1 is used for investments that exceed expectations and with respect to which return of capital invested, collection of all interest, and a substantial capital gain are expected.
- Investment Rating 2 is used for investments that are performing in accordance with or above expectations and with respect to which the equity component, if any, has the potential to realize capital gain.
- Investment Rating 3 is used for investments that are generally performing in accordance with expectations and with respect to which a full return of original capital invested and collection of all interest is expected, but no capital gain can currently be foreseen.
- Investment Rating 4 is used for investments that are underperforming, have the potential for a realized loss and require closer monitoring.
- Investment Rating 5 is used for investments performing significantly below expectations and where we expect a loss.

The following table shows the distribution of our investments on the 1 to 5 investment rating scale at fair value as of December 31, 2005, December 31, 2006 and June 30, 2007:

	December 31, 2005		December 31, 2006		June 30, 2007	
Investment Rating	Investments at Fair Value	Percentage of Total Portfolio	Investments at Fair Value	Percentage of Total Portfolio	Investments at Fair Value	Percentage of Total Portfolio
			(dollars in thousands)		(Unaudited)	
1	$ 4,475	8.3%	$ 31,686	41.6%	$ 25,778	31.8%
2	27,256	50.7	23,581	30.9	24,986	30.8
3	21,421	39.8	15,094	19.8	24,607	30.3
4	100	0.2	5,848	7.7	5,736	7.1
5	543	1.0	—	—	—	—
Totals	$ 53,795	100.0%	$ 76,209	100.0%	$ 81,107	100.0%

Based upon our investment rating system, the weighted average rating of our portfolio as of December 31, 2005, December 31, 2006 and June 30, 2007, was approximately 2.3, 1.9 and 2.1, respectively. As of December 31, 2005, 2006 and June 30, 2007, other than one investment that had been impaired as of December 31, 2005, we had no debt investments that were delinquent on interest payments or which were otherwise on non-accrual status.

Exit Strategies/Refinancing

While we generally exit from most investments through the successful refinancing or repayment of our debt and redemption of our equity positions, we typically assist our portfolio companies in developing and planning refinancing or exit opportunities, including any sale or merger of our portfolio companies. We may also assist in the structure, timing, execution and transition of the exit strategy or refinancing.

Determination of Net Asset Value and Valuation Process

We will determine the net asset value per share of our common stock on a quarterly basis. The net asset value per share is equal to the fair value of our total assets minus liabilities and any preferred stock outstanding divided by the total number of shares of common stock outstanding.

Value, as defined in Section 2(a)(41) of the 1940 Act, is (i) the market price for those securities for which a market quotation is readily available and (ii) for all other securities and assets, fair value as is determined in good faith by the Board of Directors. Our business plan calls for us to invest primarily in illiquid securities issued by private companies and/or thinly-traded public companies. These investments may be subject to restrictions on resale and generally have no established trading market. As a result, we will value substantially all of our portfolio investments at fair value as determined in good faith by our Board of Directors pursuant to a valuation policy and a consistently applied valuation process. We base the fair value of our investments on the enterprise value of the portfolio companies in which we invest. The enterprise value is the value at which an enterprise could be sold in a transaction between two willing parties other than through a forced or liquidation sale. Typically, private companies are bought and sold based on multiples of EBITDA, cash flows, net income, revenues, or in limited cases, book value. There is no single methodology for determining enterprise value and for any one portfolio company enterprise value is generally described as a range of values from which a single estimate of enterprise value is derived. In determining the enterprise value of a portfolio company, we analyze various factors, including the portfolio company's historical and projected financial results. We also generally prepare and analyze discounted cash flow models based on its projections of the future free cash flows of the business and industry derived capital costs. We review external events, including private mergers and acquisitions, and include these events in the enterprise valuation process.

Due to the inherent uncertainty in the valuation process, our estimate of fair value may differ materially from the values that would have been used had a ready market for the securities existed. In addition, changes in the market environment and other events that may occur over the lives of the investments may cause the gains or losses ultimately realized on these investments to be different than the valuations currently assigned. We determine the fair value of each individual investment and record changes in fair value as unrealized appreciation or depreciation.

If there is adequate enterprise value to support the repayment of the debt, the fair value of our loan or debt security normally corresponds to cost plus accumulated unearned income unless the borrower's condition or other factors lead to a determination of fair value at a different amount. The fair value of equity interests in portfolio companies is determined based on various factors, including revenues, EBITDA and cash flow from operations of the portfolio company and other pertinent factors such as recent offers to purchase a portfolio company's securities, financing events or other liquidation events.

Subsequent to the offering, our Board of Directors will undertake a multi-step valuation process each quarter in connection with determining the fair value of our investments:

- Our quarterly valuation process will begin with each portfolio company or investment being initially valued by the deal team responsible for the portfolio investment;

- Preliminary valuation conclusions will then be reviewed and discussed with senior management;
- The Audit Committee of our Board of Directors will review the preliminary valuations, and the deal team will consider and assess, as appropriate, any changes that may be required to the preliminary valuation to address any comments provided by the Audit Committee;
- The Board of Directors will assess the valuations and will ultimately determine the fair value of each investment in our portfolio in good faith; and
- An independent valuation firm engaged by the Board of Directors will perform certain mutually agreed limited procedures that we have identified and asked them to perform on a selection of our final portfolio company valuation conclusions.

Prior to the offering, the historical valuations of the Main Street Mezzanine Fund investments, as reported herein, were determined by the General Partner through a multi-step process consistent with the process discussed above except that the review and determination of fair value was made by the General Partner and not by the Audit Committee or the Board of Directors.

Duff & Phelps, LLC, an independent valuation firm ("Duff & Phelps"), provided third party valuation consulting services to the General Partner which consisted of certain mutually agreed limited procedures that the General Partner identified and requested Duff & Phelps to perform (hereinafter referred to as the "Procedures"). For the year ended December 31, 2006, the General Partner asked Duff & Phelps to perform the Procedures on investments in 22 portfolio companies comprising approximately 99.0% of the total investments at fair value as of December 31, 2006. For the quarters ended March 31, 2007 and June 30, 2007, the General Partner asked Duff & Phelps to perform the Procedures on investments in 6 portfolio companies during each quarter comprising approximately 35.0% and 19.0%, respectively, of the total investments at fair value as of March 31, 2007 and June 30, 2007. Upon completion of the Procedures, Duff & Phelps concluded that the fair value, as determined by the General Partner, of those investments subjected to the Procedures did not appear to be unreasonable. Prior to the offering the General Partner, and subsequent to the offering the Board of Directors of Main Street Capital Corporation, are ultimately and solely responsible for determining the fair value of the investments in good faith.

Determination of fair values involves subjective judgments and estimates. The notes to our financial statements will refer to the uncertainty with respect to the possible effect of such valuations, and any change in such valuations, on our financial statements.

Managerial Assistance

As a business development company, we will offer, and must provide upon request, managerial assistance to our portfolio companies. This assistance will typically involve, among other things, monitoring the operations of our portfolio companies, participating in board and management meetings, consulting with and advising officers of portfolio companies and providing other organizational and financial guidance. We may receive fees for these services.

Competition

We compete for investments with a number of business development companies and investment funds (including private equity funds, mezzanine funds and other SBICs), as well as traditional financial services companies such as commercial banks and other sources of financing. Additionally, because competition for investment opportunities generally has increased among alternative investment vehicles, such as hedge funds, those entities have begun to invest in areas they have not traditionally invested in, including making investments in lower middle market companies. As a result of these new entrants, competition for investment opportunities in lower middle market companies may intensify. Many of the entities that compete with us have greater financial and managerial resources. We believe we are able to be competitive with these entities primarily on the basis of our willingness to make smaller investments, the experience and contacts of our management team, our responsive and efficient investment analysis and decision-making processes, our comprehensive suite of customized financing solutions and the investment terms we offer.

We believe that some of our competitors make senior secured loans, junior secured loans and subordinated debt investments with interest rates and returns that are comparable to or lower than the rates and returns that we target. Therefore, we do not seek to compete primarily on the interest rates and returns that we offer to potential portfolio companies. For additional information concerning the competitive risks we face, see "Risk Factors — We may face increasing competition for investment opportunities."

Employees

As of June 30, 2007, we had 11 employees, including investment and portfolio management professionals, operations professionals and administrative staff. Upon the completion of this offering, we intend to hire additional investment professionals as well as additional administrative personnel.

Properties

Our executive office is located at 1300 Post Oak Boulevard, Suite 800, Houston, Texas 77056. We believe that our current office facilities are adequate for our business as we intend to conduct it.

Legal Proceedings

Although we may, from time to time, be involved in litigation arising out of our operations in the normal course of business or otherwise, we are currently not a party to any pending material legal proceedings.

PORTFOLIO COMPANIES

The following table sets forth certain unaudited information as of June 30, 2007, for each portfolio company in which we had a debt or equity investment. Other than these investments, our only formal relationships with our portfolio companies are the managerial assistance ancillary to our investments and the board observer or participation rights we may receive.

Name and Address of Portfolio Company	Nature of Principal Business	Title of Securities Held by Us	Percentage of Fully Diluted Equity Held	Cost of Investment[1]	Fair Value of Investment
Advantage Millwork Company, Inc. 10510 Okanella St. #200 Houston, TX 77041	Manufacturer/distributor of wood doors	12% Secured Debt	—	$ 2,400,000	$ 2,400,000
		Warrants to Purchase Common Stock	10.0%	80,000	80,000
				$ 2,480,000	**$ 2,480,000**
All Hose & Specialty, LLC 5425 US Highway 90 East Broussard, LA 70518	Distributor of commercial/ industrial hoses	11% Secured Debt	—	$ 2,600,000	$ 2,600,000
		LLC Interests	15.0%	80,357	2,000,000
				$ 2,680,357	**$ 4,600,000**
American Sensor Technologies, Inc. 450 Clark Drive Mt. Olive, NJ 07828	Manufacturer of commercial/industrial sensors	9% Secured Debt	—	$ 400,000	$ 400,000
		13% Secured Debt	—	3,000,000	3,000,000
		Warrants to Purchase Common Stock	20.0%	50,000	575,000
				$ 3,450,000	**$ 3,975,000**
Café Brazil, LLC 202 W Main Street, Suite No. 100 Allen, Texas 75002	Casual restaurant group	12% Secured Debt	—	$ 2,950,000	$ 2,950,000
		LLC Interests	42.3%	41,837	1,150,000
				$ 2,991,837	**$ 4,100,000**
Carlton Global Resources, LLC 20021 Valley Blvd. Suite B Tehachapi, CA 93561	Produces and processes industrial minerals	13% Secured Debt	—	$ 4,531,527	$ 4,531,527
		LLC Interests	8.5%	400,000	400,000
				$ 4,931,527	**$ 4,931,527**
CBT Nuggets, LLC 44 Club Rd Suite 150 Eugene, OR 97401	Produces and sells IT certification training videos	Prime Plus 2% Secured Debt	—	$ 360,000	$ 360,000
		14% Secured Debt	—	1,860,000	1,860,000
		LLC Interests	29.1%	432,000	890,000
		Warrants to Purchase LLC Interests	10.5%	72,000	270,000
				$ 2,724,000	**$ 3,380,000**
East Teak Fine Hardwoods, Inc. 4950 Westgrove Suite 100 Dallas, TX 75248	Distributor of hardwood products	13% Current/5.5% PIK Secured Debt	—	$ 1,606,807	$ 1,606,807
		Common Stock	3.3%	130,000	455,000
				$ 1,736,807	**$ 2,061,807**
Hawthorne Customs & Dispatch Services, LLC 9370 Wallisville Road Houston, Texas 77013	Provides "one stop" logistics services	13% Secured Debt	—	$ 1,537,500	$ 1,537,500
		LLC Interests	27.8%	375,000	435,000
		Warrants to Purchase LLC Interests	16.5%	37,500	230,000
				$ 1,950,000	**$ 2,202,500**
Hayden Acquisition, LLC 7801 Tangerine Road Rillito, AZ 85654	Manufacturer of utility structures	12% Secured Debt	—	**$ 1,955,000**	**$ 1,955,000**
Houston Plating & Coatings, LLC 1315 Georgia South Houston, TX 77587	Plating and industrial coating services	Prime Plus 2% Secured Debt	—	$ 100,000	$ 100,000
		LLC Interests	11.8%	210,000	2,120,000
				$ 310,000	**$ 2,220,000**
Jensen Jewelers of Idaho, LLC 130 2nd Avenue North Twin Falls, ID 83301	Retail jewelry chain	Prime Plus 2% Secured Debt	—	$ 1,280,000	$ 1,280,000
		13% Current/6% PIK Secured Debt	—	1,038,167	1,038,167
		LLC Interests	25.1%	376,000	376,000
				$ 2,694,167	**$ 2,694,167**

Name and Address of Portfolio Company	Nature of Principal Business	Title of Securities Held by Us	Percentage of Fully Diluted Equity Held	Cost of Investment[1]	Fair Value of Investment
KBK Industries, LLC East Highway 96 Rush Center, KS 67575	Specialty manufacturer of oilfield and industrial products	14% Secured Debt Prime plus 2% Secured Debt 8% Secured Debt LLC Interests	— — — 14.5%	$ 3,937,500 75,000 512,795 187,500	$ 3,937,500 686,250 512,795 700,000
				$ 4,712,795	**$ 5,836,545**
Laurus Healthcare, LP 10000 Memorial Drive Suite 540 Houston, TX 77024	Healthcare facilities	13% Secured Debt Warrants to Purchase LP Interests	— 18.2%	$ 3,010,000 105,000	$ 3,010,000 105,000
				$ 3,115,000	**$ 3,115,000**
Magna Card, Inc. 35 New Plant Court Owings Mills, MD 21117	Wholesale/consumer magnetic products	12% Current/0.4% PIK Secured Debt Warrants to Purchase Common Stock	— 35.8%	$ 2,016,225 100,000	$ 2,016,225 —
				$ 2,116,225	**$ 2,016,225**
National Trench Safety, LLC 15955 W. Hardy Road Suite 100 Houston, TX 77060	Trench and traffic safety equipment	10% PIK Secured Debt LLC Interests	— 11.5%	$ 146,317 1,792,308	$ 146,317 1,792,308
				$ 1,938,625	**$ 1,938,625**
Pulse Systems, LLC 4090 J Nelson Concord, CA 94520	Manufacturer of components for medical devices	14% Secured Debt Warrants to Purchase LLC Interests	— 6.6%	$ 2,523,844 118,000	$ 2,523,844 350,000
				$ 2,641,844	**$ 2,873,844**
Quest Design & Production, LLC[2] 10323 Greenland Ct. Stafford, TX 77477	Design and fabrication of custom displays	12% Secured Debt Warrants to Purchase LLC Interests	— 20.0%	$ 3,900,000 40,000	$ 3,900,000 40,000
				$ 3,940,000	**$ 3,940,000**
Support Systems Homes, Inc. 1 W. Campbell Avenue, E-45 Campbell, CA 95008	Manages substance abuse treatment centers	14% Current/4% PIK Secured Debt 12% (9% after August 6, 2007) Secured Debt	— —	$ 1,504,333 158,888	$ 1,504,333 158,888
				$ 1,663,221	**$ 1,663,221**
TA Acquisition Group, LP 18601 F.M. 969 Manor, TX 78653	Processor of construction aggregates	12% Secured Debt LP Interest Warrants to Purchase LP Interests	— 18.3% 18.3%	$ 2,200,000 357,500 82,500	$ 2,200,000 2,730,000 2,750,000
				$ 2,640,000	**$ 7,680,000**
Technical Innovations, LLC 20714 Highway 36 Brazoria, Texas 77422	Manufacturer of specialty cutting tools and punches	12% Secured Debt Prime Secured Debt LLC Interests Warrants to Purchase LLC Interests	— — 1.6% 57%	$ 1,237,500 412,500 15,000 400,000	$ 1,237,500 412,500 40,000 1,415,000
				$ 2,065,000	**$ 3,105,000**
Transportation General, Inc. 65 Industry Drive West Haven, CT 06516	Taxicab/transportation services	13% Secured Debt Warrants to Purchase Common Stock	— 24%	$ 3,600,000 70,000	$ 3,600,000 480,000
				$ 3,670,000	**$ 4,080,000**
Turbine Air Systems, Ltd. 4300 Dixie Drive Houston TX 77021	Commercial/industrial chilling systems	12% Secured Debt Warrant to Purchase LP Interests	— 5%	$ 1,000,000 96,666	$ 1,000,000 96,666
				$ 1,096,666	**$ 1,096,666**
Vision Interests, Inc. 3625 South Polaris Las Vegas, NV 89103	Manufacturer/installer of commercial signage	13% Secured Debt Warrants to Purchase Common Stock Common Stock	— 11.2% 8.9%	$ 3,760,000 160,000 372,000	$ 3,760,000 160,000 372,000
				$ 4,292,000	**$ 4,292,000**

Name and Address of Portfolio Company	Nature of Principal Business	Title of Securities Held by Us	Percentage of Fully Diluted Equity Held	Cost of Investment(1)	Fair Value of Investment
Wicks 'N More, LLC	Manufacturer of	12% Secured Debt	—	$ 3,720,000	$ 3,720,000
7615 Byronwood Dr.	high-end candles	LLC Interests	11.5%	360,000	—
Houston, TX 77055		Warrants to Purchase LLC Interests	21.4%	210,000	—
				$ 4,290,000	**$ 3,720,000**
WorldCall, Inc.	Telecommunication/	13% Secured Debt	—	$ 820,000	$ 820,000
1250 S. Capitol of Texas	information services	Common Stock	6.2%	169,173	180,000
Highway Building 2, Suite 235		Warrants to Purchase Common Stock	13.4%	75,000	150,000
Austin, TX 78746				**$ 1,064,173**	**$ 1,150,000**
Total				**$ 67,149,244**	**$ 81,107,127**

(1) Net of prepayments but before accumulated unearned income allocations.

(2) On July 16, 2007, the maturity date for this debt investment was extended to December 31, 2010 and the interest rate was modified to 8.0% current and 5.0% PIK. The warrant was increased to 26.0% of the fully diluted outstanding member units.

In August 2007, Turbine Air Systems, Ltd. raised approximately $20 million through an equity capital funding transaction with certain institutional investors. In connection with this funding transaction, Main Street Mezzanine Fund agreed to the sale of its equity warrant position in Turbine Air Systems, Ltd. for $1.1 million in cash. The sale of the equity warrant resulted in a realized capital gain of approximately $1 million, which will be fully recognized in the third quarter of 2007.

Description of Portfolio Companies

Set forth below is a brief description of each of our current portfolio companies as of June 30, 2007.

- *Advantage Millwork Company* is a premier designer and manufacturer of high quality wood, decorative metal and wrought iron entry doors.
- *All Hose & Specialty, LLC* is a leading distributor of industrial hose, high pressure hose, hydraulic hose and other specialty items used in the industrial and oilfield service industries.
- *American Sensor Technologies, Inc.* designs, develops, manufactures and markets state-of-the-art, high performance commercial and industrial sensors.
- *Café Brazil, LLC* owns and operates nine full service restaurant/coffee houses in the Dallas/Fort Worth Metroplex. Cafe Brazil also operates a wholesale bakery production facility which provides fresh baked goods to each of its restaurants.
- *Carlton Global Resources, LLC* is a leading producer and processor of various industrial minerals for use in the manufacturing, construction and building materials industry.
- *CBT Nuggets, LLC* produces and sells original content IT certification training videos. CBT Nuggets, LLC's training videos provide comprehensive training for certification exams from Microsoft®, CompTIA®, Cisco®, Citrix® and many other professional certification vendors.
- *East Teak Fine Hardwoods, Inc.* is a leading provider of teak lumber, exotic hardwoods and hardwood products.
- *Hawthorne Customs & Dispatch Services, LLC* provides "one stop" logistics services to its customers in order to facilitate the import and export of various products to and from the United States.
- *Hayden Acquisition, LLC* is a leading manufacturer and supplier of precast concrete underground utility structures to the construction industry.
- *Houston Plating & Coatings, LLC* is a provider of nickel plating and industrial coating services primarily serving the oil field services industry.

- *Jensen Jewelers of Idaho, LLC* is the largest privately owned jewelry chain in the Rocky Mountains with 14 stores in 5 states, including Idaho, Montana, Nevada, South Dakota and Wyoming.
- *KBK Industries, LLC* is a manufacturer of standard and customized fiberglass tanks and related products primarily for use in oil and gas production, chemical production and agriculture applications.
- *Laurus Healthcare, LP* develops, acquires and manages single or multi-specialty health care centers through physician partnerships that provide various surgical, diagnostic and interventional services.
- *Magna Card, Inc.* is a niche designer, packager, marketer and distributor of flexible "peel & stick" magnets that are used to display business cards, photographs and small craft items.
- *National Trench Safety, LLC* engages in the rental and sale of underground equipment and trench safety products, including trench shielding, trench shoring, road plates, pipe lasers, pipe plugs and confined space equipment.
- *Pulse Systems, LLC* manufactures a wide variety of components used in medical devices for minimally-invasive surgery, primarily in the endovascular field.
- *Quest Design & Production, LLC* is engaged in the design, fabrication and installation of graphic presentation materials and associated custom display fixtures used in sales and information center environments.
- *Support Systems Homes, Inc.* operates drug and alcohol rehabilitation centers offering a wide range of substance abuse treatment programs for recovery from addictions.
- *TA Acquisition Group, LP* mines, processes and sells sand and gravel products that are utilized in various construction activities in the Austin, Texas area.
- *Technical Innovations, LLC* designs and manufactures manual, semiautomatic, pneumatic and computer numerically controlled machines and tools used primarily by medical device manufacturers to place access holes in catheters.
- *Transportation General, Inc.* is a provider of transportation and taxi cab services in the greater New Haven, Connecticut market.
- *Turbine Air Systems, Ltd.* is an industry-leading manufacturer of proprietary, packaged, commercial and industrial chilling systems, serving both domestic and international customers.
- *Vision Interests, Inc.* is a full service sign company that designs, manufactures, installs and services interior and exterior signage for a wide range of customers.
- *Wicks N' More, LLC* manufactures high-quality, long-burning, fragrant candles.
- *WorldCall, Inc.* is a holding company which owns both regulated and unregulated communications and information service providers.

MANAGEMENT

Our business and affairs are managed under the direction of our Board of Directors. Our Board of Directors appoints our officers, who serve at the discretion of the Board of Directors. The responsibilities of the Board of Directors include, among other things, the oversight of our investment activities, the quarterly valuation of our assets, oversight of our financing arrangements and corporate governance activities. The Board of Directors has an Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee, and may establish additional committees from time to time as necessary.

Board of Directors and Executive Officers

Our Board of Directors consist of six members, four of whom are classified under applicable Nasdaq listing standards as "independent" directors and under Section 2(a)(19) of the 1940 Act as "non-interested" persons. Pursuant to our articles of incorporation, each member of our Board of Directors will serve a one year term, with each current director serving until the 2008 annual meeting of stockholders and until his respective successor is duly qualified and elected. Our articles of incorporation give our Board of Directors sole authority to appoint directors to fill vacancies that are created either through an increase in the number of directors or due to the resignation, removal or death of any director.

Directors

Information regarding our current Board of Directors is set forth below. We have divided the directors into two groups — independent directors and interested directors. Interested directors are "interested persons" of Main Street Capital Corporation as defined in Section 2(a)(19) of the 1940 Act. The address for each director is c/o Main Street Capital Corporation, 1300 Post Oak Boulevard, Suite 800, Houston, Texas 77056.

Independent Directors

Name	Age	Director Since	Expiration of Term
Michael Appling Jr.	40	2007	2008
Joseph E. Canon	64	2007	2008
Arthur L. French	67	2007	2008
William D. Gutermuth	55	2007	2008

Interested Directors

Name	Age	Director Since	Expiration of Term
Vincent D. Foster	50	2007	2008
Todd A. Reppert	38	2007	2008

Executive Officers

The following persons serve as our executive officers in the following capacities:

Name	Age	Position(s) Held with the Company
Vincent D. Foster	50	Chairman of the Board and Chief Executive Officer
Todd A. Reppert	38	Director, President and Chief Financial Officer
Rodger A. Stout	55	Secretary, Chief Accounting Officer and Chief Compliance Officer
Curtis L. Hartman	34	Senior Vice President
Dwayne L. Hyzak	34	Senior Vice President
David L. Magdol	37	Senior Vice President

The address for each executive officer is c/o Main Street Capital Corporation 1300 Post Oak Boulevard, Suite 800, Houston, Texas 77056.

Biographical Information

Independent Directors

Michael Appling Jr. has been a member of our Board of Directors since July 2007. Since July 2002, Mr. Appling has been the Executive Vice President and Chief Financial Officer of XServ, Inc., a large private equity funded, international industrial services and rental company. Mr. Appling has also held the position of CEO and President for United Scaffolding, Inc., an XServ, Inc. operating subsidiary. In February 2007, XServ, Inc. was sold to The Brock Group, a private industrial services company headquartered in Texas.

Prior to this, from March 2000 to June 2002, Mr. Appling served as the Chief Financial Officer of CheMatch.com. ChemConnect, Inc., a venture-backed independent trading exchange, acquired CheMatch.com in January 2002. From June 1999 to March 2000, Mr. Appling was Vice President and Chief Financial Officer of American Eco Corporation, a publicly traded, international fabrication, construction and maintenance provider to the energy, pulp and paper and power industries. Mr. Appling worked for ITEQ, Inc., a publicly traded, international fabrication and services company from September 1997 to May 1999 first as a Director of Corporate Development and then as Vice President, Finance and Accounting. From July 1991 to September 1997, Mr. Appling worked at Arthur Andersen LLP, where he practiced as a certified public accountant.

Joseph E. Canon has been a member of our Board of Directors since July 2007. Since 1982, Mr. Canon has been the Executive Vice President and Executive Director, and a member of the Board of Directors, of Dodge Jones Foundation, a private charitable foundation located in Abilene, Texas. Prior to 1982, Mr. Canon was an Executive Vice President of the First National Bank of Abilene. From 1974 to 1982, Mr. Canon was the Vice President and Trust Officer with the First National Bank of Abilene.

Mr. Canon currently serves on the Board of Directors of First Financial Bankshares, Inc., (NASDAQ-GM:FFIN) a financial holding company with $2.7 billion in assets headquartered in Abilene, Texas. Mr. Canon also serves on the Board of Directors for several bank and trust/asset management subsidiaries of First Financial Bankshares, Inc. Mr. Canon has also served on the Board of Directors of numerous other organizations including the Abilene Convention and Visitors Bureau, Abilene Chamber of Commerce, Conference of Southwest Foundations, City of Abilene Tax Increment District, West Central Texas Municipal Water District and the John G. and Marie Stella Kenedy Memorial Foundation.

Arthur L. French has been a member of our Board of Directors since July 2007. Since September 2003, Mr. French has been a member of the Advisory Board of the Investment Adviser and limited partner of Main Street Mezzanine Fund. Mr. French began his private investment activities in January 2000; he has served as a director of FabTech Industries, a $200 million revenue steel fabricator, since November 2000, and as a director of Rawson, Inc., a distributor of industrial instrumentation products, since May 2003.

Prior to this, Mr. French served as Chairman and Chief Executive Officer of Metals USA from 1996-1999, where he managed the process of founders acquisition, assembled the management team and took the company through a successful IPO in July 1997. From 1989-1996, Mr. French served as Executive Vice President and Director of Keystone International, Inc. After serving as a helicopter pilot in the United States Army, Captain-Corps of Engineers from 1963-1966, Mr. French began his career as a Sales Engineer for Fisher Controls International, Inc., in 1966. During his 23 year career at Fisher Controls, from 1966-1989, Mr. French held various titles, and ended his career at Fisher Controls as President and Chief Operating Officer.

William D. Gutermuth has been a member of our Board of Directors since July 2007. Since 1986, Mr. Gutermuth has been a partner in the law firm of Bracewell & Giuliani LLP, specializing in the practice of corporate and securities law. From 1999 until 2005, Mr. Gutermuth was the Chair of Bracewell & Giuliani's Corporate and Securities Section and in 2005 and 2006 served as a member of the Executive Committee of the firm's Business Group.

Mr. Gutermuth's legal career has included the representation of numerous public companies, as well as private equity firms and their portfolio companies. He has been recognized by independent evaluation organizations as "One of the Best Lawyers in America-Corporate M&A and Securities Law" and as a Texas "Super Lawyer".

Interested Directors

Vincent D. Foster has been Chairman of our Board of Directors since April 2007. He is our Chief Executive Officer and a member of our investment committee. Since 2002, Mr. Foster has been a senior managing director of the General Partner and the Investment Adviser. Mr. Foster has also been the senior managing director of the general partner for Main Street Capital II, an SBIC he co-founded, since January 2006. From 2000 to 2002, Mr. Foster was the senior managing director of the predecessor entity of Main Street Mezzanine Fund. Prior to that, Mr. Foster co-founded Main Street Merchant Partners, a merchant-banking firm. Mr. Foster currently serves as a director of Quanta Services, Inc. (NYSE: PWR), an electrical and telecommunications contracting company, Carriage Services, Inc. (NYSE: CSV), a death-care company, and Team, Inc. (NASDAQ-GS: TISI), a provider of specialty industrial services. In addition, Mr. Foster serves as a director, officer and founder of the Houston/Austin/San Antonio Chapter of the National Association of Corporate Directors. From 1998 to May 2002, he served as the non-executive chairman of Quanta Services, Inc. He has also served as director and the non-executive chairman of U.S. Concrete, Inc. (NASDAQ-GM: RMIX) since 1999.

Prior to his private investment activities, Mr. Foster was a partner of Andersen Worldwide and Arthur Andersen LLP from 1988-1997. Mr. Foster was the director of Andersen's Corporate Finance and Mergers and Acquisitions practice for the Southwest United States and specialized in working with companies involved in consolidating their respective industries.

Todd A. Reppert has been a member of our Board of Directors since April 2007. He is our President and Chief Financial Officer and is a member of our investment committee. Since 2002, Mr. Reppert has been a senior managing director of the General Partner and the Investment Adviser. Mr. Reppert has been a senior managing director of the general partner for Main Street Capital II, an SBIC he co-founded, since January 2006. From 2000 to 2002, Mr. Reppert was a senior managing director of the predecessor entity of Main Street Mezzanine Fund. Prior to that, Mr. Reppert was a principal of Sterling City Capital, LLC, a private investment group focused on small to middle-market companies.

Prior to joining Sterling City Capital in 1997, Mr. Reppert was with Arthur Andersen LLP. At Arthur Andersen LLP, Mr. Reppert assisted in several industry consolidation initiatives, as well as numerous corporate finance and merger/acquisition initiatives. Mr. Reppert is a member of the board of directors for the Houston Chapter of the Association for Corporate Growth.

Non-Director Executive Officers

Rodger A. Stout serves as our Chief Accounting Officer, Chief Compliance Officer and Secretary. Mr. Stout has been the chief financial officer of the General Partner, the Investment Adviser and the general partner of Main Street Capital II, an SBIC, since 2006. From 2000 to 2006, Mr. Stout was senior vice president and chief financial officer for FabTech Industries, Inc., a consolidation of nine steel fabricators located principally in the Southeastern United States. From 1985 to 2000, Mr. Stout was a senior financial executive for Jerold B. Katz Interests. Mr. Stout held numerous positions over his fifteen year tenure with this national scope financial services conglomerate. The positions he held included director, executive vice president, senior financial officer and investment officer. Prior to 1985, Mr. Stout was an international tax executive in the oil and gas service industry.

Curtis L. Hartman serves as one of our Senior Vice Presidents. Mr. Hartman has been a managing director of the General Partner and the Investment Adviser since 2002 and a managing director of the general partner for Main Street Capital II, an SBIC, since January 2006. From 2000 to 2002, Mr. Hartman was a director of the predecessor entity of Main Street Mezzanine Fund. From 1999 to 2000, Mr. Hartman was an investment adviser for Sterling City Capital, LLC. Concurrently with joining Sterling City Capital, Mr. Hartman

joined United Glass Corporation, a Sterling City Capital portfolio company, as director of corporate development. Prior to joining Sterling City Capital, Mr. Hartman was a manager with PricewaterhouseCoopers ("PwC") in its M&A/Transaction Services group. Prior to joining PwC, Mr. Hartman was employed by Deloitte & Touche where he served as a senior auditor for a Fortune 500 public company as well as other public and private companies.

Dwayne L. Hyzak serves as one of our Senior Vice Presidents. Since 2002, Mr. Hyzak has been a managing director of the General Partner and the Investment Adviser. Mr. Hyzak has also been a managing director of the general partner for Main Street Capital II, an SBIC, since January 2006. From 2000 to 2002, Mr. Hyzak was a director of accounting integration with Quanta Services, Inc. (NYSE: PWR), an electrical and telecommunications contracting company, where he was principally focused on the company's mergers and acquisitions and corporate finance activities. Prior to joining Quanta Services, Inc., Mr. Hyzak was a manager with Arthur Andersen LLP in the firm's Transaction Advisory Services group.

David L. Magdol serves as one of our Senior Vice Presidents and is a member of our investment committee. Mr. Magdol has been a managing director of the General Partner and the Investment Adviser since 2002 and a managing director of the general partner for Main Street Capital II, an SBIC, since January 2006. From 2000 to 2002, Mr. Magdol worked for Lazard Freres & Co. LLC where he was a vice president in the M&A Advisory Group. From 1996 to 2000, Mr. Magdol served as a vice president of McMullen Group, a private equity investment firm capitalized by Dr. John J. McMullen. From 1993 to 1995, Mr. Magdol worked in the Structured Finance Services Group of Chemical Bank (now JPMorgan Chase) as a management associate.

Committees of the Board of Directors

Our Board of Directors has the following committees:

Audit Committee

The Audit Committee is responsible for selecting, engaging and discharging our independent accountants, reviewing the plans, scope and results of the audit engagement with our independent accountants, approving professional services provided by our independent accountants (including compensation therefor), reviewing the independence of our independent accountants and reviewing the adequacy of our internal control over financial reporting. In addition, the Audit Committee is responsible for reviewing and approving for submission to our Board of Directors, in good faith, the fair value of debt and equity securities that are not publicly traded or for which current market values are not readily available. The members of the Audit Committee are Messrs. Appling, Canon and French, each of whom is independent for purposes of the 1940 Act and the Nasdaq Global Market corporate governance listing standards. Mr. Appling serves as the chairman of the Audit Committee. Our Board of Directors has determined that Mr. Appling is an "Audit Committee financial expert" as defined under SEC rules.

Compensation Committee

The Compensation Committee determines the compensation for our executive officers and the amount of salary, bonus and stock-based compensation to be included in the compensation package for each of our executive officers. The actions of the Compensation Committee will be reviewed and ratified by the entire Board of Directors, excluding as applicable the inside directors. The members of the Compensation Committee are Messrs. French, Canon and Gutermuth, each of whom is independent for purposes of the 1940 Act and the Nasdaq Global Market corporate governance listing standards. Mr. French serves as the chairman of the Compensation Committee.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is responsible for determining criteria for service on the board, identifying, researching and nominating directors for election by our stockholders, selecting nominees to fill vacancies on our Board of Directors or a committee of the board, developing and

recommending to the Board of Directors a set of corporate governance principles and overseeing the self-evaluation of the Board of Directors and its committees and evaluation of our management. The Nominating and Corporate Governance Committee considers nominees properly recommended by our stockholders. The members of the Nominating and Corporate Governance Committee are Messrs. Canon, Gutermuth, and Appling, each of whom is independent for purposes of the 1940 Act and the Nasdaq Global Market corporate governance listing standards. Mr. Canon serves as the chairman of the Nominating and Corporate Governance Committee.

Additional Portfolio Management Information

Our investment committee, currently consisting of Messrs. Foster, Reppert and Magdol, reviews and approves our investments. All such actions must be approved by the affirmative vote from a majority of the members of our investment committee at a meeting at which each member of our investment committee is present. The compensation of each executive officer on the investment committee will be set by the Compensation Committee of our Board of Directors. The executive officers on the investment committee will be compensated in the form of annual salaries, annual cash bonuses and stock-based compensation. See "Management — Executive Officer Compensation" and "Management — Employment Agreements." The members of our investment committee serve or may serve as officers, directors or principals of entities that operate in the same or a related line of business as we do or of investment funds managed by our affiliates. Accordingly, they may have obligations to investors in those entities, the fulfillment of which might not be in the best interests of us or our stockholders. See "Risk Factors — There are significant potential conflicts of interest which could impact our investment returns."

Compensation Discussion and Analysis

Overview

We are a newly-organized corporation that after consummation of this offering will be an internally managed business development company. We were organized to continue the investment business of Main Street Mezzanine Fund and, with the capital of this offering, make new equity and debt investments in lower middle market companies. Our senior management team consists of Messrs. Foster, Reppert, Stout, Hartman, Hyzak and Magdol. We refer to these six officers as the named executive officers, or NEOs.

Our executive compensation program is designed to encourage our executive officers to think and act like our stockholders. The structure of the NEOs' employment agreements and our incentive compensation programs will be designed to encourage and reward the following, among other things:

- sourcing and pursuing attractively priced investment opportunities in all types of securities of lower middle market companies;
- accomplishing our investment objectives;
- ensuring we allocate capital in the most effective manner possible; and
- creating shareholder value.

Our Compensation Committee has reviewed and approved all of our compensation policies.

Executive Compensation Policy

Overview. Our performance-driven compensation policy consists of the following three components:

- Base salary;
- Annual cash bonuses; and
- Long-term compensation pursuant to our Equity Incentive Plan.

We intend to carefully design each NEO's compensation package to appropriately reward the NEO for his or her contribution to us. This is not a mechanical process, and our Compensation Committee will use its

judgment and experience, working in conjunction with our Chief Executive Officer, to determine the appropriate mix of compensation for each individual. Cash compensation consisting of base salary and discretionary bonuses tied to achievement of individual performance goals set by the Compensation Committee are intended to incentivize NEOs to remain with us in their roles and work hard to achieve our goals. Stock-based compensation may be awarded based on performance expectations set by the Compensation Committee for each individual and, over time, on his performance against those expectations. The mix of short-term and long-term compensation may sometimes be adjusted to reflect an individual's need for current cash compensation and desire to retain his or her services.

Base salary. Base salary will be used to recognize particularly the experience, skills, knowledge and responsibilities required of the executive officers in their roles. In connection with establishing the 2007 annual base salaries of the NEOs, the Compensation Committee and management considered a number of factors including the seniority of the individual, the functional role of the position, the level of the individual's responsibility, the ability to replace the individual, the base salary of the individual prior to our formation, the assistance of each NEO in this initial public offering process and the number of well-qualified candidates available in our area. In addition, we informally considered the base salaries paid to comparably situated executive officers and other competitive market practices. We did not use compensation consultants in connection with fixing base salaries or for any other purpose prior to the consummation of this offering.

The salaries of the NEOs will be reviewed on an annual basis, as well as at the time of promotion or other changes in responsibilities. The leading factors in determining increases in salary level are expected to be relative performance, relative cost of living and competitive pressures.

Annual cash bonuses. Annual cash bonuses are intended to reward individual performance during the year and can therefore be highly variable from year to year. Currently, these bonuses are determined on a discretionary basis by the Compensation Committee and will be determined for each NEO based upon individual performance and service goals set by our Compensation Committee, with our management's input. As more fully described below, the employment agreements of the applicable NEO provide for targeted annual cash bonuses as a percentage of base salary.

Long-Term Incentive Awards.

Generally. We have adopted an Equity Incentive Plan to provide stock-based awards as long-term incentive compensation to our employees.

We expect to use stock-based awards to (i) attract and retain key employees, (ii) motivate our employees by means of performance-related incentives to achieve long-range performance goals, (iii) enable our employees to participate in our long-term growth and (iv) link our employees compensation to the long-term interests of our stockholders. The Compensation Committee will determine the persons to receive stock-based awards. At the time of each award, the Compensation Committee will determine the terms of the award, including any performance period (or periods) and any performance objectives relating to the award.

Options. The Compensation Committee may grant options to purchase our common stock (including incentive stock options and non-qualified stock options). We expect that any options granted by our Compensation Committee will represent a fixed number of shares of our common stock, will have an exercise, or strike, price equal to the fair market value of our common stock on the date of such grant, and will be exercisable, or "vested," at some later time after grant. The "fair market value" will be defined as either (i) the closing sales price of the common stock on the Nasdaq Global Market, or any other such exchange on which our common stock is traded, on such date, or in the absence of reported sales on such date or (ii) in the event there is no public market for our common stock on such date, current net asset value of our common stock. Some stock options granted by our Compensation Committee may vest simply by the holder remaining with us for a period of time, and some may vest based on our attaining certain performance levels.

Restricted Stock. Generally business development companies, such as us, may not grant shares of their stock for services without an exemptive order from the SEC. Our Equity Incentive Plan allows our Compensation Committee to grant shares of restricted stock, but our Compensation Committee will not grant

restricted stock unless and until we obtain from the SEC an exemptive order permitting such practice. We have applied for an exemptive order from the SEC to permit us to issue restricted shares of our common stock as part of the compensation packages for certain of our employees and executive officers. If exemptive relief is obtained, the Compensation Committee may award shares of restricted stock to plan participants in such amounts and on such terms as the Compensation Committee determines and consistent with any exemptive order the SEC may issue. The SEC is not obligated to grant an exemptive order to allow this practice and will do so only if it determines that such practice is consistent with stockholder interests and does not involve overreaching by management or our Board of Directors. Each restricted stock grant will be for a fixed number of shares as set forth in an award agreement between the grantee and us. Award agreements will set forth time and/or performance vesting schedules and other appropriate terms and/or restrictions with respect to awards, including rights to dividends and voting rights. As more fully described below, the employment agreements of each NEO provide for targeted annual restricted stock awards, subject to the receipt of exemptive relief from the SEC, or other equitable substitute.

Competitive Market Review

We will informally consider competitive market practices with respect to the salaries and total compensation of our NEOs. We will review the market practices by speaking to other financial professionals and reviewing annual reports on Form 10-K or similar information of other internally managed business development companies.

Change in Control and Severance

Upon termination of employment after a change of control, the NEOs may receive severance payments under their employment agreements, and equity-based awards under our Equity Incentive Plan may vest and/or become immediately exercisable or salable.

Equity Incentive Plan. Upon specified covered transactions involving a change of control (as defined in the Equity Incentive Plan), all outstanding awards under the Equity Incentive Plan may either be assumed or substituted for by the surviving entity. If the surviving entity does not assume or substitute similar awards, or upon the death or disability of an NEO, the awards held by the participants will be subject to accelerated vesting in full and then terminated to the extent not exercised within a designated time period.

Severance. Under specified covered transactions involving a change in control (as defined in each NEO's employment agreement), if an NEO terminates his employment with us for good reason within one year following such change in control, or if we terminate or fail to renew the NEO's employment agreement within the one year commencing with a change in control, he will receive a severance package beginning on the date of termination. The severance package will include a lump sum payment equal to two or three times, depending upon the NEO's position, the NEO's annual salary at that time, plus the NEO's targeted bonus compensation as described in the employment agreement and we will continue to provide the NEO with certain benefits provided to him immediately prior to the termination as described in the employment agreement for a designated time period.

The rationale behind providing a severance package in certain events is to attract and retain talented executives who are assured that they will not be financially injured if they physically relocate and/or leave another job to join us but are forced out through no fault of their own and to ensure that our business is operated and governed for our stockholders by a management team, and under the direction of a board of directors, who are not financially motivated to frustrate the execution of a change in control transaction. For more discussion regarding executive compensation in the event of a termination or change in control, please see the table entitled "2007 Potential Payments Upon Termination or Change in Control Table."

Conclusion

Our compensation policies are designed to retain and motivate our NEOs and to ultimately reward them for outstanding performance. The retention and motivation of our NEOs should enable us to grow strategically and position ourselves competitively in our market.

Executive Officer Compensation

After consummation of the formation transactions and the completion of the offering, certain of our executive officers will receive the annual base salaries and be entitled to targeted bonus compensation pursuant to their employment agreements as described below. The respective annual salaries of the executive officers will be as follows:

	2007 Annual Base Salary
Vincent D. Foster	$348,750
Todd A. Reppert	$311,250
Rodger A. Stout	$210,000
Curtis L. Hartman	$210,000
Dwayne L. Hyzak	$210,000
David L. Magdol	$210,000

In addition, the NEOs will be eligible to receive discretionary bonuses as may be declared from time to time by the Compensation Committee, which bonuses will be based on individualized performance and service goals. Under their employment agreements, the applicable NEOs have referenced target bonus amounts for each of the years ending December 31, 2008, 2009 and 2010. The target bonus amounts for Mr. Reppert are 50%, 60, and 70% of his base salary, respectively, for each of those three calendar years. The target bonus amounts for Messrs. Stout, Hartman, Hyzak and Magdol are 40%, 50% and 60% of their base salaries, respectively, for each of those three calendar years.

Under their employment agreements, each NEO is entitled to certain payments upon termination of employment or in the event of a change in control. The following table sets forth those potential payments with respect to each applicable NEO:

2007 Potential Payments upon Termination or Change in Control Table

	Benefit	Death[4]	Disability[4]	Termination With Cause[3]	Termination Without Cause or Good Reason[3][4]	Within One Year After Change in Control; Termination Without Cause or Good Reason[3][4]
Todd A. Reppert	Severance[1]	$ —	$ —	$ —	$ 622,500	$ 933,750
	Bonus[2]	—	—	—	311,250	466,875
Rodger A. Stout	Severance[1]	—	—	—	315,000	420,000
	Bonus[2]	—	—	—	126,000	168,000
Curtis L. Hartman	Severance[1]	—	—	—	315,000	420,000
	Bonus[2]	—	—	—	126,000	168,000
Dwayne L. Hyzak	Severance[1]	—	—	—	315,000	420,000
	Bonus[2]	—	—	—	126,000	168,000
David L. Magdol	Severance[1]	—	—	—	315,000	420,000
	Bonus[2]	—	—	—	126,000	168,000

(1) Severance pay includes an employee's annual base salary and applicable multiple thereof paid monthly beginning at the time of termination or paid in lump sum if termination is within one year of a Change of Control.

(2) Bonus compensation includes an employee's current target annual bonus and applicable multiple thereof paid monthly beginning at the time of termination or paid lump sum if termination is within one year of a Change of Control.

(3) Change of Control, Cause and Good Reason are defined in each employee's employment agreement, the form of which is being attached to this registration statement as an exhibit.

(4) Upon these termination events, the employee will become fully vested in any previously unvested stock-based compensation.

Director Compensation

Each of our directors who is not one of our employees or an employee of our subsidiaries will receive an annual cash fee of $30,000 for services as a director, payable annually. Independent directors will not receive fees based on meetings attended absent circumstances that require an exceptionally high number of meetings within an annual period. However, committee chairmen will receive an additional annual cash fee of $5,000, except for the Audit Committee chairman who will receive an additional annual cash fee of $10,000. Subject to receipt of an SEC exemptive order allowing for the grant of restricted stock for services, each independent director will also receive an annual grant of $30,000 in restricted stock. We will reimburse our independent directors for all reasonable expenses incurred in connection with their service on the board. Directors who are also our employees or employees of our subsidiaries will not receive compensation for their services as directors.

Employment Agreements

In conjunction with the consummation of this offering, we will enter into employment agreements with all of our NEO's, other than Vincent D. Foster, that provide for an initial term through December 31, 2010 effective upon consummation of this offering. As the Chairman of the Board of Directors and Chief Executive Officer, Mr. Foster will not have an employment agreement and will serve as an officer at the direction and discretion of our Board of Directors. However, Mr. Foster will execute a confidentiality and non-compete agreement with us in connection with the consummation of the offering. The NEO employment agreements specify an initial base salary equal to the "2007 Annual Base Salary" above and provide a 5% target annual increase in base salary.

In addition, each executive officer will be entitled to receive an annual bonus as a percentage of the executive officer's then current base salary based upon achieving certain performance objectives. Under their employment agreements, the applicable NEOs have referenced target bonus amounts for each of the years ending December 31, 2008, 2009 and 2010. The target bonus amounts for Mr. Reppert are 50%, 60% and 70% of his base salary, respectively, for each of those three calendar years. The target bonus amounts for Messrs. Stout, Hartman, Hyzak and Magdol are 40%, 50% and 60% of their base salaries, respectively, for each of those three calendar years. The Compensation Committee of the Board of Directors will establish such performance objectives, as well as the actual bonus awarded to each executive officer, annually.

The NEO employment agreements also specify that the applicable NEO will be entitled to receive a special grant of restricted stock, after receipt of exemptive relief from the SEC, equal to 40,000 shares for Mr. Reppert and 30,000 shares for each of Messrs. Stout, Hartman, Hyzak and Magdol. In addition, the applicable NEO employment agreements reference annual target restricted stock awards for each of calendar years 2009 and 2010 equal to 75% of base salary for Mr. Reppert and 50% of base salaries for each of Messrs. Stout, Hartman, Hyzak and Magdol. The restricted stock awards will vest in equal annual portions over the four years subsequent to the date of grant. If SEC exemptive relief to issue restricted stock for services is not obtained, the Compensation Committee will determine an equitable substitution for such restricted stock grants.

The NEO employment agreements also provide for certain severance and other benefits upon termination after a change of control or certain other specified termination events. The severance and other benefits in these circumstances are reflected in the discussion above and the "2007 Potential Payments upon Termination or Change of Control Table."

The NEO employment agreements provide for a non-competition period after termination of employment. The NEO employment agreements also provide for a non-solicitation period after any termination of employment and provide for the protection of confidential company information.

Compensation Plans

Equity Incentive Plan

Our Board of Directors and current stockholders have approved our Equity Incentive Plan, to be effective upon consummation of this offering, for the purpose of attracting and retaining the services of executive officers, directors and other key employees. Under our Equity Incentive Plan, our Compensation Committee may award stock options, restricted stock, or other stock-based incentive awards to our executive officers, employees and directors.

Our Compensation Committee will administer the Equity Incentive Plan and has the authority, subject to the provisions of the Equity Incentive Plan, to determine who will receive awards under the Equity Incentive Plan and the terms of such awards. Our Compensation Committee will be required to adjust the number of shares available for awards, the number of shares subject to outstanding awards and the exercise price for awards following the occurrence of certain specified events such as stock splits, dividends, distributions and recapitalizations.

Upon specified covered transactions (as defined in the Equity Incentive Plan), all outstanding awards under the Equity Incentive Plan may either be assumed or substituted for by the surviving entity. If the surviving entity does not assume or substitute similar awards, the awards held by the participants will be subject to accelerated vesting in full and then terminated to the extent not exercised prior to the covered transaction.

Awards under the Equity Incentive Plan will be granted to our executive officers and other employees as determined by our Compensation Committee at the time of each issuance.

Under current SEC rules and regulations, business development companies may not grant options or restricted stock to directors who are not officers or employees of the business development company. We have applied for exemptive relief from the SEC to permit us to grant restricted stock to our independent directors as a portion of their compensation for service on our Board of Directors. Similarly, under the 1940 Act, business development companies cannot issue stock for services to their executive officers and employees other than options, warrants and rights to acquire capital stock. As a result, we have applied for exemptive relief from the SEC to permit us to grant restricted stock in exchange for or in recognition of services by our executive officers. We cannot provide any assurance that we will receive the exemptive relief from the SEC in either case.

401(k) Plan

We intend to maintain a 401(k) plan in which all full-time employees who are at least 21 years of age and have three months of service will be eligible to participate. Eligible employees will have the opportunity to contribute their compensation on a pretax salary basis into the 401(k) plan up to $15,500 annually for the 2007 plan year, and to direct the investment of these contributions. Plan participants who reach the age of 50 prior to or during the 2007 plan year will be eligible to defer an additional $5,000 during 2007.

CERTAIN RELATIONSHIPS AND TRANSACTIONS

As discussed herein, it is contemplated that we will acquire from the members of the General Partner 100.0% of their equity interests in the General Partner in exchange for the issuance of $9.0 million of common stock of Main Street Capital Corporation. *See* "Formation Transactions; Business Development Company and Regulated Investment Company Elections." In addition, it is contemplated that we will acquire from the members of the Investment Adviser 100.0% of their equity interests in the Investment Adviser in exchange for the issuance of $18.0 million of common stock of Main Street Capital Corporation. *See* "Formation Transactions; Business Development Company and Regulated Investment Company Elections." Members of our management, including Vincent D. Foster, Todd A. Reppert, Curtis L. Hartman, Dwayne L. Hyzak and David L. Magdol, control the General Partner and the Investment Adviser.

Because members of our management currently control the General Partner, the Investment Adviser and (through their control of the General Partner) Main Street Mezzanine Fund, the amount of consideration to be received by the Limited Partners and the members of the General Partner and of the Investment Adviser in the formation transactions has not been determined through arms-length negotiations. In addition, certain members of our management and their affiliates have invested $3.6 million in limited partnership interests in Main Street Mezzanine Fund, and represent approximately 13.5% of the total limited partnership interests in Main Street Mezzanine Fund.

Main Street Mezzanine Fund co-invested with Main Street Capital II in several investments since January 2006. Main Street Capital II and Main Street Mezzanine Fund are both managed by the Investment Adviser and the general partners for Main Street Mezzanine Fund and Main Street Capital II are under common control. Main Street Capital II is an SBIC with similar investment objectives to Main Street Mezzanine Fund and which began its investment operations in January 2006. The co-investments among the two funds were made at the same time and on the same terms and conditions. The co-investments were made in accordance with the Investment Adviser's conflicts policy and in accordance with the applicable SBIC conflict of interest regulations.

Main Street Mezzanine Fund paid $1.9 million in management fees to the Investment Adviser for each of the years ended December 31, 2004, 2005 and 2006, and approximately $1.0 million in each of the six months ended June 30, 2006 and June 30, 2007. The Investment Adviser is an affiliate of Main Street Mezzanine Fund as it is commonly controlled by principals who also control the General Partner.

CONTROL PERSONS AND PRINCIPAL STOCKHOLDERS

After this offering, no person will be deemed to control us, as such term is defined in the 1940 Act. The following table sets forth, on a pro forma, as adjusted basis, at the time of completion of the offering and consummation of the formation transactions described elsewhere in this prospectus, information with respect to the beneficial ownership of our common stock by:

- each person known to us to beneficially own more than 5.0% of the outstanding shares of our common stock;
- each of our directors and each executive officers; and
- all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. There is no common stock subject to options that are currently exercisable or exercisable within 60 days of the offering. Percentage of beneficial ownership is based on 11,192,341 shares of common stock outstanding at the time of the offering and consummation of the formation transactions.

	Shares Beneficially Owned Immediately After the Formation Transactions and this Offering	
Name	Number	Percentage
Executive Officers:		
Vincent D. Foster	839,434	7.5%
Todd A. Reppert	604,729(1)	5.4%
Rodger A. Stout	26,667	*
Curtis L. Hartman	188,946	1.7%
Dwayne L. Hyzak	197,960	1.8%
David L. Magdol	208,372	1.9%
Independent Directors:		
Michael Appling Jr.	—	*
Joseph E. Canon	5,133	*
Arthur L. French	4,107	*
William D. Gutermuth	—	*
All Directors and Officers as a Group (10 persons)	2,075,348	18.5%

* Less than 1.0%

(1) Includes 140,013 shares owned by Reppert Investments Limited Partnership which are beneficially owned by Mr. Reppert.

The following table sets forth, as of the date of the completion of this offering, the dollar range of our equity securities that is expected to be beneficially owned by each of our directors.

	Dollar Range of Equity Securities Beneficially Owned[1][2][3]
Interested Directors:	
Vincent D. Foster	over $1,000,000
Todd A. Reppert	over $1,000,000
Independent Directors:	
Michael Appling Jr.	none
Joseph E. Canon	$50,001-$100,000
Arthur L. French	$50,001-$100,000
William D. Gutermuth	none

(1) Beneficial ownership has been determined in accordance with Rule 16a-1(a)(2) of the Exchange Act.

(2) The dollar range of equities securities beneficially owned by our directors is based on an assumed initial public offering price of $15.00 per share.

(3) The dollar range of equity securities beneficially owned are: none, $1-$10,000, $10,001-$50,000, $50,001-$100,000, $100,001-$500,000, $500,001-$1,000,000 or over $1,000,000.

DIVIDEND REINVESTMENT PLAN

We have adopted a dividend reinvestment plan that provides for reinvestment of our dividends on behalf of our stockholders, unless a stockholder elects to receive cash as provided below. As a result, if our Board of Directors authorizes, and we declare, a cash dividend, then our stockholders who have not "opted out" of our dividend reinvestment plan will have their cash dividends automatically reinvested in additional shares of our common stock, rather than receiving the cash dividends.

No action will be required on the part of a registered stockholder to have their cash dividends reinvested in shares of our common stock. A registered stockholder may elect to receive an entire dividend in cash by notifying American Stock Transfer & Trust Company, the plan administrator and our transfer agent and registrar, in writing so that such notice is received by the plan administrator no later than the record date for dividends to stockholders. The plan administrator will set up an account for shares acquired through the plan for each stockholder who has not elected to receive dividends in cash and hold such shares in non-certificated form. Upon request by a stockholder participating in the plan, received in writing not less than 10 days prior to the record date, the plan administrator will, instead of crediting shares to the participant's account, issue a certificate registered in the participant's name for the number of whole shares of our common stock and a check for any fractional share. Those stockholders whose shares are held by a broker or other financial intermediary may receive dividends in cash by notifying their broker or other financial intermediary of their election.

We intend to primarily use newly issued shares to implement the plan. However, we reserve the right to purchase shares in the open market in connection with our implementation of the plan. The number of shares to be issued to a stockholder is determined by dividing the total dollar amount of the dividend payable to such stockholder by the market price per share of our common stock at the close of regular trading on the Nasdaq Global Market on the dividend payment date. Market price per share on that date will be the closing price for such shares on the Nasdaq Global Market or, if no sale is reported for such day, at the average of their reported bid and asked prices. The number of shares of our common stock to be outstanding after giving effect to payment of the dividend cannot be established until the value per share at which additional shares will be issued has been determined and elections of our stockholders have been tabulated.

There will be no brokerage charges or other charges for dividend reinvestment to stockholders who participate in the plan. We will pay the plan administrator's fees under the plan.

Stockholders who receive dividends in the form of stock generally are subject to the same federal, state and local tax consequences as are stockholders who elect to receive their dividends in cash. A stockholder's basis for determining gain or loss upon the sale of stock received in a dividend from us will be equal to the total dollar amount of the dividend payable to the stockholder. Any stock received in a dividend will have a holding period for tax purposes commencing on the day following the day on which the shares are credited to the U.S. stockholder's account.

Participants may terminate their accounts under the plan by notifying the plan administrator via its website at www.amstock.com, by filling out the transaction request form located at the bottom of their statement and sending it to the plan administrator at 59 Maiden Lane New York, New York 10038 or by calling the plan administrators at (212) 936-5100.

We may terminate the plan upon notice in writing mailed to each participant at least 30 days prior to any record date for the payment of any dividend by us. All correspondence concerning the plan should be directed to the plan administrator by mail at 59 Maiden Lane New York, New York 10038 or by telephone at (212) 936-5100.

DESCRIPTION OF CAPITAL STOCK

The following description is based on relevant portions of the Maryland General Corporation Law and on our articles of incorporation and bylaws. This summary may not contain all of the information that is important to you, and we refer you to the Maryland General Corporation Law and our articles of incorporation and bylaws for a more detailed description of the provisions summarized below.

Capital Stock

Under the terms of our articles of incorporation, as amended and restated immediately prior to the completion of this offering, our authorized capital stock will consist of 150,000,000 shares of common stock, par value $0.01 per share, of which immediately after this offering 11,192,341 shares will be outstanding. Under our articles of incorporation, our Board of Directors is authorized to classify and reclassify any unissued shares of stock into other classes or series of stock, and to cause the issuance of such shares, without obtaining stockholder approval. In addition, as permitted by the Maryland General Corporation Law, but subject to the 1940 Act, our articles of incorporation provide that the Board of Directors, without any action by our stockholders, may amend the articles of incorporation from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue. Under Maryland law, our stockholders generally are not personally liable for our debts or obligations.

Common Stock

All shares of our common stock have equal voting rights and rights to earnings, assets and distributions, except as described below. When shares are issued, upon payment therefor, they will be duly authorized, validly issued, fully paid and nonassessable. Distributions may be paid to the holders of our common stock if, as and when authorized by our Board of Directors and declared by us out of assets legally available therefore. Shares of our common stock have no conversion, exchange, preemptive or redemption rights. In the event of our liquidation, dissolution or winding up, each share of our common stock would be entitled to share ratably in all of our assets that are legally available for distribution after we pay all debts and other liabilities and subject to any preferential rights of holders of our preferred stock, if any preferred stock is outstanding at such time. Each share of our common stock is entitled to one vote on all matters submitted to a vote of stockholders, including the election of directors. Except as provided with respect to any other class or series of stock, the holders of our common stock will possess exclusive voting power. There is no cumulative voting in the election of directors, which means that holders of a majority of the outstanding shares of common stock will elect all of our directors, and holders of less than a majority of such shares will be unable to elect any director.

Preferred Stock

Our articles of incorporation authorize our Board of Directors to classify and reclassify any unissued shares of stock into other classes or series of stock, including preferred stock. Prior to issuance of shares of each class or series, the Board of Directors is required by Maryland law and by our articles of incorporation to set the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each class or series. Thus, the Board of Directors could authorize the issuance of shares of preferred stock with terms and conditions which could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for holders of our common stock or otherwise be in their best interest. You should note, however, that any issuance of preferred stock must comply with the requirements of the 1940 Act. The 1940 Act requires, among other things, that (1) immediately after issuance and before any dividend or other distribution is made with respect to our common stock and before any purchase of common stock is made, such preferred stock together with all other senior securities must not exceed an amount equal to 50.0% of our total assets after deducting the amount of such dividend, distribution or purchase price, as the case may be, and (2) the holders of shares of preferred stock, if any are issued, must be entitled as a class to elect two directors at all times and to elect a majority of the directors if distributions on such preferred stock are in arrears by two years or more. Certain matters under the 1940 Act require the separate vote of the holders of

any issued and outstanding preferred stock. We believe that the availability for issuance of preferred stock will provide us with increased flexibility in structuring future financings and acquisitions.

Limitation on Liability of Directors and Officers; Indemnification and Advance of Expenses

Maryland law permits a Maryland corporation to include in its articles of incorporation 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 articles of incorporation contain such a provision that eliminates directors' and officers' liability to the maximum extent permitted by Maryland law, subject to the requirements of the 1940 Act.

Our articles of incorporation require 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, 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 such person may become subject or which such person may incur by reason of his or her service in any such capacity, except with respect to any matter as to which such person shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that their action was in our best interest or to be liable to us or our stockholders by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office.

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, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner 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, except with respect to any matter as to which such person shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his or her action was in our best interest or to be liable to us or our stockholders by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office. Our bylaws also require that, to the maximum extent permitted by Maryland law, we pay certain expenses incurred by any such indemnified person in advance of the final disposition of a proceeding upon receipt of an undertaking by or on behalf of such indemnified person to repay amounts we have so paid if it is ultimately determined that indemnification of such expenses is not authorized under our bylaws. We also anticipate executing separate indemnification agreements with our directors and officers subsequent to the consummation of this offering.

Maryland law requires a corporation (unless its articles of incorporation provide otherwise, which our articles of incorporation do not) to indemnify a director or officer who has been successful 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 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.

We expect to purchase a directors' and officers' insurance policy covering our directors and officers and us for any acts and omissions committed, attempted or allegedly committed by any director or officer during the policy period.

Provisions of the Maryland General Corporation Law and Our Articles of Incorporation and Bylaws

The Maryland General Corporation Law and our articles of incorporation and bylaws contain provisions that could make it more difficult for a potential acquiror to acquire us by means of a tender offer, proxy contest or otherwise. These provisions are expected to discourage certain coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to negotiate first with our Board of Directors. We believe that the benefits of these provisions outweigh the potential disadvantages of discouraging any such acquisition proposals because, among other things, the negotiation of such proposals may improve their terms.

Election of Directors

Our bylaws currently provide that directors are elected by a plurality of the votes cast in the election of directors. Pursuant to our articles of incorporation and bylaws, our Board of Directors may amend the bylaws to alter the vote required to elect directors.

Number of Directors; Vacancies; Removal

Our articles of incorporation provide that the number of directors will be set only by the Board of Directors in accordance with our bylaws. Our bylaws provide that a majority of our entire Board of Directors may at any time increase or decrease the number of directors. However, unless the bylaws are amended, the number of directors may never be less than one or more than twelve. We have elected to be subject to the provision of Subtitle 8 of Title 3 of the Maryland General Corporation Law regarding the filling of vacancies on the Board of Directors. 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 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, and 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 1940 Act. Our articles of incorporation provide that a director may be removed only for cause, as defined in the articles of incorporation, and then only by the affirmative vote of at least two-thirds of the votes entitled to be cast in the election of directors.

Action by Stockholders

Under the Maryland General Corporation Law, stockholder action may be taken only at an annual or special meeting of stockholders or by unanimous consent in lieu of a meeting (unless the articles of incorporation provide for stockholder action by less than unanimous written consent, which our articles of incorporation do not). These provisions, combined with the requirements of our bylaws regarding the calling of a stockholder-requested special meeting of stockholders discussed below, may have the effect of delaying consideration of a stockholder proposal until the next annual meeting.

Advance Notice Provisions for Stockholder Nominations and Stockholder Proposals

Our bylaws provide that with respect to an annual meeting of stockholders, nominations of persons for election to the Board of Directors and the proposal of business to be considered by stockholders may be made only (1) pursuant to our notice of the meeting, (2) by the Board of Directors or (3) by a stockholder who is entitled to vote at the meeting and who has complied with the advance notice procedures of the bylaws. With

respect to special meetings of stockholders, only the business specified in our notice of the meeting may be brought before the meeting. Nominations of persons for election to the Board of Directors at a special meeting may be made only (1) pursuant to our notice of the meeting, (2) by the Board of Directors or (3) provided that the Board of Directors has determined that directors will be elected at the meeting, by a stockholder who is entitled to vote at the meeting and who has complied with the advance notice provisions of the bylaws.

The purpose of requiring stockholders to give us advance notice of nominations and other business is to afford our Board of Directors a meaningful opportunity to consider the qualifications of the proposed nominees and the advisability of any other proposed business and, to the extent deemed necessary or desirable by our Board of Directors, to inform stockholders and make recommendations about such qualifications or business, as well as to provide a more orderly procedure for conducting meetings of stockholders. Although our bylaws do not give our Board of Directors any power to disapprove stockholder nominations for the election of directors or proposals recommending certain action, they may have the effect of precluding a contest for the election of directors or the consideration of stockholder proposals if proper procedures are not followed and of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of directors or to approve its own proposal without regard to whether consideration of such nominees or proposals might be harmful or beneficial to us and our stockholders.

Calling of Special Meeting of Stockholders

Our bylaws provide that special meetings of stockholders may be called by our Board of Directors and certain of our officers. Additionally, our bylaws provide that, subject to the satisfaction of certain procedural and informational requirements by the stockholders requesting the meeting, a special meeting of stockholders shall be called by our secretary upon the written request of stockholders entitled to cast not less than a majority of all of the votes entitled to be cast at such meeting.

Approval of Extraordinary Corporate Action; Amendment of Articles of Incorporation and Bylaws

Under Maryland law, a Maryland corporation generally cannot dissolve, amend its articles of incorporation, merge, sell all or substantially all of its assets, engage in a share exchange or engage in similar transactions outside the ordinary course of business, unless approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter. However, a Maryland corporation may provide in its articles of incorporation for approval of these matters by a lesser percentage, but not less than a majority of all of the votes entitled to be cast on the matter. Our articles of incorporation generally provide for approval of amendments to our articles of incorporation and extraordinary transactions by the stockholders entitled to cast at least a majority of the votes entitled to be cast on the matter. Our articles of incorporation also provide that certain amendments and any proposal for our conversion, whether by merger or otherwise, from a closed-end company to an open-end company or any proposal for our liquidation or dissolution requires the approval of the stockholders entitled to cast at least 75.0% of the votes entitled to be cast on such matter. However, if such amendment or proposal is approved by at least 75.0% of our continuing directors (in addition to approval by our Board of Directors), such amendment or proposal may be approved by the stockholders entitled to cast a majority of the votes entitled to be cast on such a matter. The "continuing directors" are defined in our articles of incorporation as our current directors, as well as those directors whose nomination for election by the stockholders or whose election by the directors to fill vacancies is approved by a majority of the continuing directors then on the Board of Directors.

Our articles of incorporation and bylaws provide that the Board of Directors will have the exclusive power to make, alter, amend or repeal any provision of our bylaws.

No Appraisal Rights

Except with respect to appraisal rights arising in connection with the Maryland Control Share Acquisition Act, or Control Share Act, discussed below, as permitted by the Maryland General Corporation Law, our articles of incorporation provide that stockholders will not be entitled to exercise appraisal rights.

Control Share Acquisitions

The Control Share Act provides that control shares of a Maryland corporation acquired in a control share acquisition have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter. Shares owned by the acquiror, by officers or by directors who are employees of the corporation are excluded from shares entitled to vote on the matter. Control shares are voting shares of stock which, if aggregated with all other shares of stock owned by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power:

- one-tenth but less than one-third;
- one-third or more but less than a majority; or
- a majority or more of all voting power.

The requisite stockholder approval must be obtained each time an acquiror crosses one of the thresholds of voting power set forth above. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A control share acquisition means the acquisition of control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition may compel the board of directors of the corporation to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. The right to compel the calling of a special meeting is subject to the satisfaction of certain conditions, including an undertaking to pay the expenses of the meeting. If no request for a meeting is made, the corporation may itself present the question at any stockholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then the corporation may repurchase for fair value any or all of the control shares, except those for which voting rights have previously been approved. The right of the corporation to repurchase control shares is subject to certain conditions and limitations. Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquiror or of any meeting of stockholders at which the voting rights of the shares are considered and not approved. If voting rights for control shares are approved at a stockholders meeting and the acquiror becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition.

The Control Share Act does not apply (a) to shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction or (b) to acquisitions approved or exempted by the articles of incorporation or bylaws of the corporation.

Our bylaws contain a provision exempting from the Control Share Act any and all acquisitions by any person of our shares of stock. There can be no assurance that such provision will not be otherwise amended or eliminated at any time in the future. However, we will amend our bylaws to be subject to the Control Share Act only if the Board of Directors determines that it would be in our best interests and if the staff of the SEC does not object to our determination that our being subject to the Control Share Act does not conflict with the 1940 Act.

Business Combinations

Under the Maryland Business Combination Act, or the Business Combination Act, “business combinations” between a Maryland corporation and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, share exchange or, in

circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested stockholder is defined as:

- any person who beneficially owns 10.0% or more of the voting power of the corporation's shares; or
- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10.0% or more of the voting power of the then outstanding voting stock of the corporation.

A person is not an interested stockholder under this statute if the board of directors approved in advance the transaction by which such stockholder otherwise would have become an interested stockholder. However, in approving a transaction, the board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the board.

After the five-year prohibition, any business combination between the Maryland corporation and an interested stockholder generally must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:

- 80.0% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation; and
- two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

These super-majority vote requirements do not apply if the corporation's common stockholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares.

The statute permits various exemptions from its provisions, including business combinations that are exempted by the board of directors before the time that the interested stockholder becomes an interested stockholder. Our Board of Directors has adopted a resolution exempting any business combination between us and any other person from the provisions of the Business Combination Act, provided that the business combination is first approved by the Board of Directors, including a majority of the directors who are not interested persons as defined in the 1940 Act. This resolution, however, may be altered or repealed in whole or in part at any time. If these resolutions are repealed, or the Board of Directors does not otherwise approve a business combination, the statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer.

Conflict with 1940 Act

Our bylaws provide that, if and to the extent that any provision of the Maryland General Corporation Law, or any provision of our articles of incorporation or bylaws conflicts with any provision of the 1940 Act, the applicable provision of the 1940 Act will control.

SHARES ELIGIBLE FOR FUTURE SALE

Upon the completion of this offering, we will have 11,192,341 shares of common stock outstanding, assuming no exercise of the underwriters' over-allotment option. The 6,666,667 shares of common stock (assuming no exercise of the underwriters' over-allotment option) sold in this offering will be freely tradable without restriction or limitation under the Securities Act, other than any such shares purchased by our affiliates. Any shares purchased in this offering by our affiliates will be subject to the public information, manner of sale and volume limitations of Rule 144 under the Securities Act. Our remaining 4,525,674 shares of common stock that will be outstanding upon the completion of this offering (including all shares issued in the formation transactions occurring concurrently with the closing of this offering) will be "restricted securities" under the meaning of Rule 144 promulgated under the Securities Act and may not be sold in the absence of registration under the Securities Act unless an exemption from registration is available, including exemptions contained in Rule 144. We have agreed with the former members of the General Partner and Investment Adviser, and the former Limited Partners to use our reasonable best efforts following the first anniversary of the offering to effect the registration of the shares of common stock to be received by them upon completion of the formation transactions, unless our Board of Directors decides such registration would be seriously detrimental to us. In the event our Board of Directors elects to defer such registration, we would effect such registration if and when such registration would not be detrimental. Upon such registration, all of the shares of common stock registered would be freely tradable.

In general, under Rule 144 as currently in effect, if one year has elapsed since the date of acquisition of restricted securities from us or any of our affiliates, the holder of such restricted securities can sell such securities; provided that the number of securities sold by such person within any three-month period cannot exceed the greater of:

- 1.0% of the total number of securities then outstanding; or
- the average weekly trading volume of our securities during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Sales under Rule 144 also are subject to certain manner of sale provisions, notice requirements and the availability of current public information about us. If two years have elapsed since the date of acquisition of restricted securities from us or any of our affiliates and the holder is not one of our affiliates at any time during the three months preceding the proposed sale, such person can sell such securities in the public market under Rule 144(k) without regard to the volume limitations, manner of sale provisions, public information requirements or notice requirements. No assurance can be given as to (1) the likelihood that an active market for our common stock will develop, (2) the liquidity of any such market, (3) the ability of our stockholders to sell our securities or (4) the prices that stockholders may obtain for any of our securities. No prediction can be made as to the effect, if any, that future sales of securities, or the availability of securities for future sale, will have on the market price prevailing from time to time. Sales of substantial amounts of our securities, or the perception that such sales could occur, may affect adversely prevailing market prices of the common stock. See "Risk Factors — Risks Relating to this Offering and Our Common Stock."

We and certain of our executive officers and directors will be subject to agreements with the underwriters that restrict our and their ability to transfer shares of our stock for a period of up to 180 days from the date of this prospectus. After the lock-up agreements expire, an aggregate of 2,066,108 additional shares (assuming no exercise of the underwriters' over-allotment option) will be eligible for sale in the public market in accordance with Rule 144, including the one-year holding period requirement thereunder. These lock-up agreements provide that these persons will not, subject to certain expectations, issue, sell, offer to sell, contract or agree to sell, hypothecate, pledge, transfer, grant any option to purchase, establish an open put equivalent position or otherwise dispose of or agree to dispose of directly or indirectly, any shares of our common stock, or any securities convertible into or exercisable or exchangeable for any shares of our common stock or any right to acquire shares of our common stock owned by them, for a period specified in the agreement without the prior written consent of Morgan Keegan & Company, Inc.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a general summary of the material U.S. federal income tax considerations applicable to us and to an investment in our shares. This summary does not purport to be a complete description of the income tax considerations applicable to such an investment. For example, we have not described tax consequences that may be relevant to certain types of holders subject to special treatment under U.S. federal income tax laws, including stockholders subject to the alternative minimum tax, tax-exempt organizations, insurance companies, dealers in securities, pension plans and trusts, and financial institutions. This summary assumes that investors hold our common stock as capital assets (within the meaning of the Code). The discussion is based upon the Code, Treasury regulations, and administrative and judicial interpretations, each as of the date of this prospectus and all of which are subject to change, possibly retroactively, which could affect the continuing validity of this discussion. We have not sought and will not seek any ruling from the Internal Revenue Service regarding this offering. This summary does not discuss any aspects of U.S. estate or gift tax or foreign, state or local tax. It does not discuss the special treatment under U.S. federal income tax laws that could result if we invested in tax-exempt securities or certain other investment assets.

A "U.S. stockholder" generally is a beneficial owner of shares of our common stock who is for U.S. federal income tax purposes:

- A citizen or individual resident of the United States;
- A corporation or other entity treated as a corporation, for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any political subdivision thereof;
- A trust if a court within the United States is asked to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantive decisions of the trust; or
- A trust or an estate, the income of which is subject to U.S. federal income taxation regardless of its source.

A "Non-U.S. stockholder" generally is a beneficial owner of shares of our common stock that is not a U.S. stockholder.

If a partnership (including an entity treated as a partnership for U.S. federal income tax purposes) holds shares of our common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A prospective stockholder that is a partner of a partnership holding shares of our common stock should consult his, her or its tax advisers with respect to the purchase, ownership and disposition of shares of our common stock.

Tax matters are very complicated and the tax consequences to an investor of an investment in our shares will depend on the facts of his, her or its particular situation. We encourage investors to consult their own tax advisers regarding the specific consequences of such an investment, including tax reporting requirements, the applicability of federal, state, local and foreign tax laws, eligibility for the benefits of any applicable tax treaty and the effect of any possible changes in the tax laws.

Election to be Taxed as a RIC

We intend to elect, effective as of the date of our formation, to be treated as a RIC under Subchapter M of the Code. As a RIC, we generally will not have to pay corporate-level federal income taxes on any income that we distribute to our stockholders as dividends. To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements (as described below). In addition, in order to obtain RIC tax treatment, we must distribute to our stockholders, for each taxable year, at least 90% of our "investment company taxable income," which is generally our net ordinary income plus the excess of realized net short-term capital gains over realized net long-term capital losses (the "Annual Distribution Requirement").

Taxation as a Regulated Investment Company

If we:

- qualify as a RIC; and
- satisfy the Annual Distribution Requirement,

then we will not be subject to federal income tax on the portion of our income we distribute (or are deemed to distribute) to stockholders. We will be subject to U.S. federal income tax at the regular corporate rates on any income or capital gains not distributed (or deemed distributed) to our stockholders.

We will be subject to a 4.0% nondeductible federal excise tax on certain undistributed income unless we distribute in a timely manner an amount at least equal to the sum of (1) 98.0% of our net ordinary income for each calendar year, (2) 98.0% of our capital gain net income for the one-year period ending October 31 in that calendar year and (3) any income recognized, but not distributed, in preceding years (the "Excise Tax Avoidance Requirement"). We generally will endeavor in each taxable year to avoid any U.S. federal excise tax on our earnings.

In order to qualify as a RIC for federal income tax purposes, we must, among other things:

- continue to qualify as a business development company under the 1940 Act at all times during each taxable year;
- derive in each taxable year at least 90.0% of our gross income from dividends, interest, payments with respect to certain securities, loans, gains from the sale of stock or other securities, net income from certain "qualified publicly traded partnerships," or other income derived with respect to our business of investing in such stock or securities (the "90% Income Test"); and
- diversify our holdings so that at the end of each quarter of the taxable year:
  - at least 50.0% of the value of our assets consists of cash, cash equivalents, U.S. Government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5.0% of the value of our assets or more than 10.0% of the outstanding voting securities of the issuer; and
  - no more than 25.0% of the value of our assets is invested in the securities, other than U.S. government securities or securities of other RICs, of one issuer, of two or more issuers that are controlled, as determined under applicable Code rules, by us and that are engaged in the same or similar or related trades or businesses or of certain "qualified publicly traded partnerships" (the "Diversification Tests").

We may be required to recognize taxable income in 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 with PIK interest or, in certain cases, increasing interest rates or issued with warrants), we must include in income 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 income other amounts that we have not yet received in cash, such as PIK interest and deferred loan origination fees that are paid after origination of the loan or are paid in non-cash compensation such as warrants or stock. Because any original issue discount or other amounts accrued will be included in our investment company taxable income for the year of accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement, even though we will not have received any corresponding cash amount.

Although we do not presently expect to do so, we are authorized to borrow funds and to sell assets in order to satisfy distribution requirements. However, under the 1940 Act, we are not permitted to make distributions to our stockholders while our debt obligations and other senior securities are outstanding unless certain "asset coverage" tests are met. See "Regulation — Senior Securities." Moreover, our ability to dispose of assets to meet our distribution requirements may be limited by (1) the illiquid nature of our portfolio and/or

(2) other requirements relating to our status as a RIC, including the Diversification Tests. If we dispose of assets in order to meet the Annual Distribution Requirement or the Excise Tax Avoidance Requirement, we may make such dispositions at times that, from an investment standpoint, are not advantageous.

The remainder of this discussion assumes that we qualify as a RIC and have satisfied the Annual Distribution Requirement.

Taxation of U.S. Stockholders

Distributions by us generally are taxable to U.S. stockholders as ordinary income or capital gains. Distributions of our "investment company taxable income" (which is, generally, our net ordinary income plus realized net short-term capital gains in excess of realized net long-term capital losses) will be taxable as ordinary income to U.S. stockholders to the extent of our current or accumulated earnings and profits, whether paid in cash or reinvested in additional common stock. To the extent such distributions paid by us to non-corporate stockholders (including individuals) are attributable to dividends from U.S. corporations and certain qualified foreign corporations, such distributions ("Qualifying Dividends") may be eligible for a maximum tax rate of 15.0%. In this regard, it is anticipated that distributions paid by us will generally not be attributable to dividends and, therefore, generally will not qualify for the 15.0% maximum rate applicable to Qualifying Dividends. Distributions of our net capital gains (which is generally our realized net long-term capital gains in excess of realized net short-term capital losses) properly designated by us as "capital gain dividends" will be taxable to a U.S. stockholder as long-term capital gains that are currently taxable at a maximum rate of 15.0% in the case of individuals, trusts or estates, regardless of the U.S. stockholder's holding period for his, her or its common stock and regardless of whether paid in cash or reinvested in additional common stock. Distributions in excess of our earnings and profits first will reduce a U.S. stockholder's adjusted tax basis in such stockholder's common stock and, after the adjusted basis is reduced to zero, will constitute capital gains to such U.S. stockholder.

We may retain some or all of our realized net long-term capital gains in excess of realized net short-term capital losses, but to designate the retained net capital gain as a "deemed distribution." In that case, among other consequences, we will pay tax on the retained amount, each U.S. stockholder will be required to include his, her or its share of the deemed distribution in income as if it had been actually distributed to the U.S. stockholder, and the U.S. stockholder will be entitled to claim a credit equal to his, her or its allocable share of the tax paid thereon by us. Because we expect to pay tax on any retained capital gains at our regular corporate tax rate, and because that rate is in excess of the maximum rate currently payable by individuals on long-term capital gains, the amount of tax that individual U.S. stockholders will be treated as having paid will exceed the tax they owe on the capital gain distribution and such excess generally may be refunded or claimed as a credit against the U.S. stockholder's other U.S. federal income tax obligations. The amount of the deemed distribution net of such tax will be added to the U.S. stockholder's cost basis for his, her or its common stock. In order to utilize the deemed distribution approach, we must provide written notice to our stockholders prior to the expiration of 60 days after the close of the relevant taxable year. We cannot treat any of our investment company taxable income as a "deemed distribution."

For purposes of determining (1) whether the Annual Distribution Requirement is satisfied for any year and (2) the amount of capital gain dividends paid for that year, we may, under certain circumstances, elect to treat a dividend that is paid during the following taxable year as if it had been paid during the taxable year in question. If we make such an election, the U.S. stockholder will still be treated as receiving the dividend in the taxable year in which the distribution is made. However, any dividend declared by us in October, November or December of any calendar year, payable to stockholders of record on a specified date in such a month and actually paid during January of the following year, will be treated as if it had been received by our U.S. stockholders on December 31 of the year in which the dividend was declared.

If an investor purchases shares of our common stock shortly before the record date of a distribution, the price of the shares will include the value of the distribution and the investor will be subject to tax on the distribution even though economically it may represent a return of his, her or its investment.

A stockholder generally will recognize taxable gain or loss if the stockholder sells or otherwise disposes of his, her or its shares of our common stock. The amount of gain or loss will be measured by the difference between such stockholder's adjusted tax basis in the common stock sold and the amount of the proceeds received in exchange. Any gain arising from such sale or disposition generally will be treated as long-term capital gain or loss if the stockholder has held his, her or its shares for more than one year. Otherwise, it will be classified as short-term capital gain or loss. However, any capital loss arising from the sale or disposition of shares of our common stock held for six months or less will be treated as long-term capital loss to the extent of the amount of capital gain dividends received, or undistributed capital gain deemed received, with respect to such shares. In addition, all or a portion of any loss recognized upon a disposition of shares of our common stock may be disallowed if other shares of our common stock are purchased (whether through reinvestment of distributions or otherwise) within 30 days before or after the disposition.

In general, individual U.S. stockholders currently are subject to a maximum federal income tax rate of 15.0% on their net capital gain (i.e., the excess of realized net long-term capital gains over realized net short-term capital losses), including any long-term capital gain derived from an investment in our shares. Such rate is lower than the maximum rate on ordinary income currently payable by individuals. Corporate U.S. stockholders currently are subject to federal income tax on net capital gain at the maximum 35.0% rate also applied to ordinary income. Non-corporate stockholders with net capital losses for a year (i.e., capital losses in excess of capital gains) generally may deduct up to $3,000 of such losses against their ordinary income each year; any net capital losses of a non-corporate stockholder in excess of $3,000 generally may be carried forward and used in subsequent years as provided in the Code. Corporate stockholders generally may not deduct any net capital losses for a year, but may carryback such losses for three years or carry forward such losses for five years.

We will send to each of our U.S. stockholders, as promptly as possible after the end of each calendar year, a notice detailing, on a per share and per distribution basis, the amounts includible in such U.S. stockholder's taxable income for such year as ordinary income and as long-term capital gain. In addition, the federal tax status of each year's distributions generally will be reported to the Internal Revenue Service (including the amount of dividends, if any, eligible for the 15.0% maximum rate). Dividends paid by us generally will not be eligible for the dividends-received deduction or the preferential tax rate applicable to Qualifying Dividends because our income generally will not consist of dividends. Distributions may also be subject to additional state, local and foreign taxes depending on a U.S. stockholder's particular situation.

We may be required to withhold federal income tax ("backup withholding") currently at a rate of 28.0% from all taxable distributions to any non-corporate U.S. stockholder (1) who fails to furnish us with a correct taxpayer identification number or a certificate that such stockholder is exempt from backup withholding or (2) with respect to whom the IRS notifies us that such stockholder has failed to properly report certain interest and dividend income to the IRS and to respond to notices to that effect. An individual's taxpayer identification number is his or her social security number. Any amount withheld under backup withholding is allowed as a credit against the U.S. stockholder's federal income tax liability, provided that proper information is provided to the IRS.

Taxation of Non-U.S. Stockholders

Whether an investment in the shares is appropriate for a Non-U.S. stockholder will depend upon that person's particular circumstances. An investment in the shares by a Non-U.S. stockholder may have adverse tax consequences. Non-U.S. stockholders should consult their tax advisers before investing in our common stock.

Distributions of our "investment company taxable income" to Non-U.S. stockholders (including interest income and realized net short-term capital gains in excess of realized long-term capital losses, which generally would be free of withholding if paid to Non-U.S. stockholders directly) will be subject to withholding of federal tax at a 30.0% rate (or lower rate provided by an applicable treaty) to the extent of our current and accumulated earnings and profits unless an applicable exception applies. If the distributions are effectively connected with a U.S. trade or business of the Non-U.S. stockholder, and, if an income tax treaty applies,

attributable to a permanent establishment in the United States, we will not be required to withhold federal tax if the Non-U.S. stockholder complies with applicable certification and disclosure requirements, although the distributions will be subject to federal income tax at the rates applicable to U.S. persons. (Special certification requirements apply to a Non-U.S. stockholder that is a foreign partnership or a foreign trust, and such entities are urged to consult their own tax advisers.)

In addition, with respect to certain distributions made to Non-U.S. stockholders in our taxable years beginning before January 1, 2008, no withholding will be required and the distributions generally will not be subject to federal income tax if (i) the distributions are properly designated in a notice timely delivered to our stockholders as "interest-related dividends" or "short-term capital gain dividends," (ii) the distributions are derived from sources specified in the Code for such dividends and (iii) certain other requirements are satisfied. Currently, we do not anticipate that any significant amount of our distributions will be designated as eligible for this exemption from withholding.

Actual or deemed distributions of our net capital gains to a Non-U.S. stockholder, and gains realized by a Non-U.S. stockholder upon the sale of our common stock, will not be subject to federal withholding tax and generally will not be subject to federal income tax unless the distributions or gains, as the case may be, are effectively connected with a U.S. trade or business of the Non-U.S. stockholder and, if an income tax treaty applies, are attributable to a permanent establishment maintained by the Non-U.S. stockholder in the United States.

If we distribute our net capital gains in the form of deemed rather than actual distributions, a Non-U.S. stockholder will be entitled to a federal income tax credit or tax refund equal to the stockholder's allocable share of the tax we pay on the capital gains deemed to have been distributed. In order to obtain the refund, the Non-U.S. stockholder must obtain a U.S. taxpayer identification number and file a federal income tax return even if the Non-U.S. stockholder would not otherwise be required to obtain a U.S. taxpayer identification number or file a federal income tax return. For a corporate Non-U.S. stockholder, distributions (both actual and deemed), and gains realized upon the sale of our common stock that are effectively connected to a U.S. trade or business may, under certain circumstances, be subject to an additional "branch profits tax" at a 30.0% rate (or at a lower rate if provided for by an applicable treaty). Accordingly, investment in the shares may not be appropriate for a Non-U.S. stockholder.

A Non-U.S. stockholder who is a non-resident alien individual, and who is otherwise subject to withholding of federal tax, may be subject to information reporting and backup withholding of federal income tax on dividends unless the Non-U.S. stockholder provides us or the dividend paying agent with an IRS Form W-8BEN (or an acceptable substitute form) or otherwise meets documentary evidence requirements for establishing that it is a Non-U.S. stockholder or otherwise establishes an exemption from backup withholding.

Non-U.S. persons should consult their own tax advisers with respect to the U.S. federal income tax and withholding tax, and state, local and foreign tax consequences of an investment in the shares.

Failure to Qualify as a RIC

If we were unable to qualify for treatment as a RIC, we would be subject to tax on all of our taxable income at regular corporate rates, regardless of whether we make any distributions to our stockholders. Distributions would not be required, and any distributions would be taxable to our stockholders as ordinary dividend income eligible for the 15.0% maximum rate to the extent of our current and accumulated earnings and profits. Subject to certain limitations under the Code, corporate distributees would be eligible for the dividends-received deduction. Distributions in excess of our current and accumulated earnings and profits would be treated first as a return of capital to the extent of the stockholder's tax basis, and any remaining distributions would be treated as a capital gain.

REGULATION

Prior to the completion of this offering, we will elect to be regulated as a business development company under the 1940 Act. The 1940 Act contains prohibitions and restrictions relating to transactions between business development companies and their affiliates, principal underwriters and affiliates of those affiliates or underwriters. The 1940 Act requires that a majority of the directors be persons other than "interested persons," as that term is defined in the 1940 Act. In addition, the 1940 Act provides that we may not change the nature of our business so as to cease to be, or to withdraw our election as, a business development company unless approved by a majority of our outstanding voting securities.

The 1940 Act defines "a majority of the outstanding voting securities" as the lesser of (i) 67% or more of the voting securities present at a meeting if the holders of more than 50.0% of our outstanding voting securities are present or represented by proxy or (ii) 50.0% of our voting securities.

Qualifying Assets

Under the 1940 Act, a business development company may not acquire any asset other than assets of the type listed in Section 55(a) of the 1940 Act, which are referred to as qualifying assets, unless, at the time the acquisition is made, qualifying assets represent at least 70.0% of the company's total assets. The principal categories of qualifying assets relevant to our business are any of the following:

(1) Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company, or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company, or from any other person, subject to such rules as may be prescribed by the SEC. An eligible portfolio company is defined in the 1940 Act as any issuer which:

(a) is organized under the laws of, and has its principal place of business in, the United States;

(b) is not an investment company (other than a small business investment company wholly owned by the business development company) or a company that would be an investment company but for certain exclusions under the 1940 Act; and

(c) satisfies any of the following:

(i) does not have any class of securities that is traded on a national securities exchange;

(ii) is controlled by a business development company or a group of companies including a business development company and the business development company has an affiliated person who is a director of the eligible portfolio company; or

(iii) is a small and solvent company having total assets of not more than $4.0 million and capital and surplus of not less than $2.0 million.

(2) Securities of any eligible portfolio company that we control.

(3) Securities purchased in a private transaction from a U.S. issuer that is not an investment company or from an affiliated person of the issuer, or in transactions incident thereto, if the issuer is in bankruptcy and subject to reorganization or if the issuer, immediately prior to the purchase of its securities was unable to meet its obligations as they came due without material assistance other than conventional lending or financing arrangements.

(4) Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and we already own 60.0% of the outstanding equity of the eligible portfolio company.

(5) Securities received in exchange for or distributed on or with respect to securities described in (1) through (4) above, or pursuant to the exercise of warrants or rights relating to such securities.

(6) Cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment.

In addition, a business development company must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in the types of securities described in (1), (2) or (3) above.

Managerial Assistance to Portfolio Companies

In order to count portfolio securities as qualifying assets for the purpose of the 70.0% test, we must either control the issuer of the securities or must offer to make available to the issuer of the securities (other than small and solvent companies described above) significant managerial assistance; except that, where we purchase such securities in conjunction with one or more other persons acting together, one of the other persons in the group may make available such managerial assistance. Making available managerial assistance means, among other things, any arrangement whereby the business development company, through its directors, officers or employees, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company.

Temporary Investments

Pending investment in other types of "qualifying assets," as described above, our investments may consist of cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment, which we refer to, collectively, as temporary investments, so that 70.0% of our assets are qualifying assets. Typically, we will invest in U.S. Treasury bills or in repurchase agreements, provided that such agreements are fully collateralized by cash or securities issued by the U.S. government or its agencies. A repurchase agreement involves the purchase by an investor, such as us, of a specified security and the simultaneous agreement by the seller to repurchase it at an agreed-upon future date and at a price that is greater than the purchase price by an amount that reflects an agreed-upon interest rate. There is no percentage restriction on the proportion of our assets that may be invested in such repurchase agreements. However, if more than 25.0% of our total assets constitute repurchase agreements from a single counterparty, we would not meet the Diversification Tests in order to qualify as a RIC for federal income tax purposes. Thus, we do not intend to enter into repurchase agreements with a single counterparty in excess of this limit. Our management team will monitor the creditworthiness of the counterparties with which we enter into repurchase agreement transactions.

Senior Securities

We are permitted, under specified conditions, to issue multiple classes of debt and one class of stock senior to our common stock if our asset coverage, as defined in the 1940 Act, is at least equal to 200.0% immediately after each such issuance. In addition, while any senior securities remain outstanding, we must make provisions to prohibit any distribution to our stockholders or the repurchase of such securities or shares unless we meet the applicable asset coverage ratios at the time of the distribution or repurchase. We may also borrow amounts up to 5.0% of the value of our total assets for temporary or emergency purposes without regard to asset coverage. For a discussion of the risks associated with leverage, see "Risk Factors — Risks Relating to Our Business and Structure — Regulations governing our operation as a business development company will affect our ability to, and the way in which we, raise additional capital'' and "— Because we borrow money, the potential for gain or loss on amounts invested in us is magnified and may increase the risk of investing in us."

Code of Ethics

We have adopted a code of ethics pursuant to Rule 17j-1 under the 1940 Act that establishes procedures for personal investments and restricts certain personal securities transactions. Personnel subject to the code may invest in securities for their personal investment accounts, including securities that may be purchased or

held by us, so long as such investments are made in accordance with the code's requirements. For information on how to obtain a copy of the code of ethics, see "Available Information."

Proxy Voting Policies and Procedures

We vote proxies relating to our portfolio securities in the best interest of our stockholders. We review on a case-by-case basis each proposal submitted to a stockholder vote to determine its impact on the portfolio securities held by us. Although we generally vote against proposals that may have a negative impact on our portfolio securities, we may vote for such a proposal if there exists compelling long-term reasons to do so.

Our proxy voting decisions are made by the deal team which is responsible for monitoring each of our investments. To ensure that our vote is not the product of a conflict of interest, we require that: (i) anyone involved in the decision making process disclose to our chief compliance officer any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote and (ii) employees involved in the decision making process or vote administration are prohibited from revealing how we intend to vote on a proposal in order to reduce any attempted influence from interested parties.

Stockholders may obtain information, without charge, regarding how we voted proxies with respect to our portfolio securities by making a written request for proxy voting information to: Chief Compliance Officer, 1300 Post Oak Boulevard, Suite 800, Houston, Texas 77056.

Other

We may also be prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our Board of Directors who are not interested persons and, in some cases, prior approval by the SEC. We have applied to the SEC for exemptive relief to permit us to co-invest with Main Street Capital II. Although the SEC has granted similar relief in the past, we cannot be certain that our application for such relief will be granted or what conditions will be placed on such relief.

We will be periodically examined by the SEC for compliance with the 1940 Act.

We are required to provide and maintain a bond issued by a reputable fidelity insurance company to protect us against larceny and embezzlement. Furthermore, as a business development company, we are prohibited from protecting any director or officer against any liability to us or our stockholders arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office.

We are required to adopt and implement written policies and procedures reasonably designed to prevent violation of the federal securities laws, review these policies and procedures annually for their adequacy and the effectiveness of their implementation, and to designate a chief compliance officer to be responsible for administering the policies and procedures.

Small Business Administration Regulations

Main Street Mezzanine Fund is licensed by the Small Business Administration to operate as a Small Business Investment Company under Section 301(c) of the Small Business Investment Act of 1958. Upon the closing of this offering, Main Street Mezzanine Fund will be a wholly-owned subsidiary of us, and will continue to hold its SBIC license. Main Street Mezzanine Fund initially obtained its SBIC license on September 30, 2002.

SBICs are designed to stimulate the flow of private equity capital to eligible small businesses. Under SBA regulations, SBICs may make loans to eligible small businesses, invest in the equity securities of such businesses and provide them with consulting and advisory services. Main Street Mezzanine Fund has typically invested in secured debt, acquired warrants and/or made equity investments in qualifying small businesses.

Under present SBA regulations, eligible small businesses generally include businesses that (together with their affiliates) have a tangible net worth not exceeding $18.0 million and have average annual net income after federal income taxes not exceeding $6.0 million (average net income to be computed without benefit of

any carryover loss) for the two most recent fiscal years. In addition, an SBIC must devote 20% of its investment activity to "smaller" concerns as defined by the SBA. A smaller concern generally includes businesses that have a tangible net worth not exceeding $6.0 million and have average annual net income after federal income taxes not exceeding $2.0 million (average net income to be computed without benefit of any net carryover loss) for the two most recent fiscal years. SBA regulations also provide alternative size standard criteria to determine eligibility for designation as an eligible small business or smaller concern, which criteria depend on the primary industry in which the business is engaged and are based on such factors as the number of employees and gross revenue. However, once an SBIC has invested in a company, it may continue to make follow on investments in the company, regardless of the size of the portfolio company at the time of the follow on investment, up to the time of the portfolio company's initial public offering.

The SBA prohibits an SBIC from providing funds to small businesses for certain purposes, such as relending and investment outside the United States, to businesses engaged in a few prohibited industries, and to certain "passive" (non-operating) companies. In addition, without prior SBA approval, an SBIC may not invest an amount equal to more than 20.0% of the SBIC's regulatory capital in any one portfolio company and its affiliates.

The SBA places certain limitations on the financing terms of investments by SBICs in portfolio companies (such as limiting the permissible interest rate on debt securities held by an SBIC in a portfolio company). Although prior regulations prohibited an SBIC from controlling a small business concern except in limited circumstances, regulations adopted by the SBA in 2002 now allow an SBIC to exercise control over a small business for a period of seven years from the date on which the SBIC initially acquires its control position. This control period may be extended for an additional period of time with the SBA's prior written approval.

The SBA restricts the ability of an SBIC to lend money to any of its officers, directors and employees or to invest in affiliates thereof. The SBA also prohibits, without prior SBA approval, a "change of control" of an SBIC or transfers that would result in any person (or a group of persons acting in concert) owning 10.0% or more of a class of capital stock of a licensed SBIC. A "change of control" is any event which would result in the transfer of the power, direct or indirect, to direct the management and policies of an SBIC, whether through ownership, contractual arrangements or otherwise.

An SBIC (or group of SBICs under common control) may generally have outstanding debentures guaranteed by the SBA in amounts up to twice the amount of the privately-raised funds of the SBIC(s). Debentures guaranteed by the SBA have a maturity of ten years, require semi-annual payments of interest, do not require any principal payments prior to maturity, and, historically, were subject to certain prepayment penalties. Those prepayment penalties no longer apply as of September 2006. As of June 30, 2007 we had issued $55.0 million of SBA-guaranteed debentures, which had an annual weight-averaged interest rate of approximately 5.8%. SBA regulations currently limit the dollar amount of outstanding SBA-guaranteed debentures that may be issued by any one SBIC (or group of SBICs under common control) to $127.2 million (which amount is subject to increase on an annual basis based on cost of living increases). Because of our and our investment team's affiliations with Main Street Capital II, a separate SBIC which commenced investment operations in January 2006, Main Street Mezzanine Fund and Main Street Capital II may be deemed to be a group of SBICs under common control. Thus, the dollar amount of SBA-guaranteed debentures that can be issued collectively by Main Street Mezzanine Fund and Main Street Capital II may be limited to $127.2 million, absent relief from the SBA. Currently, we, through Main Street Mezzanine Fund, do not intend to borrow SBA-guaranteed indebtedness in excess of $55.0 million based upon Main Street Mezzanine Fund's existing equity capital.

In June 2007, the Small Business Venture Capital Act of 2007 (the "2007 Act") was proposed for congressional approval. The proposed 2007 Act provides for, among other things, (i) the re-authorization of the SBIC program through December 31, 2010, (ii) an increase in the maximum leverage available to $150.0 million for each SBIC and to $225.0 million for any two or more SBICs under common control, and (iii) an increase in the limit on amounts invested by an SBIC in any one portfolio company from 20.0% of equity capital to 30.0% of equity capital. At this time, it is not clear whether the proposed provisions of the 2007 Act will be approved in their current form, or if they will be approved at all.

SBICs must invest idle funds that are not being used to make loans in investments permitted under SBA regulations in the following limited types of securities: (i) direct obligations of, or obligations guaranteed as to principal and interest by, the United States government, which mature within 15 months from the date of the investment; (ii) repurchase agreements with federally insured institutions with a maturity of seven days or less (and the securities underlying the repurchase obligations must be direct obligations of or guaranteed by the federal government); (iii) certificates of deposit with a maturity of one year or less, issued by a federally insured institution; (iv) a deposit account in a federally insured institution that is subject to a withdrawal restriction of one year or less; (v) a checking account in a federally insured institution; or (vi) a reasonable petty cash fund.

SBICs are periodically examined and audited by the SBA's staff to determine its compliance with SBIC regulations and are periodically required to file certain forms with the SBA.

Although we cannot provide any assurance that we will receive any exemptive relief, we have requested that the SEC allow us to exclude any indebtedness guaranteed by the SBA and issued by Main Street Mezzanine Fund from the 200.0% asset coverage requirements applicable to us as a business development company.

Neither the SBA nor the U.S. government or any of its agencies or officers has approved any ownership interest to be issued by us or any obligation that we or any of our subsidiaries may incur.

Securities Exchange Act and Sarbanes-Oxley Act Compliance

Upon the closing of this offering, we will be subject to the reporting and disclosure requirements of the Exchange Act, including the filing of quarterly, annual and current reports, proxy statements and other required items. In addition, upon the closing, we will be subject to the Sarbanes-Oxley Act of 2002, which imposes a wide variety of regulatory requirements on publicly-held companies and their insiders. Many of these requirements will affect us. For example:

- pursuant to Rule 13a-14 of the Exchange Act, our chief executive officer and chief financial officer will be required to certify the accuracy of the financial statements contained in our periodic reports;
- pursuant to Item 307 of Regulation S-K, our periodic reports will be required to disclose our conclusions about the effectiveness of our disclosure controls and procedures; and
- pursuant to Rule 13a-15 of the Exchange Act, beginning for our fiscal year ending December 31, 2008, our management will be required to prepare a report regarding its assessment of our internal control over financial reporting, which must be audited by our independent registered public accounting firm.

The Sarbanes-Oxley Act requires us to review our current policies and procedures to determine whether we comply with the Sarbanes-Oxley Act and the regulations promulgated thereunder. We intend to monitor our compliance with all regulations that are adopted under the Sarbanes-Oxley Act and will take actions necessary to ensure that we are in compliance therewith.

The Nasdaq Global Market Corporate Governance Regulations

The Nasdaq Global Market has adopted corporate governance regulations that listed companies must comply with. Upon the closing of this offering, we intend to be in compliance with such corporate governance listing standards. We intend to monitor our compliance with all future listing standards and to take all necessary actions to ensure that we are in compliance therewith.

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated , the underwriters named below, for whom Morgan Keegan & Company, Inc., BB&T Capital Markets, a division of Scott & Stringfellow, Inc., SMH Capital Inc., and Ferris, Baker Watts, Incorporated are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, the number of shares of common stock indicated below:

Underwriter	Number of Shares
Morgan Keegan & Company, Inc.	
BB&T Capital Markets, a division of Scott & Stringfellow, Inc.	
SMH Capital Inc.	
Ferris, Baker Watts, Incorporated	
Total	6,666,667

The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered hereby are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are severally obligated to take and pay for all shares of common stock offered hereby (other than those covered by the underwriters' over-allotment option described below) if any such shares are taken. We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

We have applied for approval for listing of our common stock on the Nasdaq Global Market under the symbol "MAIN."

Over-Allotment Option

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to an aggregate of 1,000,000 additional shares of common stock at the public offering price set forth on the cover page hereof, less the underwriting discount. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered hereby. To the extent such option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase approximately the same percentage of such additional shares of common stock as the number set forth next to such underwriter's name in the preceding table bears to the total number of shares set forth next to the names of all underwriters in the preceding table.

Lock-Up Agreements

We, and certain of our executive officers and directors, have agreed, subject to certain exceptions, not to issue, sell, offer to sell, contract or agree to sell, hypothecate, pledge, transfer, grant any option to purchase, establish an open put equivalent position or otherwise dispose of or agree to dispose of directly or indirectly, any shares of our common stock, or any securities convertible into or exercisable or exchangeable for any shares of our common stock or any right to acquire shares of our common stock, for a period of 180 days from the effective date of this prospectus, subject to extension upon material announcements or earnings releases. Morgan Keegan & Company, Inc., at any time and without notice, may release all or any portion of the common stock subject to the foregoing lock-up agreements.

Determination of Offering Price

Prior to the offering, there has been no public market for our common stock. The initial public offering price was determined by negotiation among the underwriters and us. The principal factors considered in determining the public offering price include the following:

- the information set forth in this prospectus and otherwise available to the underwriters;
- market conditions for initial public offerings;

- the history and the prospects for the industry in which we compete;
- an assessment of the ability of our management;
- our prospects for future earnings;
- the present state of our development and our current financial condition;
- the general condition of the securities markets at the time of this offering; and
- the recent market prices of, and demand for, publicly traded common stock of generally comparable entities.

Underwriting Discounts

The underwriters initially propose to offer the shares directly to the public at the public offering price set forth on the cover page of this prospectus and to certain dealers at a price that represents a concession not in excess of $0.63 per share below the public offering price. Any underwriters may allow, and such dealers may re-allow, a concession not in excess of $0.10 per share to other underwriters or to certain dealers. After the initial offering of the shares, the offering price and other selling terms may from time to time be varied by the representative.

The following table provides information regarding the per share and total underwriting discount that we are to pay to the underwriters. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to 1,000,000 additional shares from us.

	Per Share	Total without Exercise of Over-allotment	Total with Exercise of Over-allotment
Underwriting discount payable by us	$ 1.05	$ 7,000,000	$ 8,050,000

We will pay all expenses incident to the offering and sale of shares of our common stock by us in this offering. We estimate that the total expenses of the offering and the formation transactions, excluding the underwriting discount will be approximately $2 million.

A prospectus in electronic format may be made available on the web sites maintained by one or more of the underwriters, or selling group members, if any, participating in this offering. The representative may agree to allocate a number of shares to underwriters and selling group members for the sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make Internet distributions on the same basis as other allocations. The representatives may agree to allocate a number of shares to underwriters for sale to their online brokerage account holders.

Price Stabilization, Short Positions and Penalty Bids

In connection with this offering, the underwriters may purchase and sell shares of our common stock in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. An over-allotment involves syndicate sales of shares in excess of the number of shares to be purchased by the underwriters in the offering, which creates a syndicate short position. Syndicate covering transactions involve purchases of shares in the open market after the distribution has been completed in order to cover syndicate short positions.

Stabilizing transactions consist of some bids or purchases of shares of our common stock made for the purpose of preventing or slowing a decline in the market price of the shares while the offering is in progress.

In addition, the underwriters may impose penalty bids, under which they may reclaim the selling concession from a syndicate member when the shares of our common stock originally sold by that syndicate member are purchased in a stabilizing transaction or syndicate covering transaction to cover syndicate short positions.

Similar to other purchase transactions, these activities may have the effect of raising or maintaining the market price of the common stock or preventing or slowing a decline in the market price of the common

stock. As a result, the price of the common stock may be higher than the price that might otherwise exist in the open market. Except for the sale of shares of our common stock in this offering, the underwriters may carry out these transactions on the Nasdaq Global Market, in the over-the-counter market or otherwise.

Neither the underwriters nor we make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the shares. In addition, neither the underwriters nor we make any representation that the underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Affiliations

Branch Banking & Trust Company, an affiliate of BB&T Capital Markets, is a limited partner in the Main Street Mezzanine Fund and will receive 24,216 shares of common stock, valued at $0.4 million, upon completion of the formation transactions as consideration for its limited partnership interest in the Main Street Mezzanine Fund.

SMH Capital Inc., is a subsidiary of Sanders Morris Harris Group, Inc. Certain executive officers of Sanders Morris Harris Group, Inc., and their affiliates, are limited partners in Main Street Mezzanine Fund and will collectively receive 85,816 shares of common stock, valued at $1.3 million upon completion of the formation transactions as consideration for their limited partnership interests in Main Street Mezzanine Fund.

The underwriters and/or their affiliates from time to time provide and may in the future provide investment banking, commercial banking and financial advisory services to us, for which they have received and may receive customary compensation.

In addition, the underwriters and/or their affiliates may from time to time refer investment banking clients to us as potential portfolio investments. If we invest in those clients, we may utilize net proceeds from this offering to fund such investments, and the referring underwriter or its affiliate may receive placement fees from its client in connection with such financing, which placement fees may be paid out of the amount funded by us.

The addresses of the underwriters are: Morgan Keegan & Company, Inc, 50 North Front Street, Memphis Tennessee, 38103, BB&T Capital Markets, a division of Scott & Stringfellow, Inc., 909 E. Main Street, Richmond, Virginia 23219, SMH Capital Inc., 527 Madison Avenue, 14th Floor, New York, New York 10022, Ferris, Baker Watts, Incorporated, 100 Light Street, Baltimore, Maryland 21202.

CUSTODIAN, TRANSFER AND DISTRIBUTION PAYING AGENT AND REGISTRAR

Our securities are held under a custody agreement by Amegy Bank National Association. The address of the custodian is: 1221 McKinney Street Level P-1 Houston, Texas 77010. American Stock Transfer & Trust Company will act as our transfer agent, distribution paying agent and registrar. The principal business address of our transfer agent is 59 Maiden Lane New York, New York 10038, telephone number: (212) 936-5100.

BROKERAGE ALLOCATION AND OTHER PRACTICES

Since we will generally acquire and dispose of our investments in privately negotiated transactions, we will infrequently use brokers in the normal course of our business. Our investment team will be primarily responsible for the execution of the publicly traded securities portion of our portfolio transactions and the allocation of brokerage commissions. We do not expect to execute transactions through any particular broker or dealer, but will seek to obtain the best net results for us, taking into account such factors as price (including the applicable brokerage commission or dealer spread), size of order, difficulty of execution, and operational facilities of the firm and the firm's risk and skill in positioning blocks of securities. While we will generally seek reasonably competitive trade execution costs, we will not necessarily pay the lowest spread or commission available. Subject to applicable legal requirements, we may select a broker based partly upon brokerage or research services provided to us. In return for such services, we may pay a higher commission

than other brokers would charge if we determine in good faith that such commission is reasonable in relation to the services provided.

LEGAL MATTERS

Certain legal matters regarding the shares of common stock offered hereby will be passed upon for us by Sutherland Asbill & Brennan LLP, Washington D.C. and certain legal matters in connection with this offering will be passed upon for the underwriters by Bass, Berry & Sims PLC, Memphis, Tennessee.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The combined financial statements as of December 31, 2006 and 2005, and for each of the three years in the period ended December 31, 2006, as well as the "Senior Securities" table included in the prospectus and elsewhere in the registration statement have been audited by Grant Thornton LLP, independent registered public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon the authority of said firm as experts in accounting and auditing.

AVAILABLE INFORMATION

We have filed with the SEC a registration statement on Form N-2, together with all amendments and related exhibits, under the Securities Act, with respect to our shares of common stock offered by this prospectus. The registration statement contains additional information about us and our shares of common stock being offered by this prospectus.

Upon completion of this offering, we will file with or submit to the SEC annual, quarterly and current reports, proxy statements and other information meeting the informational requirements of the Exchange Act. You may inspect and copy these reports, proxy statements and other information, as well as the registration statement and related exhibits and schedules, at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements and other information filed electronically by us with the SEC, which are available on the SEC's website at http://www.sec.gov. Copies of these reports, proxy and information statements and other information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the SEC's Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549.

PRIVACY NOTICE

We are committed to protecting your privacy. This privacy notice explains the privacy policies of Main Street and its affiliated companies. This notice supersedes any other privacy notice you may have received from Main Street.

We will safeguard, according to strict standards of security and confidentiality, all information we receive about you. The only information we collect from you is your name, address, and number of shares you hold. This information is used only so that we can send you annual reports and other information about us, and send you proxy statements or other information required by law.

We do not share this information with any non-affiliated third party except as described below.

- *The People and Companies that Make Up Main Street.* It is our policy that only our authorized employees who need to know your personal information will have access to it. Our personnel who violate our privacy policy are subject to disciplinary action.
- *Service Providers*. We may disclose your personal information to companies that provide services on our behalf, such as record keeping, processing your trades, and mailing you information. These companies are required to protect your information and use it solely for the purpose for which they received it.
- *Courts and Government Officials*. If required by law, we may disclose your personal information in accordance with a court order or at the request of government regulators. Only that information required by law, subpoena, or court order will be disclosed.

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REPORT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the General Partner of
Main Street Mezzanine Fund, LP

We have audited the combined balance sheets of Main Street Mezzanine Fund, LP, (a Delaware Partnership) ("the Fund") and Main Street Mezzanine Management, LLC (a Delaware Limited Liability Company) including the combined schedule of investments as of December 31, 2005 and 2006, and the related combined statements of operations, changes in members' equity and partners' capital, and cash flows for each of the three years in the period ended December 31, 2006. These combined financial statements are the responsibility of Main Street Mezzanine Management LLC's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Main Street Mezzanine Fund, LP and Main Street Mezzanine Management, LLC as of December 31, 2005 and 2006 and the results of their operations, changes in members' equity and partners' capital and cash flows for each of the three years in the period ended December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

/s/ GRANT THORNTON LLP

Houston, Texas
May 11, 2007

MAIN STREET MEZZANINE FUND, LP

COMBINED BALANCE SHEETS

	June 30, 2007	December 31, 2006	December 31, 2005
	(Unaudited)		
ASSETS			
Investments at fair value:			
Control investments (cost: $27,366,229, $33,312,337 and $25,223,388 as of June 30, 2007, December 31, 2006 and 2005, respectively)	$34,792,892	$42,429,000	$28,773,353
Affiliate investments (cost: $36,382,987, $24,328,596 and $21,916,512 as of June 30, 2007, December 31, 2006 and 2005, respectively)	42,589,207	28,822,245	22,513,512
Non-Control/Non-Affiliate investments (cost: $3,400,028, $4,983,015 and $1,557,750 as of June 30, 2007 December 31, 2006 and 2005, respectively)	3,725,028	4,958,183	2,507,750
Total investments (cost: $67,149,244, $62,623,948 and $48,697,650, as of June 30, 2007 December 31, 2006 and 2005, respectively)	81,107,127	76,209,428	53,794,615
Accumulated unearned income	(2,523,209)	(2,498,427)	(2,602,632)
Total investments net of accumulated unearned income	78,583,918	73,711,001	51,191,983
Cash and cash equivalents	17,662,711	13,768,719	26,260,800
Deferred offering costs	698,124	—	—
Interest receivable	495,768	527,597	434,117
Other assets	133,081	102,461	5,417
Deferred financing costs (net of accumulated amortization of $434,073, $343,846 and $185,996 as of June 30, 2007, December 31, 2006 and 2005, respectively)	1,483,502	1,333,654	1,441,504
Total assets	$99,057,104	$89,443,432	$79,333,821
LIABILITIES, MEMBERS' EQUITY AND PARTNERS' CAPITAL			
SBIC debentures	$55,000,000	$45,100,000	$45,100,000
Interest payable	1,016,699	854,941	771,481
Accounts payable and accrued expenses	68,496	70,710	61,296
Accounts payable-offering costs	937,837	—	—
Other liabilities	191,205	145,250	132,302
Total liabilities	57,214,237	46,170,901	46,065,079
Members' equity (General Partner)	3,546,239	3,849,796	1,754,634
Limited Partners' capital	38,296,628	39,422,735	31,514,108
Total members' equity and partners' capital	41,842,867	43,272,531	33,268,742
Total liabilities, members' equity and partners' capital	$99,057,104	$89,443,432	$79,333,821

See notes to combined statements.

MAIN STREET MEZZANINE FUND, LP

COMBINED STATEMENTS OF OPERATIONS

	Six Months Ended June 30,		Years Ended December 31,		
	2007	2006	2006	2005	2004
	(Unaudited)				
INVESTMENT INCOME:					
Interest, fee and dividend income:					
Control investments	$2,254,431	$2,423,442	$ 4,295,354	$3,335,879	$2,775,776
Affiliate investments	2,508,657	1,410,981	3,573,570	3,149,259	1,404,919
Non-Control/Non-Affiliate investments	417,413	739,231	1,144,213	852,841	271,581
Total interest, fee and dividend income	5,180,501	4,573,654	9,013,137	7,337,979	4,452,276
Interest from idle funds and other	374,360	368,701	748,670	221,765	9,244
Total investment income	5,554,861	4,942,355	9,761,807	7,559,744	4,461,520
EXPENSES:					
Management fees to affiliate	999,958	967,507	1,942,032	1,928,763	1,916,016
Interest	1,547,242	1,348,891	2,717,236	2,063,726	868,757
General and administrative	171,335	104,647	197,979	197,192	184,742
Professional costs related to offering	695,250	—	—	—	—
Total expenses	3,413,785	2,421,045	4,857,247	4,189,681	2,969,515
NET INVESTMENT INCOME	2,141,076	2,521,310	4,904,560	3,370,063	1,492,005
NET REALIZED GAIN (LOSS) FROM INVESTMENTS:					
Control investments	611,250	175,633	(805,469)	221,837	661,551
Affiliate investments	256,179	—	1,940,794	623,681	508,970
Non-Control/Non-Affiliate investments	(270,538)	5,478	1,294,598	—	—
Derivative Instrument and related investment	—	—	—	642,208	—
Total net realized gain (loss) from investments	596,891	181,111	2,429,923	1,487,726	1,170,521
NET REALIZED INCOME	2,737,967	2,702,421	7,334,483	4,857,789	2,662,526
NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) FROM INVESTMENTS:					
Control investments	(641,250)	3,838,902	6,631,698	2,526,516	723,449
Affiliate investments	663,822	(149,173)	2,831,649	347,000	250,000
Non-Control/Non-Affiliate investments	349,832	8,498	(974,833)	685,000	265,000
Derivative Instrument and related investment	—	—	—	(526,242)	526,242
Total net change in unrealized appreciation (depreciation) from investments	372,404	3,698,227	8,488,514	3,032,274	1,764,691
NET INCREASE IN MEMBERS' EQUITY AND PARTNERS' CAPITAL RESULTING FROM OPERATIONS	$3,110,371	$6,400,648	$15,822,997	$7,890,063	$4,427,217

See notes to combined statements.

MAIN STREET MEZZANINE FUND, LP

COMBINED STATEMENTS OF CHANGES IN MEMBERS' EQUITY AND PARTNERS' CAPITAL

	Members' Equity (General Partner)	Limited Partners' Capital	Total
Balances at December 31, 2003	$ 207,904	$ 14,760,086	$14,967,990
Capital contributions	21,391	123,790	145,181
Distributions — net investment income	(473,268)	(1,829,232)	(2,302,500)
Net increase resulting from operations:			
Net investment income	303,752	1,188,253	1,492,005
Net realized gain from investments	240,525	929,996	1,170,521
Net change in unrealized appreciation from investments	362,618	1,402,073	1,764,691
Balances at December 31, 2004	662,922	16,574,966	17,237,888
Capital contributions	61,437	10,962,290	11,023,727
Distributions:			
Net investment income	(380,395)	(1,502,541)	(1,882,936)
Realized gain from investments	(205,488)	(794,512)	(1,000,000)
Net increase resulting from operations:			
Net investment income	687,366	2,682,697	3,370,063
Net realized gain from investments	305,705	1,182,021	1,487,726
Net change in unrealized appreciation from investments	623,087	2,409,187	3,032,274
Balances at December 31, 2005	1,754,634	31,514,108	33,268,742
Capital contributions	1,828	353,261	355,089
Distributions:			
Net investment income	(663,279)	(2,631,018)	(3,294,297)
Realized gain from investments	(482,897)	(1,867,103)	(2,350,000)
Return of capital	(3,634)	(526,366)	(530,000)
Net increase resulting from operations:			
Net investment income	999,623	3,904,937	4,904,560
Net realized gain from investments	499,301	1,930,622	2,429,923
Net change in unrealized appreciation from investments	1,744,220	6,744,294	8,488,514
Balances at December 31, 2006	3,849,796	39,422,735	43,272,531
Capital contributions (unaudited)	—	47,465	47,465
Distributions:			
Net investment income (unaudited)	(390,427)	(1,509,573)	(1,900,000)
Realized gain from investments (unaudited)	(552,249)	(2,135,251)	(2,687,500)
Net increase resulting from operations:			
Net investment income (unaudited)	439,948	1,701,128	2,141,076
Net realized gain from investments (unaudited)	122,649	474,242	596,891
Net change in unrealized appreciation from investments (unaudited)	76,522	295,882	372,404
Balances at June 30, 2007 (unaudited)	$3,546,239	$ 38,296,628	$41,842,867

See notes to combined statements.

MAIN STREET MEZZANINE FUND, LP

COMBINED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30,		Years Ended December 31,		
	2007	2006	2006	2005	2004
	(Unaudited)				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net increase in members' equity and partners' capital resulting from operations	$ 3,110,371	$ 6,400,648	$ 15,822,997	$ 7,890,063	$ 4,427,217
Adjustments to reconcile net increase in members' equity and partners' capital resulting from operations to net cash provided by operating activities:					
Accretion of unearned income	(412,929)	(599,850)	(1,380,351)	(1,251,066)	(597,563)
Payment-in-kind interest (accrual) receipt	1,551	(89,588)	(216,805)	(144,150)	(5,528)
Amortization of deferred financing costs	90,227	78,925	157,850	120,225	56,437
Net change in unrealized (appreciation) depreciation from investments	(372,404)	(3,698,227)	(8,488,514)	(3,032,274)	(1,764,691)
Net realized gain from investments	(596,891)	(181,111)	(2,429,923)	(1,487,726)	(1,170,521)
Changes in other assets and liabilities:					
Interest receivable	31,828	52,061	(93,480)	(182,324)	(89,565)
Other receivables	(30,620)	(17,750)	2,107	4,172	94,631
Interest payable	161,758	83,460	83,459	417,325	293,916
Accounts payable — offering costs	424,914				
Accounts payable and accrued expenses	43,743	(154,255)	22,362	143,670	(89,042)
Deferred debt origination fees received	197,711	491,180	709,980	535,250	642,966
Other	—	—	54,181	(40,000)	—
Net cash provided by operating activities	2,649,259	2,365,493	4,243,863	2,973,165	1,798,257
CASH FLOWS FROM INVESTMENT ACTIVITIES					
Investments in portfolio companies	(10,257,746)	(19,467,005)	(28,088,005)	(19,727,500)	(22,170,000)
Principal payments received on loans and debt securities	5,440,540	5,024,866	12,199,956	10,322,470	1,520,000
Proceeds from sale of equity securities and related notes	1,127,250	742,980	5,021,313	1,117,143	3,367,222
Proceeds from Derivative Instrument	—	—	—	115,966	526,242
Net cash used by investing activities	(3,689,956)	(13,699,159)	(10,866,736)	(8,171,921)	(16,756,536)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from capital contributions	47,465	251,430	355,089	11,023,727	145,181
Distributions to members and partners	(4,587,500)	(2,129,315)	(6,174,297)	(2,882,936)	(2,302,500)
Proceeds from issuance of SBIC Debentures	9,900,000	—	—	23,100,000	17,000,000
Payment of deferred offering costs	(185,201)	—	—	—	—
SBIC Debenture commitment and leverage fees	(240,075)	(50,000)	(50,000)	(577,500)	(625,000)
Net cash provided (used) by financing activities	4,934,689	(1,927,885)	(5,869,208)	30,663,291	14,217,681
Net increase (decrease) in cash and cash equivalents	3,893,992	(13,261,551)	(12,492,081)	25,464,535	(740,598)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	13,768,719	26,260,800	26,260,800	796,265	1,536,863
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 17,662,711	$ 12,999,249	$ 13,768,719	$ 26,260,800	$ 796,265
Deferred offering costs incurred included in accounts payable 513,923					

See notes to combined statements.

MAIN STREET MEZZANINE FUND, LP

COMBINED SCHEDULE OF INVESTMENTS
June 30, 2007
(unaudited)

Portfolio Company/Company Headquarters/ Type of Investment(1)(2)	Industry	Principal(6)	Cost(6)	Fair Value
Control Investments(3)				
Café Brazil, LLC	Casual Restaurant			
12% Secured Debt (Maturity — April 20, 2009)	Group	$ 2,950,000	$ 2,950,000	$ 2,950,000
Member Units(7) (Fully Diluted 42.3%)			41,837	1,150,000
			2,991,837	4,100,000
CBT Nuggets, LLC	Produces and Sells			
Prime plus 2% Secured Debt (Maturity — June 1, 2011)	IT Certification	360,000	360,000	360,000
14% Secured Debt (Maturity — June 1, 2011)	Training Videos	1,860,000	1,860,000	1,860,000
Member Units (Fully Diluted 29.1%)			432,000	890,000
Warrants (Fully Diluted 10.5%)			72,000	270,000
			2,724,000	3,380,000
Hawthorne Customs & Dispatch Services, LLC	Transportation/			
13% Secured Debt (Maturity — January 31, 2011)	Logistics	1,537,500	1,537,500	1,537,500
Member Units(7) (Fully diluted 27.8%)			375,000	435,000
Warrants (Fully Diluted 16.5%)			37,500	230,000
			1,950,000	2,202,500
Hayden Acquisition, LLC	Manufacturer of			
12% Secured Debt (Maturity — March 9, 2009)	Utility Structures	1,955,000	1,955,000	1,955,000
Jensen Jewelers of Idaho, LLC	Retail Jewelry			
Prime Plus 2% Secured Debt (Maturity — November 14, 2011)		1,280,000	1,280,000	1,280,000
13% current / 6% PIK Secured Debt (Maturity — November 14, 2011)		1,038,167	1,038,167	1,038,167
Member Units(7) (Fully diluted 25.1%)			376,000	376,000
			2,694,167	2,694,167
Magna Card, Inc.	Wholesale/Consumer			
12% current / 0.4% PIK Secured Debt (Maturity — September 30, 2010)	Magnetic Products	2,016,225	2,016,225	2,016,225
Warrants (Fully diluted 35.8%)			100,000	—
			2,116,225	2,016,225
Quest Design & Production, LLC	Design and Fabrication			
12% Secured Debt (Maturity — May 1, 2008)(8)	of Custom Display	3,900,000	3,900,000	3,900,000
Warrants (Fully diluted 20.0%)(8)	Systems		40,000	40,000
			3,940,000	3,940,000
TA Acquisition Group, LP	Processor of			
12% Secured Debt (Maturity — July 29, 2010)	Construction	2,200,000	2,200,000	2,200,000
Partnership Interest(7) (Fully diluted 18.3%)	Aggregates		357,500	2,730,000
Warrants (Fully diluted 18.3%)			82,500	2,750,000
			2,640,000	7,680,000
Technical Innovations, LLC	Manufacturer of			
12% Secured Debt (Maturity — October 31, 2009)	Specialty Cutting	1,237,500	1,237,500	1,237,500
Prime Secured Debt (Maturity — October 31, 2009)	Tools and Punches	412,500	412,500	412,500
Member Units(7) (Fully diluted 1.6%)			15,000	40,000
Warrants (Fully diluted 57.0%)			400,000	1,415,000
			2,065,000	3,105,000

See notes to combined statements.

MAIN STREET MEZZANINE FUND, LP

COMBINED SCHEDULE OF INVESTMENTS — (Continued)
June 30, 2007
(unaudited)

Portfolio Company/Company Headquarters/ Type of Investment(1)(2)	Industry	Principal(6)	Cost(6)	Fair Value
Wicks N' More, LLC	Manufacturer of			
12% Secured Debt (Maturity — April 26, 2011)	High-end Candles	$ 3,720,000	$ 3,720,000	$ 3,720,000
Member Units (Fully diluted 11.5%)			360,000	—
Warrants (Fully diluted 21.35%)			210,000	—
			4,290,000	3,720,000
Subtotal Control Investments			27,366,229	34,792,892
Affiliate Investments(4)				
Advantage Millwork Company, Inc.	Manufacturer/			
12% Secured Debt (Maturity — February 5, 2012)	Distributor of Wood	2,400,000	2,400,000	2,400,000
Warrants (Fully diluted 10.0%)	Doors		80,000	80,000
			2,480,000	2,480,000
All Hose & Specialty, LLC	Distributor of			
11% Secured Debt (Maturity — August 4, 2010)	Commercial/	2,600,000	2,600,000	2,600,000
Member Units(7) (Fully diluted 15.0%)	Industrial Hoses		80,357	2,000,000
			2,680,357	4,600,000
American Sensor Technologies, Inc.	Manufacturer of			
9% Secured Debt (Maturity — May 31, 2010)	Commercial	400,000	400,000	400,000
13% Secured Debt (Maturity — May 31, 2010)	Industrial Sensors	3,000,000	3,000,000	3,000,000
Warrants (Fully diluted 20.0%)			50,000	575,000
			3,450,000	3,975,000
Carlton Global Resources, LLC	Processor of			
13% Secured Debt (Maturity — November 15, 2011)	Industrial Minerals	4,531,527	4,531,527	4,531,527
Member Units (Fully diluted 8.5%)			400,000	400,000
			4,931,527	4,931,527
Houston Plating & Coatings, LLC	Plating & Industrial			
Prime plus 2% Secured Debt	Coating Services			
(Maturity — July 19, 2011)		100,000	100,000	100,000
Member Units(7) (Fully diluted 11.8%)			210,000	2,120,000
			310,000	2,220,000
KBK Industries, LLC	Specialty Manufacturer			
14% Secured Debt (Maturity — January 23, 2011)	of Oilfield and	3,937,500	3,937,500	3,937,500
8% Secured Debt (Maturity — July 1, 2009)	Industrial Products	512,795	512,795	512,795
Prime Plus 2% Secured Debt				
(Maturity — January 31, 2008)			75,000	686,250
Member Units(7) (Fully diluted 14.5%)			187,500	700,000
			4,712,795	5,836,545
Laurus Healthcare, LP,	Healthcare Facilities			
13% Secured Debt (Maturity — May 7, 2009)		3,010,000	3,010,000	3,010,000
Warrants (Fully diluted 18.2%)			105,000	105,000
			3,115,000	3,115,000
National Trench Safety, LLC	Trench & Traffic			
10% PIK debt (Maturity — April 16, 2014)	Safety Equipment	146,317	146,317	146,317
Member Units (Fully diluted 11.45%)			1,792,308	1,792,308
			1,938,625	1,938,625

See notes to combined statements.

MAIN STREET MEZZANINE FUND, LP

COMBINED SCHEDULE OF INVESTMENTS — (Continued)
June 30, 2007
(unaudited)

Portfolio Company/Company Headquarters/ Type of Investment(1)(2)	Industry	Principal(6)	Cost(6)	Fair Value
Pulse Systems, LLC	Manufacturer of			
14% Secured Debt (Maturity — June 1, 2009)	Components for	$ 2,523,844	$ 2,523,844	$ 2,523,844
Warrants (Fully diluted 6.6%)	Medical Devices		118,000	350,000
			2,641,844	2,873,844
Transportation General, Inc.	Taxi Cab/			
13% Secured Debt (Maturity — May 31, 2010)	Transportation	3,600,000	3,600,000	3,600,000
Warrants (Fully diluted 24.0%)	Services		70,000	480,000
			3,670,000	4,080,000
Turbine Air Systems, Ltd.	Commercial and			
12% Secured Debt (Maturity — October 11, 2011)	Industrial Chilling	1,000,000	1,000,000	1,000,000
Warrants (Fully diluted 5.0%)	Systems		96,666	96,666
			1,096,666	1,096,666
Vision Interests, Inc.	Manufacturer/			
13% Secured Debt (Maturity — June 5, 2012)	Installer of	3,760,000	3,760,000	3,760,000
Common stock (Fully diluted 8.9%)	Commercial Signage		372,000	372,000
Warrants (Fully diluted 11.2%)			160,000	160,000
			4,292,000	4,292,000
WorldCall, Inc.	Telecommunication/			
13% Secured Debt (Maturity — October 22, 2009)	Information Services	820,000	820,000	820,000
Common stock (Fully diluted 6.2%)			169,173	180,000
Warrants (Fully diluted 13.4%)			75,000	150,000
			1,064,173	1,150,000
Subtotal Affiliate Investments			36,382,987	42,589,207
Non-Control/Non-Affiliate Investments(5):				
East Teak Fine Hardwoods, Inc.	Hardwood Products			
13% Current/5.5% PIK Secured Debt (Maturity — April 13, 2011)		1,606,807	1,606,807	1,606,807
Common Stock (Fully diluted 3.3%)			130,000	455,000
			1,736,807	2,061,807
Support Systems Homes, Inc.	Manages Substance			
14% Current/4% PIK Secured Debt (Maturity — June 5, 2012)	Abuse Treatment Centers	1,504,333	1,504,333	1,504,333
12% Secured Debt (Maturity — May 5, 2012)(9)		158,888	158,888	158,888
			1,663,221	1,663,221
Subtotal Non-Control/Non-Affiliate Investments			3,400,028	3,725,028
Total investments, June 30, 2007			67,149,244	81,107,127
Accumulated unearned income			(2,523,209)	(2,523,209)
Total Investments net of accumulated unearned income			$64,626,035	$78,583,918

(1) All debt investments are income producing. Equity and warrants are non-income producing unless otherwise noted

(2) See footnote C for summary geographic location of portfolio companies

(3) Controlled investments are defined by the Investment Company Act of 1940 ("1940 Act") as investments in companies in which the fund owns more than 25% of the voting securities or maintains greater than 50% of the board representation.

See notes to combined statements.

MAIN STREET MEZZANINE FUND, LP

COMBINED SCHEDULE OF INVESTMENTS — (Continued)
June 30, 2007
(unaudited)

(4) Affiliate investments are defined by the 1940 Act as those Non-Control investments in companies in which the Fund owns between 5% and 25% of the voting securities

(5) Non-Control/Non-Affiliate investments are defined by the 1940 Act as investments that are neither Control Investments or Affiliate Investments

(6) Net of prepayments.

(7) Income producing through payment of dividends or distributions.

(8) On July 16, 2007, the maturity date for this debt investment was extended to December 31, 2010 and the interest rate was modified to 8% current and 5% PIK. The warrant was increased to 26% of the fully diluted outstanding member units.

(9) Interest rate on this debt investment reduces to 9% on August 6, 2007.

See notes to combined statements.

MAIN STREET MEZZANINE FUND, LP

COMBINED SCHEDULE OF INVESTMENTS
December 31, 2006

Portfolio Company/Type of Investment(1)(2)	Industry	Principal(6)	Cost(6)	Fair Value
Control Investments(3)				
Café Brazil, LLC	Casual Restaurant			
12% Secured Debt (Maturity — April 20, 2009)	Group	$ 3,150,000	$ 3,150,000	$ 3,150,000
Member Units(7) (Fully diluted 41.0%)			41,837	900,000
			3,191,837	4,050,000
CBT Nuggets, LLC	Produces and sells			
Prime plus 2% Secured Debt (Maturity — June 1, 2011)	IT Certification	660,000	660,000	660,000
14% Secured Debt (Maturity — June 1, 2011)	Training Videos	1,860,000	1,860,000	1,860,000
Member Units (Fully diluted 29.1%)			432,000	610,000
Warrants (Fully diluted 10.5%)			72,000	200,000
			3,024,000	3,330,000
Hawthorne Customs & Dispatch Services, LLC	Transportation/			
13% Secured Debt (Maturity — January 31, 2011)	Logistics	1,650,000	1,650,000	1,650,000
Member Units(7) (Fully diluted 27.8%)			375,000	950,000
Warrants (Fully diluted 16.5%)			37,500	500,000
			2,062,500	3,100,000
Hayden Acquisition, LLC	Manufacturer of			
12% Secured Debt (Maturity — March 9, 2009)	Utility Structures	2,420,000	2,420,000	2,420,000
Jensen Jewelers of Idaho, LLC	Retail Jewelry			
Prime Plus 2% Secured Debt (Maturity — November 14, 2011)		1,340,000	1,340,000	1,340,000
13% current/6% PIK Secured Debt (Maturity — November 14, 2011)		1,008,000	1,008,000	1,008,000
Member Units(7) (Fully diluted 25.1%)			376,000	376,000
			2,724,000	2,724,000
KBK Industries, LLC	Specialty Manufacturer			
14% Secured Debt (Maturity — January 23, 2011)	of Oilfield and	3,937,500	3,937,500	3,937,500
Member Units(7) (Fully diluted 11.9%)	Industrial Products		187,500	625,000
Warrants (Fully diluted 25.7%)			150,000	1,372,500
			4,275,000	5,935,000
Magna Card, Inc.	Wholesale/Consumer			
12% Secured Debt (Maturity — September 30, 2010)	Magnetic Products	1,900,000	1,900,000	1,900,000
Warrants (Fully diluted 35.8%)			100,000	—
			2,000,000	1,900,000
Quest Design &Production, LLC	Design and Fabrication			
12% Secured Debt (Maturity — May 1, 2008)	of Custom Display	3,900,000	3,900,000	3,900,000
Warrants (Fully diluted 20.0%)	Systems		40,000	40,000
			3,940,000	3,940,000
TA Acquisition Group, LP	Processor of			
12% Secured Debt (Maturity — July 29, 2010)	Construction	2,860,000	2,860,000	2,860,000
Partnership Interest(7) (Fully diluted 18.3%)	Aggregates		357,500	2,630,000
Warrants (Fully diluted 18.3%)			82,500	2,650,000
			3,300,000	8,140,000

See notes to combined statements.

MAIN STREET MEZZANINE FUND, LP

COMBINED SCHEDULE OF INVESTMENTS — (Continued)
December 31, 2006

Portfolio Company/Type of Investment(1)(2)	Industry	Principal(6)	Cost(6)	Fair Value
Technical Innovations, LLC	Manufacturer of			
12% Secured Debt (Maturity — October 31, 2009)	Specialty Cutting	$ 1,850,000	$ 1,387,500	$ 1,387,500
Prime Secured Debt (Maturity — October 31, 2009)	Tools and Punches		462,500	462,500
Member Units(7) (Fully diluted 1.6%)			15,000	35,000
Warrants (Fully diluted 57.0%)			400,000	1,285,000
			2,265,000	3,170,000
Wicks N' More LLC	Manufacturer of			
12% Secured Debt (Maturity — April 26, 2011)	High-end Candles	3,720,000	3,720,000	3,720,000
Member Units (Fully diluted 6.2%)			180,000	—
Warrants (Fully diluted 24.0%)			210,000	—
			4,110,000	3,720,000
Subtotal Control Investments			33,312,337	42,429,000
Affiliate Investments(4)				
All Hose & Specialty, LLC	Distributor of Commercial/Industrial			
11% Secured Debt (Maturity — August 4, 2010)	Hoses	2,600,000	2,600,000	2,600,000
Member Units(7) (Fully diluted 15%)			80,357	1,600,000
11% Note Receivable (Maturity — August 4, 2010)			34,821	441,000
			2,715,178	4,641,000
American Sensor Technologies, Inc.	Manufacturer of			
9% Secured Debt (Maturity — May 31, 2010)	Commercial	200,000	200,000	200,000
13% Secured Debt (Maturity — May 31, 2010)	Industrial Sensors	3,000,000	3,000,000	3,000,000
Warrants (Fully diluted 20.0%)			50,000	575,000
			3,250,000	3,775,000
Carlton Global Resources, LLC	Processor of			
13% Secured Debt (Maturity — November 15, 2011)	Industrial Minerals	3,600,000	3,600,000	3,600,000
Member Units (Fully diluted 8.5%)			400,000	400,000
			4,000,000	4,000,000
Houston Plating & Coatings, LLC	Plating & Industrial			
Prime plus 2% Secured Debt (Maturity — July 19, 2011)	Coating Services	100,000	100,000	100,000
Member Units(7) (Fully diluted 11.8%)			210,000	1,710,000
			310,000	1,810,000
Laurus Healthcare, LP	Healthcare Facilities			
13% Secured Debt (Maturity — May 7, 2009)		3,010,000	3,010,000	3,010,000
Warrants (Fully diluted 18.2%)			105,000	105,000
			3,115,000	3,115,000
National Trench Safety, LLC	Trench & Traffic			
Member Units (Fully diluted 15.8%)	Safety Equipment		1,792,308	1,792,308
Pulse Systems, LLC	Manufacturer of			
14% Secured Debt (Maturity — June 1, 2009)	Components for	2,747,271	2,747,271	2,747,271
Warrants (Fully diluted 6.6%)	Medical Devices		118,000	400,000
			2,865,271	3,147,271

See notes to combined statements.

MAIN STREET MEZZANINE FUND, LP

COMBINED SCHEDULE OF INVESTMENTS — (Continued)
December 31, 2006

Portfolio Company/Type of Investment(1)(2)	Industry	Principal(6)	Cost(6)	Fair Value
Transportation General, Inc.	Taxi Cab/Transportation			
13% Secured Debt (Maturity — May 31, 2010)	Services	$ 3,900,000	$ 3,900,000	$ 3,900,000
Warrants (Fully diluted 24.0%)			70,000	395,000
			3,970,000	4,295,000
Turbine Air Systems, Ltd.	Commercial and			
12% Secured Debt (Maturity — October 11, 2011)	industrial chilling	1,000,000	1,000,000	1,000,000
Warrants (Fully diluted 5.0%)	systems		96,666	96,666
			1,096,666	1,096,666
WorldCall, Inc.	Telecommunication/			
13% Secured Debt (Maturity — October 22, 2009)	Information Services	820,000	820,000	820,000
Common stock (Fully diluted 6.22%)			169,173	180,000
Warrants (Fully diluted 13.4%)			75,000	150,000
			1,064,173	1,150,000
Barton Springs Grill LP	Restaurant			
15% Partnership Interest			150,000	—
Subtotal Affiliate Investments			24,328,596	28,822,245
Non-Control/Non-Affiliate Investments(5):				
East Teak Fine Hardwoods, Inc.	Hardwood Products			
13% Current/5.5% PIK Secured Debt				
(Maturity — April 13, 2011)		4,394,763	4,394,763	4,394,763
Common Stock (Fully diluted 3.3%)			130,000	335,000
			4,524,763	4,729,763
Digital Music Group, Inc.	Distribution of Music			
Common stock	and Video Content		458,252	228,420
Subtotal Non-Control/Non-Affiliate Investments			4,983,015	4,958,183
Total Investments, December 31, 2006			62,623,948	76,209,428
Accumulated unearned income			(2,498,427)	(2,498,427)
Total Investments net of accumulated unearned income			$60,125,521	$73,711,001

(1) All debt investments are income producing. Equity and warrants are non-income producing unless otherwise noted.

(2) See footnote C for summary geographic location of portfolio companies.

(3) Control investments are defined by the Investment Company Act of 1940 ("1940 Act") as investments in companies in which the fund owns more that 25% of the voting securities or has rights to maintain greater than 50% of the board representation.

(4) Affiliate investments are defined by the 1940 Act as those Non-Control investments in companies in which the Fund owns between 5% and 25% of the voting securities.

(5) Non-Control/Non-Affiliate investments are defined by the 1940 Act as investments that are neither Control Investments or Affiliate Investments.

(6) Net of prepayments.

(7) Income producing through payment of dividends or distributions.

See notes to combined statements.

MAIN STREET MEZZANINE FUND, LP

COMBINED SCHEDULE OF INVESTMENTS
December 31, 2005

Portfolio Company/Type of Investment(1)(2)	Industry	Principal(6)	Cost(6)	Fair Value
Control Investments(3):				
All Hose & Specialty, LLC	Distributor of			
13% Secured Debt (Maturity — August 4, 2010)	Commercial/	$ 2,600,000	$ 2,600,000	$ 2,600,000
Warrants (Fully diluted 28.0%)	Industrial Hoses		150,000	150,000
			2,750,000	2,750,000
Café Brazil, LLC	Casual Restaurant			
12% Secured Debt (Maturity — April 20, 2009)	Group	3,550,000	3,550,000	3,550,000
Warrants (Fully diluted 41.0%)			41,837	700,000
			3,591,837	4,250,000
Hayden Acquisition, LLC	Manufacturer of			
13% Secured Debt (Maturity — March 9, 2009)	Utility Structures	2,420,000	2,420,000	2,420,000
8% Note Receivable (Maturity — March 9, 2009)		111,551	111,551	375,000
			2,531,551	2,795,000
Houston Plating & Coatings, LLC(2)	Plating & Industrial			
14% Secured Debt (Maturity — December 31, 2007)	Coating Services	1,800,000	1,800,000	1,800,000
Member Units (Fully diluted 8.9%)			210,000	675,000
Warrants (Fully diluted 16.9%)			400,000	1,000,000
			2,410,000	3,475,000
Magna Card, Inc.	Wholesale/Consumer			
12% Secured Debt (Maturity — September 30, 2010)	Magnetic Products	1,900,000	1,900,000	1,900,000
Warrants (Fully diluted 26.0%)			100,000	100,000
			2,000,000	2,000,000
Quest Design & Production, LLC	Design and Fabrication			
12% Secured Debt (Maturity — May 1, 2008)	of Custom Display	4,000,000	4,000,000	4,000,000
6% Loan (Maturity — July 31, 2006)	Systems		120,000	120,000
Warrants (Fully diluted 20.0%)			40,000	40,000
			4,160,000	4,160,000
TA Acquisition Group, LP	Processor of			
12% Secured Debt (Maturity — July 29, 2010)	Construction	3,850,000	3,850,000	3,850,000
Partnership Interest(7) (Fully diluted 18.3%)	Aggregates		357,500	1,060,000
Warrants (Fully diluted 18.3%)			82,500	1,065,000
			4,290,000	5,975,000
Technical Innovations, LLC	Manufacturer of			
12% Secured Debt (Maturity — October 31, 2007)	Specialty Cutting	1,425,000	1,425,000	1,425,000
6.75% Secured Debt (Maturity — October 31, 2007)	Tools and Punches	500,000	500,000	500,000
Member Units(7) (Fully diluted 1.0%)			15,000	18,000
Warrants (Fully diluted 49.0%)			400,000	882,000
			2,340,000	2,825,000
West Coast Pool & Spa, LLC	Pool and Spa Services			
13% Secured Debt (Maturity — January 31, 2010)		1,100,000	1,100,000	543,353
Warrants (Fully diluted 30.0%)			50,000	—
			1,150,000	543,353
Subtotal Control investments			25,223,388	28,773,353

See notes to combined statements.

MAIN STREET MEZZANINE FUND, LP

COMBINED SCHEDULE OF INVESTMENTS — (Continued)
December 31, 2005

Portfolio Company/Type of Investment(1)(2)	Industry	Principal(6)	Cost(6)	Fair Value
Affiliate Investments(4):				
American Sensor Technologies, Inc.	Manufacturer of			
13% Secured Debt (Maturity — May 31, 2010)	Industrial sensors	$ 3,000,000	$ 3,000,000	$ 3,000,000
Warrants (Fully diluted 20.0%)			50,000	550,000
			3,050,000	3,550,000
Avail Consulting, LLC	Financial Valuation			
14% Secured Debt (Maturity — May 19, 2008)	and Real Estate	1,000,000	1,000,000	1,000,000
7% Current/7% PIK Secured Debt	Appraisal	173,887	173,887	173,887
14% PIK Secured Debt		290,207	290,207	290,207
Warrants (Fully diluted 12.0%)			240,000	140,000
			1,704,094	1,604,094
Barton Springs Grill LP	Restaurant			
15% Limited Partnership Interest			150,000	100,000
Laurus Healthcare, LP	Healthcare Facilities			
13% Secured Debt (Maturity — May 7, 2009)		3,010,000	3,010,000	3,010,000
Warrants (Fully diluted 18.2%)			105,000	105,000
			3,115,000	3,115,000
National Trench Safety, LLC	Trench & Traffic			
12% Secured Debt (Maturity — May 13, 2010)	Safety Equipment	3,269,231	3,269,231	3,269,231
Member Units (Fully diluted 15.9%)			1,792,308	1,792,308
Warrants (Fully diluted 6.2%)			230,769	230,769
			5,292,308	5,292,308
Pulse Systems, LLC	Manufacturer of			
14% Secured Debt (Maturity — June 1, 2009)	Components for	3,142,110	3,142,110	3,142,110
Warrants (Fully diluted 6.6%)	Medical Devices		118,000	365,000
			3,260,110	3,507,110
Transportation General, Inc.	Taxi Cab/Transportation			
13% Secured Debt (Maturity — May 31, 2010)	Services	4,200,000	4,200,000	4,200,000
Warrants (Fully diluted 24.0%)			70,000	70,000
			4,270,000	4,270,000
WorldCall, Inc.	Telecommunication/			
13% Secured Debt (Maturity — October 22, 2009)	Information Services	1,000,000	1,000,000	1,000,000
Warrants (Fully diluted 20.0%)			75,000	75,000
			1,075,000	1,075,000
Subtotal Affiliate Investments			21,916,512	22,513,512

See notes to combined statements.

MAIN STREET MEZZANINE FUND, LP

COMBINED SCHEDULE OF INVESTMENTS — (Continued)
December 31, 2005

Portfolio Company/Type of Investment(1)(2)	Industry	Principal(6)	Cost(6)	Fair Value
Non-Affiliate Investments(5):				
Everyones Internet, Ltd.	Internet/Web Hosting			
13% Current/6% PIK Secured Debt (Maturity — January 11, 2010)	Service Provider	$ 1,507,750	$ 1,507,750	$ 1,507,750
Texas Taxi, Inc.	Taxi Cab/Transportation			
Common Stock(7) (Fully diluted 4.7%)	Services		50,000	1,000,000
Subtotal Non-Control/Non-Affiliate Investments			1,557,750	2,507,750
Total Investments, December 31, 2005			48,697,650	53,794,615
Accumulated unearned income			(2,602,632)	(2,602,632)
Total Investments net of accumulated unearned income			$46,095,018	$51,191,983

(1) All debt investments are income producing. Equity and warrants are non-income producing unless otherwise noted.

(2) See footnote C for summary geographic location of portfolio companies.

(3) Control investments are defined by the Investment Company Act of 1940 ("1940 Act") as investments in companies in which the fund owns more than 25% of the voting securities or has rights to maintain greater than 50% of the board representation.

(4) Affiliate investments are defined by the 1940 Act as those Non-Control investments in companies in which the Fund owns between 5% and 25% of the voting securities.

(5) Non-Control/Non-Affiliate investments are defined by the 1940 Act as investments that are neither Control Investments or Affiliate Investments.

(6) Net of prepayments.

(7) Income producing through payment of dividends or distributions.

See notes to combined statements.

MAIN STREET MEZZANINE FUND, LP

NOTES TO COMBINED FINANCIAL STATEMENTS
(information at June 30, 2007 and for the six months ended June 30, 2007 and 2006 is unaudited)

NOTE A — ORGANIZATION AND BASIS OF PRESENTATION

1. Organization

Main Street Mezzanine Fund, LP (the Fund), a Delaware limited partnership, was formed on April 19, 2001 for the purpose of providing private financing to lower middle market companies located in the United States. The Fund's investment objective is to maximize its total return by generating current income from debt investments and realizing capital appreciation from equity-related investments. The Fund commenced operations on June 30, 2002. The Fund has a term of the later of a) ten (10) years from the commencement date or b) two (2) years after the expiration of the final SBIC Debenture maturity. The general partner of the Fund may extend the Fund's term in accordance with the Fund's limited partnership agreement (the Partnership Agreement).

The general partner of the Fund is Main Street Mezzanine Management, LLC, a Delaware limited liability company (the General Partner). The Fund's investments are managed by Main Street Capital Partners, LLC (the Investment Manager). The General Partner and the Investment Manager have common control.

On September 30, 2002, the Fund was granted a license to operate as a Small Business Investment Company (SBIC) pursuant to Section 301(c) of the Small Business Investment Act of 1958, as amended, and the regulations thereunder (the SBIC Act). As of December 31, 2006 and 2005, the Fund had issued $45,100,000 in debentures through the Debenture SBIC program. As of June 30, 2007, the Fund had issued $55,000,000 in debentures through the Debenture SBIC program.

2. Basis of Presentation and Principles of Combination

Combination

The combined financial statements are prepared on an accrual basis in accordance with U. S. generally accepted accounting principles (GAAP) and include the combined accounts of the Fund and the General Partner. All significant inter-company balances and transactions have been eliminated.

The Fund and the General Partner have been included on a combined basis in an effort to present, what the combined entity will become after the formation transactions described in Note M — Subsequent Events. The members of the General Partner control the General Partner which controls the Fund, thus making them entities under common control. The total assets of the General Partner after eliminations as of June 30, 2007 and December 31, 2006 and 2005 were immaterial.

Under the investment company rules and regulations pursuant to Article 6 of Regulation S-X and the AICPA Audit and Accounting Guide for Investment Companies, the Fund is precluded from consolidating any entity other than another investment company. An exception to this general principle occurs if the Fund owns a controlled operating company that provides all or substantially all of its services directly to the Fund or to an investment company of the Fund. None of the investments made by the Fund qualify for this exception. Therefore, the investments are carried on the balance sheet at fair value, as discussed in more detail below, with any adjustments to fair value recognized as "Net Change in Unrealized Appreciation (Depreciation) from Investments" on the Statement of Operations until the investment is disposed of resulting in any gain or loss on exit being recognized as a "Net Realized Gain or Loss From Investments."

Unaudited Interim Results

The accompanying interim combined balance sheet and schedule of investments as of June 30, 2007 and the interim combined statements of operations and cash flows as of the six months ended June 30, 2007 and June 30, 2006, the interim combined statement of changes in members' equity and partners capital for the six months ended June 30, 2007 are all unaudited interim financial statements. These unaudited interim financial

statements have been prepared on the same basis as the accompanying annual audited financial statements and, in the opinion of management, reflect all adjustments (which include normal, recurring adjustments) necessary to present fairly the combined accounts of the Fund and the General Partner for such interim periods. The interim results as of and for the six months ended June 30, 2007 are not necessarily indicative of the results that may be achieved for the full year ended December 31, 2007.

Investment Classification

The Fund classifies its investments in accordance with the requirements of the Investment Company Act of 1940 (the 1940 Act). Under the 1940 Act, "Control Investments" are defined as investments in companies in which the Fund owns more than 25% of the voting securities or has rights to maintain greater than 50% of the board representation. Under the 1940 Act, "Affiliate Investments" are defined as those Non-Control investments in companies in which the Fund owns between 5% and 25% of the voting securities. Under the 1940 Act, "Non-Control/Non-Affiliate Investments" are defined as investments that are neither Control Investments nor Affiliate Investments.

NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Valuation of Investments

The Fund's business plan calls for it to invest primarily in illiquid securities issued by private companies and/or thinly-traded public companies ("Investments"). These Investments may be subject to restrictions on resale and generally have no established trading market. The Fund values its Investments at fair value as determined in good faith by the Fund's General Partner in accordance with the Fund's valuation policy. The Fund bases the fair value of its investments on the enterprise value of the portfolio companies in which it invests. The enterprise value is the value at which an enterprise could be sold in a transaction between two willing parties other than through a forced or liquidation sale. Typically, private companies are bought and sold based on multiples of EBITDA, cash flows, net income, revenues, or in limited cases, book value. There is no single methodology for determining enterprise value and for any one portfolio company enterprise value is generally described as a range of values from which a single estimate of enterprise value is derived. In determining the enterprise value of a portfolio company, the Fund analyzes various factors, including the portfolio company's historical and projected financial results. The Fund also generally prepares and analyzes discounted cash flow models based on its projections of the future free cash flows of the business and industry derived capital costs. The Fund reviews external events, including private mergers and acquisitions, and includes these events in the enterprise valuation process.

Due to the inherent uncertainty in the valuation process, the General Partner's estimate of fair value may differ materially from the values that would have been used had a ready market for the securities existed. 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. The Fund determines the fair value of each individual investment and records changes in fair value as unrealized appreciations and depreciations.

The Fund uses a standard investment ranking system in connection with its investment oversight, portfolio management/analysis and investment valuation procedures. This system takes into account both quantitative and qualitative factors of the portfolio company and the securities held. Each quarter, the General Partner determines the value of each portfolio investment. In general, Investments made within the last 9 months of the reporting date are assumed to have a fair value approximating the cost basis absent a material event or change in circumstance surrounding the initial investment that, in the General Partner's opinion, would cause the recorded value to significantly differ from that recorded in the initial negotiated transaction which was within 9 months of the reporting period.

If there is adequate enterprise value to support the repayment of the debt, the fair value of a loan or debt security normally corresponds to cost plus accumulated unearned income unless the borrower's condition or other factors lead to a determination of fair value at a different amount. The fair value of equity interests in portfolio companies is determined based on various factors, including revenues, EBITDA and cash flow from operations of the portfolio company and other pertinent factors such as recent offers to purchase a portfolio company's securities, financing events or other liquidation events.

The value of the Fund's equity interests in public companies for which market quotations are readily available is based upon the closing public market price. Securities that carry certain restrictions on sale are typically valued at a discount from the public market value of the security.

Duff & Phelps, LLC, an independent valuation firm ("Duff & Phelps"), provided third party valuation consulting services to the General Partner which consisted of certain mutually agreed limited procedures that the General Partner identified and requested them to perform (hereinafter referred to as the "Procedures"). For the year ended December 31, 2006, the General Partner asked Duff & Phelps to perform the Procedures on investments in 22 portfolio companies comprising approximately 99% of the total investments at fair value as of December 31, 2006. For the quarters ended March 31, 2007 and June 30, 2007, the General Partner asked Duff & Phelps to perform the Procedures on investments in 6 portfolio companies during each quarter comprising approximately 35% and 19%, respectively, of the total investments at fair value as of March 31, 2007 and June 30, 2007. Upon completion of the Procedures, Duff & Phelps concluded that the fair value, as determined by the General Partner, of those investments subjected to the Procedures did not appear to be unreasonable. The General Partner is ultimately and solely responsible for determining the fair value of the investments in good faith.

The Fund believes that investments as of June 30, 2007 and December 31, 2006 and 2005 approximate fair value based on the market and other conditions in existence at these reporting periods.

2. Initial Public Offering Costs

During the six months ended June 30, 2007, the Fund incurred total costs of $1,393,374 associated with the proposed initial public offering of Main Street Capital Corporation ("MSCC"). These costs principally related to accounting, legal and other professional fees associated with the MSCC initial public offering process. See Note M — Subsequent Events to the combined financial statements for further discussion of the proposed MSCC initial public offering.

Of the $1,393,374 in total offering costs incurred, $695,250 of such costs were professional fees related the offering and were deducted in determining the Net Investment Income and Net Increase in Members' Equity and Partners' Capital Resulting from Operations for the six months ended June 30, 2007. The remaining $698,124 in offering costs incurred has been reflected in the Combined balance sheet as "Deferred offering costs" as of June 30, 2007. Those costs will be reimbursed by MSCC and deducted from MSCC's equity upon the successful completion of the proposed initial public offering. If the proposed initial public offering is not completed, the deferred offering costs will be written off as well as any additional offering costs incurred.

Of the $1,393,374 in total offering costs incurred, $455,537 had been paid as of June 30, 2007. The remaining $937,837 of offering costs to be paid as of June 30, 2007 has been reflected in the Combined balance sheet as "Accounts Payable — Offering Costs".

3. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results may differ from these estimates under different conditions or assumptions. Additionally, as explained above, the financial

statements include portfolio investments whose values have been estimated by the General Partner in the absence of readily ascertainable market values. Because of the inherent uncertainty of the valuations, those estimated values may differ significantly from the values that would have been used had a readily available market for the investments existed, and it is reasonably possible that the differences could be material.

4. Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with an original maturity of three months or less. Cash and cash equivalents are carried at cost which approximates fair value.

5. Partner Capital Contributions

Partner capital contributions are recognized when the Fund has received the amounts called against the partners' capital commitment.

6. Interest and Dividend Income

Interest income is recorded on the accrual basis to the extent that such amounts are expected to be collected. In accordance with the Fund's valuation policy, accrued interest is evaluated periodically for collectibility. Distributions from portfolio companies are recorded as divided income when the distribution is received.

The Fund holds debt in its portfolio that contains a payment-in-kind ("PIK") interest provision. The PIK interest, computed at the contractual rate specified in each debt agreement, is added to the principal balance of the debt and is recorded as interest income. Thus, the actual collection of this interest generally occurs at the time of debt principal repayment. The Fund's policy is to stop accruing PIK interest, and write off any accrued and uncollected interest, when it is determined that PIK interest is no longer collectible.

As of June 30, 2007, and December 31, 2006 and 2005, other than one investment that had been impaired as of December 31, 2005, the Fund had no investments that were delinquent on interest payments or which were otherwise on non-accrual status.

7. Deferred Financing Costs

Deferred financing costs consist of SBIC Debenture commitment fees and SBIC Debenture leverage fees which have been capitalized and which are amortized into interest expense over 10 years.

8. Fee Income — Structuring and Advisory Services

The Fund may periodically provide services, including structuring and advisory services, to its portfolio companies. For services that are separately identifiable and evidence exists to substantiate fair value, income is recognized as earned, which is generally when the investment transaction closes. Services that do not meet this criteria are treated as debt origination fees and are accreted into interest income over the life of the financing.

9. Unearned Income — Debt Origination Fees and Original Issue Discount

The Fund capitalizes upfront debt origination fees received in connection with financings and reflects such fees as unearned income on the combined balance sheet. The unearned income from such fees is accreted into interest income based on the effective interest method over the life of the financing. In connection with its debt investment, the Fund sometimes receives nominal cost warrants ("nominal cost equity") that are valued as part of the negotiation process with the particular portfolio company. When the Fund receives nominal cost equity, the Fund allocates its cost basis in its investment between its debt securities and its nominal cost equity

at the time of origination. Any resulting discount from recording the debt is accreted into interest income over the life of the debt.

Accumulated unearned income activity for the six months ended June 30, 2007 and the years ended December 31, 2006 and 2005 was as follows:

	Six Months Ended June 30, 2007	Year Ended December 31, 2006	2005
Beginning accumulated unearned income	$ 2,498,427	$ 2,602,632	$ 2,760,948
Debt origination fees received	197,711	709,980	535,250
Value of warrants received	240,000	566,166	557,500
Unearned income recognized	(412,929)	(1,380,351)	(1,251,066)
Ending accumulated unearned income	$ 2,523,209	$ 2,498,427	$ 2,602,632

10. Income Taxes

The Fund is taxed under the partnership provisions of the Internal Revenue Code. Under these provisions of the Internal Revenue Code, the General Partner and Limited Partners are responsible for reporting their share of the Partnership's income or loss on their income tax returns. Accordingly, the Fund is not subject to income taxes.

11. Realized Gains or Losses from Investments and Net Change in Unrealized Appreciation or Depreciation from Investments

Realized gains or losses are measured by the difference between the net proceeds from the sale or redemption and the cost basis of the investment without regard to unrealized appreciation or depreciation previously recognized, and includes investments written-off during the period, net of recoveries. Net change in unrealized appreciation or depreciation from investments reflect the net change in the valuation of the portfolio pursuant to the Fund's valuation guidelines and the reclassification of any prior period unrealized appreciation or depreciation on exited investments.

12. Concentration of Credit Risks

The Fund places its cash in financial institutions, and at times, such balances may be in excess of the FDIC insured limit.

13. Accounting for Derivative Instruments and Hedging Activities

To hedge the market risk of changing prices of a publicly traded investment, the Fund entered into a derivative financial instrument in 2004. In accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, the Fund recognizes the fair value of this derivative financial instrument, in its statement of operations and balance sheet for each reporting period, as a derivative entered in by the Fund that does not meet the requirement for hedge accounting. Such amounts are presented in the accompanying combined financial statements as risk management assets and liabilities, and the realized and unrealized gain or loss on the asset and liability is recognized in the statements of operations. Subsequent to December 31, 2005, the Fund did not enter into any derivative transactions. For further discussion and detail of our derivative instrument, see Note I — "Pre-Paid Variable Delivery Forward Transaction."

14. Fair Value of Financial Instruments

Fair value estimates are made at discrete points in time based on relevant information. These estimates may be subjective in nature and involve uncertainties and matters of significant judgment and, therefore,

cannot be determined with precision. The Fund believes that the carrying amounts of its financial instruments, consisting of cash and cash equivalents, short-term investments, receivables, accounts payable, accrued liabilities and debentures approximate the fair values of such items.

15. Recently Issued Accounting Standards

In December 2004, the Financial Accounting Standards Board (FASB) issued FASB Statement No. 123 (revised 2004) *Share Based Payment* (SFAS 123R). Generally, the approach in SFAS 123R is similar to the approach described in SFAS 123; however, SFAS 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. The Fund adopted SFAS 123R effective January 1, 2006 and there was no impact in the Fund's combined financial statements.

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections" ("SFAS 154"), which replaces Accounting Principles Board Opinion No. 20, "Accounting Changes" and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements — An Amendment of APB Opinion No. 28." SFAS 154 provides guidance on the accounting for and reporting of accounting changes and error corrections. It establishes retrospective application, or the latest practicable date, as the required method for reporting a change in accounting principle and the reporting of a correction of an error. SFAS 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The adoption of this statement did not have a material effect on our combined financial statements.

In September 2006, The FASB issued SFAS No. 157, *Fair Value Measurements.* FASB Statement No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. This statement addressed how to calculate fair value measurements required or permitted under other accounting pronouncements. Accordingly, this statement does not require any new fair value measurements. However, for some entities, the application of this statement will change current practice. FASB Statement No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. Early adoption is permitted, provided that financial statements for that fiscal year, including any interim periods within that fiscal year, have not been issued. The Company is currently evaluating the impact, if any, that the implementation of SFAS No. 157 will have on the Fund's results of operations or financial condition.

In September 2006, the SEC issued Staff Accounting Bulletin No. 108, "Considering Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements," ("SAB 108"). SAB 108, which became effective beginning on January 1, 2007 for the Fund, provides guidance on the consideration of the effects of prior period misstatements in quantifying current year misstatements for the purpose of a materiality assessment. SAB 108 requires an entity to evaluate the impact of correcting all misstatements, including both the carryover and reversing effects of prior year misstatements, on current year financial statements. If a misstatement is material to the current year financial statements, the prior year financial statements should also be corrected, even though such revision was, and continues to be, immaterial to the prior year financial statements. Correcting prior year financial statements for immaterial errors would not require previously filed reports to be amended. Such correction should be made in the current period filings. Management has evaluated the impact of adopting SAB 108. The adoption of SAB 108 did not have a material impact on the Fund's combined financial statements.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, The Fair Value Option for Financial Assets and Financial Liabilities ("SFAS 159"), which provides companies with an option to report selected financial assets and liabilities at fair value. The objective of SFAS 159 is to reduce both complexity in accounting for financial instruments and the volatility in earnings caused by measuring related assets and liabilities differently. SFAS 159 establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of

assets and liabilities and to more easily understand the effect of the company's choice to use fair value on its earnings. SFAS 159 also requires entities to display the fair value of the selected assets and liabilities on the face of the combined balance sheet. SFAS 159 does not eliminate disclosure requirements of other accounting standards, including fair value measurement disclosures in SFAS 157. This Statement is effective as of the beginning of an entity's first fiscal year beginning after November 15, 2007. Early adoption is permitted as of the beginning of the previous fiscal year provided that the entity makes that choice in the first 120 days of that fiscal year and also elects to apply the provisions of Statement 157. At this time, the Company is evaluating the implications of SFAS 159, and its impact in the financial statements has not yet been determined.

NOTE C — INVESTMENTS

Investments principally consist of secured debt, equity warrant and direct equity investments in privately-held companies. The debt investments are secured by either a first or second lien on the assets of the portfolio company, generally bear interest at fixed rates, and generally mature between five and seven years from original investment. The Fund also receives nominally-priced equity warrants and makes direct equity investments, usually in connection with a portfolio debt investment.

During the year ended December 31, 2004, a portfolio company redeemed warrants held by the Fund for cash of $525,000 and a note of $375,000, resulting in a total gain of $625,000. The note was due March 9, 2009 and secured by the Company's assets and the warrants underlying the redemption. Due to the nature of the transaction, a realized gain was recognized in proportion to the cash received. The remaining gain was recorded as unrealized appreciation and recognized as a realized gain during the year ended December 31, 2006 when the note was paid in full. The note was reported on the December 31, 2005 combined balance sheets at a cost basis of $111,551 with an unrealized gain up to the face value of the note. This note was fully collected as of December 31, 2006.

During the year ended December 31, 2006, a portfolio company redeemed a portion of the warrants held by the Fund for cash of $441,000 and a note of $441,000, resulting in a total gain of $812,000. The note is due August 4, 2010 and secured by the Company's assets and the warrants underlying the redemption. Due to the nature of the transaction, a realized gain was recognized in proportion to the cash received. The remaining gain was recorded as unrealized appreciation and will be recognized as a realized gain as payments on the note are received. As of December 31, 2006, the remaining balance due on the note was $ 441,000. This note has been reported on the December 31, 2006 combined balance sheet at a cost basis of $34,821 with an unrealized gain up to the face value of the note. This note was fully collected during the six months ended June 30, 2007.

During the six months ended June 30, 2007, a portfolio company redeemed the warrants held by the Fund for cash of $686,250 and a note of $686,250, resulting in a total gain of $1,222,500. The note is due January 31, 2008 and secured by the Company's assets. Due to the nature of the transaction, a realized gain was recognized in proportion to the cash received. The remaining gain has been recorded as unrealized appreciation and will be recognized as a realized gain as payments on the note are received. As of June 30, 2007, the remaining balance due on the note was $686,250. This note has been reported on the combined balance sheet at a cost basis of $75,000 with an unrealized gain up to the face value of the note.

MAIN STREET MEZZANINE FUND, LP

NOTES TO COMBINED FINANCIAL STATEMENTS — (Continued)

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

Cost:	June 30, 2007	December 31, 2006	2005
First lien debt	82.33%	77.08%	69.89%
Second lien debt	7.25%	11.81%	20.41%
Equity	7.89%	7.62%	5.18%
Equity warrants	2.53%	3.49%	4.52%
	100.00%	100.00%	100.00%

Fair Value:	June 30, 2007	December 31, 2006	2005
First lien debt	68.92%	63.88%	62.71%
Second lien debt	6.0%	9.70%	18.48%
Equity	16.82%	12.65%	6.78%
Equity warrants	8.26%	13.77%	12.03%
	100.00%	100.00%	100.00%

The Fund invests in portfolio companies located in the United States with a historical emphasis on the Southwest region of the United States. The following table shows the portfolio composition by geographic region at cost and fair value as a percentage of total investments. The geographic composition is determined by the location of the corporate headquarters of the portfolio company.

Cost:	June 30, 2007	December 31, 2006	2005
Southwest	39.12%	39.92%	66.61%
West	31.13%	24.74%	14.25%
Northeast	13.75%	14.72%	19.14%
Southeast	8.98%	13.79%	—
Midwest	7.02%	6.83%	—
	100.00%	100.00%	100.00%

Fair Value:	June 30, 2007	December 31, 2006	2005
Southwest	46.39%	47.24%	69.02%
West	26.86%	20.80%	12.73%
Northeast	12.42%	11.09%	18.25%
Southeast	7.13%	13.08%	—
Midwest	7.20%	7.79%	—
	100.00%	100.00%	100.00%

MAIN STREET MEZZANINE FUND, LP

NOTES TO COMBINED FINANCIAL STATEMENTS — (Continued)

Set forth below are tables showing the composition of the Fund's portfolio by industry at cost and fair value as of June 30, 2007, December 31, 2006 and 2005 (excluding unearned income):

Cost:	June 30, 2007	December 31, 2006	December 31, 2005
Manufacturing	25.12%	15.14%	—
Construction/industrial minerals	11.28%	11.66%	8.81%
Distribution	6.58%	11.56%	5.65%
Health care products	7.01%	8.19%	11.50%
Transportation/logistics	8.37%	9.64%	8.87%
Custom wood products	5.87%	6.29%	8.54%
Restaurant	4.45%	5.34%	7.68%
Electronics manufacturing	5.14%	5.19%	6.26%
Health care services	7.12%	4.97%	6.40%
Professional services	4.05%	4.83%	5.86%
Retail	4.01%	4.35%	—
Building products	2.91%	3.86%	5.20%
Consumer products	3.15%	3.19%	4.11%
Equipment rental	2.89%	2.86%	10.87%
Information services	1.59%	2.43%	5.30%
Industrial services	0.46%	0.50%	4.95%
Total	100.00%	100.00%	100.00%

Fair Value:	June 30, 2007	December 31, 2006	December 31, 2005
Manufacturing	21.48%	14.11%	—
Construction/industrial minerals	15.55%	15.93%	11.11%
Distribution	8.21%	12.30%	5.11%
Health care products	7.37%	8.29%	11.76%
Transportation/logistics	7.74%	9.70%	9.80%
Restaurant	5.06%	5.31%	8.09%
Custom wood products	4.86%	5.17%	7.73%
Electronics manufacturing	4.90%	4.95%	6.60%
Professional services	4.17%	4.37%	3.99%
Health care services	5.89%	4.09%	5.79%
Retail	3.32%	3.57%	—
Building products	2.41%	3.18%	5.20%
Consumer products	2.49%	2.49%	3.72%
Industrial services	2.74%	2.38%	6.46%
Equipment rental	2.39%	2.35%	9.84%
Information services	1.42%	1.81%	4.80%
Total	100.00%	100.00%	100.00%

The Fund's investments are generally in lower middle market companies in a variety of industries. At December 31 2006 and 2005, the Fund had one investment that was greater than 10% of the total investment portfolio. Such investment represented approximately 11% of the portfolio on each date at fair value and approximately 5% and 8.8% at cost, respectively. Income, consisting of interest, dividends, fees, other investment income, and realization of gains or losses on equity interests, can fluctuate upon repayment of an investment or sale of an equity interest and in any given year can be highly concentrated among several

investments. The Fund did not record any investment income from any one investment in excess of 10% of total investment income during the six months ended June 30, 2007 and the years ended December 31, 2006 and 2005. For the year ended December 31, 2004, investment income from three investments exceeded 10% of investment income. The three investments in aggregate represented approximately 35% of the investment income for the year ended December 31, 2004.

NOTE D — PARTNERS' CAPITAL CONTRIBUTIONS, ALLOCATIONS AND DISTRIBUTIONS

As of June 30, 2007, and December 31, 2006 and 2005, the Fund had received irrevocable commitments from investors to contribute capital of $26,665,548. Through June 30, 2007, and December 31, 2006 and 2005, the Fund had made capital calls totaling $26,665,548, representing 100% of the private capital commitments. The Fund made a $530,000 return of capital distribution during 2006.

Net profits and losses of the Fund are allocated to the General Partner and Limited Partners (together, the Partners) as follows:

1. Net Profits:

a. First, to the Partners to the extent and in proportion of net losses allocated.

b. Second, any remaining amounts of net profits, 80% to the Limited Partners and 20% to the General Partner.

2. Net Losses:

a. First, to the Partners to the extent and in proportion to net profits previously allocated.

b. Second, the remaining amount of net losses to the Partners, in proportion to the positive balances in their respective capital accounts.

3. Notwithstanding 1) and 2):

a. If the capital account of the General Partner or any Limited Partner is reduced to an amount equal to the aggregate capital contributions of such Partner, the balance of net losses will be allocated:

i. First, to the remaining capital accounts of the General Partner and Limited Partners in proportion to their respective positive capital accounts until their account balances have been reduced to zero.

ii. Second, to the General Partner.

b. If net losses have been allocated pursuant to 3(a) above, any net profits that are required to be allocated after such special allocation of net losses as provided pursuant to 3(a) will be allocated:

i. First, to the General Partner until the special allocation in 3(a)(ii) is reversed and eliminated.

ii. Second, to the General Partner and Limited Partners until the effect of such special allocation of net losses has been reversed and eliminated.

The Fund is a licensed SBIC and may make distributions of cash and/or property only at such times as permitted by the SBIC Act and as determined under the Partnership Agreement. Under the Partnership Agreement, the General Partner is entitled to 20% of the Fund's distributions, subject to a "clawback" provision that requires the General Partner to return an amount of allocated profits and distributions to the Fund if, and to the extent that, distributions to the General Partner over the life of the Fund causes the limited partners of the Fund to receive cumulative distributions which are less than their share (approximately 80%) of

the cumulative net profits of the Fund. The Fund made total distributions of $4,587,500, $6,174,297 (including a $530,000 return of capital distribution) and $2,882,936 during the six months ended June 30, 2007 and the years ended December 31, 2006 and 2005, respectively.

NOTE E — MANAGEMENT AGREEMENT

The Fund has a management agreement with Main Street Capital Partners, LLC, (Investment Manager), an affiliate of the General Partner. The Investment Manager manages the day-to-day operational and investment activities of the Fund. The Investment Manager pays normal operating expenses, except those specifically required to be borne by the Fund. The expenses paid by the Investment Manager include the cost of salaries, office space, equipment and other costs required for the Fund's day-to-day operations. The expenses that are paid by the Fund include certain transaction costs incidental to the origination, acquisition and disposition of investments, management fees to the Investment Manager, organizational costs, offering costs, SBA leverage fees, certain insurance and accounting costs and other expenses as defined by the Partnership Agreement.

Commencing September 30, 2002, and for the five year period following the SBIC license approval, as compensation for its services, the Fund pays the Investment Manager each fiscal quarter in advance, 0.625% of the sum of i) the Fund's Regulatory Capital (as defined in the SBIC Act) as of the first day of the fiscal quarter, ii) any Permitted Distribution as defined by the Partnership Agreement, and iii) an assumed two tiers (two times) of outstanding SBIC Debenture leverage on the sum of clauses i and ii above.

Following the initial five year period after SBIC license approval, the Fund will pay the Investment Manager, each fiscal quarter in advance, 0.625% of the Fund's Combined Capital, as defined by the Partnership Agreement.

The Fund will not pay any management compensation with respect to any fiscal year in excess of the amount of management compensation approved by the SBA and in conformance with the Partnership Agreement. The management fees for the six months ended June 30, 2007 and 2006 and the years ended December 31, 2006, 2005 and 2004 were $999,958, $967,507, $1,942,032, $1,928,763 and $1,916,016, respectively. The fees for the years ended December 31, 2006, 2005 and 2004 are net of $48,000 each year which was voluntarily waived by the Investment Manager.

NOTE F — DEFERRED FINANCING COSTS

Deferred financing costs balances as of June 30, 2007, December 31, 2006 and 2005 are as follows:

	June 30, 2007	December 31, 2006	December 31, 2005
SBIC Debenture commitment fees	$ 550,000	$ 550,000	$ 500,000
SBIC Debenture leverage fees	1,367,575	1,127,500	1,127,500
Subtotal	1,917,575	1,677,500	1,627,500
Less accumulated amortization	(434,073)	(343,846)	(185,996)
	$1,483,502	$1,333,654	$1,441,504

MAIN STREET MEZZANINE FUND, LP

NOTES TO COMBINED FINANCIAL STATEMENTS — (Continued)

Estimated aggregate amortization expense for each of the five years succeeding December 31, 2006 and thereafter is as follows:

Year Ending December 31,	Estimated Amortization
2007	$ 166,100
2008	167,750
2009	167,750
2010	167,750
2011	167,750
2012 and thereafter	496,554

During the six months ended June 30, 2007, $240,075 in deferred financing costs were incurred which increased the estimated annual amortization approximately $24,000.

NOTE G — SBIC DEBENTURES

The Fund has issued SBIC Debentures cumulative through December 31, 2006 totaling $45,100,000. As of December 31, 2006, the fund had unused commitments from the SBA to draw down additional leverage in amounts up to $1,000,000, $3,900,000 and $5,000,000, expiring September 30, 2007, 2008 and 2010, respectively. As of December 31, 2005, the Fund had unused commitments totaling $4,900,000. During the six months ended June 30, 2007, the Fund drew $9,900,000 in Debentures fully utilizing the outstanding commitments and increasing total issued SBIC Debentures to $55,000,000. The Fund paid a 1% fee to the SBA for these commitments. The ability to draw on these commitments is contingent on the SBA approval of the requested leverage at each draw application date and the Fund's adherence to the SBIC regulations. The Fund is subject to regular compliance examinations by the SBA. There have been no historical findings resulting from these examinations.

SBIC Debentures payable at June 30, 2007, December 31, 2006 and 2005 consist of the following:

Pooling Date	Maturity Date	Fixed Interest Rate	Amount
09/24/2003	09/01/2013	5.762%	$4,000,000
03/24/2004	03/01/2014	5.007%	3,000,000
09/22/2004	09/01/2014	5.571%	9,000,000
09/22/2004	09/01/2014	5.539%	6,000,000
03/23/2005	03/01/2015	5.925%	2,000,000
03/23/2005	03/01/2015	5.893%	2,000,000
09/28/2005	09/01/2015	5.796%	19,100,000
Balance as of December 31, 2006 and 2005			45,100,000
3/28/2007	03/01/2017	6.231%	3,900,000
3/28/2007	03/01/2017	6.263%	1,000,000
3/28/2007	03/01/2017	6.317%	5,000,000
Balance as of June 30, 2007			$55,000,000

The stated fixed interest rates include an SBA annual charge incremental to the prevailing market rates at the time of pooling. SBIC Debentures are pooled twice a year, in March and September. Accordingly, the long-term interest rate of the fundings will be fixed on the applicable pooling date and the initial draws will bear a short-term interim financing rate until the applicable pooling date. All SBIC Debentures outstanding as

of December 31, 2006 have been pooled. The weighted average interest rate as of December 31, 2006 and 2005 was 5.6761%, and was 5.7806% as of June 30, 2007.

SBIC Debentures provide for interest to be paid semi-annually with principal due at the applicable 10-year maturity date. In 2006, 2005 and 2004, the Fund paid $2,475,926, $1,481,190 and $440,821 of interest on the outstanding SBIC Debentures, respectively. The Fund paid interest of $1,295,257 and $1,186,506 during the six months ended June 30, 2007 and 2006, respectively.

NOTE H — REVOLVING LINE OF CREDIT

The Fund had a $7,500,000 unsecured revolving line of credit with a financial institution to provide same day, short-term funding for investments. The annual interest rate for this line of credit was the prime rate plus 1%. The revolving line of credit required the Fund to maintain a debt service coverage ratio (as defined in the agreement) of 1.00 plus was limited by a borrowing base of 75% of the sum of SBA unused leverage commitments and unfunded private capital commitments. For the periods ended December 31, 2005 and 2004, the Fund paid interest and financing fees on the line of credit totaling $44,986 and $77,583, respectively. The line of credit was personally guaranteed on a limited basis by the principals of the General Partner. The line of credit was terminated by the Fund during the year ended December 31, 2005.

NOTE I — PRE-PAID VARIABLE DELIVERY FORWARD TRANSACTION

On April 9, 2004, the Fund received 64,888 shares of common stock (the Shares) of Autobytel, Inc. (Autobytel), a publicly traded company, as the non-cash portion of the consideration received from the sale of the Fund's warrant position in iDriveonline, Inc. (iDrive) as a result of Autobytel's acquisition of iDrive. The Shares were not registered and therefore such Shares had certain restrictions on the Fund's ability to sell the Shares for the period from April 9, 2004 to April 8, 2005.

On May 13, 2004, the Fund entered into a Pre-paid Variable Delivery Forward Transaction (the Derivative Instrument) with a financial institution to hedge against the risk associated with potential volatility of the stock market valuation of the Shares. The Shares were held in custody by the financial institution and the Derivative Instrument had a contractual forward settlement date of May 12, 2005. The Derivative Instrument was executed based upon an average per share price of $9.30 and resulted in proceeds (net of transaction costs) to the Fund of $8.11 per Share, or $526,242. Under the terms of the Derivative Instrument and based upon the transaction proceeds recorded by the Fund on the transaction date, the Fund had no exposure through May 12, 2005 to a decrease in the market value of the Shares below $8.37 per Share and had the potential for an increase in the market value of the Shares above $8.37 per Share through May 12, 2005 up to a maximum of $10.695 per Share, or an additional $150,865.

The investment in the common stock of Autobytel was recorded at fair value on the date it was received and was marked to a market price of $372,327 at December 31, 2004. The remaining components of this transaction are considered to be a single financial instrument. Accordingly, the cash advance received from the financial institution of $526,242 was recorded as a liability, net of the fair value of the Derivative Instrument, which was $153,915, for a total net liability of $372,327 on the balance sheet as of December 31, 2004. The Derivative Instrument does not qualify for designation as fair value hedge thus the unrealized gain of $153,915 on the Derivative instrument was recorded in the statement of operations during 2004 as an unrealized gain. In addition, in 2004, a net unrealized gain of $372,327 was recorded related to the value of the investment in common stock.

In 2005, the contract was closed by delivery of Shares to the financial institution. The Fund recognized realized gains of $526,242 that were previously included in unrealized gains and recognized realized gains of $115,966 based on the price per share at the settlement date and the additional proceeds received related to this transaction.

MAIN STREET MEZZANINE FUND, LP

NOTES TO COMBINED FINANCIAL STATEMENTS — (Continued)

NOTE J — FINANCIAL HIGHLIGHTS

	Six Months Ended June 30,		Years Ended December 31,		
	2007[1]	2006[1]	2006[1]	2005[1]	2004[1]
Net assets at end of period	$41,842,867	$37,796,505	$43,272,531	$33,268,742	$17,237,888
Average net assets[2]	42,201,743	35,565,223	38,621,188	23,534,007	15,296,235
Average outstanding debt[2]	51,700,000	45,100,000	45,100,000	34,400,000	15,600,000
Ratio of total expenses, excluding interest expense, to average net assets[3][4][6]	4.42%	3.01%	5.54%	9.03%	13.73%
Ratio of total expenses to average net assets[3][4][6]	8.09%	6.81%	12.58%	17.80%	19.41%
Ratio of net investment income to average net assets[3]	5.07%	7.09%	12.70%	14.32%	9.75%
Ratio of total contributed capital to total capital commitments	99.0%	98.5%	98.9%	97.6%	56.7%
Total return to Limited partners based on change in net asset value[3][5]	6.27%	16.14%	39.92%	37.85%	23.85%
Total return based on change in net asset value[3][5][7]	7.19%	19.25%	47.56%	45.77%	29.58%

(1) The amounts reflected in the financial highlights above represent the combined general partner and limited partner amounts. See the Combined Statements of Changes in Members' Equity and Partners' Capital for additional information.

(2) Calculated based upon the average of the amounts at the end of each quarter within the period.

(3) Interim periods are not annualized.

(4) The Investment Manager voluntarily waived $48,000 of management fees for the years ended December 31, 2006, 2005 and 2004.

(5) Total return based on change in net asset value was calculated using the sum of ending net asset value plus distributions to members and partners during the period less capital contributions during the period, as divided by the beginning net asset value.

(6) The six months ended June 30, 2007 ratios include the impact of professional costs related to offering. These costs were 37.25% and 20.37% of operating expense and total expenses, respectively, for that period.

(7) This ratio combines the total return for both the managing investors (the General Partner) and the non-managing investors (the Limited Partners).

NOTE K — RELATED PARTY TRANSACTIONS

The Fund co-invested with Main Street Capital II, LP (MSC II) in several investments since January 2006. MSC II and the Fund are commonly managed by the Investment Manager and the general partners for the Fund and MSC II are under common control. MSC II is an SBIC with similar investment objectives to the Fund and which began its investment operations in January 2006. The co-investments among the Fund and MSC II were made at the same time and on the same terms and conditions. The co-investments were made in accordance with the Investment Manager's conflicts policy and in accordance with the applicable SBIC conflict of interest regulations.

As discussed further in Note E — Management Agreement, the Fund paid certain management fees to the Investment Manager during the six months ended June 30, 2007 and 2006, and the years ended December 31, 2006, 2005 and 2004. The Investment Manager is an affiliate of the Fund as it is commonly controlled by principals who also control the General Partner of the Fund.

The principals of the General Partner, management of the Investment Manager, and their affiliates, collectively have invested $3,577,517 in the limited partnership interests of the Fund, representing 13.5% of such limited partner interests.

MAIN STREET MEZZANINE FUND, LP

NOTES TO COMBINED FINANCIAL STATEMENTS — (Continued)

NOTE L — INCOME TAXES

The Fund is taxed under the partnership provisions of the Internal Revenue Code. Under these provisions of the Internal Revenue Code, the General Partner and Limited Partners are responsible for reporting their share of the Partnership's income or loss on their income tax returns. Listed below is a reconciliation of Net Increase in Members' Equity and Partners' Capital Resulting From Operations to taxable income for the six months ended June 30, 2007 and 2006, and the years ended December 31, 2006, 2005 and 2004.

	Six Months Ended June 30,		Years Ended December 31,		
	2007	2006	2006	2005	2004
Net increase in members' equity and partners' capital resulting from operations	$ 3,110,371	$ 6,400,648	$ 15,822,997	$ 7,890,063	$ 4,427,217
Net change in unrealized (appreciation) depreciation from investments	(372,404)	(3,698,227)	(8,488,514)	(3,032,274)	(1,764,691)
Accrual basis to cash basis adjustments:					
Deferred debt origination fees included in taxable income	197,711	491,180	709,980	535,250	642,966
Accretion of unearned fee income for book income	(412,929)	(599,850)	(517,649)	(508,406)	(199,340)
Net change in interest receivable	31,828	52,061	(93,480)	(182,324)	(89,565)
Net change in interest payable	(161,758)	(83,460)	83,459	417,325	293,916
Portfolio company pass through taxable income (loss)	—	—	610,866	(815,510)	(678,505)
Other	—	—	(321,295)	(441,231)	496,547
Taxable income	$ 2,392,819	$ 2,562,352	$ 7,806,364	$ 3,862,893	$ 3,128,545

NOTE M — SUBSEQUENT EVENTS

Portfolio Investments

Subsequent to December 31, 2006, the Fund made additional investments in portfolio companies totaling $4,257,790 and received principal repayments and equity redemptions from portfolio companies of $3,448,220, including both cash and short-term notes receivable of $686,000.

Distributions

Subsequent to December 31, 2006, the Fund made distributions to its Partners totaling $4,600,000 related to accumulated net investment income and several realized gains.

SBIC Debentures

During the first quarter of 2007, the Fund drew down SBIC Debentures against the entire remaining $9,900,000 SBIC Debenture commitments that were outstanding at December 31, 2006.

New Entity Formation (unaudited)

On March 9, 2007 a newly organized corporation, Main Street Capital Corporation, was formed for the purpose of acquiring the Fund and certain affiliates, raising capital in an initial public offering and thereafter operating as an internally-managed business development company under the 1940 Act.

MAIN STREET MEZZANINE FUND, LP

NOTES TO COMBINED FINANCIAL STATEMENTS — (Continued)

Immediately prior to Main Street Capital Corporation election to be treated as a business development company under the 1940 Act and the closing of the planned initial public offering, the following formation transactions will be consummated:

- Main Street Capital Corporation will acquire 100% of the limited partnership interests in the Fund, which will become Main Street Capital Corporation's wholly-owned subsidiary, retain its SBIC license, continue to hold its existing investments, and make new investments with available funds.
- Main Street Capital Corporation will acquire 100% of the equity interests in the General Partner of the Fund.
- Main Street Capital Corporation will acquire 100% of the equity interests in the Investment Manager of the Fund.

Upon the closing of the planned initial public offering, the current management services agreement between the Investment Manager and the Fund will remain in place, and the Investment Manager will continue to act as the investment adviser for the Fund and be entitled to receive management fees pursuant such agreements subsequent to the closing.

There can be no assurance that the initial public offering by Main Street Capital Corporation will be completed.

Subsequent Events for the interim period of June 30, 2007

In August 2007, Turbine Air Systems, Ltd. raised approximately $20 million through an equity capital funding transaction with certain institutional investors. In connection with this funding transaction, Main Street Mezzanine Fund agreed to the sale of its equity warrant position in Turbine Air Systems, Ltd. for $1.1 million in cash. The sale of the equity warrant resulted in a realized capital gain of approximately $1 million, which will be fully recognized in the third quarter of 2007.

Schedule 12-14

MAIN STREET MEZZANINE FUND, LP

Schedule of Investments in and Advances to Affiliates
Year ended December 31, 2006
Unaudited

Company	Investments(1)	Amount of Interest or Dividends Credited to Income(2)	December 31, 2005 Value	Gross Additions(3)	Gross Reductions(4)	December 31, 2006 Value
CONTROL INVESTMENTS:						
Café Brazil, LLC	12% Secured Debt	$ 463,382	$ 3,550,000	$ —	$ 400,000	$ 3,150,000
	Warrants	—	700,000	—	700,000	—
	Member Units	—	—	900,000	—	900,000
CBT Nuggets, LLC	Prime plus 2% Secured Debt	48,899	—	900,000	240,000	660,000
	14% Secured Debt	260,436	—	1,860,000	—	1,860,000
	Member Units	—	—	610,000	—	610,000
	Warrants	—	—	200,000	—	200,000
Hawthorne Customs & Dispatch Services, LLC	13% Secured Debt	293,530	—	2,250,000	600,000	1,650,000
	Member Units	44,000	—	950,000	—	950,000
	Warrants	—	—	500,000	—	500,000
Hayden Acquisition, LLC	12% Secured Debt	339,070	2,420,000	—	—	2,420,000
	8% Note Receivable	16,806	375,000	—	375,000	—
Jensen Jewelers of Idaho, LLC	Prime plus 2% Secured Debt	19,373	—	1,340,000	—	1,340,000
	13% Current/6% PIK Secured Debt	35,944	—	1,008,000	—	1,008,000
	Member Units	—	—	376,000	—	376,000
KBK Industries, LLC	14% Secured Debt	652,908	—	4,312,500	375,000	3,937,500
	Member Units	—	—	625,000	—	625,000
	Warrants	—	—	1,372,500	—	1,372,500
Magna Card, Inc.	12% Secured Debt	246,799	1,900,000	—	—	1,900,000
	Warrants	—	100,000	—	100,000	—
Quest Design & Production LLC	12% Secured Debt	552,423	4,000,000	—	100,000	3,900,000
	6% Loan	4,832	120,000	225,000	345,000	—
	Warrants	—	40,000	—	—	40,000
TA Acquisition Group, LP	12% Secured Debt	496,718	3,850,000	—	990,000	2,860,000
	Partnership Interest	47,920	1,060,000	1,570,000	—	2,630,000
	Warrants	—	1,065,000	1,585,000	—	2,650,000
Technical Innovations, LLC	12% Secured Debt	260,296	1,425,000	300,000	337,500	1,387,500
	Prime Secured Debt	61,044	500,000	—	37,500	462,500
	Member Units	600	18,000	17,000	—	35,000
	Warrants	—	882,000	403,000	—	1,285,000
Wicks Acquisition, LLC	12% Secured Debt	383,705	—	3,720,000	—	3,720,000
	Member Units	—	—	180,000	180,000	—
	Warrants	—	—	210,000	210,000	—
Income from Control Investments disposed of during the year		66,670	—	—	—	—
	Total - Control Investments	**$4,295,354**	**$22,005,000**	**$25,414,000**	**$4,990,000**	**$42,429,000**

See related footnotes at the end of this schedule.

Schedule 12-14 — Continued
(unaudited)

Company	Investments(1)	Amount of Interest or Dividends Credited to Income(2)	December 31, 2005 Value	Gross Additions(3)	Gross Reductions(4)	December 31, 2006 Value
AFFILIATE INVESTMENTS:						
All Hose & Specialty, LLC	11% Secured Debt	$ 369,069	$ 2,600,000	$ —	$ —	$ 2,600,000
	Member Units	—	—	1,600,000	—	1,600,000
	11% Note Receivable	12,397	—	441,000	—	441,000
	Warrants	—	150,000	—	150,000	—
American Sensor Technologies, Inc.	9% Secured Debt	1,050	—	200,000	—	200,000
	13% Secured Debt	418,079	3,000,000	—	—	3,000,000
	Warrants	—	550,000	25,000	—	575,000
Carlton Global Resources, LLC	13% Secured Debt	97,059	—	3,600,000	—	3,600,000
	Member Units	—	—	400,000	—	400,000
Houston Plating & Coatings, LLC	Prime Plus 2% Secured Debt	153,317	—	100,000	—	100,000
	14% Secured Debt	—	1,800,000	—	1,800,000	—
	Warrants	—	1,000,000	—	1,000,000	—
	Member Units	116,390	675,000	1,035,000	—	1,710,000
Laurus Healthcare, LP	13% Secured Debt	438,481	3,010,000	—	—	3,010,000
	Warrants	—	105,000	—	—	105,000
National Trench Safety, LLC	12% Secured Debt	449,288	3,269,231	—	3,269,231	—
	Member Units	—	1,792,308	—	—	1,792,308
	Warrants	—	230,769	—	230,769	—
Pulse Systems, LLC	14% Secured Debt	462,799	3,142,110	—	394,839	2,747,271
	Warrants	—	365,000	35,000	—	400,000
Transportation General, Inc.	13% Secured Debt	587,180	4,200,000	—	300,000	3,900,000
	Warrants	—	70,000	325,000	—	395,000
Turbine Air Systems, Ltd	12% Secured Debt	36,403	—	1,000,000	—	1,000,000
	Warrants	—	—	96,666	—	96,666
WorldCall, Inc.	13% Secured Debt	131,773	1,000,000	—	180,000	820,000
	Common Stock	—	—	180,000	—	180,000
	Warrants	—	75,000	75,000	—	150,000
Barton Springs Grill LP	15% Partnership Interest	—	100,000	—	100,000	—
Income from Affiliate Investments disposed of during the year		300,285	—	—	—	—
	Total - Affiliate Investments	**$3,573,570**	**$27,134,418**	**$9,112,666**	**$7,424,839**	**$28,822,245**

This schedule should be read in conjunction with the Combined Financial Statements, including the Combined Statement of Investments and Note C to the Combined Financial Statements.

(1) The principal amount, the ownership detail for equity investments, and if the investment is income producing is shown in the Combined Schedule of Investments.

(2) Represents the total amount of interest, fees or dividends credited to income for the portion of the year an investment was included in Control or Affiliate categories, respectively. For investments transferred between Control and Affiliate during the year, the income related to the time period it was in the category other than the one shown at year end is included in "Income from Investments disposed of during the year". Investments are classified as Control or Affiliate investments based upon their applicable designation as of December 31, 2006.

(3) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow on investments, accrued PIK interest and the exchange of one or more existing securities for one or more new securities. Gross Additions also include net increases in unrealized appreciation or net decreases in unrealized depreciation.

(4) Gross reductions include decreases in the cost basis of investments resulting from principal repayments or sales and the exchange of one or more existing securities for one or more new securities. Gross reductions also include net increases in unrealized depreciation or net decreases in unrealized appreciation.

Until (25 days after the date of this prospectus), all dealers that buy, sell or trade our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

6,666,667 Shares

Main Street Capital Corporation

Common Stock

PRELIMINARY PROSPECTUS

Morgan Keegan & Company, Inc.

BB&T Capital Markets
A Division of Scott & Stringfellow, Inc.

SMH Capital Inc.

Ferris, Baker Watts
Incorporated

, 2007

PART C

Other Information

Item 25. ***Financial Statements And Exhibits***

(1) *Financial Statements*

The following financial statements of Main Street Capital Corporation (the "Registrant" or the "Company") are included in Part A of this Registration Statement:

(2) *Exhibits*

(a)	Articles of Amendment and Restatement of the Registrant
(b)	Bylaws of the Registrant
(c)	Not Applicable
(d)	Form of Common Stock Certificate
(e)	Form of Dividend Reinvestment Plan
(f)(1)	Debentures guaranteed by the SBA**
(g)(1)	Form of Amended and Restated Advisory Agreement by and between Main Street Capital Partners, LLC and Main Street Mezzanine Fund, LP**
(g)(2)	Advisory Agreement by and between Main Street Capital Partners, LLC and Main Street Capital II, LP**
(h)	Form of Underwriting Agreement
(i)(1)	Equity Incentive Plan
(j)	Custodian Agreement*
(k)(1)	Form of Employment Agreement by and between the Registrant and Todd A. Reppert*
(k)(2)	Form of Employment Agreement by and between the Registrant and Rodger A. Stout*
(k)(3)	Form of Employment Agreement by and between the Registrant and Curtis A. Hartman*
(k)(4)	Form of Employment Agreement by and between the Registrant and Dwayne L. Hyzak*
(k)(5)	Form of Employment Agreement by and between the Registrant and David L. Magdol*
(k)(6)	Agreement and Plan of Merger by and between Main Street Capital Corporation and Main Street Mezzanine Fund, LP**
(k)(7)	Exchange Agreement by and between Main Street Capital Corporation and Main Street Capital Partners, LLC**
(k)(8)	Exchange Agreement by and between Main Street Capital Corporation and Main Street Mezzanine Management, LLC**
(k)(9)	Amendment to Agreement and Plan of Merger by and between Main Street Capital Corporation and Main Street Mezzanine Fund, LP

(k)(10)	Amendment to Exchange Agreement by and between Main Street Capital Corporation and Main Street Capital Partners, LLC
(k)(11)	Amendment to Exchange Agreement by and between Main Street Capital Corporation and Main Street Mezzanine Management, LLC
(k)(12)	Form of Confidentiality and Non-Compete Agreement by and between the Registrant and Vincent D. Foster.*
(l)	Opinion and Consent of Counsel
(m)	Not Applicable
(n)(1)	Consent of Grant Thornton LLP
(n)(2)	Report of Grant Thornton LLP regarding the senior security table contained herein**
(n)(3)	Consent of Proposed Director — Arthur L. French**
(n)(4)	Consent of Proposed Director — Joseph E. Cannon**
(n)(5)	Consent of Proposed Director — Michael Appling Jr**
(r)	Code of Ethics

* To be filed by pre-effective amendment.

** Previously filed

Item 26. ***Marketing Arrangements***

The information contained under the heading "Underwriting" in this Registration Statement is incorporated herein by reference.

Item 27. ***Other Expenses Of Issuance And Distribution***

SEC registration fee	$	3,531
Nasdaq Global Market listing fee(1)	$	100,000
NASD filing fee	$	12,000
Accounting fees and expenses(1)	$	*
Legal fees and expenses(1)	$	*
Printing and engraving(1)	$	*
Miscellaneous fees and expenses(1)	$	*
Total	$	*

(1) These amounts are estimates.

* To be provided by amendment.

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

Item 28. ***Persons Controlled By Or Under Common Control***

Upon the consummation of the offering pursuant to this Registration Statement and the formation transactions described herein, the Registrant will own 100% of the following entities:

- Main Street Mezzanine Fund, LP — a Delaware limited partnership
- Main Street Mezzanine Management, LLC — a Delaware limited liability company
- Main Street Capital Partners, LLC — a Delaware limited liability company.

Item 29. ***Number Of Holders Of Securities***

The following table sets forth the number of record holders of the Registrant's capital stock at July 31, 2007.

Title of Class	Number of Record Holders
Common stock, $0.01 par value	2

Item 30. ***Indemnification***

Maryland law permits a Maryland corporation to include in its articles of incorporation 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 articles of incorporation contain such a provision that eliminates directors' and officers' liability to the maximum extent permitted by Maryland law, subject to the requirements of the 1940 Act.

Our articles of incorporation require 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, 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 such person may become subject or which such person may incur by reason of his or her service in any such capacity, except with respect to any matter as to which such person shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that their action was in our best interest or to be liable to us or our stockholders by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office.

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, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner 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, except with respect to any matter as to which such person shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that their action was in our best interest or to be liable to us or our stockholders by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office. Our bylaws also require that, to the maximum extent permitted by Maryland law, we may pay certain expenses incurred by any such indemnified person in advance of the final disposition of a proceeding upon receipt of an undertaking by or on behalf of such indemnified person to repay amounts we have so paid if it is ultimately determined that indemnification of such expenses is not authorized under our bylaws. We also anticipate executing separate indemnification agreements with our directors and officers subsequent to the consummation of the offering.

Maryland law requires a corporation (unless its articles of incorporation provide otherwise, which our articles of incorporation do not) to indemnify a director or officer who has been successful 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 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.

As of the date of the completion of this offering, the Registrant will have obtained primary and excess insurance policies insuring our directors and officers against some liabilities they may incur in their capacity as directors and officers. Under such policies, the insurer, on the Registrant's behalf, may also pay amounts for which the Registrant has granted indemnification to the directors or officers.

The Registrant has agreed to indemnify the several underwriters against specific liabilities, including liabilities under the Securities Act of 1933.

Insofar as indemnification for liability arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

Item 31. ***Business And Other Connections Of Investment Adviser***

Not Applicable

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 Registrant's offices at 1300 Post Oak Boulevard, Suite 800, Houston, Texas 77056.

Item 33. ***Management Services***

Not Applicable

Item 34. ***Undertakings***

1. We hereby undertake to suspend the offering of shares until the prospectus is amended if subsequent to the effective date of this registration statement, our net asset value declines more than ten percent from our net asset value as of the effective date of this registration statement.

2. We hereby undertake that:

(a) for the purpose of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by us under Rule 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective; and

(b) for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of the securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Houston, State of Texas, on August 15, 2007.

MAIN STREET CAPITAL CORPORATION

By: /s/ Vincent D. Foster
Vincent D. Foster
Chairman and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, each person whose signature appears below hereby constitutes and appoints Vincent D. Foster and Todd A. Reppert his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place, and stead, in any and all capacities, to sign any and all amendments to this Registration Statement and any registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and to file the same, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement on Form N-2 has been signed below by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Vincent D. Foster Vincent D. Foster	Chairman and Chief Executive Officer (principal executive officer)	August 15, 2007
/s/ Todd A. Reppert Todd A. Reppert	President, Chief Financial Officer and Director (principal financial officer)	August 15, 2007
/s/ Rodger A. Stout Rodger A. Stout	Chief Accounting Officer, Chief Compliance Officer and Secretary (principal accounting officer)	August 15, 2007
/s/ Michael Appling Jr. Michael Appling Jr.	Director	August 15, 2007
/s/ Joseph E. Canon Joseph E. Canon	Director	August 15, 2007
/s/ William D. Gutermuth William D. Gutermuth	Director	August 15, 2007
/s/ Arthur L. French Arthur L. French	Director	August 15, 2007

EXHIBIT INDEX

Exhibit Number	Description
(a)	Articles of Amendment and Restatement of the Registrant
(b)	Bylaws of the Registrant
(c)	Not Applicable
(d)	Form of Common Stock Certificate
(e)	Form of Dividend Reinvestment Plan
(f)(1)	Debentures guaranteed by the SBA**
(g)(1)	Amended and Restated Advisory Agreement by and between Main Street Capital Partners, LLC and Main Street Mezzanine Fund, LP**
(g)(2)	Advisory Agreement by and between Main Street Capital Partners, LLC and Main Street Capital II, LP**
(h)	Form of Underwriting Agreement
(i)(1)	Equity Incentive Plan
(j)	Custodian Agreement*
(k)(1)	Form of Employment Agreement by and between the Registrant and Todd A. Reppert*
(k)(2)	Form of Employment Agreement by and between the Registrant and Rodger A. Stout*
(k)(3)	Form of Employment Agreement by and between the Registrant and Curtis L. Hartman*
(k)(4)	Form of Employment Agreement by and between the Registrant and Dwayne L. Hyzak*
(k)(5)	Form of Employment Agreement by and between the Registrant and David L. Magdol*
(k)(6)	Agreement and Plan of Merger by and between Main Street Capital Corporation and Main Street Mezzanine Fund, LP**
(k)(7)	Exchange Agreement by and between Main Street Capital Corporation and Main Street Capital Partners, LLC**
(k)(8)	Exchange Agreement by and between Main Street Capital Corporation and Main Street Mezzanine Management, LLC**
(k)(9)	Amendment to Agreement and Plan of Merger by and between Main Street Capital Corporation and Main Street Mezzanine Fund, LP
(k)(10)	Amendment to Exchange Agreement by and between Main Street Capital Corporation and Main Street Capital Partners, LLC
(k)(11)	Amendment to Exchange Agreement by and between Main Street Capital Corporation and Main Street Mezzanine Management, LLC
(k)(12)	Form of Confidentiality and Non-Compete Agreement by and between the Registrant and Vincent D. Foster.*
(l)	Opinion and Consent of Counsel
(m)	Not Applicable
(n)(1)	Consent of Grant Thornton LLP
(n)(2)	Report of Grant Thornton LLP regarding the senior security table contained herein**
(n)(3)	Consent of Proposed Director — Arthur L. French**
(n)(4)	Consent of Proposed Director — Joseph E. Cannon**
(n)(5)	Consent of Proposed Director — Michael Appling Jr**
(r)	Code of Ethics

* To be filed by pre-effective amendment.

** Previously filed.

Exhibit (a)

MAIN STREET CAPITAL CORPORATION

ARTICLES OF AMENDMENT AND RESTATEMENT

MAIN STREET CAPITAL CORPORATION, a Maryland corporation (the ***"Corporation"***), having its principal office in the State of Maryland, hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: The Corporation desires to, and does hereby, amend and restate its charter as currently in effect and as hereinafter amended.

SECOND: This amendment and restatement of the charter of the Corporation has been approved by the directors and stockholders.

THIRD: The following provisions are all the provisions of the charter currently in effect and as hereinafter amended and restated:

ARTICLE I
NAME

The name of the Corporation is:

Main Street Capital Corporation

ARTICLE II
PURPOSE

The purposes for which the Corporation is formed is to engage in any lawful act or activity for which corporations may be organized under the general laws of the State of Maryland as now or hereafter in force.

ARTICLE III
PRINCIPAL OFFICE IN STATE AND RESIDENT AGENT

The address of the principal office of the Corporation in the State of Maryland is c/o Capitol Corporate Services, Inc., 516 N Charles Street, 5th Floor, Baltimore, Maryland 21201. The name of the resident agent of the Corporation in the State of Maryland is Capitol Corporate Services, Inc. The post office address of the resident agent is 516 N Charles Street, 5th Floor, Baltimore, Maryland 21201.

ARTICLE IV
PROVISIONS FOR DEFINING, LIMITING
AND REGULATING CERTAIN POWERS OF THE
CORPORATION AND OF THE STOCKHOLDERS AND DIRECTORS

Section 4.1 Number and Classification of Directors. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors. The number of directors of the Corporation initially shall be two, which number may be increased or decreased only by the Board of Directors pursuant to the Bylaws, but shall never be less than the minimum

number required by the Maryland General Corporation Law (the ***"MGCL"***). The names of the directors who shall serve until the first annual meeting of stockholders and until their successors are duly elected and qualify are **Vincent D. Foster** and **Todd A. Reppert**.

The initial directors may increase the number of directors and may fill any vacancy, whether resulting from an increase in the number of directors or otherwise on the Board of Directors occurring before the first annual meeting of stockholders in the manner provided in the Bylaws.

The Corporation elects, at such time as Subtitle 8 of Title 3 of the MGCL becomes applicable to the Corporation, that, subject to applicable requirements of the Investment Company Act of 1940, as amended (the "***1940 Act***") and except as may be provided by the Board of Directors in setting the terms of any class or series of Preferred Stock (as hereinafter defined), any 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, and any director elected to fill a vacancy shall serve for the remainder of the full term of the directorship in which such vacancy occurred and until a successor is duly elected and qualifies.

Section 4.2 Extraordinary Actions. Notwithstanding any provision of law permitting or requiring any action to be taken or approved by the affirmative vote of the holders of shares entitled to cast a greater number of votes, any such action shall be effective and valid if declared advisable and approved by the Board of Directors, by the affirmative vote of 75 percent of the directors then in office, and taken or approved by the affirmative vote of holders of shares entitled to cast a majority of all the votes entitled to be cast on the matter.

Section 4.3 Election of Directors. Except as otherwise provided in the Bylaws of the Corporation, directors shall be elected by the affirmative vote of the holders of a majority of the shares of stock outstanding and entitled to vote thereon.

Section 4.4 Authorization by Board of Stock Issuance. The Board of Directors may authorize the issuance from time to time of shares of stock of the Corporation of any class or series, whether now or hereafter authorized, or securities or rights convertible into shares of its stock of any class or series, whether now or hereafter authorized, for such consideration as the Board of Directors may deem advisable (or without consideration in the case of a stock split or stock dividend), subject to such restrictions or limitations, if any, as may be set forth in the charter or the Bylaws.

Section 4.5 Quorum. The presence in person or by proxy of the holders of shares of stock of the Corporation entitled to cast a majority of the votes entitled to be cast (without regard to class) shall constitute a quorum at any meeting of 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.

Section 4.6 Preemptive Rights. Except as may be provided by the Board of Directors in setting the terms of classified or reclassified shares of stock pursuant to Section 5.4

or as may otherwise be provided by contract, no holder of shares of stock of the Corporation shall, as such holder, have any preemptive right to purchase or subscribe for any additional shares of stock of the Corporation or any other security of the Corporation which it may issue or sell.

Section 4.7 Appraisal Rights. No holder of stock of the Corporation shall be entitled to exercise the rights of an objecting stockholder under Title 3, Subtitle 2 of the MGCL or any successor provision thereto.

Section 4.8 Determinations by Board. The determination as to any of the following matters, made in good faith by or pursuant to the direction of the Board of Directors consistent with the charter and in the absence of actual receipt of an improper benefit in money, property or services or active and deliberate dishonesty established by a court, shall be final and conclusive and shall be binding upon the Corporation and every holder of shares of its stock: the amount of the net income of the Corporation for any period and the amount of assets at any time legally available for the payment of dividends, redemption of its stock or the payment of other distributions on its stock; the amount of paid-in surplus, net assets, other surplus, annual or other net profit, net assets in excess of capital, undivided profits or excess of profits over losses on sales of assets; the amount, purpose, time of creation, increase or decrease, alteration or cancellation of any reserves or charges and the propriety thereof (whether or not any obligation or liability for which such reserves or charges shall have been created shall have been paid or discharged); the fair value, or any sale, bid or asked price to be applied in determining the fair value, of any asset owned or held by the Corporation; any matter relating to the acquisition, holding and disposition of any assets by the Corporation; or any other matter relating to the business and affairs of the Corporation.

ARTICLE V
STOCK

Section 5.1 Authorized Shares. The Corporation has authority to issue 150,000,000 shares of stock initially consisting of 150,000,000 shares of common stock, $0.01 par value per share (***"Common Stock"***). The aggregate par value of all authorized shares of stock having par value is $1,500,000.00. If shares of one class of stock are classified or reclassified into shares of another class of stock pursuant to this Article V, the number of authorized shares of the former class shall be automatically decreased and the number of shares of the latter class shall be automatically increased, in each case by the number of shares so classified or reclassified, so that the aggregate number of shares of stock of all classes that the Corporation has authority to issue shall not be more than the total number of shares of stock set forth in the first sentence of this paragraph. A majority of the entire Board of Directors, without any action by the stockholders of the Corporation, may amend the charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that the Corporation has authority to issue.

Section 5.2 Common Stock. Each share of Common Stock shall entitle the holder thereof to one vote. The Board of Directors may reclassify any unissued shares of Common Stock from time to time into one or more classes or series of stock.

Section 5.3 Preferred Stock. The Board of Directors may classify any unissued shares of stock and reclassify any previously classified but unissued shares of stock of any class or series from time to time, into one or more classes or series of preferred stock (***"Preferred Stock"***).

Section 5.4 Classified or Reclassified Shares. Prior to issuance of classified or reclassified shares of any class or series, the Board of Directors by resolution shall: (a) designate that class or series to distinguish it from all other classes and series of stock of the Corporation; (b) specify the number of shares to be included in the class or series; (c) set or change, subject to the express terms of any class or series of stock of the Corporation outstanding at the time, the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms and conditions of redemption for each class or series; and (d) cause the Corporation to file articles supplementary with the State Department of Assessments and Taxation of Maryland (***"SDAT"***). Any of the terms of any class or series of stock set or changed pursuant to clause (c) of this Section 5.4 may be made dependent upon facts or events ascertainable outside the charter (including determinations by the Board of Directors or other facts or events within the control of the Corporation) and may vary among holders thereof, provided that the manner in which such facts, events or variations shall operate upon the terms of such class or series of stock is clearly and expressly set forth in the articles supplementary filed with the SDAT.

Section 5.5 Charter and Bylaws. All persons who shall acquire stock in the Corporation shall acquire the same subject to the provisions of the charter and the Bylaws. The Board of Directors of the Corporation shall have the exclusive power to make, alter, amend or repeal the Bylaws.

ARTICLE VI
AMENDMENTS

The Corporation reserves the right from time to time to make any amendment to its charter, now or hereafter authorized by law, including any amendment altering the terms or contract rights, as expressly set forth in the charter, of any shares of outstanding stock. All rights and powers conferred by the charter on stockholders, directors and officers are granted subject to this reservation. Any amendment to Section 4.2 or to this sentence of the charter shall be valid only if declared advisable by the Board of Directors and approved by the affirmative vote of two-thirds of all the votes entitled to be cast on the matter.

ARTICLE VII
LIMITATION OF LIABILITY; INDEMNIFICATION AND ADVANCE OF EXPENSES

Section 7.1 Limitation of Liability. To the maximum extent that Maryland law and any other applicable law, in effect from time to time, permit limitation of the liability of directors and officers of a corporation, no director or officer of the Corporation shall be liable to the Corporation or its stockholders for money damages.

Section 7.2 Indemnification and Advance of Expenses. The Corporation shall, to the maximum extent permitted by Maryland law or any other applicable law, in effect from time

to time, indemnify, and 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 or (b) any individual who, while a director of the Corporation and at the request of the Corporation, serves or has served as a director, officer, partner or trustee of another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or any other enterprise from and against any claim or liability to which such person may become subject or which such person may incur by reason of his service in that capacity. The Corporation shall have the power, with the approval of the Board of Directors, to provide such indemnification and advancement of 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.

Section 7.3 1940 Act. No provision of this Article VII shall be effective to protect or purport to protect any director or officer of the Corporation against liability to the Corporation or its stockholders to which he or she would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office.

Section 7.4 Amendment or Repeal. Neither the amendment nor repeal of this Article VII, nor the adoption or amendment of any other provision of the charter or Bylaws inconsistent with this Article VII, shall apply to or affect in any respect the applicability of the preceding sections of this Article VII with respect to any act, or failure to act, which occurred prior to such amendment, repeal or adoption.

[*Remainder of Page Intentionally Left Blank***]**

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment and Restatement to be signed in its name and on its behalf by its Chairman and Chief Executive Officer and attested to by its Secretary as of the 13th day of August 2007.

MAIN STREET CAPITAL CORPORATION

Attest: /s/ Rodger A. Stout
Rodger A. Stout
Secretary

By: /s/ Vincent D. Foster
Vincent D. Foster
Chairman and Chief Executive Officer

THE UNDERSIGNED, Vincent D. Foster, Chairman and Chief Executive Officer of Main Street Capital Corporation, who executed on behalf of said corporation the foregoing Articles of Amendment and Restatement, of which this certificate is made a part, hereby acknowledges, in the name and on behalf of said corporation, the foregoing Articles of Amendment and Restatement to be the corporate act of said corporation and further certifies that, to the best of his knowledge, information, and belief, the matters and facts set forth herein with respect to the approval thereof are true in all material respects, under penalties of perjury.

/s/ Vincent D. Foster
Vincent D. Foster

Exhibit (b)

MAIN STREET CAPITAL CORPORATION

BYLAWS

ARTICLE I

OFFICES

Section 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 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 1. PLACE. All meetings of 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. ANNUAL MEETING. Commencing with the 2008 annual meeting of stockholders of the Corporation, an annual meeting of the stockholders for the election of directors and the transaction of any business within the powers of the Corporation shall be held on a date and at the time set by the Board of Directors.

Section 3. SPECIAL MEETINGS.

(a) General. The Chairman of the Board, the chief executive officer, the president or the Board of Directors may call a special meeting of the stockholders. Subject to subsection (b) of this Section 3, a special meeting of stockholders shall also be called by the secretary of the Corporation upon the written request of the stockholders entitled to cast not less than a majority of all the votes entitled to be cast 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 (the ***"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, shall be signed by one or more stockholders of record as of the date of signature (or their duly authorized agents), shall bear the date of signature of each such stockholder (or such agent) and shall set

forth all information relating to each such stockholder that must be disclosed in solicitations of proxies for election of directors in an election contest (even if an election contest is not involved), or is otherwise required, 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 resolution fixing the Request Record Date is adopted by the Board of Directors. 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 and make a public announcement of such 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, one or more written requests for a special meeting signed by stockholders of record (or their duly authorized agents) as of the Request Record Date entitled to cast not less than a majority (the ***"Special Meeting Percentage"***) of all of the votes entitled to be cast at such meeting (the ***"Special Meeting Request"***) shall be delivered to the secretary. In addition, the Special Meeting Request shall set forth the purpose of the meeting and the matters proposed to be acted on at it (which shall be limited to the matters set forth in the Record Date Request Notice received by the secretary), shall bear the date of signature of each such stockholder (or such agent) signing the Special Meeting Request, shall 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) and the class, series and number of all shares of stock of the Corporation which are owned by each such stockholder, and the nominee holder for, and number of, shares owned beneficially but not of record, shall be sent to the secretary by registered mail, return receipt requested, and shall be received by the secretary within 60 days after the Request Record Date. Any requesting stockholder may revoke his, her or its request for a special meeting 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 mailing the notice of meeting (including the Corporation's proxy materials). The secretary shall not be required to call a special meeting upon stockholder request and such meeting shall not be held unless, in addition to the documents required by subsection (b)(2) of this Section 3, the secretary receives payment of such reasonably estimated cost prior to the mailing of any notice of the meeting.

(4) Except as provided in the next sentence, any special meeting shall be held at such place, date and time as may be designated by the Chairman of the Board, the chief executive officer, the president or the Board of Directors, whoever has called the meeting. 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 be not 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, the chief executive officer, the president or the Board of Directors may consider such factors as he, she or it deems relevant within the good faith exercise of business judgment, including, without limitation, the nature of the matters to be considered, the facts and circumstances surrounding any request for 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.

(5) If written revocations of requests for the special meeting 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, the Secretary shall: (i) if the notice of meeting has not already been mailed, refrain from mailing 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 mailed and if the Secretary first sends to all requesting stockholders who have not revoked requests for a special meeting written notice of any revocation of a request for the special meeting and written notice of the Secretary's intention to revoke the notice of the meeting, revoke the notice of the meeting at any time before ten days before the commencement of the meeting. 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 Board of Directors, the Chairman of the Board, the chief executive officer or the president 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 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 at least the Special Meeting Percentage. Nothing contained in this subsection (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 4. NOTICE OF MEETINGS. Written or printed notice of the purpose or purposes, in the case of a special meeting, and of the time and place of every meeting of the stockholders shall be given by the secretary of the Corporation to each stockholder of record entitled to vote at the meeting, by either placing the notice in the mail, delivering it by overnight delivery service or transmitting the notice by electronic mail or any other electronic means at least ten days, but not more than 90 days, prior to the date designated for the meeting, 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. 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 persons 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 signed waiver of notice that is filed with the records of the meeting.

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.

Section 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, if any, or, in the case of a vacancy in the office or absence of the Chairman of the Board, by one of the following officers present at the meeting: the Vice Chairman of the Board, if any, the chief executive officer, 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 assistant secretary or, in the absence of both the secretary and assistant secretaries, 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 assistant secretary, or, in the absence of assistant secretaries, an individual appointed by the Board of Directors or the chairman of the meeting, shall record the minutes of the meeting. The order of business and all other matters of procedure at any meeting of stockholders shall be determined by the chairman of the meeting. The chairman of the meeting may prescribe such rules, regulations and procedures and take such action as, in the discretion of such chairman, 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) maintaining order and security at the meeting; (f) 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; and (g) recessing or adjourning the meeting to a later date and time and place announced at the meeting. 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 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 the votes entitled to be cast (without regard to class) shall constitute a quorum at any 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 or the stockholders entitled to vote at such meeting, present in person or by proxy, shall have the power to 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 convened, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 7. VOTING. Directors shall be elected by the affirmative vote of the holders of a majority of the shares of stock outstanding and entitled to vote thereon. 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 in the charter, each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of stockholders.

Section 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 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 as such 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 or closing of the stock transfer books, the time after the record date or closing of the stock transfer books 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 10. INSPECTORS. The Board of Directors, in advance of any meeting, may, but need not, appoint one or more individual inspectors or one or more entities that designate individuals as inspectors to act at the meeting or any adjournment thereof. If an inspector or inspectors are not appointed, the person presiding at the meeting may, but need not, appoint one or more inspectors. In case any person who may be appointed as an inspector fails to appear or act, the vacancy may be filled by appointment made by the Board of Directors in advance of the meeting or at the meeting by the chairman of the meeting. The inspectors, if any, shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, and determine the result, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. 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 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 11(a) and at the time of the annual meeting, who is entitled to vote at the meeting and who has complied with this Section 11(a).

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of subsection (a)(1) of this Section 11, 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 11 and shall be delivered to the secretary at the principal executive office of the Corporation not less than 90 days nor more than 120 days prior to the first anniversary of the date of mailing of the notice for the preceding year's annual meeting; provided, however, that in the event that the date of the mailing of the notice for the annual meeting is advanced or delayed by more than 30 days from the first anniversary of the date of mailing of the notice for 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 mailing of the notice for such annual meeting and not later than the close of business on the later of the 90th day prior to the date of mailing of the notice for such annual meeting or the tenth day following the day on which public announcement of the date of mailing of the notice for 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 as a director, (A) the name, age, business address and residence address of such individual, (B) the class, series and number of any shares of stock of the Corporation that are beneficially owned by such individual and the date such shares were acquired and the investment intent of such acquisition, (C) whether such stockholder believes any such individual 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 individual 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 and (D) all other information relating to such individual that is required to be disclosed in solicitations of proxies for election of directors in an election contest (even if an election contest is not involved), or is otherwise required, in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act and the rules thereunder (including such individual'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 other business that the stockholder proposes to bring before the meeting, a description of the business desired to be brought before the meeting, the reasons for proposing such business at the meeting and any material interest in such business of such stockholder and any Stockholder Associated Person (as defined below), individually or in the aggregate, including any anticipated benefit to the stockholder and any Stockholder Associated Person therefrom; (iii) as to the stockholder giving the notice and any Stockholder Associated Person, the class, series and number of all shares of stock of the Corporation which are owned beneficially by such stockholder and by such Stockholder Associated Person, if any, (iv) as to the stockholder giving the notice and any Stockholder Associated Person covered by clauses (ii) or (iii) of this Section 11(a)(2), the name and address of such stockholder, as they appear on the Corporation's stock ledger and current name and address, if different, and of 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 11(a) to the contrary, in the event the Board of Directors increases or decreases the number of directors in accordance with Article III, Section 2 of these Bylaws, and there is no public announcement of such action at least 100 days prior to the first anniversary of the date of mailing of the notice for the preceding year's annual meeting, a stockholder's notice required by this Section 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 the close of business on the tenth day following the day on which such public announcement is first made by the Corporation.

(4) For purposes of this Section 11, "Stockholder Associated Person" of any stockholder shall mean (i) any person controlling, directly or indirectly, or 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 and (iii) any person controlling, controlled by or under common control with such 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. 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 (i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the Board of Directors or (iii) provided that the Board of Directors has determined that directors shall be elected at such special meeting, 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 11 and at the time of the special meeting, who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 11. 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 required by subsection (a)(2) of this Section 11 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 the close of business 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 of 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 commence a new time period for the giving of a stockholder's notice as described above.

(c) General. (1) Upon written request by the secretary or the Board of Directors or any committee thereof, any stockholder proposing a nominee for election as a director or any proposal for other business at a meeting of stockholders shall provide, within five Business Days of delivery of such request (or such other period as may be specified in such request), written verification, satisfactory, in the discretion of the Board of Directors or any committee thereof or any authorized officer of the Corporation, to demonstrate the accuracy of any information submitted by the stockholder pursuant to this Section 11. If a stockholder fails to provide such written verification within such period, the information as to which written verification was requested may be deemed not to have been provided in accordance with this Section 11.

(2) Only such individuals who are nominated in accordance with this Section 11 shall be eligible for election 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 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 11.

(3) For purposes of this Section 11, (a) the "date of mailing of the notice" shall mean the date of the proxy statement for the solicitation of proxies for election of directors and (b) "public announcement" shall mean disclosure (i) in a press release reported by the Dow Jones News Service, Associated Press or comparable news 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 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 11. Nothing in this Section 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.

Section 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.

Section 13. 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 in 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.

ARTICLE III

DIRECTORS

Section 1. GENERAL POWERS. The business and affairs of the Corporation shall be managed under the direction of its Board of Directors.

Section 2. NUMBER, TENURE AND QUALIFICATIONS. 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 thereof shall never be less than the minimum number required by the MGCL, nor more than 12, and further provided that the tenure of office of a director shall not be affected by any decrease in the number of directors.

Section 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 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 chief executive officer, 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 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 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 the charter of the Corporation or these Bylaws, the vote of a majority 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 convened may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

Section 7. VOTING. The action of the 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 statute or the charter. If enough directors have withdrawn from a meeting to leave less than a quorum but the meeting is not adjourned, the action of the majority of the directors still present 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 statute or the charter.

Section 8. ORGANIZATION. At each meeting of the Board of Directors, the chairman of the board or, in the absence of the chairman, the vice chairman of the board, if any, shall act as Chairman. 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. The secretary or, in his or her absence, an assistant secretary of the Corporation, or in the absence of the secretary and all assistant secretaries, a person appointed by the Chairman, shall act as secretary of the meeting.

Section 9. TELEPHONE MEETINGS. Directors may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time; provided however, this Section 9 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 10. WRITTEN CONSENT BY DIRECTORS. 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 to such action is signed by each director and such written consent is filed with the minutes of proceedings of the Board of Directors; provided however, this Section 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.

Section 11. 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. Pursuant to the Corporation's election in Article V of the charter, subject to applicable requirements of the Investment Company Act, except as may be provided by the Board of Directors in setting the terms of any class or series of preferred stock, (a) any vacancy on the Board of Directors may be filled only by a majority of the remaining directors, even if the remaining directors do not constitute a quorum and (b) any director elected to fill a vacancy shall serve for the remainder of the full term of the class in which the vacancy occurred and until a successor is elected and qualifies.

Section 12. 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/or per visit to real property or other facilities owned or leased by the Corporation 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 each property visit and any other 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 13. LOSS OF DEPOSITS. No director shall be liable for any loss which may occur by reason of the failure of the bank, trust company, savings and loan association, or other institution with whom moneys or stock have been deposited.

Section 14. SURETY BONDS. Unless required by law, no director shall be obligated to give any bond or surety or other security for the performance of any of his or her duties.

Section 15. RELIANCE. Each director, officer, employee and agent of the Corporation shall, in the performance of his or her duties with respect to the Corporation, be fully justified and protected with regard to any act or failure to act in reliance in good faith upon the books of account or other records of the Corporation, upon an opinion of counsel or upon reports made to the Corporation by any of its officers or employees, accountants, appraisers or other experts or consultants selected by the Board of Directors or officers of the Corporation, regardless of whether such counsel or expert may also be a director.

ARTICLE IV

COMMITTEES

Section 1. NUMBER, TENURE AND QUALIFICATIONS. The Board of Directors may appoint from among its members an Executive Committee, an Audit 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 2. POWERS. The Board of Directors may delegate to committees appointed under Section 1 of this Article any of the powers of the Board of Directors, except as prohibited by law.

Section 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. TELEPHONE MEETINGS. Members of a committee of the Board of Directors may participate in a meeting by means of a conference telephone or similar 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 5. WRITTEN CONSENT BY COMMITTEES. 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 to such action is signed by each member of the committee and such written consent is filed with the minutes of proceedings of such committee.

Section 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 all vacancies, to designate alternate members 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 1. GENERAL PROVISIONS. The officers of the Corporation shall include a president, a secretary and a treasurer and may include a chief executive officer, one or more vice presidents, a chief operating officer, a chief financial officer, a chief investment officer, a chief compliance officer, one or more assistant secretaries and one or more assistant treasurers. 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 Board of Directors may designate a Chairman of the Board and a Vice Chairman of the Board, who shall not be officers of the Corporation but shall have such powers and duties as determined by the Board of Directors from time to time. 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, assistant secretaries, assistant treasurers or other officers. Each officer shall hold office until his or her successor is elected and qualifies or until death, resignation or removal in the manner hereinafter provided. Any two or more offices except president and vice president may be held by the same person. Election of an officer or agent shall not of itself create contract rights between the Corporation and such officer or agent.

Section 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 giving written notice of his or her resignation to the Board of Directors, the chairman of the board, 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 3. VACANCIES. A vacancy in any office may be filled by the Board of Directors for the balance of the term.

Section 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.

Section 5. CHIEF OPERATING OFFICER. The Board of Directors may designate a chief operating officer. The chief operating officer shall have the responsibilities and duties as set forth by the Board of Directors or the chief executive officer.

Section 6. CHIEF INVESTMENT OFFICER. The Board of Directors may designate a chief investment officer. The chief investment officer shall have the responsibilities and duties as set forth by the Board of Directors or the chief executive officer.

Section 7. CHIEF FINANCIAL OFFICER. The Board of Directors may designate a chief financial officer. The chief financial officer shall have the responsibilities and duties as set forth by the Board of Directors or the chief executive officer.

Section 8. CHIEF COMPLIANCE OFFICER. The Chief Compliance Officer, subject to the direction of and reporting to the Board of Directors, shall be responsible for the oversight of the Corporation's compliance with the Federal securities laws. The designation, compensation and removal of the Chief Compliance Officer must be approved by the Board of Directors, including a majority of the directors who are not "interested persons" (as such term is defined in Section 2(a)(19) of the Investment Company Act) of the Corporation. The Chief Compliance Officer shall perform such executive, supervisory and management functions and duties as may be assigned to him or her from time to time.

Section 9. 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 10. VICE PRESIDENTS. In the absence of the president or in the event of a vacancy in such office, the vice president (or in the event there be more than one vice president, the vice presidents in the order designated at the time of their election or, in the absence of any designation, then in the order of their election) shall perform the duties of the president and when so acting shall have all the powers of and be subject to all the restrictions upon the president; and shall perform such other duties as from time to time may be assigned to such vice president by the president or by the Board of Directors. The Board of Directors may designate one or more vice presidents as executive vice president or as vice president for particular areas of responsibility.

Section 11. SECRETARY. The secretary shall: (a) keep the minutes of the proceedings of the stockholders, the Board of Directors and committees of the Board of Directors 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 the seal of 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 by the chief executive officer, the president or by the Board of Directors.

Section 12. 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.

If required by the Board of Directors, the treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his or her office and for the restoration to the Corporation, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, moneys and other property of whatever kind in his or her possession or under his or her control belonging to the Corporation.

Section 13. ASSISTANT SECRETARIES AND ASSISTANT TREASURERS. The assistant secretaries and assistant treasurers, in general, shall perform such duties as shall be assigned to them by the secretary or treasurer, respectively, or by the president or the Board of Directors. The assistant treasurers shall, if required by the Board of Directors, give bonds for the faithful performance of their duties in such sums and with such surety or sureties as shall be satisfactory to the Board of Directors.

ARTICLE VI

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 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 authorized or ratified by action of the Board of Directors and executed by an authorized person.

Section 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 3. DEPOSITS. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may designate.

ARTICLE VII

STOCK

Section 1. CERTIFICATES; REQUIRED INFORMATION. In the event that the Corporation issues shares of stock represented by certificates, such certificates shall be signed by the officers of the Corporation in the manner permitted by the MGCL and contain the statements and information required by the MGCL. In the event that the Corporation issues shares of stock without certificates, the Corporation shall provide to holders of such shares a written statement of the information required by the MGCL to be included on stock certificates.

Section 2. TRANSFERS WHEN CERTIFICATES ISSUED. Upon surrender to the Corporation or the transfer agent of the Corporation of a stock certificate duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, the Corporation shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

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 of stock will be subject in all respects to the charter of the Corporation and all of the terms and conditions contained therein.

Section 3. REPLACEMENT CERTIFICATE. The president, the secretary, the treasurer or any officer designated by the Board of Directors may direct a new certificate to be issued in place of any certificate previously issued by the Corporation alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed. When authorizing the issuance of a new certificate, an officer designated by the Board of Directors may, in his or her discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or the owner's legal representative to advertise the same in such manner as he or she shall require and/or to give bond, with sufficient surety, to the Corporation to indemnify it against any loss or claim which may arise as a result of the issuance of a new certificate.

Section 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.

In lieu of fixing a record date, the Board of Directors may provide that the stock transfer books shall be closed for a stated period but not longer than 20 days. If the stock transfer books are closed for the purpose of determining stockholders entitled to notice of or to vote at a meeting of stockholders, such books shall be closed for at least ten days before the date of such meeting.

If no record date is fixed and the stock transfer books are not closed for the determination of stockholders, (a) the record date for the determination of stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day on which the notice of meeting is mailed or the 30th day before the meeting, whichever is the closer date to the meeting; and (b) the record date for the determination of stockholders entitled to receive payment of a dividend or an allotment of any other rights shall be the close of business on the day on which the resolution of the directors, declaring the dividend or allotment of rights, is adopted.

When a determination of stockholders entitled to vote at any meeting of stockholders has been made as provided in this section, such determination shall apply to any adjournment thereof, except when (i) the determination has been made through the closing of the transfer books and the stated period of closing has expired or (ii) the meeting is adjourned to a date more than 120 days after the record date fixed for the original meeting, in either of which case a new record date shall be determined as set forth herein.

Section 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 share ledger containing the name and address of each stockholder and the number of shares of each class held by such stockholder.

Section 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 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 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.

Section 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 or other distributions, for repairing or maintaining any property of the Corporation or for such other purpose as the Board of Directors shall determine to be in the best interest of the Corporation, and the Board of Directors may modify or abolish any such reserve.

ARTICLE X

SEAL

Section 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 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 a party to the proceeding by reason of his or her service in that capacity or (b) any individual who, while a director of the Corporation and at the request of the Corporation, serves or has served as a director, officer, partner or trustee of another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made a party to the proceeding by reason of his or her service in that capacity. The Corporation may, with the approval of its Board of Directors, 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.

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 which occurred prior to such amendment, repeal or adoption.

No provision of this Article XI shall be effective to protect or purport to protect any director or officer of the Corporation against liability to the Corporation or its stockholders to which he or she would otherwise be subject by reason of willfulness misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office.

ARTICLE XII

WAIVER OF NOTICE

Whenever any notice 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, signed 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 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.

Exhibit (d)

No. _____ **MAIN STREET CAPITAL CORPORATION** _____ Shares

Incorporated under the Laws of the State of Maryland

CUSIP NO.

Common Stock Par Value $.01 Per Share

SEE REVERSE FOR CERTAIN DEFINITIONS

THIS CERTIFIES THAT _____ *IS THE OWNER OF* _____ _____ *FULLY PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK, WITH A PAR VALUE OF $.01 PER SHARE, OF MAIN STREET CAPITAL CORPORATION (the "Corporation"), transferable on the books of the Corporation in person or by duly authorized attorney upon surrender of this certificate if properly endorsed. This certificate is not valid unless countersigned by the Transfer Agent and registered by the Registrar.*

WITNESS the seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated: _____*, 2007*

MAIN STREET CAPITAL CORPORATION

_____ _____

Secretary *CORPORATE SEAL* *Chief Executive Officer*
2007
MARYLAND

_____

Transfer Agent

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	as tenants in common	Unif Gift Min Act -	_____ Custodian _____
TEN ENT	tenants by the entireties		(Cust) (Minor)
JT TEN	as joint tenants with right of survivorship and not as tenants in common		Under Uniform Gifts to Minors
			Act: _____ (State)

Additional Abbreviations may also be used though not in the above list.

IMPORTANT NOTICE

The Corporation will furnish to any stockholder, on request and without charge, a full statement of the information required by Section 2-211(b) of the Corporations and Associations Article of the Annotated Code of Maryland with respect to the designations and any preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, and terms and conditions of redemption of the stock of each class which the Corporation has authority to issue and, if the Corporation is authorized to issue any preferred or special class in series, (i) the differences in the relative rights and preferences between the shares of each series to the extent set, and (ii) the authority of the Board of Directors to set such rights and preferences of subsequent series. This Certificate and the shares of Common Stock represented hereby are issued and shall be held subject to all the provisions of the Certificate of Incorporation and all amendments thereto and resolutions of the Board of Directors providing for the issue of shares of Preferred Stock (copies of which may be obtained from the secretary of the Corporation), to all of which the holder of this certificate by acceptance hereof assents.

KEEP THIS CERTIFICATE IN A SAFE PLACE. IF IT IS LOST, STOLEN OR DESTROYED, THE CORPORATION WILL REQUIRE A BOND OF INDEMNITY AS A CONDITION TO THE ISSUANCE OF A REPLACEMENT CERTIFICATE.

For Value Received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

shares of the Common Stock represented by this Certificate, and do hereby irrevocably constitute and appoint _____ Attorney, to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated _____

By: _____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

Signature(s) Guaranteed:

By: _____

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15).

Exhibit (e)

DIVIDEND REINVESTMENT PLAN

OF

MAIN STREET CAPITAL CORPORATION

Main Street Capital Corporation, a Maryland corporation (the "***Corporation***"), hereby adopts the following plan (the "***Plan***") with respect to net investment income dividends declared by its Board of Directors on shares of its Common Stock:

1. Unless a stockholder specifically elects to receive cash as set forth below, all net investment income dividends hereafter declared by the Board of Directors shall be payable in shares of the Common Stock of the Corporation, and no action shall be required on such stockholder's part to receive a dividend in stock.

2. Such net investment income dividends shall be payable on such date or dates as may be fixed from time to time by the Board of Directors to stockholders of record at the close of business on the record date(s) established by the Board of Directors for the net investment income dividend involved.

3. The Corporation shall use only newly-issued shares of its Common Stock to implement the Plan, whether its shares are trading at a premium or at a discount to net asset value. The number of shares to be issued to a stockholder shall be determined by dividing the total dollar amount of the dividend payable to such stockholder by the market price per share of the Corporation's Common Stock at the close of regular trading on the NASDAQ Global Market on the valuation date fixed by the Board of Directors for such dividend. Market price per share on that date shall be the closing price for such shares on the NASDAQ Global Market or, if no sale is reported for such day, at the average of their electronically-reported bid and asked prices.

4. A stockholder may, however, elect to receive his or its net investment income dividends in cash. To exercise this option, such stockholder shall notify the American Stock Transfer & Trust Company, the plan administrator and the Corporation's transfer agent and registrar (the "***Plan Administrator***"), in writing so that such notice is received by the Plan Administrator no later than 10 days prior to the record date fixed by the Board of Directors for the net investment income dividend involved. Such election shall remain in effect until the stockholder shall notify the Plan Administrator in writing of such stockholder's withdrawal of the election, which notice shall be delivered to the Plan Administrator no later than 10 days prior to the record date fixed by the Board of Directors for the next net investment income dividend by the Corporation.

5. The Plan Administrator will set up an account for shares acquired pursuant to the Plan for each stockholder who has not so elected to receive dividends in cash (each a "***Participant***"). The Plan Administrator may hold each Participant's shares, together with the shares of other Participants, in non-certificated form in the Plan Administrator's name or that of its nominee. Upon request by a Participant, received in writing no later than 10 days prior to the record date, the Plan Administrator will, instead of crediting shares to and/or carrying shares in a Participant's account, issue, without charge to the Participant, a certificate registered in the Participant's name for the number of whole shares payable to the Participant and a check for any fractional share.

6. The Plan Administrator will confirm to each Participant each acquisition made pursuant to the Plan as soon as practicable but not later than 10 business days after the date thereof. Although each Participant may from time to time have an undivided fractional interest (computed to three decimal places) in a share of Common Stock of the Corporation, no certificates for a fractional share will be issued. However, dividends on fractional shares will be credited to each Participant's account. In the event of termination of a Participant's account under the Plan, the Plan Administrator will adjust for any such undivided fractional interest in cash at the market value of the Corporation's shares at the time of termination.

7. The Plan Administrator will forward to each Participant any Corporation related proxy solicitation materials and each Corporation report or other communication to stockholders, and will vote any shares held by it under the Plan in accordance with the instructions set forth on proxies returned by Participants to the Corporation.

8. In the event that the Corporation makes available to its stockholders rights to purchase additional shares or other securities, the shares held by the Plan Administrator for each Participant under the Plan will be added to any other shares held by the Participant in certificated form in calculating the number of rights to be issued to the Participant.

9. The Plan Administrator's service fee, if any, and expenses for administering the Plan will be paid for by the Corporation.

10. Each Participant may terminate his or its account under the Plan by so notifying the Plan Administrator in writing or by telephone. Such termination will be effective immediately if the Participant's notice is received by the Plan Administrator not less than 10 days prior to any dividend record date; otherwise, such termination will be effective only with respect to any subsequent dividend. The Plan may be terminated by the Corporation upon notice in writing mailed to each Participant at least 30 days prior to any record date for the payment of any dividend by the Corporation. Upon any termination, the Plan Administrator will cause a certificate or certificates to be issued for the full shares held for the Participant under the Plan and a cash adjustment for any fractional share to be delivered to the Participant without charge to the Participant. If a Participant elects by his or its written or telephonic notice to the Plan

Administrator in advance of termination to have the Plan Administrator sell part or all of his or its shares and remit the proceeds to the Participant, the Plan Administrator is authorized to deduct a $[ ] transaction fee plus a $[ ] per share brokerage commissions from the proceeds.

11. These terms and conditions may be amended or supplemented by the Corporation at any time but, except when necessary or appropriate to comply with applicable law or the rules or policies of the Securities and Exchange Commission or any other regulatory authority, only by mailing to each Participant appropriate written notice at least 30 days prior to the effective date thereof. The amendment or supplement shall be deemed to be accepted by each Participant unless, prior to the effective date thereof, the Plan Administrator receives written notice of the termination of his or its account under the Plan. Any such amendment may include an appointment by the Plan Administrator in its place and stead of a successor agent under these terms and conditions, with full power and authority to perform all or any of the acts to be performed by the Plan Administrator under these terms and conditions. Upon any such appointment of any agent for the purpose of receiving dividends, the Corporation will be authorized to pay to such successor agent, for each Participant's account, all dividends payable on shares of the Corporation held in the Participant's name or under the Plan for retention or application by such successor agent as provided in these terms and conditions.

12. The Plan Administrator will at all times act in good faith and use its best efforts within reasonable limits to ensure its full and timely performance of all services to be performed by it under this Plan and to comply with applicable law, but assumes no responsibility and shall not be liable for loss or damage due to errors unless such error is caused by the Plan Administrator's negligence, bad faith, or willful misconduct or that of its employees or agents.

13. These terms and conditions shall be governed by the laws of the State of New York.

July 2007

Exhibit (h)

Main Street Capital Corporation
(a Maryland Corporation)
_____ Shares of Common Stock
Par Value $0.01 per Share

Underwriting Agreement

_____ ___, 2007

Morgan Keegan & Company, Inc.
BB&T Capital Markets
As representatives of the several Underwriters
named in Schedule A
c/o Morgan Keegan & Company, Inc.
50 North Front Street
Memphis, TN 38103

Ladies and Gentlemen:

Main Street Capital Corporation, a Maryland corporation (the "Company") confirms its agreement with the underwriters listed on Schedule A, for whom Morgan Keegan & Company, Inc. ("Morgan Keegan") and BB&T Capital Markets are acting as representatives (collectively, the "Underwriters"), with respect to the issue and sale by the Company and the purchase by the Underwriters, acting severally and not jointly (the "Offering"), of the respective number of shares of the Company's common stock, par value $0.01 per share (the "Common Shares") set forth in Schedule A hereof, and with respect to the grant by the Company to the Underwriters, acting severally and not jointly, of the option described in Section 2(b) hereof to purchase all or any part of _____ additional Common Shares to cover over-allotments, if any. The aforesaid _____ Common Shares (the "Firm Shares") to be purchased by the Underwriters and all or any part of the _____ Common Shares subject to the option described in Section 2(b) hereof (the "Option Shares") are collectively referred to as the "Shares."

At the Closing Time (as hereinafter defined), the Company will have completed a series of transactions described in the Prospectus (as hereinafter defined) under the captions "Prospectus Summary – Formation Transaction" and "Formation; Business Development Company and Regulated Investment Company Elections" (such transactions being hereinafter referred to collectively as the "Formation Transactions.") As part of the Formation Transactions, the Company will (a) acquire 100% of the limited partnership interests in Main Street Mezzanine Fund, LP (the "Fund") which will retain its license as a small business investment company ("SBIC"), continue to hold its existing investments and maintain its existing SBA leverage; (b) acquire 100% of the equity interests of Main Street Mezzanine Management, LLC, the general partner of the Fund (the "General Partner"); and (c) acquire 100% of the equity interests of Main Street Capital Partners, LLC, management and investment advisor to the Fund (the "Investment Advisor").

The Company understands that the Underwriters propose to make a public offering of the Shares as soon as the Underwriters deem advisable after this Agreement has been executed and delivered.

Pursuant to the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (collectively, the "1933 Act"), the Company has filed with the United States Securities and Exchange Commission (the "Commission") a registration statement on Form N-2 (File No. 333-142879), to register the offer and sale of the Shares to be offered, sold and issued in the Offering.

Pursuant to the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (collectively, the "1940 Act"), the Company has filed with the Commission a Notification of Election to be Subject to Sections 55 through 65 of the 1940 Act filed on Form N-54A (File No. _____) (the "BDC Election"), pursuant to which the Company elected to be treated as a business development company ("BDC") under the 1940 Act. The Company intends to elect to be treated as a regulated investment company ("RIC") (within the meaning of Section 851(a) of the Internal Revenue Code of 1986, as amended (the "Code")) commencing with its first taxable year that it is treated as a corporation for Federal income tax purposes.

The registration statement as amended, including the exhibits and schedules thereto, at the time it became effective, including the information, if any, omitted from the registration statement pursuant to Rule 430A (the "Rule 430A Information"), any registration statement filed pursuant to Rule 462(b) under the 1933 Act, and any post-effective amendment thereto, is hereinafter referred to as the "Registration Statement." The preliminary prospectus subject to completion dated _____ ___, 2007 that omitted the Rule 430A Information and was distributed prior to the execution and delivery of this Agreement and filed pursuant to Rule 497 under the 1933 Act is herein called the "Preliminary Prospectus."

The Company has prepared and will file with the Commission in accordance with Rule 497 under the 1933 Act, a final prospectus (the "Final Prospectus") in connection with the offer and sale of the Shares. The Preliminary Prospectus and Final Prospectus are hereinafter referred to collectively as the "Prospectus."

The Preliminary Prospectus, together with the information set forth on Schedule B hereto (which information the Underwriters have informed the Company is being conveyed orally by the Underwriters to prospective purchasers at or prior to the Underwriters' confirmation of sales of the Shares in the public offering) is hereinafter referred to as the "Disclosure Package."

All references in this Agreement to the Registration Statement, the Preliminary Prospectus, the Final Prospectus or any amendments or supplements to any of the foregoing, shall include any copy thereof filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval System ("EDGAR").

Section 1. Representations and Warranties of the Company.

The Company represents and warrants to and agrees with each of the Underwriters, as of the date hereof, the Applicable Time (defined below), the Closing Time referred to in Section 2(c) hereof and as of each Date of Delivery (if any) referred to in Section 2(b) hereof, as follows:

(a) Compliance with Registration Requirements.

(i) The Company meets the requirements for use of Form N-2 under the 1933 Act. The Registration Statement has become effective under the 1933 Act, and no stop order suspending the effectiveness of the Registration Statement or suspending the use of the Preliminary Prospectus or the Final Prospectus has been issued, and no proceedings for any such purpose, have been instituted or are pending or, to the knowledge of the Company, are contemplated by the Commission, and any request on the part of the Commission for additional information with respect thereto has been complied with.

(ii) At the respective times the Registration Statement, and any post-effective amendment thereto, became effective and at the Closing Time, as hereinafter defined (and, if any Option Shares are purchased, at the Date of Delivery), the Registration Statement, and all amendments and supplements thereto complied and will comply in all material respects with the requirements of the 1933 Act, and did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. Neither the Preliminary Prospectus, the Final Prospectus nor any amendment or supplement thereto, at the time the Prospectus or any such amendment or supplement was issued and at the Closing Time (and, if any Option Shares are purchased, at the Date of Delivery), included or will include any untrue statement of a material fact or omitted or will omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties in this subsection shall not apply to statements in or omissions from the Registration Statement or Prospectus made in reliance upon and in conformity with information furnished to the Company by or on behalf of any Underwriter for use in the Registration Statement or Prospectus, it being understood and agreed that the only such information furnished to the Company in writing by the Underwriters consists of the information described in Section 6(g) below.

(iii) The Disclosure Package as of the Applicable Time does not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding sentence does not apply to statements in or omissions from the Disclosure Package based upon and in conformity with information relating to any Underwriter furnished to the Company in writing by any Underwriter or its representative expressly for use therein, it being understood and agreed that the only such information furnished by the Underwriters to the Company consists of the information described in

Section 6(g) below. As used in this subsection and elsewhere in this Agreement "Applicable Time" means ___:___ p.m. (Eastern Daylight Time) on _____ ___, 2007; provided that, if, subsequent to the date of this Agreement, the Company and the Underwriters have determined that the Disclosure Package included an untrue statement of material fact or omitted a statement of material fact necessary to make the information therein not misleading, and have agreed, in connection with the public offering of the Shares, to provide an opportunity to purchasers to terminate their old contracts and enter into new contracts, then "Applicable Time" will refer to the information available to purchasers at the time of entry into the first such new contract.

(iv) The Preliminary Prospectus when first filed under Rule 497 and as of its date complied in all material respects with the 1933 Act, and if filed by electronic transmission pursuant to EDGAR (except as may be permitted by Regulation S-T under the 1933 Act), was substantially identical to the copy thereof delivered to the Underwriters for use in connection with this offering. The Final Prospectus when first filed under Rule 497 and as of its date complied in all material respects with the 1933 Act, and if filed by electronic transmission pursuant to EDGAR (except as may be permitted by Regulation S-T under the 1933 Act), will be substantially identical to the copy thereof delivered to the Underwriters for use in connection with this offering.

(v) The Company's registration statement on Form 8-A under the 1934 Act is effective.

(b) Independent Accountant. Grant Thornton LLP, who has expressed its opinion with respect to certain of the financial statements (which term as used in this Agreement includes the related notes thereto) and supporting schedules filed with the Commission as a part of the Registration Statement and included in the Prospectus and the Disclosure Package, is an independent registered public accounting firm as required by the 1933 Act and the 1934 Act.

(c) Expense Summary. The information set forth in the Prospectus in the Fee and Expense Table has been prepared in accordance with the requirements of Form N-2 and to the extent estimated or projected, such estimates or projections are believed to be reasonably based.

(d) Preparation of the Financial Statements. The financial statements filed with the Commission as a part of the Registration Statement and included in the Prospectus and the Disclosure Package present fairly the combined financial position of the Fund and the General Partner as of and at the dates indicated and the results of its operations and cash flows for the periods specified. Such financial statements have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP") applied on a consistent basis throughout the periods involved, except as may be expressly stated in the related notes thereto. No other financial statements or supporting schedules are required to be included in the Registration Statement. The financial data and financial information included in the Prospectus and the Disclosure Package under the captions "Summary Financial and Other Data," "Selected Financial and Other Data," and "Pro Forma As Adjusted Balance Sheet" present fairly in all

material respects the information shown therein and have been compiled on a basis consistent with the combined financial statements included in the Registration Statement. All adjustments to historical financial information to arrive at pro forma financial information are reasonably based. All disclosures contained in the Registration Statement, the Disclosure Package or the Prospectus regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of the Commission) comply with Regulation G under the 1934 Act and Item 10 of Regulation S-K of the 1933 Act Regulations, to the extent applicable.

(e) Internal Control Over Financial Reporting. The Company will maintain a system of internal control over financial reporting (as such term is defined in Rule 13a-15 and 15d-15 under the 1934 Act) sufficient to provide reasonable assurances that its financial reporting is reliable and its financial statements for external purposes are prepared in accordance with GAAP.

(f) Disclosure Controls. The Company will maintain disclosure controls and procedures (as such term is defined in Rule 13a-15 and 15d-15 under the 1934 Act that are designed to ensure that material information relating to the Company is made known to the Company's Chief Executive Officer and Chief Financial Officer by others within the Company.

(g) No Material Adverse Change. Except as otherwise disclosed in the Disclosure Package and the Prospectus, subsequent to the respective dates as of which information is given in the Disclosure Package and the Prospectus: (i) there has been no material adverse change, or any development that could reasonably be expected to result in a material adverse change, in the condition, financial or otherwise, or in the earnings, net asset value, prospects, business or operations, whether or not arising from transactions in the ordinary course of business, of the Company, the Fund, the General Partner and the Investment Advisor, considered as one entity (any such change or effect, where the context so requires is called a "Material Adverse Change" or a "Material Adverse Effect"); (ii) the Company, the Fund, the General Partner and the Investment Advisor, considered as one entity, have not incurred any material liability or obligation, indirect, direct or contingent, not in the ordinary course of business or entered into any material transaction or agreement not in the ordinary course of business; and (iii) except for regular distributions paid or declared by the Fund to its partners consistent with past practice or any other distributions described in the Prospectus, there has been no dividend or distribution of any kind declared, paid or made by the Company, the Fund, the General Partner or the Investment Advisor.

(h) Good Standing of the Company, the Fund, the General Partner and the Investment Advisor. The Company is duly incorporated and validly existing as a corporation in good standing under the laws of the state of Maryland and has the corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus and the Disclosure Package and to enter into and perform its obligations under this Agreement. The Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except for such jurisdictions where the failure to so qualify or to be in good standing would not, individually or in the aggregate, have a Material Adverse Effect.

The Fund is a limited partnership duly organized and validly existing as a limited partnership under the laws of the state of Delaware and is duly qualified as a foreign limited partnership to transact business, and is in good standing in each jurisdiction in which such qualification is required whether by reason of ownership or leasing of property or the conduct of business, except for such jurisdictions where the failure to so qualify or be in good standing would not, individually or in the aggregate, have a Material Adverse Effect.

Each of the General Partner and the Investment Advisor is a limited liability company that is duly formed and validly existing as a limited liability company under the laws of the State of Delaware and is duly qualified as a foreign limited liability company to transact business, and is in good standing in each jurisdiction in which such qualification is required whether by reason of ownership or leasing of property or the conduct of business, except for such jurisdictions where the failure to so qualify or be in good standing would not, individually or in the aggregate, have a Material Adverse Effect. All of the issued and outstanding limited liability company interests and partnership interests of the General Partner and the Investment Advisor, and the Fund, respectively, have been duly authorized and validly issued, are fully paid and non-assessable and, upon the consummation of the Formation Transactions, will be owned by the Company, directly or indirectly, free and clear of any security interest, mortgage, pledge, lien, encumbrance or claim.

(i) Subsidiaries of the Company. The Company does not own, and after consummation of the Formation Transactions will not own, directly or indirectly, any shares of stock or any other equity or long-term debt securities of any corporation or other entity other than (i) 100% of the equity interests in the Fund, the General Partner and the Investment Advisor and (ii) those corporations or other entities described in the Disclosure Package and the Prospectus under the caption "Portfolio Companies" (each a "Portfolio Company" and collectively, the "Portfolio Companies").

(j) Portfolio Companies. The Company or the Fund has duly authorized, executed and delivered agreements required to make the investments described in the Disclosure Package and the Prospectus under the caption "Portfolio Companies" (each a "Portfolio Company Agreement"). Except as otherwise disclosed in the Disclosure Package and the Prospectus, none of the Portfolio Companies is currently on non-accrual status.

(k) Officers and Directors. Except as disclosed in the Prospectus, no person is serving or acting as an officer or director of the Company except in accordance with the applicable provisions of the 1940 Act. Except as disclosed in the Registration Statement, the Disclosure Package and the Prospectus, no director of the Company is (i) an "interested person" (as defined in the 1940 Act) of the Company or (ii) an "affiliated person" (as defined in the 1940 Act) of any Underwriter. For purposes of this Section 1(k), the Company shall be entitled to reasonably rely on representations from such officers and directors.

(l) Business Development Company Election. The Company has filed the BDC Election and, accordingly, has duly elected to be subject to the provisions of Sections 55 through 65 of the 1940 Act. At the time the BDC Election was filed with the Commission, it (i) contained all statements required to be stated therein in accordance with, and complied in all

material respect with the requirements of, the 1940 Act and (ii) did not include any untrue statement of material fact or omit to state a material fact necessary to make the statements therein not misleading. The Company has not filed with the Commission any notice of withdrawal of the BDC Election pursuant to Section 54(c) of the 1940 Act, the BDC Election remains in full force and effect, and, to the Company's knowledge, no order of suspension or revocation of the BDC Election under the 1940 Act has been issued or proceedings therefore initiated or threatened by the Commission. The operations of the Company are in compliance in all material respects with the provisions of the 1940 Act and the rules and regulations of the Commission thereunder, including the provisions applicable to BDCs.

(m) Authorization and Description of Common Shares. The authorized, issued and outstanding capital stock of the Company is as set forth in the Prospectus and the Disclosure Package as of the date thereof under the caption "Capitalization." The Common Shares (including the Shares) conform in all material respects to the description thereof contained in the Prospectus and the Disclosure Package. All issued and outstanding Common Shares of the Company have been duly authorized and validly issued and are fully paid and non-assessable, and have been offered and sold or exchanged by the Company in compliance with all applicable laws (including, without limitation, federal and state securities laws). None of the outstanding Common Shares of the Company was issued in violation of the preemptive or other similar rights of any security holder of the Company, nor does any person have any preemptive right of first refusal or other right to acquire any of the Shares covered by this Agreement. No shares of preferred stock of the Company have been designated, offered, sold or issued and none of such shares of preferred stock are currently outstanding. The description of the Company's stock option, stock bonus and other stock plans or arrangements, if any, and the options or other rights granted thereunder, set forth in the Prospectus and the Disclosure Package accurately and fairly presents the information required to be shown with respect to such plans, arrangements, options and rights. The Shares to be purchased by the Underwriters from the Company have been duly authorized for issuance and sale to the Underwriters pursuant to this Agreement and, when issued and delivered by the Company pursuant to this Agreement against payment of the consideration set forth herein, will be validly issued, fully paid and non-assessable.

(n) Non-Contravention of Existing Instruments; No Further Authorizations or Approvals Required. Neither the Company, the Fund, the General Partner or the Investment Advisor is in violation of or default under (i) its charter, by-laws, or similar organizational documents; (ii) any indenture, mortgage, loan or credit agreement, note, contract, franchise, lease or other instrument, including any Portfolio Company Agreement to which they are a party or bound or to which any of the properties or assets are subject; or (iii) any statute, law, rule, regulation, judgment, order or decree of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over them or any of their properties, as applicable, except with respect to clauses (ii) and (iii) herein, for such violations or defaults as would not, individually or in the aggregate, have a Material Adverse Effect. No person has the right to act as an underwriter or as a financial advisor to the Company in connection with or by reason of the offer and sale of the Shares contemplated hereby.

The Company's execution, delivery and performance of this Agreement and consummation of the transactions contemplated hereby and by the Prospectus and the Disclosure

Package (i) have been duly authorized by all necessary corporate action, have been effected in accordance with Section 23(b) of the 1940 Act (which is made applicable to BDCs pursuant to Section 63 of the 1940 Act) and will not result in any violation of the provisions of the charter or by laws of the Company, (ii) will not conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or the Fund pursuant to, or require the consent of any other party to, any existing instrument, except for such conflicts, breaches, defaults, liens, charges or encumbrances as would not, individually or in the aggregate, result in a Material Adverse Effect and (iii) will not result in any violation of any law, administrative regulation or administrative or court decree applicable to the Company or the Fund. No consent, approval, authorization or other order of, or registration or filing with, any court or other governmental or regulatory authority or agency, is required for the Company's execution, delivery and performance of this Agreement or consummation of the transactions contemplated hereby and by the Prospectus and the Disclosure Package, except such as have already been obtained or made under the 1933 Act and the 1940 Act and such as may be required under any applicable state securities or blue sky laws or from the National Association of Securities Dealers, Inc. (the "NASD").

(o) Commitments of the Partners of the Fund. All definitive agreements executed or otherwise approved by affirmative vote by the requisite limited partners and the General Partner of the Fund prior to the Closing Time in respect of the Formation Transactions are fully legal, valid, binding and enforceable by their terms. The Fund has called all of the total amount of capital committed by its limited partners and the General Partner and there remains no committed but uncalled capital outstanding.

(p) Material Agreements. The Company has entered into or adopted (i) Employment Agreements with Messrs. Foster, Reppert, Stout, Hartman, Hyzak and Magdol dated as of the Closing Time, (ii) a Custody Agreement with _____ that complies with Section 17(f) of the 1940 Act, (iii) a Stock Transfer Agency & Service Agreement with _____ in order to implement the Company's dividend reinvestment plan, (iv) an Equity Incentive Plan and (v) the Formation Agreements (as defined herein) (all such agreements being herein referred to collectively as the "Company Agreements"). The Fund has entered into the Formation Agreements (as defined herein) and, prior to the Formation Transactions, Subscription Agreements with each of the limited partners and the General Partner (all such agreements being herein referred to collectively as the "Fund Agreements"). The Company Agreements and Fund Agreements may be referred to collectively herein as the "Material Agreements." Each Material Agreement required to be described in the Disclosure Package and Prospectus has been accurately and fully described in all material respects. Neither the Company nor the Fund has sent or received notice of, or otherwise communicated or received communication with respect to, termination of any Material Agreement, nor has any such termination been threatened by any person.

(q) Formation Transactions. The entry by the Company and the Fund and any of their respective affiliates into the Formation Transactions and the taking by any such party of any and all actions permitted and/or required in connection with, and the consummation of the Formation Transactions contemplated in the Preliminary Prospectus (including, without limitation, any and all actions required and/or permitted in connection with the transfer of

Common Shares to the Fund's former limited partners, and members of the General Partner and the Investment Advisor) have been duly authorized by all necessary corporate or other required action and do not and will not, whether with or without the giving of notice or passage of time or both, result in any violation of the provisions of the charter, bylaws and other organizational documents of either the Company or the Fund, each as amended from time to time, or any statute, law, rule, regulation, filing, judgment, order, injunction, writ or decree applicable to the Company or the Fund or any of their assets, properties or operations as would not, individually or in the aggregate, result in a Material Adverse Event. All necessary or required filings with, or authorizations, approvals, consents, licenses, orders, registrations, qualifications or decrees of, any court or governmental authority or agency (including, without limitation, the United States Small Business Administration), domestic or foreign, in connection with the execution, delivery and/or performance of the Formation Agreements (as defined herein) and consummation of the Formation Transactions have been obtained, and any and all necessary or required authorizations, approvals, votes or other consents of any other person or entity for the performance by the Company or the Fund of their respective obligations in connection therewith, or the consummation of the transactions contemplated thereby, have been obtained, other than such as may be required with respect to the issuance of Common Shares to the Fund's limited partners and members of the General Partner and the Investment Advisor under the 1933 Act and any applicable state securities or blue sky laws. For purposes of this Agreement, the Formation Agreements means (i) Agreement and Plan of Merger by and between Main Street Capital Corporation and Main Street Mezzanine Fund LP dated [ ], (ii) Exchange Agreement by and between Main Street Capital Corporation and Main Street Capital Partners, LLC dated [ ], (iii) Exchange Agreement by and between Main Street Capital Corporation and Main Street Mezzanine Management, LLC dated [ ], and (iv) such other contribution agreements, operating agreements or amendments thereto, such as are required or necessary in order to consummate the transactions contemplated thereby.

(r) Lock-Up Agreements. The Company has obtained for the benefit of the Underwriters the agreement (a "Lock-Up Agreement), in the form set forth as Schedule D hereto from [ ].

(s) Intellectual Property Rights. The Company, the Fund, the General Partner and the Investment Advisor own or possess sufficient trademarks, trade names, patent rights, copyrights, domain names, licenses, approvals, trade secrets and other similar rights (collectively, "Intellectual Property Rights") reasonably necessary to conduct their businesses as described in the Prospectus and the Disclosure Package; and the expected expiration of any of such Intellectual Property Rights would not result in a Material Adverse Effect. Neither the Company, the Fund, the General Partner nor the Investment Advisor has received any notice of infringement or conflict with asserted intellectual property rights of others, which infringement or conflict, if the subject of an unfavorable decision, would result in a Material Adverse Effect. To the Company's knowledge, none of the technology employed by the Company has been obtained or is being used by the Company in violation of any contractual obligation binding on the Company or any of its officers, directors or employees or otherwise in violation of the rights of any persons.

(t) All Necessary Permits, etc. The Company, the Fund, the General Partner and the Investment Advisor each possess such valid and current certificates, authorizations or permits issued by the appropriate state, federal or foreign regulatory agencies or bodies necessary to conduct their respective businesses, and the Company has not received any notice of proceedings relating to the revocation or modification of, or non-compliance with, any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, could result in a Material Adverse Effect.

(u) Absence of Proceedings. There is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened, against the Company, which is required to be disclosed in the Registration Statement, the Prospectus or the Disclosure Package (other than as disclosed therein), or which might reasonably be expected to result in a Material Adverse Effect, or which might reasonably be expected to materially and adversely affect the consummation of the transactions contemplated in this Agreement or the Formation Agreements or the performance by the Company of its obligations hereunder or thereunder. The aggregate of all pending legal or governmental proceedings to which the Company is a party or of which any of its property or assets is the subject which are not described in the Registration Statement, the Prospectus or the Disclosure Package, including ordinary routine litigation incidental to the business, could not reasonably be expected to have a Material Adverse Effect.

(v) Accuracy of Exhibits. There are no contracts or documents that are required to be described in the Registration Statement, the Prospectus or the Disclosure Package or to be filed as exhibits thereto by the 1933 Act that have not been so described and filed as required. [Notwithstanding the foregoing, as of the date hereof, the Company has not filed certain contracts and documents as exhibits to the Registration Statement, although all such exhibits will be filed by post-effective amendment pursuant to Rule 462(d) under the 1933 Act within twenty-four (24) hours of the execution of this Agreement.]

(w) Regulated Investment Company. As of the Closing Time, the Company will be in compliance with the requirements of Subchapter M of the Code necessary to qualify as a regulated investment company under the Code. The Company intends to direct the investment of the net proceeds of the offering of the Shares and to continue to conduct its activities in such a manner as to continue to comply with the requirements of Subchapter M of the Code. The Company intends to elect to be treated as a regulated investment company under Subchapter M of the Code for its taxable year ending December 31, 2007.

(x) Registered Management Investment Company Status. Neither the Company, the Fund, the General Partner nor the Investment Advisor is, or after giving effect to the offering and sale of the Shares, will be a "registered management investment company" or an entity "controlled" by a "registered management investment company," as such terms are used under the 1940 Act.

(y) Insurance. The Company maintains insurance covering its properties, operations, personnel and business as the Company deems adequate; such insurance insures against such losses and risks to an extent which is adequate in accordance with customary industry practice to

protect the Company and its business; all such insurance is fully in force on the date hereof and will be fully in force at the time of purchase of the Shares.

(z) Statistical, Demographic or Market-Related Data. Any statistical, demographic or market-related data included in the Registration Statement, the Disclosure Package or the Prospectus is based on or derived from sources that the Company believes to be reliable and accurate and all such data included in the Registration Statement, the Disclosure Package or the Prospectus accurately reflects the materials upon which it is based or from which it was derived.

(aa) Investments. Save for those provided in the 1940 Act, the Code and the Small Business Investment Act of 1958 and the regulations promulgated thereunder (the "SBA Regulations"), there are no material restrictions, limitations or regulations with respect to the ability of the Company or the Fund to invest their assets as described in the Disclosure Package or the Prospectus.

(bb) Tax Law Compliance. The Company, the Fund, the General Partner and the Investment Advisor have filed all necessary federal, state and foreign income and franchise tax returns and have paid all taxes required to be paid by any of them and, if due and payable, any related or similar assessment, fine or penalty levied against any of them. The Company has made adequate charges, accruals and reserves in the applicable financial statements referred to in the Prospectus and the Disclosure Package in respect of all federal, state and foreign income and franchise taxes for all periods as to which the tax liability of the Company, the Fund, the General Partner or the Investment Advisor has not been finally determined. The Company is not aware of any tax deficiency that has been or might be asserted or threatened against the Company, the Fund, the General Partner or the Investment Advisor that could result in a Material Adverse Effect.

(cc) Small Business Investment Company Status. The Fund is licensed to operate as a Small Business Investment Company ("SBIC") by the U.S. Small Business Administration ("SBA"). The Fund's SBIC license is in good standing with the SBA and no adverse regulatory findings contained in any Examinations Reports prepared by the SBA regarding the Fund are outstanding or unresolved. The method of operation of the Fund will permit it to continue to meet the requirements for qualification as an SBIC, subject to SBA approval, and the SBA has approved the change of control resulting from the Formation Transactions.

(dd) SBA Debentures. The Fund is eligible to sell securities guaranteed by the SBA. The Fund is not in default under the terms of any debenture which it has issued to the SBA for guaranty by the SBA or any other material monetary obligation.

(ee) Distribution of Offering Materials. The Company has not distributed and will not distribute any offering material in connection with the offering and sale of the Shares other than the Registration Statement, the Prospectus or the Disclosure Package.

(ff) Absence of Registration Rights. Except as disclosed in the Prospectus, there are no persons with registration rights or other similar rights to have any securities registered

pursuant to the Registration Statement or otherwise registered by the Company under the 1933 Act.

(gg) Nasdaq Global Market. The Common Shares are registered pursuant to Section 12(b) of the 1934 Act and have been approved for quotation on the Nasdaq Global Market ("NASDAQ") upon notice of issuance, and the Company has taken no action designed to, or likely to have the effect of, terminating the registration of the Common Shares under the 1934 Act or delisting the Common Shares from the NASDAQ, nor has the Company received any notification that the Commission or the NASDAQ is contemplating terminating such registration or listing. The Company has continued to satisfy, in all material respects, all requirements for listing the Common Shares for trading on the NASDAQ.

(hh) No Price Stabilization or Manipulation. The Company has not taken and will not take, directly or indirectly, any action designed to or that might be reasonably expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Common Shares.

(ii) Material Relationship with the Underwriters. Except as disclosed in the Disclosure Package and the Prospectus, neither the Company, the Fund, the General Partner nor the Investment Advisor has any material lending or other relationship with a bank or lending institution affiliated with any of the Underwriters.

(jj) No Unlawful Contributions or Other Payments. Neither the Company , the Fund, the General Partner nor the Investment Advisor nor, to the Company's knowledge, any employee or agent of the Company, the Fund, the General Partner or the Investment Advisor, has made any contribution or other payment to any official of, or candidate for, any federal, state or foreign office in violation of any law or of the character required to be disclosed in the Prospectus and the Disclosure Package.

(kk) No Outstanding Loans or Other Indebtedness. There are no outstanding loans, advances (except normal advances for business expenses in the ordinary course of business) or guarantees or indebtedness by the Company to or for the benefit of any of the officers or directors of the Company, except as disclosed in the Prospectus and the Disclosure Package.

(ll) Compliance with Laws. The Company has not been advised, and has no knowledge, that it, the Fund, the General Partner or the Investment Advisor are not conducting business in compliance with all applicable laws, rules and regulations of the jurisdictions in which they are conducting business, except where failure to be so in compliance would not result, individually or in the aggregate, in a Material Adverse Effect.

(mm) Compliance with the Sarbanes-Oxley Act of 2002. The Company and, to its knowledge, its officers and directors (in such capacity) are in compliance with the provisions of the Sarbanes-Oxley Act of 2002 and the Commission's published rules promulgated thereunder that are applicable to the Company as of the date hereof.

(nn) No Violation of Foreign Corrupt Practices Act of 1977. Neither the Company nor, to the knowledge of the Company, any director, officer, employee or affiliate of the Company is aware of or has taken any action, directly or indirectly, that would result in a violation by such entities or persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder.

(oo) No Sanctions by the Office of Foreign Assets Control. Neither the Company nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC"); and the Company will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by the OFAC.

(pp) Certificates. Any certificate signed by any officer of the Company and delivered to the Underwriters or to counsel for the Underwriters shall be deemed a representation and warranty by the Company, to each Underwriter as to the matters covered thereby.

Section 2. Sale and Delivery to Underwriters; Closing.

(a) Firm Shares. On the basis of the representations, warranties and covenants contained herein and subject to the terms and conditions set forth herein, the Company agrees to sell to each Underwriter, severally and not jointly, and each Underwriter, severally and not jointly, agrees to purchase from the Company, at the price of $1.05 per share (representing a public offering price of $15.00 per share, less an underwriting discount of $13.95 per share), the number of Firm Shares set forth in Schedule A opposite the name of such Underwriter, plus any additional number of Firm Shares which such Underwriter may become obligated to purchase pursuant to the provisions of Section 10 hereof.

(b) Option Shares. In addition, on the basis of the representations and warranties contained herein and subject to the terms and conditions set forth herein, the Company hereby grants an option to the Underwriters, severally and not jointly, to purchase up to an additional _____ Common Shares in the aggregate, at the price per share set forth in Paragraph (a) above. The option hereby granted will expire 30 days after the date hereof and may be exercised in whole or in part from time to time only for the purpose of covering over-allotments which may be made in connection with the offering and distribution of the Firm Shares upon notice by the Underwriters to the Company setting forth the number of Option Shares as to which the several Underwriters are then exercising the option and the time and date of payment and delivery for such Option Shares. Any such time and date of delivery (a "Date of Delivery") shall be determined by the Underwriters, but shall not be later than seven (7) full business days and no earlier than three (3) full business days after the exercise of said option, nor in any event prior to the Closing Time. If the option is exercised as to all or any portion of the Option Shares, each of the Underwriters, acting severally and not jointly, will purchase that proportion of the total number of Option Shares then being purchased which the number of Firm Shares set forth in Schedule A opposite the name of such Underwriter bears to the total number of Firm Shares, subject in each case to such adjustments as Morgan Keegan in its discretion shall make to

eliminate any sales or purchases of a fractional number of Option Shares plus any additional number of Option Shares which such Underwriter may become obligated to purchase pursuant to the provisions of Section 10 hereof.

(c) Payment. Payment of the purchase price for, and delivery of certificates, if any, for the Firm Shares shall be made at the offices of Sutherland Asbill & Brennan LLP, 1275 Pennsylvania Avenue, NW, Washington, D.C. 20004, or at such other place as shall be agreed upon by the Underwriters and the Company, at 10:00 a.m. (Eastern Daylight Time) on the third (fourth, if the pricing occurs after 4:30 P.M. (Eastern Daylight Time) on any given day) business day after the date hereof (unless postponed in accordance with the provisions of Section 10), or such other time not later than ten (10) business days after such date as shall be agreed upon by the Underwriters and the Company (such time and date of payment and delivery being herein called "Closing Time"). In addition, in the event that any or all of the Option Shares are purchased by the Underwriters, payment of the purchase price for such Option Shares shall be made at the above-mentioned offices, or at such other place as shall be agreed upon by the Underwriters and the Company, on each Date of Delivery as specified in the notice from the Underwriters to the Company.

Payment shall be made to the Company by wire transfer of immediately available funds to a bank account designated by the Company, against delivery to the Underwriters for the respective accounts of the Underwriters of the Shares to be purchased by them. It is understood that each Underwriter has authorized Morgan Keegan, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Firm Shares and the Option Shares, if any, which it has agreed to purchase. Morgan Keegan, individually and not as representative of the Underwriters, may (but shall not be obligated to) make payment of the purchase price for the Firm Shares or the Option Shares, if any, to be purchased by any Underwriter whose funds have not been received by the Closing Time or the relevant Date of Delivery, as the case may be, but such payment shall not relieve such Underwriter from its obligations hereunder.

(d) Denominations; Registration. Certificates for the Firm Shares and the Option Shares, if any, shall be in such denominations and registered in such names as the Underwriters may request in writing at least two (2) full business day before the Closing Time or the relevant Date of Delivery, as the case may be. The certificates for the Firm Shares and the Option Shares, if the Company determines to issue any such certificates, will be made available for examination and packaging by the Underwriters in Washington, D.C. no later than 10:00 a.m. (Eastern Daylight Time) on the business day prior to the Closing Time or the relevant Date of Delivery, as the case may be. The Firm Shares and the Option Shares to be purchased hereunder shall be delivered at the Closing Time or the relevant Date of Delivery, as the case may be, through the facilities of the Depository Trust Company or another mutually agreeable facility, against payment of the purchase price therefore in immediately available funds to the order of the Company.

Section 3. Covenants.

The Company agrees with each Underwriter as follows:

(a) Compliance with Securities Regulations and Commission Requests. The Company, subject to clause (ii) of this subsection 3(a), will comply with the requirements of Rule 430A, and will notify the Underwriters as soon as practicable, and, in the cases clauses (ii)-(iv) of this subsection 3(a), confirm the notice in writing, (i) when any post-effective amendment to the Registration Statement shall become effective, or any supplement to the Prospectus shall have been filed, (ii) of the receipt of any comments from the Commission, (iii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information, and (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of any order preventing or suspending the use of the Prospectus, or of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes. The Company will promptly effect the filings required by Rule 497 and will take such steps as it deems necessary to ascertain promptly whether the form of prospectus transmitted for filing under Rule 497 was received for filing by the Commission and, in the event that it was not, it will promptly file such prospectus. The Company will make every reasonable effort to prevent the issuance of any stop order suspending the effectiveness of the Registration Statement pursuant to Section 8(d) of the 1933 Act, and, if any such stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) Filing of Amendments. The Company will give the Underwriters notice of its intention to file or prepare any amendment to the Registration Statement, or any supplement or revision to either the Preliminary Prospectus included in the Registration Statement at the time it became effective or to the Final Prospectus, and will furnish the Underwriters with copies of any such documents a reasonable amount of time prior to such proposed filing or use, as the case may be, and will not file or use any such document to which the Underwriters or counsel for the Underwriters shall reasonably object.

(c) Delivery of Registration Statements. The Company has furnished or will deliver to the Underwriters and counsel for the Underwriters, without charge, signed copies of the Registration Statement as originally filed and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein) and signed copies of all consents and certificates of experts, and will also deliver to the Underwriters, without charge, a conformed copy of the Registration Statement as originally filed and of each amendment thereto (without exhibits) for each of the Underwriters. The copies of the Registration Statement and each amendment thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(d) Delivery of Prospectuses. The Company has delivered to each Underwriter, without charge, as many copies of the Prospectus and the Preliminary Prospectus as such Underwriter reasonably requested, and the Company hereby consents to the use of such copies for purposes permitted by the 1933 Act. The Company will furnish to each Underwriter, without charge, during the period when the Prospectus is required to be delivered under the 1933 Act, such number of copies of the Prospectus (as amended or supplemented) as such Underwriter may reasonably request. The Prospectus and any amendments or supplements thereto furnished to the

Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(e) Continued Compliance with Securities Laws. The Company will comply with the 1933 Act so as to permit the completion of the distribution of the Shares as contemplated in this Agreement and in the Prospectus. If at any time when a prospectus is required by the 1933 Act to be delivered in connection with sales of the Shares, any event shall occur or condition shall exist as a result of which it is necessary, in the reasonable opinion of counsel for the Underwriters or for the Company, to amend the Registration Statement or amend or supplement the Prospectus in order that the Prospectus will not include any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, or if it shall be necessary, in the opinion of such counsel, at any such time to amend the Registration Statement or amend or supplement the Prospectus in order to comply with the requirements of the 1933 Act, the Company will promptly prepare and file with the Commission, subject to Section 3(a)(ii), such amendment or supplement as may be necessary to correct such statement or omission or to make the Registration Statement or the Prospectus comply with such requirements, and the Company will furnish to the Underwriters such number of copies of such amendment or supplement as the Underwriters may reasonably request.

(f) Amendments or Supplements to the Disclosure Package. If there occurs an event or development as a result of which the Disclosure Package would include an untrue statement of a material fact or would omit to state a material fact necessary in order to make the statements therein, in light of the circumstances then prevailing, not misleading, the Company will promptly notify the Underwriters so that any use of the Disclosure Package may cease until it is amended or supplemented (at the sole cost and expense of the Company).

(g) Blue Sky Qualifications. The Company will use its best efforts, in cooperation with the Underwriters, to qualify the Shares for offering and sale under the applicable securities laws of such states and other jurisdictions of the United States as the Underwriters may designate and to maintain such qualifications in effect so long as required for the distribution of the Shares; provided, however, that the foregoing shall not apply to the extent that the Shares are "covered securities" that are exempt from state regulation of securities offerings pursuant to Section 18 of the 1933 Act; and provided, further, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(h) Rule 158. The Company will timely file such reports pursuant to the 1934 Act as are necessary in order to make generally available to its security holders as soon as practicable, but in any event not later than 16 months after the date hereof, an earnings statement for the purposes of, and to provide the benefits contemplated by, the last paragraph of Section 11(a) of the 1933 Act.

(i) Use of Proceeds. The Company will use the net proceeds received by it from the sale of the Shares in the manner specified in the Prospectus and the Disclosure Package under "Use of Proceeds."

(j) Listing. The Company will use its reasonable best efforts to cause the Shares to be duly authorized for listing on the Nasdaq Global Market, prior to the date the Shares are issued.

(k) Restriction on Sale of Shares. During a period of 180 days from the date of the Prospectus (the "Lock-Up Period"), the Company will not, without the prior written consent of Morgan Keegan, (i) directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of Common Shares or any securities convertible into or exercisable or exchangeable for Common Shares or file any registration statement under the 1933 Act with respect to any of the foregoing or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Common Shares, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of Common Shares or such other securities, in cash or otherwise. Notwithstanding the foregoing, if (1) during the last 17 days of the Lock-Up Period, the Company issues an earnings release or material news or a material event relating to the Company occurs; or (2) prior to the expiration of the Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the Lock-Up Period, the restrictions imposed by this Agreement shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. The restrictions in this Section shall not apply to (A) the Shares to be sold hereunder, (B) the Common Shares issued pursuant to the Company's Dividend Reinvestment Plan or (C) any options or Common Shares granted pursuant to the stock option, stock bonus or other stock plan or arrangements referred to in the Prospectus.

(l) Reporting Requirements. The Company, during the period when the Prospectus is required to be delivered under the 1933 Act or the 1934 Act, will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods required by the 1934 Act.

(m) Subchapter M. The Company will elect to be taxed as a regulated investment company beginning with its taxable year ending December 31, 2007, and will use its best efforts to maintain qualification as a regulated investment company under Subchapter M of the Code.

(n) No Manipulation of Market for Shares. Except for the authorization of actions permitted to be taken by the Underwriters as contemplated herein or in the Prospectus, the Company will not take, directly or indirectly, any action designed to cause or to result in, or that might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares in violation of federal or state securities laws.

(o) Rule 462(b) Registration Statement. If the Company elects to rely upon Rule 462(b), the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by 10:00 P.M., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 111(b) under the 1933 Act.

(p) Continued Compliance with SBA Requirements. The Fund will continue to comply with the requirements for qualification as an SBIC, subject to SBA approval.

The Underwriters covenant to the Company as follows:

(q) NASD No Objection Letter. The Underwriters agree to use their best efforts to obtain a no objection letter from the NASD regarding the fairness and reasonableness of the underwriting terms and arrangements.

Section 4. Payment of Expenses.

(a) Expenses. The Company will pay all expenses incident to the performance of its obligations under this Agreement, including (i) the preparation, printing and filing of the Registration Statement (including financial statements and exhibits) as originally filed and of each amendment thereto, (ii) the preparation, printing and delivery to the Underwriters of this Agreement, any Agreement among Underwriters and such other documents as may be required in connection with the offering, purchase, sale, issuance or delivery of the Shares, (iii) the preparation, issuance and delivery of the certificates for the Shares, if any, to the Underwriters, including any stock or other transfer taxes and any stamp or other duties payable upon the sale, issuance or delivery of the Shares to the Underwriters, (iv) the fees and disbursements of the Company's counsel, accountants and other advisers, (v) the printing and delivery to the Underwriters of copies of the Prospectus and any amendments or supplements thereto, (vi) the fees and expenses of any transfer agent or registrar for the Shares, (vii) the filing fees incident to the review by the NASD of the terms of the sale of the Shares, (viii) the fees and expenses incurred in connection with the listing of the Shares on the NASDAQ, and (ix) the transportation, lodging, graphics and other expenses of the Company and its officers related to the preparation for and participation by the Company and its officers in the road show.

(b) Termination of Agreement. If this Agreement is terminated by the Underwriters in accordance with the provisions of Section 5 or Section 9(a) hereof, the Company shall reimburse, or arrange for an affiliate to reimburse, the Underwriters for all of their out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Underwriters.

Section 5. Conditions of Underwriters' Obligations.

The obligations of the Underwriters hereunder are subject to the accuracy of the representations and warranties of the Company contained in Section 1 hereof or in certificates of any officer of the Company delivered pursuant to the provisions hereof, to the performance by the Company of its covenants and other obligations hereunder, and to the following further conditions:

(a) Effectiveness of Registration Statement. The Registration Statement shall have become effective and at Closing Time no stop order or other temporary or permanent order or decree (whether under the 1933 Act or otherwise) suspending the effectiveness of the Registration Statement or the use of the Prospectus shall have been issued or otherwise be in effect, and no proceedings with respect to either shall have been initiated or, to the Company's knowledge, threatened by the Commission, and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of counsel to the Underwriters. A prospectus containing the Rule 430A Information shall have been filed with the Commission in accordance with Rule 497 (or a post-effective amendment providing such information shall have been filed and declared effective in accordance with the requirements of Rule 430A).

(b) Opinions of Counsel for the Company. At Closing Time, the Underwriters shall have received the opinion, dated as of Closing Time, from Sutherland Asbill & Brennan LLP, counsel for the Company, as to matters set forth in Schedule C hereto.

(c) Opinion of Counsel for Underwriters. At Closing Time, the Underwriters shall have received the favorable opinion, dated as of Closing Time, from Bass, Berry & Sims PLC, counsel for the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters with respect to the Registration Statement, the Prospectus and other related matters as the Underwriters may reasonably require. In giving such opinion such counsel may rely, as to all matters governed by the laws of jurisdictions other than the law of the State of Tennessee and the federal law of the United States, upon the opinions of counsel satisfactory to the Underwriters. Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Company and certificates of public officials.

(d) Officers' Certificates. At Closing Time, there shall not have been, since the date hereof or since the respective dates as of which information is given in the Prospectus, any Material Adverse Change or any development involving a prospective Material Adverse Change, and the Underwriters shall have received a certificate of a duly authorized officer of the Company and of the chief financial or chief accounting officer of the Company dated as of Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties in Section 1 hereof are true and correct with the same force and effect as though expressly made at and as of Closing Time, (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time, and (iv) no stop order suspending the effectiveness of the Registration Statement, pursuant to Section 8(d) of the 1933 Act, has been issued and no proceedings for any such purpose have been instituted or, to the knowledge of the Company, are pending or are contemplated by the Commission.

(e) Accountant's Comfort Letter. At the time of the execution of this Agreement, the Underwriters shall have received from Grant Thornton LLP a letter, dated such date, in form and substance satisfactory to the Underwriters, containing statements and information of the type

ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement and the Prospectus.

(f) Bring-down Comfort Letter. At Closing Time, the Underwriters shall have received from Grant Thornton LLP a letter, dated as of Closing Time, to the effect that they reaffirm the statements made in the letter furnished pursuant to Section 5(e) of this Agreement.

(g) No Objection. The NASD has confirmed that it has not raised any objection with respect to the fairness and reasonableness of the underwriting terms and arrangements.

(h) Lock-Up Agreements. The Company shall have procured for the benefit of the Underwriters lock-up agreements, in the form of Schedule D attached hereto, from [ ].

(i) Additional Documents. At Closing Time and at each Date of Delivery, counsel for the Underwriters shall have been furnished with such documents and opinions as they may reasonably require for the purpose of enabling them to pass upon the issuance and sale of the Shares as herein contemplated, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions herein contained; and all proceedings taken by the Company in connection with the Formation Transactions, the Company's BDC Election and all proceedings taken by the Company in connection with issuance and sale of the Shares as herein contemplated shall be reasonably satisfactory in form and substance to the Underwriters and counsel for the Underwriters.

(j) Closing of Formation Transactions. The Formation Transactions shall have been consummated in substantially the form and with the economic effect disclosed in the Disclosure Package.

(k) Conditions to Purchase of Option Shares. In the event that the Underwriters exercise their option provided in Section 2(b) hereof to purchase all or any portion of the Option Shares, the representations and warranties of the Company contained herein and the statements in any certificates furnished by the Company hereunder shall be true and correct as of each Date of Delivery and, at the relevant Date of Delivery, the Underwriters shall have received:

(i) Officers' Certificates. Certificates, dated such Date of Delivery, of a duly authorized officer of the Company and of the chief financial or chief accounting officer of the Company confirming that the information contained in the certificate delivered by each of them at the Closing Time pursuant to Section 5(d) hereof remains true and correct as of such Date of Delivery.

(ii) Opinions of Counsel for the Company. The opinion of Sutherland Asbill & Brennan LLP, acting as counsel for the Company dated such Date of Delivery, relating to the Option Shares to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(b) hereof.

(iii) Opinion of Counsel for the Underwriters. The opinion of Bass, Berry & Sims PLC, counsel for the Underwriters, dated such Date of Delivery, relating to the Option Shares to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(c) hereof.

(iv) Bring-down Comfort Letter. A letter from Grant Thornton LLP in form and substance satisfactory to the Underwriters and dated such Date of Delivery, substantially in the same form and substance as the letter furnished to the Underwriters pursuant to Section 5(f) hereof.

(l) Termination of Agreement. If any condition specified in this Section 5 shall not have been fulfilled when and as required to be fulfilled, this Agreement, or, in the case of any condition to the purchase of Option Shares, on a Date of Delivery which is after the Closing Time, the obligations of the several Underwriters to purchase the relevant Option Shares, may be terminated by the Underwriters by notice to the Company at any time at or prior to Closing Time or such Date of Delivery, as the case may be, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Sections 1, 6, 7, 8 and 12 shall survive any such termination and remain in full force and effect.

Section 6. Indemnification.

(a) Indemnification of Underwriters. The Company agrees to indemnify, defend and hold harmless each Underwriter, its partners, directors, officers and employees, and any person who controls any Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, and the successors and assigns of all of the foregoing persons, from and against:

(i) any and all loss, damage, expense, liability or claim whatsoever (including the reasonable cost of any investigation incurred in connection therewith) which, jointly or severally, any such Underwriter or any such person may incur under the 1933 Act, the 1934 Act, the 1940 Act, the common law or otherwise, insofar as such loss, damage, expense, liability or claim arises out of or is based upon (A) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), including the Rule 430A Information, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or (B) any untrue statement or alleged untrue statement of a material fact included in the Disclosure Package or the Prospectus (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, damage, expense, liability or claim whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever arises out of or is based upon any such untrue statement or omission referred to in clause (i), or any such

alleged untrue statement or omission; provided that (subject to Section 6(e) below) any such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by Morgan Keegan), reasonably incurred in investigating, preparing or defending against any actual or threatened litigation (including the fees and disbursements of counsel chosen by Morgan Keegan), or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under clauses (i) or (ii) above.

Notwithstanding the foregoing, the indemnification provisions set forth in this Section 6(a) shall not apply to any loss, damage, expense, liability or claim to the extent arising out of or based upon any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by any Underwriter through Morgan Keegan or its counsel expressly for use in the Registration Statement (or any amendment thereto), including the Rule 430A Information, the Disclosure Package or the Prospectus (or any amendment or supplement thereto). Moreover, that the Company will not be liable to any Underwriter with respect to the Prospectus and the Disclosure Package to the extent that the Company shall sustain the burden of proving that any such loss, damage, expense, liability or claim resulted from the fact that such Underwriter, in contravention of a requirement of this Agreement or applicable law, sold Shares to a person to whom such Underwriter failed to send or give, at or prior to the Closing Time, a copy of the final Prospectus, as then amended or supplemented if: (i) the Company shall have previously furnished copies of the Prospectus (sufficiently in advance of the Closing Time to allow for distribution by the Closing Time) to the Underwriter and the loss, damage, expense, liability or claim against such Underwriter resulted from an untrue statement or omission of a material fact contained in or omitted from the Disclosure Package which was corrected in the Prospectus prior to the Closing Time and such Prospectus was required by law to be delivered at or prior to the written confirmation of sale to such person and (ii) such failure to give or send such Prospectus by the Closing Time to the party or parties asserting such loss, damage, expense, liability or claim would have constituted a defense to the claim asserted by such person.

(b) Indemnification of Company, Directors and Officers. Each Underwriter severally agrees to indemnify and hold harmless the Company, its directors, officers, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, damage, expense, liability or claim described in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), including the Rule 430A Information, the Disclosure Package or the

Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by such Underwriter through Morgan Keegan or its counsel expressly for use in the Registration Statement (or any amendment thereto) or the Disclosure Package or the Prospectus (or any amendment or supplement thereto).

(c) Actions against Parties; Notification. Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to subsection (a) of this Section, counsel to the indemnified parties shall be selected by Morgan Keegan, and, in the case of parties indemnified pursuant to subsection (b) of this Section, counsel to the indemnified parties shall be selected by the Company. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 6 or Section 7 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) Settlement without Consent if Failure to Reimburse. If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by subsection (a)(ii) of this Section effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement; provided that an indemnifying party shall not be liable for any such settlement effected without its consent if such indemnifying party, prior to the date of such settlement, (1) reimburses such indemnified party in accordance with such request for the amount of such fees and expenses of counsel as the indemnifying party believes in good faith to be reasonable, and (2) provides written notice to the indemnified party that the indemnifying party disputes in good faith the reasonableness of the unpaid balance of such fees and expenses.

(e) Limitations on Indemnification. Any indemnification by the Company shall be subject to the requirements and limitations of Section 17(i) of the 1940 Act and 1940 Act Release 11330.

(f) Information Provided By Underwriters. The Company and the Underwriters acknowledge and agree that (i) the concession and reallowance figures appearing in the "Underwriting" section under the caption "Underwriting Discounts" in the Prospectus; (ii) the information appearing in the "Underwriting" section under the caption "Stabilization, Short Positions and Penalty Bids" in the Prospectus; and (iii) the list of Underwriters and their respective participation in the sale of the Shares in the Prospectus constitute the only information furnished in writing by or on behalf of the several Underwriters for inclusion in the Prospectus.

Section 7. Contribution.

If the indemnification provided for in Section 6 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other hand from the offering of the Shares pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the Underwriters on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company on the one hand and the Underwriters on the other hand in connection with the offering of the Shares pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Shares pursuant to this Agreement (before deducting expenses) received by the Company and the total underwriting discount received by the Underwriters (whether from the Company or otherwise), in each case as set forth on the cover of the Final Prospectus bear to the aggregate public offering price of the Shares as set forth on such cover.

The relative fault of the Company on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation

which does not take account of the equitable considerations referred to above in this Section 7. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 7 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

No Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 7, no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 7, each person, if any, who controls an Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such Underwriter, and each director and officer of the Company, and each person, if any, who controls the Company, within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company. The Underwriters' respective obligations to contribute pursuant to this Section 7 are several in proportion to the number of Firm Shares set forth opposite their respective names in Schedule A hereto and not joint.

Any contribution by the Company shall be subject to the requirements and limitations of Section 17(i) of the 1940 Act and 1940 Act Release 11330.

Section 8. Representations and Warranties to Survive Delivery.

All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company submitted pursuant hereto, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or controlling person, or by or on behalf of the Company, and shall survive delivery of the Shares to the Underwriters.

Section 9. Termination of Agreement.

(a) Termination; General. The Underwriters may terminate this Agreement, by notice to the Company, at any time at or prior to Closing Time (i) if there has been, since the time of execution of this Agreement or since the date of the Final Prospectus, any Material Adverse Change whether or not arising in the ordinary course of business, or (ii) if there has occurred any material adverse change in the financial markets in the United States or the international financial markets, any material outbreak of hostilities or material escalation thereof or other

calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of the Underwriters, impracticable or inadvisable to market the Shares or to enforce contracts for the sale of the Shares, or (iii) if trading in the Common Shares of the Company has been suspended or materially limited by the Commission or the NASDAQ, or if trading generally on the New York Stock Exchange has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of said exchanges or by such system or by order of the Commission, the NASDAQ or any other governmental authority, or a material disruption has occurred in commercial banking or securities settlement or clearance services in the United States, or (iv) if a banking moratorium has been declared by either Federal or New York state authorities.

(b) Liabilities. If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in Section 4 hereof, and provided further that Sections 1, 6, 7, 8, 11, 12 and 13 shall survive such termination and remain in full force and effect.

Section 10. Default by One or More of the Underwriters.

(a) If one or more of the Underwriters shall fail at Closing Time or any Date of Delivery to purchase the Shares which it or they are obligated to purchase under this Agreement (the "Defaulted Shares"), the Underwriters shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Underwriters, or any other underwriters, to purchase all, but not less than all, of the Defaulted Shares in such amounts as may be agreed upon and upon the terms herein set forth; if, however, the Underwriters shall not have completed such arrangements within such 24-hour period, then:

(i) if the number of Defaulted Shares does not exceed 10% of the number of Shares to be purchased on such date, each of the non-defaulting Underwriters shall be obligated, severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations hereunder bear to the underwriting obligations of all non-defaulting Underwriters, or

(ii) if the number of Defaulted Shares exceeds 10% of the number of Shares to be purchased on such date, this Agreement or, with respect to any Date of Delivery which occurs after the Closing Time, the obligation of the Underwriters to purchase and of the Company to sell the Option Shares to be purchased and sold on such Date of Delivery shall terminate without liability on the part of any non-defaulting Underwriter.

(b) No action taken pursuant to this Section 10 shall relieve any defaulting Underwriter from liability in respect of its default.

(c) In the event of any such default which does not result in a termination of this Agreement or, in the case of a Date of Delivery which is after the Closing Time, which does not

result in a termination of the obligation of the Underwriters to purchase and the Company to sell the relevant Option Shares, as the case may be, either the Underwriters or the Company shall have the right to postpone the Closing Time or the relevant Date of Delivery, as the case may be, for a period not exceeding seven (7) days in order to effect any required changes in the Registration Statement or Final Prospectus or in any other documents or arrangements. As used herein, the term "Underwriter" includes any person substituted for an Underwriter under this Section 10.

Section 11. Notices.

All communications hereunder shall be in writing and shall be mailed, hand delivered or telecopied and confirmed to the parties hereto as follows:

If to the Underwriters:

Morgan Keegan & Company, Inc.
50 North Front Street
Memphis, Tennessee 38103
Facsimile: (901) 579-4388
Attention: Brit Stephens

with a copy to:

Bass, Berry & Sims PLC
100 Peabody Place, Suite 900
Memphis, Tennessee 38103
Facsimile: (901) 543-5999
Attention: John A. Good, Esq.

If to the Company:

Main Street Capital Corporation
1300 Post Oak Boulevard, Suite 800
Houston, Texas 77056
Facsimile: (713) 350-6042
Attention: Vincent Foster

with a copy to:

Southerland Asbill & Brennan LLP
1275 Pennsylvania Avenue
Washington, D.C. 20004
Facsimile: (202) 637-3593
Attention: Steven B. Boehm, Esq.

Any party hereto may change the address for receipt of communications by giving written notice to the others.

Section 12. Parties.

This Agreement shall each inure to the benefit of and be binding upon the Underwriters, the Company and their respective partners and successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Underwriters, the Company and their respective successors and the controlling persons and officers and directors referred to in Sections 6 and 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Underwriters, the Company and their respective partners and successors, and said controlling persons and officers, directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Shares from any Underwriter shall be deemed to be a successor by reason merely of such purchase.

Section 13. No Fiduciary Obligation.

The Company acknowledges and agrees that each of the Underwriters have acted, and are acting, solely in the capacity of an arm's-length contractual counterparty to the Company with respect to the offering of the Shares contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the Company or any other person. Additionally, the Underwrites have not advised, and are not advising, the Company or any other person as to any legal, tax, investment, accounting or regulatory matter in any jurisdiction with respect to the transactions contemplated hereby. The Company shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and the Underwriters shall have no responsibility or liability to the Company with respect thereto. Any review by the Underwriters of the Company, the transactions contemplated hereby or other matters relating to such transactions has been and will be performed solely for the benefit of the Underwriters and have not been and shall not be on behalf of the Company or any other person. It is understood that the offering price was arrived at through arm's-length negotiations between the Underwriters and the Company, and that such price was not set or otherwise determined as a result of expert advice rendered to the Company by any Underwriter. The Company acknowledges and agrees that the Underwriters are collectively acting as an independent contractor, and any duty of the Underwriters arising out of this Agreement and the transactions completed hereby shall be contractual in nature and expressly set forth herein. Notwithstanding anything in this Agreement to the contrary, the Company acknowledges that the Underwriters may have financial interests in the success of the offering contemplated hereby that are not limited to the difference between the price to the public and the purchase price paid to the Company by the Underwriters for the Shares.

Section 14. Governing Law and Time.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED IN SAID STATE. UNLESS OTHERWISE EXPLICITLY PROVIDED, SPECIFIED TIMES OF DAY REFER TO ESTERN STANDARD TIME.

Section 15. Effect of Headings.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Company and the Underwriters and in accordance with its terms.

Very truly yours,

Main Street Capital Corporation

By: _____
Name:
Title:

Confirmed and Accepted,
as of the date first above written:

Morgan Keegan & Company, Inc.
BB&T Capital Markets

By: Morgan Keegan & Company, Inc.

By: _____
Name: Susie L. Brown
Title: Managing Director

For itself and on behalf of the other
Underwriters named in Schedule A hereto.

SCHEDULE A

Name of Underwriter	Number of Firm Shares
Morgan Keegan & Company, Inc.	
BB&T Capital Markets	
SMH Capital Inc.	
Ferris, Baker Watts, Incorporated	
Total	

SCHEDULE B

Members of the Underwriters' selling group orally communicated the following information to their respective customers:

Main Street Capital Corporation proposes to sell _____ shares of common stock to the Underwriters (_____ shares including the underwriters' over-allotment option).

The purchase price for the common shares will be $_____ per share, which represents a price to the public of $_____ per share, less an underwriting discount of $_____ per share.

The estimated net proceeds to Main Street Capital Corporation will be $_____ or $_____ with the full exercise of the over-allotment option.

SCHEDULE C

Form(s) of Opinion from Sutherland Asbill & Brennan LLP

SCHEDULE D

Form of Lock-Up Agreement

Exhibit (i)(1)

MAIN STREET CAPITAL CORPORATION

2007 EQUITY INCENTIVE PLAN

1. PURPOSE.

(A) General Purpose. The Plan has been established to advance the interests of Main Street Capital Corporation (the "Company") by providing for the grant of Awards to Participants. At all times during such periods as the Company qualifies or is intended to qualify as a "business development company" under the 1940 Act, the terms of the Plan shall be construed so as to conform to the stock-based compensation requirements applicable to "business development companies" under the 1940 Act. An Award or related transaction will be deemed to be permitted under the 1940 Act if permitted by any exemptive or "no-action" relief granted by the Commission or its staff.

(B) Available Awards. The purpose of the Plan is to provide a means by which eligible recipients of Awards may be given an opportunity to benefit from increases in the value of the Company's Stock through the granting of Restricted Stock, Incentive Stock Options, Non-statutory Stock Options, Dividend Equivalent Rights and Other Stock-Based Awards.

(C) Eligible Participants. All key Employees and all Employee Directors are eligible to be granted Awards by the Board under the Plan; provided that, no person shall be granted Awards of Restricted Stock unless such person is an Employee of the Company or an Employee of a wholly-owned subsidiary of the Company.

2. DEFINITIONS.

(A) "**1940 Act**" means the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder.

(B) "**Affiliate**" means any corporation or other entity that stands in a relationship to the Company that would result in the Company and such corporation or other entity being treated as one employer under Section 414(b) or Section 414(c) of the Code, except that in determining eligibility for the grant of an Option by reason of service for an Affiliate, Sections 414(b) and 414(c) of the Code shall be applied by substituting "at least 50%" for "at least 80%" under Section 1563(a)(1), (2) and (3) of the Code and Treas. Regs. § 1.414(c)-2. The Company may at any time by amendment provide that different ownership thresholds (consistent with Section 409A) apply. Notwithstanding the foregoing provisions of this definition, except as otherwise determined by the Board, a corporation or other entity shall be treated as an Affiliate only if its employees would be treated as employees of the Company for purposes of the rules promulgated under the Securities Act of 1933, as amended, with respect to the use of Form S-8.

(C) "**Award**" means an award of Restricted Stock, Incentive Stock Options, Non-statutory Stock Options, Dividend Equivalent Rights or Other Stock-Based Awards granted pursuant to the Plan.

(D) "**Board**" means the Board of Directors of the Company.

(E) "**Code**" means the Internal Revenue Code of 1986, as amended and in effect, or any successor statute as from time to time in effect. Any reference to a provision of the Code shall be deemed to include a reference to any applicable guidance (as determined by the Board) with respect to such provision.

(F) "**Commission**" means the Securities and Exchange Commission.

(G) "**Committee**" means a committee of two or more members of the Board appointed by the Board in accordance with Section 3(C).

(H) "**Company**" means Main Street Capital Corporation, a Maryland corporation.

(I) "**Continuous Service**" means the Participant's uninterrupted service with the Company or an Affiliate, whether as an Employee or Employee Director.

(J) "**Covered Transaction**" means any of (i) a consolidation, merger, stock sale or similar transaction or series of related transactions in which the Company is not the surviving corporation or which results in the acquisition of all or substantially all of the Company's then outstanding common stock by a single person or entity or by a group of persons and/or entities acting in concert, (ii) a sale or transfer of all or substantially all the Company's assets, (iii) a dissolution or liquidation of the Company or (iv) following such time as the Company has a class of equity securities listed on a national securities exchange or quoted on an inter-dealer quotation system, a change in the membership of the Board for any reason such that the individuals who, as of the Effective Date, constitute the Board of Directors of the Company (the "**Continuing Directors**") cease for any reason to constitute at least a majority of the Board (a "**Board Change**"); provided, however, that any individual becoming a director after the Effective Date whose election or nomination for election by the Company's shareholders was approved by a vote of at least a majority of the Continuing Directors will be considered as though such individual were a Continuing Director, but excluding for this purpose any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended) or other actual or threatened solicitation of proxies or consents by or on behalf of any person or entity other than the Board. Where a Covered Transaction involves a tender offer that is reasonably expected to be followed by a merger described in clause (i) (as determined by the Board), the Covered Transaction shall be deemed to have occurred upon consummation of the tender offer.

(K) "**Dividend Equivalent Rights**" has the meaning set forth in Section 12.

(L) "**Effective Date"** has the meaning set forth in Section 15.

(M) "**Employee**" means any person employed by the Company or an Affiliate.

(N) "**Employee Director**" means a member of the Board of Directors of the Company who is also an Employee of the Company.

(O) "**Family Member**" means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the Participant's household (other than a tenant or employee), a trust in which

these persons have more than fifty percent of the beneficial interest, a foundation in which these persons (or the Participant) control the management of assets, and any other entity in which these persons (or the Participant) own more than fifty percent of the voting interests.

(P) "**Incentive Stock Option**" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(Q) "**Non-employee Director Plan**" means the 2007 Non-employee Director Restricted Stock Plan, as from time to time amended and in effect.

(R) "**Non-statutory Stock Option**" means an Option that is not an Incentive Stock Option.

(S) "**Option**" means an Incentive Stock Option or a Non-statutory Stock Option granted pursuant to the Plan.

(T) "**Other Stock-Based Award**" means an Award described in Section 9 of this Plan that is not covered by Section 7 or 8.

(U) "**Participant**" means a person to whom an Award is granted pursuant to the Plan.

(V) "**Permitted Transferee**" means a Family Member of a Participant to whom an Award has been transferred by gift.

(W) "**Plan**" means this 2007 Equity Incentive Plan, as from time to time amended and in effect.

(X) "**Restricted Stock**" means an Award of Stock for so long as the Stock remains subject to restrictions requiring that it be forfeited to the Company if specified conditions are not satisfied.

(Y) "**Securities Act**" means the Securities Act of 1933, as amended.

(Z) "**Stock**" means the common stock of the Company, par value $.01 per share.

3. ADMINISTRATION.

(A) Administration By Board. The Board shall administer the Plan unless and until it delegates administration to a Committee, as provided in Section 3(C).

(B) Powers of the Board. The Board shall have the power, subject to the express provisions of the Plan and applicable law:

To determine from time to time which of the persons eligible under the Plan shall be granted Awards; when and how each Award shall be granted and documented; what type or combination of types of Awards shall be granted; the provisions of each Award granted, including the time or times when a person shall be permitted to exercise an Award; and the number of shares of Stock with respect to which an Award shall be granted to each such person.

To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Award documentation, in such manner and to such extent as it shall deem necessary or expedient to make the Plan fully effective.

To amend the Plan or an Award as provided in Section 13.

To terminate or suspend the Plan as provided in Section 14.

Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan.

(C) Delegation to Committee. The Board may delegate the administration of the Plan to a Committee or Committees composed of not less than two members of the Board, each of whom shall be (i) a "non-employee director" for purposes of Exchange Act Section 16 and Rule 16b-3 thereunder, (ii) an "outside director" for purposes of Section 162(m) and the regulations promulgated under the Code, and each of whom shall be, subject to any applicable transitional rules for newly public issuers, "independent" within the meaning of the listing standards of the Nasdaq stock market, and the term "**Committee**" shall apply to any persons to whom such authority has been delegated; provided that a "required majority," as defined in Section 57(o) of the 1940 Act, must approve each issuance of Awards and Dividend Equivalent Rights in accordance with Section 61(a)(3)(A)(iv) of the 1940 Act. If administration is delegated to a Committee, the Committee shall have, in connection with the administration of the Plan, the powers theretofore possessed by the Board, including the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board, other than the Board reference at the end of this sentence and the Board references in the last sentence of this subsection (c), shall thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may abolish the Committee at any time and revest in the Board the administration of the Plan, unless such actions are prohibited by the condition of exemptive relief obtained from the Commission.

(D) Effect of the Board's Decision. Determinations, interpretations and constructions made by the Board in good faith shall not be subject to review by any person and shall be final, binding and conclusive on all persons.

4. AWARD AGREEMENTS.

All Awards granted under the Plan will be evidenced by an agreement. The agreement documenting the Award shall contain such terms and conditions as the Board shall deem advisable. Agreements evidencing Awards made to different participants or at different times need not contain similar provisions. In the case of any discrepancy between the terms of the Plan and the terms of any Award agreement, the Plan provisions shall control.

5. SHARES SUBJECT TO THE PLAN; CERTAIN LIMITS.

(A) Share Reserve. The maximum aggregate number of shares of Stock that may be issued under the Plan pursuant to grants of Restricted Stock or Other Stock-Based Awards or the exercise of Options is two million (2,000,000) shares.

(B) Reversion of Shares to the Share Reserve. If any Award shall for any reason expire or otherwise terminate, in whole or in part, the shares of Stock not acquired under such Award shall revert to and again become available for issuance under the Plan.

(C) Type of Shares. The shares of Stock subject to the Plan may be unissued shares or reacquired shares bought on the market or otherwise. No fractional shares of Stock will be delivered under the Plan.

(D) Limits on Individual Grants. The maximum number of shares of Stock for which any Employee or Employee Director may be granted Awards in any calendar year is five hundred thousand (500,000) shares.

(E) Limits on Grants of Restricted Stock. The combined maximum amount of Restricted Stock that may be issued under the Plan and the Non-employee Director Plan will be 10% of the outstanding shares of Stock on the effective date of the plans plus 10% of the number of shares of Stock issued or delivered by the Company (other than pursuant to compensation plans) during the term of the plans. No one person shall be granted Awards of Restricted Stock relating to more than 25% of the shares available for issuance under this Plan.

(F) No Grants in Contravention of 1940 Act. At all times during such periods as the Company qualifies or is intended to qualify as a "business development company," no Award may be granted under the Plan if the grant of such Award would cause the Company to violate the 1940 Act, including, without limitation, Section 61(a)(3), and, if otherwise approved for grant, shall be void and of no effect.

(G) Limits on Number of Awards. The amount of voting securities that would result from the exercise of all of the Company's outstanding warrants, options, and rights, together with any Restricted Stock issued pursuant to this Plan and the Non-employee Director Plan, at the time of issuance shall not exceed 25% of the outstanding voting securities of the Company, except that if the amount of voting securities that would result from the exercise of all of the Company's outstanding warrants, options, and rights issued to the Company's directors, officers, and employees, together with any Restricted Stock issued pursuant to this Plan and the Non-employee Director Plan, would exceed 15% of the outstanding voting securities of the Company, then the total amount of voting securities that would result from the exercise of all outstanding warrants, options, and rights, together with any Restricted Stock issued pursuant to this Plan and the Non-employee Director Plan, at the time of issuance shall not exceed 20% of the outstanding voting securities of the Company.

(H) Date of Award's Grant*:* The date on which the "required majority," as defined in Section 57(o) of the 1940 Act, approves the issuance of an Award will be deemed the date on which such Award is granted.

6. ELIGIBILITY.

Incentive Stock Options may be granted to Employees or Employee Directors of the Company or a "parent" or "subsidiary" corporation of the Company as those terms are used in

Section 424 of the Code. Awards other than Incentive Stock Options may be granted to both Employees and Employee Directors. By accepting any Award granted hereunder, the Participant agrees to the terms of the Award and the Plan. Notwithstanding any provision of this Plan to the contrary, awards of an acquired company that are converted, replaced or adjusted in connection with the acquisition may contain terms and conditions that are inconsistent with the terms and conditions specified herein, as determined by the Board.

7. OPTION PROVISIONS.

Each Option shall be evidenced by a written agreement containing such terms and conditions as the Board shall deem appropriate. All Options shall be separately designated Incentive Stock Options or Non-statutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates shall be issued for shares of Stock purchased on exercise of each type of Option. The provisions of separate Options need not be identical, but, to the extent relevant, each Option shall include (through incorporation by reference or otherwise) the substance of each of the following provisions:

(A) Time and Manner of Exercise. Unless the Board expressly provides otherwise, an Option will not be deemed to have been exercised until the Board receives a notice of exercise (in a form acceptable to the Board) signed by the appropriate person and accompanied by any payment required under the Award. If the Option is exercised by any person other than the Participant, the Board may require satisfactory evidence that the person exercising the Option has the right to do so. No Option shall be exercisable after the expiration of ten (10) years from the date on which it was granted.

(B) Exercise Price of an Option. The exercise price of each Option shall be not less than the current market value of, or if no such market value exists, the current net asset value of, the stock subject to the Option as determined in good faith by the Board on the date the Option is granted provided, however, that in any event the current market value will be determined in a manner consistent with the provisions of the Section 409A regulations excluding certain options from being subject to Section 409A. In the case of an Option granted to a 10% Holder and intended to qualify as an Incentive Stock Option, the exercise price will not be less than 110% of the current market value determined as of the date of grant. A "**10% Holder**" is an individual owning stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or its parent or subsidiary corporations. No such Stock Option, once granted, may be repriced other than in accordance with the 1940 Act and the applicable stockholder approval requirements of the Nasdaq National Market, and in a manner that would continue to exclude the option from being subject to Section 409A of the Code.

(C) Consideration. The purchase price for Stock acquired pursuant to an Option shall be paid in full at the time of exercise either (i) in cash, or, if so permitted by the Board and if permitted by the 1940 Act and otherwise legally permissible, (ii) through a broker-assisted exercise program acceptable to the Board, (iii) by such other means of payment as may be acceptable to the Board, or (iv) in any combination of the foregoing permitted forms of payment.

(D) Transferability of an Incentive Stock Option. An Incentive Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Participant only by the Participant.

(E) Transferability of a Non-statutory Stock Option. A Non-statutory Stock Option shall be transferable by will or by the laws of descent and distribution, or, to the extent provided by the Board, by gift to a Permitted Transferee, and a Non-statutory Stock Option that is nontransferable except at death shall be exercisable during the lifetime of the Participant only by the Participant.

(F) Limitation on Repurchase Rights. If an Option gives the Company the right to repurchase shares of Common Stock issued pursuant to the Plan upon termination of employment of such Participant, the terms of such repurchase right must comply with the 1940 Act.

(G) Exercisability. The Board may determine the time or times at which an Option will vest or become exercisable and the terms on which an Option requiring exercise will remain exercisable. Notwithstanding the foregoing, vesting shall take place at the rate of at least 20% per year over not more than five years from the date the award is granted, subject to reasonable conditions such as continued employment; provided, however, that options may be subject to such reasonable forfeiture conditions as the Board may choose to impose.

(H) Termination of Continuous Service. Unless the Board expressly provides otherwise, immediately upon the cessation of a Participant's Continuous Service that portion, if any, of any Option held by the Participant or the Participant's Permitted Transferee that is not then exercisable will terminate and the balance will remain exercisable for the lesser of (i) a period of three months or (ii) the period ending on the latest date on which such Option could have been exercised without regard to this Section 6(h), and will thereupon terminate subject to the following provisions (which shall apply unless the Board expressly provides otherwise):

if a Participant's Continuous Service ceases by reason of death, or if a Participant dies following the cessation of his or her Continuous Service but while any portion of any Option then held by the Participant or the Participant's Permitted Transferee is still exercisable, the then exercisable portion, if any, of all Options held by the Participant or the Participant's Permitted Transferee immediately prior to the Participant's death will remain exercisable for the lesser of (A) the one year period ending with the first anniversary of the Participant's death or (B) the period ending on the latest date on which such Option could have been exercised without regard to this Section 6(h)(i), and will thereupon terminate; and

if the Board in its sole discretion determines that the cessation of a Participant's Continuous Service resulted for reasons that cast such discredit on the Participant as to justify immediate termination of his or her Options, all Options then held by the Participant or the Participant's Permitted Transferee will immediately terminate.

8. RESTRICTED STOCK PROVISIONS.

Each grant of Restricted Stock shall be evidenced by a written agreement containing such terms and conditions as the Board shall deem appropriate. The provisions of separate grants of Restricted Stock need not be identical, but, to the extent relevant, each grant shall include (through incorporation by reference or otherwise) the substance of each of the following provisions:

(A) Consideration. To the extent permitted by the 1940 Act, Awards of Restricted Stock may be made in exchange for past services or other lawful consideration.

(B) Transferability of Restricted Stock. Except as the Board otherwise expressly provides, Restricted Stock shall not be transferable other than by will or by the laws of descent and distribution.

(C) Vesting. The Board may determine the time or times at which shares of Restricted Stock will vest.

(D) Termination of Continuous Service. Unless the Board expressly provides otherwise, immediately upon the cessation of a Participant's Continuous Service that portion, if any, of any Restricted Stock held by the Participant or the Participant's Permitted Transferee that is not then vested will thereupon terminate and the unvested shares will be returned to the Company and will be available to be issued as Awards under this Plan.

9. OTHER STOCK-BASED AWARDS.

The Board shall have the authority to determine the Participants who shall receive an Other Stock-Based Award, which shall consist of any right that is (i) not an Award described in Sections 7 or 8 above and (ii) an Award of Shares or an Award denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares), as deemed by the Board to be consistent with the purposes of the Plan. Subject to the terms of the Plan and any applicable Award agreement, the Board shall determine the terms and conditions of any such Other Stock-Based Award.

10. MISCELLANEOUS.

(A) Acceleration. The Board shall have the power to accelerate the time at which an Award or any portion thereof vests or may first be exercised, regardless of the tax or other consequences to the Participant or the Participant's Permitted Transferee resulting from such acceleration.

(B) Stockholder Rights. No Participant or other person shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to an Option unless and until such Award has been delivered to the Participant or other person upon exercise of the Award. Holders of Restricted Stock shall have all the rights of a holder upon issuance of the Restricted Stock Award including, without limitation, voting rights and the right to receive dividends.

(C) No Employment or Other Service Rights. Nothing in the Plan or any instrument executed or Award granted pursuant thereto shall confer upon any Participant any right to continue in the employment of, or to continue to serve as a director of, the Company or an Affiliate or shall affect the right of the Company or an Affiliate to terminate (i) the employment of the Participant (if the Participant is an Employee) with or without notice and with or without cause or (ii) the service of an Employee Director (if the Participant is an Employee Director) pursuant to the Bylaws of the Company or an Affiliate and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated. Nothing in the Plan will be construed as giving any person any rights as a stockholder except as to shares of

Stock actually issued under the Plan. The loss of existing or potential profit in Awards will not constitute an element of damages in the event of termination of service for any reason, even if the termination is in violation of an obligation of the Company or an Affiliate to the Participant.

(D) Legal Conditions on Delivery of Stock. The Company will not be obligated to deliver any shares of Stock pursuant to the Plan or to remove any restriction from shares of Stock previously delivered under the Plan until: (i) the Company is satisfied that all legal matters in connection with the issuance and delivery of such shares have been addressed and resolved; (ii) if the outstanding Stock is at the time of delivery listed on any stock exchange or national market system, the shares to be delivered have been listed or authorized to be listed on such exchange or system upon official notice of issuance; and (iii) all conditions of the Award have been satisfied or waived. If the sale of Stock has not been registered under the Securities Act, the Company may require, as a condition to the grant or the exercise of the Award, such representations or agreements as counsel for the Company may consider appropriate to avoid violation of the Securities Act. The Company may require that certificates evidencing Stock issued under the Plan bear an appropriate legend reflecting any restriction on transfer applicable to such Stock, and the Company may hold the certificates pending lapse of the applicable restrictions.

(E) Withholding Obligations. Each grant or exercise of an Award granted hereunder shall be subject to the Participant's having made arrangements satisfactory to the Board for the full and timely satisfaction of all federal, state, local and other tax withholding requirements applicable to such grant, exercise or exchange. Without limiting the generality of the foregoing, the Participant may satisfy such withholding requirements by tendering a check (acceptable to the Board) for the full amount of such withholding. In the event the Company or an Affiliate becomes liable for tax withholding with respect to an Option prior to the date of exercise, the Company may require the Participant to remit the required tax withholding by separate check acceptable to the Company or may make such other arrangements (including withholding from other payments to the Participant) for the satisfaction of such withholding as it determines.

(F) Section 409A. Awards under the Plan are intended either to qualify for an exemption from Section 409A or to comply with the requirements thereof, and shall be construed accordingly.

11. ADJUSTMENTS UPON CHANGES IN STOCK.

(A) Capitalization Adjustments. In the event of a stock dividend, stock split or combination of shares (including a reverse stock split), recapitalization or other change in the Company's capital structure, the Board will make appropriate adjustments to the maximum number of shares specified in Section 5(A) that may be delivered under the Plan, to the maximum per-participant share limit described in Section 5(D) and will also make appropriate adjustments to the number and kind of shares of stock or securities subject to Awards then outstanding or subsequently granted, any exercise prices relating to Awards and any other provision of Awards affected by such change. To the extent consistent with qualification of Incentive Stock Options under Section 422 of the Code, the performance-based compensation rules of Section 162(m), and continued exclusion from or compliance with Section 409A of the Code, where applicable, the Board may also make adjustments of the type described in the preceding sentence to take into account distributions to stockholders other than those provided

for in such sentence, or any other event, if the Board determines that adjustments are appropriate to avoid distortion in the operation of the Plan and to preserve the value of Awards granted hereunder; provided, however, that the exercise price of Awards granted under the Plan will not be adjusted unless the Company receives an exemptive order from the Securities and Exchange Commission or written confirmation from the staff of the Securities and Exchange Commission that the Company may do so.

(B) Covered Transaction. Except as otherwise provided in an Award, in the event of a Covered Transaction in which there is an acquiring or surviving entity, the Board may provide for the assumption of some or all outstanding Awards, or for the grant of new awards in substitution therefor, by the acquiror or survivor or an affiliate of the acquiror or survivor, in each case on such terms and subject to such conditions as the Board determines. In the absence of such an assumption or if there is no substitution, except as otherwise provided in the Award, each Award will become fully vested or exercisable prior to the Covered Transaction on a basis that gives the holder of the Award a reasonable opportunity, as determined by the Board, to participate as a stockholder in the Covered Transaction following vesting or exercise, and the Award will terminate upon consummation of the Covered Transaction.

12. DIVIDEND EQUIVALENT RIGHTS.

The Board may provide for the payment of amounts in lieu of cash dividends or other cash distributions ("**Dividend Equivalent Rights**") with respect to Stock subject to an Award; provided, however, that grants of Dividend Equivalent Rights must be approved by order of the Securities and Exchange Commission. The Board may impose such terms, restrictions and conditions on Dividend Equivalent Rights, including the date such rights will terminate, as it deems appropriate, and may terminate, amend or suspend such Dividend Equivalent Rights at any time without the consent of the Participant or Participants to whom such Dividend Equivalent Rights have been granted, if any.

13. AMENDMENT OF THE PLAN AND AWARDS.

The Board may at any time or times amend the Plan or any outstanding Award for any purpose which may at the time be permitted by law, and may at any time terminate the Plan as to any future grants of Awards; provided, that except as otherwise expressly provided in the Plan the Board may not, without the Participant's consent, alter the terms of an Award so as to affect substantially and adversely the Participant's rights under the Award, unless the Board expressly reserved the right to do so at the time of the grant of the Award. Any amendments to the Plan shall be conditioned upon stockholder approval only to the extent, if any, such approval is required by law (including the Code and applicable stock exchange requirements), as determined by the Board.

14. TERMINATION OR SUSPENSION OF THE PLAN.

(A) Plan Term. The Board may suspend or terminate the Plan at any time. Unless sooner terminated, the Plan shall terminate on the day before the tenth (10th) anniversary of the date the Plan is initially adopted by the Board or approved by the stockholders of the Company, whichever is earlier. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

(B) No Impairment of Rights. Suspension or termination of the Plan shall not impair rights and obligations under any Awards granted while the Plan is in effect except with the written consent of the Participant.

15. EFFECTIVE DATE OF PLAN.

The Plan shall become effective upon approval by the stockholders of the Company, which approval shall be within twelve (12) months before or after the date the Plan is adopted by the Board; provided, however, that the Plan shall not be effective with respect to an Award of Restricted Stock or the grant of Dividend Equivalent Rights unless the Company has received an order of the Commission that permits such Award or grant (the "**Effective Date**").

16. 1940 ACT.

No provision of this Plan is intended to contravene any portion of the 1940 Act, and in the event of any conflict between the provisions of the Plan or any Award and the 1940 Act, the applicable Section of the 1940 Act shall control and all Awards under the Plan shall be so modified. All Participants holding such modified Awards shall be notified of the change to their Awards and such change shall be binding on such Participants.

17. INFORMATION RIGHTS OF PARTICIPANTS

The Company shall provide to each Participant who acquires Stock pursuant to the Plan, not less frequently than annually, copies of annual financial statements (which need not be audited). The Company shall not be required to provide such statements to key employees whose duties in connection with the Company assure their access to equivalent information.

18. SEVERABILITY.

If any provision of this Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Participant or Award, or would disqualify this Plan or any Award under any applicable law, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Board, materially altering the intent of this Plan or the Award, such provision shall be stricken as to such jurisdiction, Participant or Award and the remainder of this Plan and any such Award shall remain in full force and effect.

19. OTHER COMPENSATION ARRANGEMENTS

The existence of the Plan or the grant of any Award will not in any way affect the Company's right to award a person bonuses or other compensation in addition to Awards under the Plan.

20. WAIVER OF JURY TRIAL.

By accepting an Award under the Plan, each Participant waives any right to a trial by jury in any action, proceeding or counterclaim concerning any rights under the Plan and any Award, or under any amendment, waiver, consent, instrument, document or other agreement delivered or which in the future may be delivered in connection therewith, and agrees that any such action, proceedings or counterclaim shall be tried before a court and not before a jury. By accepting an Award under the Plan, each Participant certifies that no officer, representative, or attorney of the

Company has represented, expressly or otherwise, that the Company would not, in the event of any action, proceeding or counterclaim, seek to enforce the foregoing waivers.

21. LIMITATION ON LIABILITY.

Notwithstanding anything to the contrary in the Plan, neither the Company nor the Board, nor any person acting on behalf of the Company or the Board, shall be liable to any Participant or to the estate or beneficiary of any Participant by reason of any acceleration of income, or any additional tax, asserted by reason of the failure of an Award to satisfy the requirements of Section 422 or Section 409A or by reason of Section 4999 of the Code; provided, that nothing in this Section 21 shall limit the ability of the Board or the Company to provide by express agreement with a Participant for a gross-up payment or other payment in connection with any such tax or additional tax.

22. GOVERNING LAW.

The Plan and all Awards and actions hereunder shall be governed by the laws of the state of Texas, with regard to the choice of law principles of any jurisdiction.

Exhibit (k)(9)

AMENDMENT TO AGREEMENT AND PLAN OF MERGER

This Amendment to Agreement and Plan of Merger (this "Agreement") is entered into as of August ___, 2007, among Main Street Capital Corporation, a Maryland corporation ("Parent"), MSCC Merger Sub, LLC, a Delaware limited liability company ("Merger Sub"), and Main Street Mezzanine Fund, LP, a Delaware limited partnership (the "Fund"). Capitalized terms not otherwise defined herein shall have the meanings given them in the Agreement and Plan of Merger dated as of May 10, 2007 (the "Merger Agreement"), among Parent, Merger Sub and the Fund.

Recitals:

WHEREAS, Parent, Merger Sub and the Fund previously entered into the Merger Agreement;

WHEREAS, the Merger Agreement provides that the obligations of each party to consummate the transactions contemplated by the Merger Agreement are subject to, among other things, the condition that the Main Street IPO must close concurrently with the closing of the transactions contemplated by the Merger Agreement;

WHEREAS, prior to the execution of the Merger Agreement, it was contemplated that Parent would elect (the "Election") to be regulated as a business development company under the Investment Company Act of 1940, as amended, by filing a notification of election (the "Notification Filing") on Form N-54A with the Securities and Exchange Commission (the "SEC"), and that the Election and Notification Filing would occur prior to the consummation of the transactions contemplated by Merger Agreement and the concurrent closing of the Main Street IPO;

WHEREAS, in response to comments received by Parent from the SEC staff, it is now contemplated that the closing of the transactions contemplated by the Merger Agreement will occur immediately prior to the Election and Notification Filing and not concurrently with the closing of the Main Street IPO;

WHEREAS, Parent, Merger Sub and the Fund desire to amend the Merger Agreement to remove the condition that the Main Street IPO must close concurrently with the closing of the transactions contemplated by the Merger Agreement;

WHEREAS, Section 7.4 of the Merger Agreement provides that the Merger Agreement may not be amended except by a written agreement signed by the party to be charged with the amendment.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and subject to and on the terms and conditions set forth herein, the parties hereby agree as follows:

1. Section 5.1 of the Merger Agreement is hereby amended in its entirety to read as set forth below:

Section 5.1 Mutual Conditions. The obligations of each party to consummate the transactions contemplated by this Agreement are subject to the satisfaction at or prior to the Closing of each of the following conditions (any of which may be waived in writing, in whole or in part, by such party):

(a) Approval of SBA. The SBA must have consented to the transactions contemplated by, and related to, this Agreement, the GP Merger Agreement and the Main Street IPO.

2. Except as set forth in this Agreement, all provisions, terms, conditions and representations in the Merger Agreement and the exhibits and schedules thereto remain unmodified and in full force and effect, and the Merger Agreement and all exhibits and schedules thereto, as amended by this Agreement, are hereby in all respects ratified and confirmed.

3. Any number of counterparts of this Agreement may be executed and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute one instrument. This Agreement may be executed by facsimile signature, which signature shall be binding upon the parties so executing this Agreement.

[remainder of page intentionally left blank]

[signature page of Amendment to Agreement and Plan of Merger]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

PARENT:
Main Street Capital Corporation

By: /s/ Vince Foster
Name: Vince Foster
Its: CEO

MERGER SUB:
MSCC Merger Sub, LLC

By: Main Street Capital Corporation, its manager

By: /s/ Vince Foster
Name: Vince Foster
Its: President

FUND:
Main Street Mezzanine Fund, LP

By: Main Street Mezzanine Management, LLC, its general partner

By: /s/ T.A. Reppert
Name: T.A. Reppert
Its: Sr. Managing Director

Exhibit (k)(10)

AMENDMENT TO EXCHANGE AGREEMENT

This Amendment to Exchange Agreement (this "Agreement") is entered into as of August _____, 2007, among Main Street Capital Corporation, a Maryland corporation ("Parent"), and the undersigned members (the "IA Members") of Main Street Capital Partners, LLC, a Delaware limited liability company (the "Investment Adviser"). Capitalized terms not otherwise defined herein shall have the meanings given them in the Exchange Agreement dated as of May 10, 2007 (the "Exchange Agreement"), among Parent and the IA Members.

Recitals:

WHEREAS, Parent and the IA Members previously entered into the Exchange Agreement;

WHEREAS, the Exchange Agreement provides that the obligations of each party to consummate the transactions contemplated by the Exchange Agreement are subject to, among other things, the condition that the Main Street IPO must close concurrently with the closing of the transactions contemplated by the Exchange Agreement;

WHEREAS, prior to the execution of the Exchange Agreement, it was contemplated that Parent would elect (the "Election") to be regulated as a business development company under the Investment Company Act of 1940, as amended, by filing a notification of election (the "Notification Filing") on Form N-54A with the Securities and Exchange Commission (the "SEC"), and that the Election and Notification Filing would occur prior to the consummation of the transactions contemplated by Exchange Agreement and the concurrent closing of the Main Street IPO;

WHEREAS, in response to comments received by Parent from the SEC staff, it is now contemplated that the closing of the transactions contemplated by the Exchange Agreement will occur immediately prior to the Election and Notification Filing and not concurrently with the closing of the Main Street IPO;

WHEREAS, Parent and the IA Members desire to amend the Exchange Agreement to remove the condition that the Main Street IPO must close concurrently with the closing of the transactions contemplated by the Exchange Agreement;

WHEREAS, Section 7.4 of the Exchange Agreement provides that the Exchange Agreement may not be amended except by a written agreement signed by the party to be charged with the amendment.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and subject to and on the terms and conditions set forth herein, the parties hereby agree as follows:

1. Section 5.1 of the Exchange Agreement is hereby amended in its entirety to read as set forth below:

Section 5.1 Mutual Conditions. The obligations of each party to consummate the transactions contemplated by this Agreement are subject to the satisfaction at or prior to the Closing of each of the following conditions (any of which may be waived in writing, in whole or in part, by such party):

(a) Closing of Merger. The Merger must close concurrently with the closing of the transactions contemplated hereby.

(b) Closing of GP Exchange. The GP Exchange must close concurrently with the closing of the transactions contemplated hereby.

(c) Approval of SBA. The SBA must have consented to the transactions contemplated by, and related to, this Agreement, the Merger Agreement, the GP Exchange Agreement and the Main Street IPO.

2. Except as set forth in this Agreement, all provisions, terms, conditions and representations in the Exchange Agreement and the exhibits and schedules thereto remain unmodified and in full force and effect, and the Exchange Agreement and all exhibits and schedules thereto, as amended by this Agreement, are hereby in all respects ratified and confirmed.

3. Any number of counterparts of this Agreement may be executed and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute one instrument. This Agreement may be executed by facsimile signature, which signature shall be binding upon the parties so executing this Agreement.

[remainder of page intentionally left blank]

[signature page of Amendment to Exchange Agreement]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

PARENT:
Main Street Capital Corporation

By: /s/ T.A. Reppert
Name: T.A. Reppert
Its: President

IA MEMBERS:

/s/ Vincent Foster
Vincent D. Foster

/s/ T.A. Reppert
Todd A. Reppert

Reppert Investments, LP
a Texas limited partnership

By: Reppert Rhapsody LLC
its general partner

By: /s/ T.A. Reppert
Name: Todd A. Reppert
Title: Member

/s/ David Magdol
David Magdol

/s/ Curtis L. Hartman
Curtis L. Hartman

IA MEMBERS, CONTINUED:

/s/ Dwayne L. Hyzak
Dwayne L. Hyzak

/s/ Robert M. Shuford
Robert M. Shuford

/s/ Rodger Stout
Rodger Stout

/s/ Travis Haley
Travis Haley

Exhibit (k)(11)

AMENDMENT TO EXCHANGE AGREEMENT

This Amendment to Exchange Agreement (this "Agreement") is entered into as of August ___, 2007, among Main Street Capital Corporation, a Maryland corporation ("Parent"), and the undersigned members (the "GP Members") of Main Street Mezzanine Management, LLC, a Delaware limited liability company (the "General Partner"). Capitalized terms not otherwise defined herein shall have the meanings given them in the Exchange Agreement dated as of May 10, 2007 (the "Exchange Agreement"), among Parent and the GP Members.

Recitals:

WHEREAS, Parent and the GP Members previously entered into the Exchange Agreement;

WHEREAS, the Exchange Agreement provides that the obligations of each party to consummate the transactions contemplated by the Exchange Agreement are subject to, among other things, the condition that the Main Street IPO must close concurrently with the closing of the transactions contemplated by the Exchange Agreement;

WHEREAS, prior to the execution of the Exchange Agreement, it was contemplated that Parent would elect (the "Election") to be regulated as a business development company under the Investment Company Act of 1940, as amended, by filing a notification of election (the "Notification Filing") on Form N-54A with the Securities and Exchange Commission (the "SEC"), and that the Election and Notification Filing would occur prior to the consummation of the transactions contemplated by Exchange Agreement and the concurrent closing of the Main Street IPO;

WHEREAS, in response to comments received by Parent from the SEC staff, it is now contemplated that the closing of the transactions contemplated by the Exchange Agreement will occur immediately prior to the Election and Notification Filing and not concurrently with the closing of the Main Street IPO;

WHEREAS, Parent and the GP Members desire to amend the Exchange Agreement to remove the condition that the Main Street IPO must close concurrently with the closing of the transactions contemplated by the Exchange Agreement;

WHEREAS, Section 7.4 of the Exchange Agreement provides that the Exchange Agreement may not be amended except by a written agreement signed by the party to be charged with the amendment.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and subject to and on the terms and conditions set forth herein, the parties hereby agree as follows:

1. Section 5.1 of the Exchange Agreement is hereby amended in its entirety to read as set forth below:

Section 5.1 Mutual Conditions. The obligations of each party to consummate the transactions contemplated by this Agreement are subject to the satisfaction at or prior to the Closing of each of the following conditions (any of which may be waived in writing, in whole or in part, by such party):

(a) Closing of Merger. The Merger must close concurrently with the closing of the transactions contemplated hereby.

(b) Closing of IA Exchange. The IA Exchange must close concurrently with the closing of the transactions contemplated hereby.

(c) Approval of SBA. The SBA must have consented to the transactions contemplated by, and related to, this Agreement, the Merger Agreement, the IA Exchange Agreement and the Main Street IPO.

2. Except as set forth in this Agreement, all provisions, terms, conditions and representations in the Exchange Agreement and the exhibits and schedules thereto remain unmodified and in full force and effect, and the Exchange Agreement and all exhibits and schedules thereto, as amended by this Agreement, are hereby in all respects ratified and confirmed.

3. Any number of counterparts of this Agreement may be executed and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute one instrument. This Agreement may be executed by facsimile signature, which signature shall be binding upon the parties so executing this Agreement.

[remainder of page intentionally left blank]

[signature page of Amendment to Exchange Agreement]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

PARENT:
Main Street Capital Corporation

By: /s/ T.A. Reppert
Name: T.A. Reppert
Its: President

GP MEMBERS:

/s/ Vincent D. Foster
Vincent D. Foster

/s/ T.A. Reppert
Todd A. Reppert

/s/ David Magdol
David Magdol

/s/ Curtis L. Hartman
Curtis L. Hartman

/s/ Dwayne L. Hyzak
Dwayne L. Hyzak

/s/ Robert M. Shuford
Robert M. Shuford

Exhibit 1

[Letterhead of Sutherland Asbill & Brennan LLP]

August 15, 2007

Main Street Capital Corporation
1300 Post Oak Boulevard, Suite 800
Houston, TX 77056

Re: Main Street Capital Corporation
Registration Statement on Form N-2
File No. 333-142879

Ladies and Gentlemen:

We have acted as counsel to Main Street Capital Corporation, a Maryland corporation (the ***"Company"***), in connection with the registration statement on Form N-2 (File No. 333-142879) (the ***"Registration Statement"***) filed by the Company with the Securities and Exchange Commission (the ***"Commission"***) under the Securities Act of 1933, as amended (the ***"Act"***), relating to 6,666,667 shares of the Company's common stock, par value $0.01 per share (the ***"Shares"***), together with any additional Shares that may be issued by the Company pursuant to Rule 462(b) under the Act (as prescribed by the Commission pursuant to the Act) in connection with the offering described in the Registration Statement.

As counsel to the Company, we have participated in the preparation of the Registration Statement and have examined originals or copies, certified or otherwise identified to our satisfaction by public officials or officers of the Company as authentic copies of originals, of (i) the Company's charter (the ***"Charter"***) and its bylaws (the ***"Bylaws"***), (ii) resolutions of the board of directors of the Company (the ***"Board"***) relating to the authorization and approval of the preparation and filing of the Registration Statement and the authorization, issuance, offer and sale of the Common Stock pursuant to the Registration Statement (the ***"Resolutions"***), and (iii) such other documents or matters of law as in our judgment were necessary to enable us to render the opinions expressed below.

With respect to such examination and our opinion expressed herein, we have assumed, without any independent investigation or verification (i) the genuineness of all signatures (other than those of the Company) on all documents submitted to us for examination, (ii) the legal capacity of all natural persons, (iii) the authenticity of all documents submitted to us as originals, (iv) the conformity to original documents of all documents submitted to us as conformed or reproduced copies and the authenticity of the originals of such copied documents, and (v) that all certificates issued by public officials have been properly issued. We also have assumed without independent investigation or verification the accuracy and completeness of all corporate records made available to us by the Company.

We have relied with your approval upon certificates of public officials, upon certificates and/or representations of officers and employees of the Company, upon such other certificates as we deemed appropriate, and upon such other data as we have deemed to be appropriate under the circumstances. We have undertaken no independent investigation or verification of factual matters.

This opinion is limited to the General Corporation Law of the State of Maryland, as in effect on the date hereof, and we express no opinion with respect to any other laws of the State of Maryland or the laws of any other jurisdiction. We express no opinion as to any state securities or broker-dealer laws or regulations thereunder relating to the offer, issuance and sale of the Securities.

Based upon and subject to the foregoing, we are of the opinion that:

Assuming that (i) the final terms and conditions of the issuance, offer and sale of the Shares, including those relating to price and amount of Shares to be issued, offered and sold, have been duly authorized and determined or otherwise established by proper action of the Board in accordance with the Company's Charter and Bylaws and the Resolutions, and are consistent with the descriptions thereof in the Registration Statement, (ii) the Shares have been delivered to, and the agreed consideration has been fully paid at the time of such delivery by, the purchasers thereof, and (iii) the Registration Statement has become effective under the Act and remains effective at the time of the offer or sale of the Shares, the Shares will be duly authorized, validly issued, fully paid and non-assessable.

This opinion is limited to the matters expressly set forth herein, and no opinion may be implied or inferred beyond those expressly stated. Our opinions and other statements expressed herein are as of the date hereof, and we have no obligation to update this letter or to advise you of any changes in applicable law or any other matters that may come to our attention after the date hereof.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our firm in the "Legal Matters" section of the Registration Statement. We do not admit by giving this consent that we are in the category of persons whose consent is required under Section 7 of the Act.

Respectfully submitted,

/s/ SUTHERLAND ASBILL & BRENNAN LLP

SUTHERLAND ASBILL & BRENNAN LLP

Exhibit (n)(1)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated May 11, 2007, accompanying the combined financial statements of Main Street Mezzanine Fund, LP and Main Street Mezzanine Management, LLC and schedule of the Senior Securities of Main Street Mezzanine Fund, LP contained in the Registration Statement and Prospectus. We consent to the use of the aforementioned reports in the Registration Statement and Prospectus and consent to the use of our name as it appears under the caption "Independent Registered Public Accounting Firm."

/s/ GRANT THORNTON LLP

Houston, Texas
August 15, 2007

Exhibit (r)

MAIN STREET CAPITAL CORPORATION

CODE OF ETHICS

This Code of Ethics has been adopted by the Board of Directors of **Main Street Capital Corporation** (the ***"Company"***) in accordance with Rule 17j-l(c) under the Investment Company Act of 1940 (the ***"1940 Act"***) and the May 9, 1994 Report of the Advisory Group on Personal Investing by the Investment Company Institute (the ***"Report"***). Rule 17j-1 generally describes fraudulent or manipulative practices with respect to purchases or sales of securities held or to be acquired by business development companies if effected by access persons of such companies.

The purpose of this Code of Ethics is to reflect the following: (1) the duty at all times to place the interests of shareholders first; (2) the requirement that all personal securities transactions be conducted consistent with the Code of Ethics and in such a manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; and (3) the fundamental standard that business development company personnel should not take inappropriate advantage of their positions.

SECTION I: STATEMENT OF PURPOSE AND APPLICABILITY

(A) Statement of Purpose

It is the policy of the Company that no affiliated person of the Company shall, in connection with the purchase or sale, directly or indirectly, by such person of any security held or to be acquired by the Company,

(1) Employ any device, scheme or artifice to defraud the Company;

(2) Make to the Company any untrue statement of a material fact or omit to state to the Company a material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading;

(3) Engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the Company; or

(4) Engage in any manipulative practice with respect to the Company.

(B) Scope of the Code

In order to prevent the Access Persons, as defined in Section II, paragraph (A) below, of the Company from engaging in any of these prohibited acts, practices or courses of business, the Board of Directors of the Company has adopted this Code

of Ethics (***"Code"***).

SECTION II: DEFINITIONS

(A) Access Person. "Access Person" means any director, officer, or "Advisory Person" of the Company.

(B) Advisory Person. "Advisory Person" of the Company means: (i) any employee of the Company or of any company in a control relationship to the Company, who, in connection with his or her regular functions or duties, makes, participates in, or obtains information regarding the purchase or sale of a Covered Security by the Company, or whose functions relate to the making of any recommendations with respect to such purchases or sales; and (ii) any natural person in a control relationship to the Company who obtains information concerning recommendations made to the Company with regard to the purchase or sale of Covered Security.

(C) Beneficial Interest. "Beneficial Interest" includes any entity, person, trust, or account with respect to which an Access Person exercises investment discretion or provides investment advice. A beneficial interest shall be presumed to include all accounts in the name of or for the benefit of the Access Person, his or her spouse, dependent children, or any person living with him or her or to whom he or she contributes economic support.

(D) Beneficial Ownership. "Beneficial Ownership" shall be determined in accordance with Rule 16a-1(a)(2) under the Securities Exchange Act of 1934, except that the determination of direct or indirect Beneficial Ownership shall apply to all securities, and not just equity securities, that an Access Person has or acquires. Rule 16a-1(a)(2) provides that the term "beneficial owner" means any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, has or shares a direct or indirect pecuniary interest in any equity security. Therefore, an Access Person may be deemed to have Beneficial Ownership of securities held by members of his or her immediate family sharing the same household, or by certain partnerships, trusts, corporations, or other arrangements.

(E) Control. "Control" shall have the same meaning as that set forth in Section 2(a)(9) of the 1940 Act.

(F) Covered Security. "Covered Security" means a security as defined in Section 2(a)(36) of the 1940 Act, except that it does not include (i) direct obligations of the Government of the United States; (ii) banker's acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments including repurchase agreements; and (iii) shares issued by registered open-end investment companies (i.e., mutual funds); however, exchange traded funds structured as unit investment trusts or open-end funds are considered "Covered

Securities".

(G) Company. The "Company" means Main Street Capital Corporation, a Maryland corporation.

(H) Designated Officer. "Designated Officer" shall mean the officer of the Company designated by the Board of Directors from time to time to be responsible for management of compliance with this Code. The Designated Officer may appoint a designee to carry out certain of his or her functions pursuant to this Code.

(I) Disinterested Director. "Disinterested Director" means a director of the Company who is not an "interested person" of the Company within the meaning of Section 2(a)(19) of the 1940 Act.

(J) Initial Public Offering. "Initial Public Offering" means an offering of securities registered under the Securities Act of 1933 (the "Securities Act"), the issuer of which, immediately before the registration, was not subject to the reporting requirements of Sections 13 or 15(d) of the Securities Exchange Act of 1934.

(K) Investment Personnel. "Investment Personnel" means: (i) any employee of the Company (or of any company in a control relationship to the Company) who, in connection with his or her regular functions or duties, makes or participates in making recommendations regarding the purchase or sale of securities by the Company; and (ii) any natural person who controls the Company and who obtains information concerning recommendations regarding the purchase or sale of securities by the Company.

(L) Limited Offering. "Limited Offering" means an offering that is exempt from registration under the Securities Act pursuant to Section 4(2) or Section 4(6) or pursuant to Rule 504, Rule 505 or Rule 506 under the Securities Act.

(M) Purchase or Sale of a Covered Security. "Purchase or Sale of a Covered Security" is broad and includes, among other things, the writing of an option to purchase or sell a covered security, or the use of a derivative product to take a position in a Covered Security.

SECTION III: STANDARDS OF CONDUCT

(A) General Standards

(1) No Access Person shall engage, directly or indirectly, in any business transaction or arrangement for personal profit that is inconsistent with the best interests of the Company or its shareholders; nor shall he or she make use of any confidential information gained by reason of his or her employment by or affiliation with the Company or affiliates thereof in order to derive a personal profit for himself or herself or for any Beneficial Interest, in violation of the fiduciary duty owed to the Company or its shareholders.

(2) Any Access Person recommending or authorizing the purchase or sale of a Covered Security by the Company shall, at the time of such recommendation or authorization, disclose any Beneficial Interest in, or Beneficial Ownership of, such Covered Security or the issuer thereof.

(3) No Access Person shall dispense any information concerning securities holdings or securities transactions of the Company to anyone outside the Company, without obtaining prior written approval from the Designated Officer, or such person or persons as these individuals may designate to act on their behalf. Notwithstanding the preceding sentence, such Access Person may dispense such information without obtaining prior written approval:

(a) when there is a public report containing the same information;

(b) when such information is dispensed in accordance with compliance procedures established to prevent conflicts of interest between the Company and its affiliates;

(c) when such information is reported to directors of the Company; or

(d) in the ordinary course of his or her duties on behalf of the Company.

(4) All personal securities transactions should be conducted consistent with this Code and in such a manner as to avoid actual or potential conflicts of interest, the appearance of a conflict of interest, or any abuse of an individual's position of trust and responsibility within the Company.

(B) Prohibited Transactions

(1) General Prohibition. No Access Person shall purchase or sell, directly or indirectly, any Covered Security in which he or she has, or by reason of such transaction acquires, any direct or indirect Beneficial Ownership and which such Access Person knows or should have known at the time of such purchase or sale is being considered for purchase or sale by the Company, or is held in the portfolio of the Company unless such Access Person shall have obtained prior written approval for such purpose from the Designated Officer.

(a) An Access Person who becomes aware that the Company is considering the purchase or sale of any Covered Security by any person (an issuer) must immediately notify the Designated Officer of any interest that such Access Person may have in any outstanding Covered Securities of that issuer.

(b) An Access Person shall similarly notify the Designated Officer of any other interest or connection that such Access Person might have in or with such issuer.

(c) Once an Access Person becomes aware that the Company is considering the purchase or sale of a Covered Security or that the Company holds a Covered Security in its portfolio, such Access Person may not engage, without prior approval of the Designated Officer, in any transaction in any Covered Securities of that issuer.

(d) The foregoing notifications or permission may be provided verbally, but should be confirmed in writing as soon and with as much detail as possible.

(2) Initial Public Offerings and Limited Offerings. Investment Personnel of the Company must obtain approval from the Company before directly or indirectly acquiring beneficial ownership in any securities in an Initial Public Offering or in a Limited Offering.

(3) Blackout Periods. No Investment Personnel shall execute a securities transaction in any security that the Company owns or is considering for purchase or sale.

(4) Company Acquisition of Shares in Companies that Investment Personnel Hold Through Limited Offerings. Investment Personnel who have been authorized to acquire securities in a Limited Offering must disclose that investment to the Designated Officer when they are involved in the Company's subsequent consideration of an investment in the issuer, and the Company's decision to purchase such securities must be independently

reviewed by Investment Personnel with no personal interest in that issuer.

(5) Gifts. No Access Person may accept, directly or indirectly, any gift, favor, or service of more than a *de minimis* value from any person with whom he or she transacts business on behalf of the Company under circumstances when to do so would conflict with the Company's best interests or would impair the ability of such person to be completely disinterested when required, in the course of business, to make judgments and/or recommendations on behalf of the Company.

(6) Service as Director. No Access Person shall serve on the board of directors of a portfolio company of the Company without prior written authorization of the Designated Officer based upon a determination that the board service would be consistent with the interests of the Company and its shareholders.

SECTION IV: PROCEDURES TO IMPLEMENT CODE OF ETHICS

The following reporting procedures have been established to assist Access Persons in avoiding a violation of this Code, and to assist the Company in preventing, detecting, and imposing sanctions for violations of this Code. Every Access Person must follow these procedures. Questions regarding these procedures should be directed to the Designated Officer.

(A) Applicability

All Access Persons are subject to the reporting requirements set forth in Section IV(B) except:

(1) with respect to transactions effected for, and Covered Securities held in, any account over which the Access Person has no direct or indirect influence or control;

(2) a Disinterested Director, who would be required to make a report solely by reason of being a Director, need not make: (1) an initial holdings or an annual holdings report; and (2) a quarterly transaction report, unless the Disinterested Director knew or, in the ordinary course of fulfilling his or her official duties as a Director, should have known that during the 15-day period immediately before or after such Disinterested Director's transaction in a Covered Security, the Company purchased or sold the Covered Security, or the Company considered purchasing or selling the Covered Security.

(3) an Access Person need not make a quarterly transaction report if the report would duplicate information contained in broker trade confirmations or account statements received by the Company with respect to the Access

Person in the time required by subsection (B)(2) of this Section IV, if all of the information required by subsection (B)(2) of this Section IV is contained in the broker trade confirmations or account statements, or in the records of the Company, as specified in subsection (B)(4) of this Section IV.

(B) Report Types

(1) Initial Holdings Report. An Access Person must file an initial report not later than 10 days after that person became an Access Person. The initial report must: (a) contain the title, number of shares and principal amount of each Covered Security in which the Access Person had any direct or indirect beneficial ownership when the person became an Access Person; (b) identify any broker, dealer or bank with whom the Access Person maintained an account in which any Covered Securities were held for the direct or indirect benefit of the Access Person as of the date the person became an Access Person; and (c) indicate the date that the report is filed with the Designated Person. A copy of a form of such report is attached hereto as Exhibit B.

(2) Quarterly Transaction Report. An Access Person must file a quarterly transaction report not later than 30 days after the end of a calendar quarter.

(a) With respect to any transaction made during the reporting quarter in a Covered Security in which such Access Person had any direct or indirect beneficial ownership, the quarterly transaction report must contain: (i) the transaction date, title, interest date and maturity date (if applicable), the number of shares and the principal amount of each Covered Security; (ii) the nature of the transaction (i.e., purchase, sale or any other type of acquisition or disposition); (iii) the price of the Covered Security at which the transaction was effected; (iv) the name of the broker, dealer or bank through which the transaction was effected; and (v) the date that the report is submitted by the Access Person. A copy of a form of such report is attached hereto as Exhibit C.

(b) With respect to any account established by the Access Person in which any securities were held during the quarter for the direct or indirect benefit of the Access Person, the quarterly transaction report must contain: (i) the name of the broker, dealer or bank with whom the Access Person established the account; (ii) the date the account was established; and (iii) the date that the report is submitted by the Access Person.

(3) Annual Holdings Report. An Access Person must file an annual holdings report not later than 30 days after the end of a fiscal year. The annual

report must contain the following information (which information must be current as of a date no more than 30 days before the report is submitted): (a) the title, number of shares, and principal amount of each Covered Security in which the Access Person had any direct or indirect beneficial ownership; (b) the name of any broker, dealer or bank in which any Covered Securities are held for the direct or indirect benefit of the Access Person; and (c) the date the report is submitted. A copy of a form of such report is attached hereto as Exhibit D.

(4) Account Statements. In lieu of providing a quarterly transaction report, an Access Person may direct his or her broker to provide to the Designated Officer copies of periodic statements for all investment accounts in which they have Beneficial Ownership that provide the information required in quarterly transaction reports, as set forth above.

(5) Company Reports. No less frequently than annually, the Company must furnish to the Board, and the Board must consider, a written report that:

(a) describes any issues arising under the Code or procedures since the last report to the Board, including but not limited to, information about material violations of the code or procedures and sanctions imposed in response to the material violations; and

(b) certifies that the Company has adopted procedures reasonably necessary to prevent Access Persons from violating the Code.

(C) Disclaimer of Beneficial Ownership. Any report required under this Section IV may contain a statement that the report shall not be construed as an admission by the person submitting such duplicate confirmation or account statement or making such report that he or she has any direct or indirect beneficial ownership in the Covered Security to which the report relates.

(D) Review of Reports. The reports required to be submitted under this Section IV shall be delivered to the Designated Officer. The Designated Officer shall review such reports to determine whether any transactions recorded therein constitute a violation of the Code. Before making any determination that a violation has been committed by any Access Person, such Access Person shall be given an opportunity to supply additional explanatory material. The Designated Officer shall maintain copies of the reports as required by Rule 17j-1(f).

(E) Acknowledgment and Certification. Upon becoming an Access Person and annually thereafter, all Access Persons shall sign an acknowledgment and certification of their receipt of and intent to comply with this Code in the form attached hereto as Exhibit A and return it to the Designated Officer. Each Access Person must also certify annually that he or she has read and understands the Code and recognizes that he or she is subject to the Code. In addition, each access

person must certify annually that he or she has complied with the requirements of the Code and that he or she has disclosed or reported all personal securities transactions required to be disclosed or reported pursuant to the requirements of the Code.

(F) Records. The Company shall maintain records with respect to this Code in the manner and to the extent set forth below, which records may be maintained on microfilm or electronic storage media under the conditions described in Rule 31a-2(f) under the 1940 Act and shall be available for examination by representatives of the Securities and Exchange Commission (the ***"SEC"***):

(1) A copy of this Code and any other code of ethics of the Company that is, or at any time within the past five years has been, in effect shall be maintained in an easily accessible place;

(2) A record of any violation of this Code and of any action taken as a result of such violation shall be maintained in an easily accessible place for a period of not less than five years following the end of the fiscal year in which the violation occurs;

(3) A copy of each report made by an Access Person or duplicate account statement received pursuant to this Code, including any information provided in lieu of the reports under subsection (A)(3) of this Section IV shall be maintained for a period of not less than five years from the end of the fiscal year in which it is made or the information is provided, the first two years in an easily accessible place;

(4) A record of all persons who are, or within the past five years have been, required to make reports pursuant to this Code, or who are or were responsible for reviewing these reports, shall be maintained in an easily accessible place;

(5) A copy of each report required under subsection (B)(5) of this Section IV shall be maintained for at least five years after the end of the fiscal year in which it is made, the first two years in an easily accessible place; and

(6) A record of any decision, and the reasons supporting the decision, to approve the direct or indirect acquisition by an Access Person of beneficial ownership in any securities in an Initial Public Offering or Limited Offering shall be maintained for at least five years after the end of the fiscal year in which the approval is granted.

(G) Obligation to Report a Violation. Every Access Person who becomes aware of a violation of this Code by any person must report it to the Designated Officer, who shall report it to appropriate management personnel. The management personnel will take such disciplinary action that they consider appropriate under the

circumstances. In the case of officers or other employees of the Company, such action may include removal from office. If the management personnel consider disciplinary action against any person, they will cause notice thereof to be given to that person and provide to that person the opportunity to be heard. The Board will be notified, in a timely manner, of remedial action taken with respect to violations of the Code.

(H) Confidentiality. All reports of Covered Securities transactions, duplicate confirmations, account statements and other information filed with the Company or furnished to any person pursuant to this Code shall be treated as confidential, but are subject to review as provided herein and by representatives of the SEC or otherwise to comply with applicable law or the order of a court of competent jurisdiction.

SECTION V: SANCTIONS

Upon determination that a violation of this Code has occurred, appropriate management personnel of the Company may impose such sanctions as they deem appropriate, including, among other things, disgorgement of profits, a letter of censure or suspension or termination of the employment of the violator. All violations of this Code and any sanctions imposed with respect thereto shall be reported in a timely manner to the Board of Directors of the Company.

EXHIBIT A

ACKNOWLEDGMENT AND CERTIFICATION

I acknowledge receipt of the Code of Ethics of Main Street Capital Corporation. I have read and understand such Code of Ethics and agree to be governed by it at all times. Further, if I have been subject to the Code of Ethics during the preceding year, I certify that I have complied with the requirements of the Code of Ethics and have disclosed or reported all personal securities transactions required to be disclosed or reported pursuant to the requirements of the Code of Ethics.

_____

(signature)

_____

(please print name)

Date: _____

EXHIBIT B
INITIAL HOLDINGS REPORT

Name _____ Date _____

NAME OF ISSUER	NUMBER OF SHARES	PRINCIPAL AMOUNT

I certify that the foregoing is a complete and accurate list of all securities in which I have any Beneficial Ownership.

_____
Signature

EXHIBIT C

QUARTERLY TRANSACTION REPORT

Name _____ Date _____

DATE	NAME OF ISSUER	NUMBER OF SHARES	INTEREST DATE	MATURITY DATE	PRINCIPAL AMOUNT	TYPE OF TRANSACTION	NAME OF BROKER/ DEALER/ BANK

I certify that the foregoing is a complete and accurate list of all transactions for the covered period in securities in which I have any Beneficial Ownership.

_____

Signature

EXHIBIT D

ANNUAL HOLDINGS REPORT

Name _____ Date _____

NAME OF ISSUER	NUMBER OF SHARES	PRINCIPAL AMOUNT	NAME OF BROKER/DEALER/ BANK

I certify that the foregoing is a complete and accurate list of all securities in which I have any Beneficial Ownership.

_____

Signature

EXHIBIT E

PERSONAL SECURITIES ACCOUNT INFORMATION

Name _____ Date _____

SECURITIES FIRM NAME AND ADDRESS	ACCOUNT NUMBER	ACCOUNT NAME(S)

I certify that the foregoing is a complete and accurate list of all securities accounts in which I have any Beneficial Ownership.

_____

Signature