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Special Value Continuation Fund, LLC
Form N-30B-2
June 07, 2010

Consolidated Financial Statements
(Unaudited)

Special Value Continuation Fund, LLC
(A Delaware Limited Liability Company)
March 31, 2010

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Special Value Continuation Fund, LLC (the “Company”) files a schedule of its investment in Special Value Continuation Partners, LP (the “Partnership”) with the Securities and Exchange Commission (“SEC”) for the first and third quarters of each fiscal year on Form N-Q. Investments listed in the Consolidated Statement of Investments are held by the Partnership, which also files its complete schedule of portfolio holdings with the Securities and Exchange Commission (“SEC”) for the first and third quarters of each fiscal year on Form N-Q. The Forms N-Q of the Company and the Partnership are available on the SEC’s website at <http://www.sec.gov>. The Forms N-Q of the Company and the Partnership may also be reviewed and copied at the SEC’s Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

A free copy of the proxy voting guidelines of the Company and the Partnership and information regarding how the Company and the Partnership voted proxies relating to portfolio investments during the most recent twelve-month period may be obtained without charge on the SEC’s website at <http://www.sec.gov> or by calling the advisor of the Company and the Partnership, Tennenbaum Capital Partners, LLC, at (310) 566-1000. Collect calls for this purpose are accepted.

Special Value Continuation Fund, LLC
(A Delaware Limited Liability Company)

Consolidated Portfolio Asset Allocation (Unaudited)

March 31, 2010

Industry	Percent of Cash and Investments
Wired Telecommunications Carriers	16.1%
Architectural, Engineering, and Related Services	9.8%
Other Electrical Equipment and Component Manufacturing	9.2%
Nonferrous Metal (except Aluminum) Production and Processing	6.7%
Other Information Services	5.9%
Radio and Television Broadcasting	4.3%
Communications Equipment Manufacturing	3.9%
Resin, Synthetic Rubber, and Artificial Synthetic Fibers and Filaments Manufacturing	3.1%
Other Financial Investment Activities	3.0%
Scheduled Air Transportation	3.0%
Data Processing, Hosting, and Related Services	2.8%
Book, Periodical, and Music Stores	2.4%
Full-Service Restaurants	2.0%
Offices of Real Estate Agents and Brokers	1.9%
Basic Chemical Manufacturing	1.6%
Industrial Machinery Manufacturing	1.6%
Other Professional, Scientific, and Technical Services	1.2%
Support Activities for Mining	1.1%
Computer and Peripheral Equipment Manufacturing	1.0%
Oil and Gas Extraction	1.0%
Depository Credit Intermediation	0.8%
Wireless Telecommunications Carriers (except Satellite)	0.8%
Gambling Industries	0.6%
Accounting, Tax Preparation, Bookkeeping, and Payroll Services	0.2%
Grocery Stores	0.2%
Semiconductor and Other Electronic Component Manufacturing	0.2%
Machine Shops, Turned Product, and Screw, Nut, and Bolt Manufacturing	0.2%
Other Amusement and Recreation Industries	0.2%
Electric Power Generation, Transmission and Distribution	0.1%
Other Financial Services	0.1%
Support Activities for Air Transportation	0.1%
Nondepository Credit Intermediation	0.0%
Cash and Cash Equivalents	14.9%
Total	100.0%

Special Value Continuation Fund, LLC
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Consolidated Statement of Assets and Liabilities (Unaudited)

March 31, 2010

Assets	
Investments, at fair value:	
Unaffiliated issuers (cost \$286,307,940)	\$ 234,509,385
Controlled companies (cost \$37,838,172)	11,966,712
Other affiliates (cost \$116,372,481)	145,665,389
Total investments (cost \$440,518,593)	392,141,486
Cash and cash equivalents	68,805,550
Accrued interest income:	
Unaffiliated issuers	4,360,200
Controlled companies	4,327
Other affiliates	12,135
Receivable for investment securities sold	3,233,044
Deferred debt issuance costs	1,909,526
Dividends receivable from other affiliates	1,845,028
Prepaid expenses and other assets	38,787
Total assets	472,350,083
Liabilities	
Credit facility payable	72,000,000
Payable for investment securities purchased	20,083,733
Distribution payable	3,000,000
Management and advisory fees payable	565,599
Payable to affiliate	134,824
Interest payable	32,718
Unrealized depreciation on swaps	24,531
Accrued expenses and other liabilities	411,519
Total liabilities	96,252,924
Preferred stock	
Series Z; \$500/share liquidation preference; 400 shares authorized, 47 shares issued and outstanding	
	23,500
Accumulated dividends on Series Z preferred stock	480
Total Series Z preferred stock	23,980
Preferred equity facility	
Series A preferred limited partner interests in Special Value Continuation Partners, LP; \$20,000/interest liquidation preference; 6,700 interests authorized, issued and outstanding	
	134,000,000
Accumulated dividends on Series A preferred equity facility	355,366
Total preferred limited partner interests	134,355,366
Minority interest	

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General partner interest in Special Value Continuation Partners, LP		-
Net assets applicable to common shareholders	\$	241,717,813
Composition of net assets applicable to common shareholders		
Common stock, \$0.001 par value; unlimited shares authorized, 418,955.777 shares issued and outstanding	\$	419
Paid-in capital in excess of par, net of contributed unrealized gains		364,764,708
Accumulated net investment income		3,821,333
Accumulated net realized losses		(78,506,523)
Accumulated net unrealized depreciation		(48,361,644)
Accumulated dividends to Series Z preferred shareholders		(480)
Net assets applicable to common shareholders	\$	241,717,813
Common stock, NAV per share	\$	576.95

See accompanying notes.

Special Value Continuation Fund, LLC
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Consolidated Statement of Investments (Unaudited)

March 31, 2010

Showing Percentage of Total Cash and Investments of the Company

Investment	Principal Amount	Fair Value	Percent of Cash and Investments
Debt Investments (54.17%)			
Bank Debt (21.66%) (1)			
Book, Periodical, and Music Stores (2.45%)			
Borders Group, Inc., 2nd Lien FIFO Term Loan, LIBOR + 12.25%, due 4/1/14	\$ 11,798,247	\$ 11,296,822	2.45%
Communications Equipment Manufacturing (3.91%)			
Mitel Networks Corporation, 1st Lien Term Loan, LIBOR + 3.25%, due 8/10/14	\$ 18,550,859	18,003,214	3.91%
Computer and Peripheral Equipment Manufacturing (1.01%)			
Palm, Inc., Tranche B Term Loan, LIBOR + 3.5%, due 4/24/14	\$ 134,975	110,229	0.02%
Targus Group, 1st Lien Term Loan, LIBOR + 5.75% Cash + 3.5% PIK, due 11/22/12	\$ 5,760,632	4,584,501	0.99%
Total Computer and Peripheral Equipment Manufacturing		4,694,730	
Electric Power Generation, Transmission and Distribution (0.05%)			
La Paloma Generating Company, Residual Bank Debt (3)	\$ 23,218,322	211,507	0.05%
Machine Shops, Turned Product, and Screw, Nut, and Bolt Manufacturing (0.18%)			
Acument Global Technologies, LLC, 1st Lien Term Loan, 10% Cash + 4% PIK, due 8/11/13	\$ 857,741	814,854	0.18%
Offices of Real Estate Agents and Brokers (1.16%)			
Realogy Corporation, Revolver, LIBOR + 2.25%, due 4/10/13	\$ 15,897,590	(2,245,535)	(0.49)%
Realogy Corporation, 2nd Lien Term Loan A, 13.5%, due 10/15/17	\$ 6,927,199	7,597,952	1.65%
Total Offices of Real Estate Agents and Brokers		5,352,417	
Other Financial Investment Activities (2.96%)			
American Capital, Ltd., Senior Unsecured Revolver, PRIME + 5.75%, due 3/31/11	\$ 13,764,622	13,629,539	2.96%
Radio and Television Broadcasting (4.08%)			
Broadcast Facilities, Inc., 1st Lien Revolver, 13%, due 12/31/14	\$ 2,343,750	1,000,000	0.22%

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Broadcast Facilities, Inc., 1st Lien Term Loan, 13%, due 12/31/14	\$ 17,656,250	17,788,672	3.86%
Total Radio and Television Broadcasting		18,788,672	
Wired Telecommunications Carriers (5.86%)			
Bulgaria Telecom Company AD, 1st Lien Tranche B Term Loan EURIBOR + 2.75%, due 8/9/15 - (Netherlands) (4)	\$ 2,574,080	2,666,871	0.58%
Integra Telecom, Inc., 1st Lien Term Loan, LIBOR + 8.75%, due 8/31/13	\$ 156,054	156,835	0.03%
Interstate Fibernet, Inc., 1st Lien Term Loan, LIBOR + 4%, due 7/31/13 (2)	\$ 10,449,354	10,449,354	2.27%
Interstate Fibernet, Inc., 2nd Lien Term Loan, LIBOR +7.5%, due 7/31/14 (2)	\$ 8,281,636	8,281,636	1.80%
NEF Telecom Company BV, 1st Lien Tranche C Term Loan, EURIBOR + 3.50%, due 8/9/16 (4)	€ 3,821,057	3,764,140	0.82%
NEF Telecom Company BV, 2nd Lien Tranche D Term Loan, EURIBOR + 5.5%, due 2/16/17 - (Netherlands) (4)	€ 1,538,600	1,637,975	0.36%
Total Wired Telecommunications Carriers		26,956,811	
Total Bank Debt (Cost \$100,131,884)		99,748,566	
Other Corporate Debt Securities (32.51%)			
Accounting, Tax Preparation, Bookkeeping, and Payroll Services (0.25%)			
NCO Group, Inc., Senior Secured Floating Rate Notes, LIBOR + 4.875%, due 11/15/13	\$ 655,000	537,100	0.12%
NCO Group, Inc., Senior Subordinated Notes, 11.875%, due 11/15/14	\$ 655,000	589,094	0.13%
Total Accounting, Tax Preparation, Bookkeeping, and Payroll Services		1,126,194	
Architectural, Engineering, and Related Services (4.63%)			
Alion Science & Technology Corporation, Senior Notes, 10.25%, due 2/1/15	\$ 14,914,000	11,334,640	2.46%
Alion Science & Technology Corporation, Senior Secured Notes, 10% Cash + 2% PIK, due 11/1/14 (5)	\$ 2,620,000	2,659,300	0.58%
ESP Holdings, Inc., Junior Unsecured Subordinated Promissory Notes, 18% PIK, due 3/31/15 (2), (5)	\$ 7,339,014	7,339,014	1.59%
Total Architectural, Engineering, and Related Services		21,332,954	

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Consolidated Statement of Investments (Unaudited) (Continued)

March 31, 2010

Showing Percentage of Total Cash and Investments of the Company

Investment	Principal Amount	Fair Value	Percent of Cash and Investments
Debt Investments (continued)			
Basic Chemical Manufacturing (1.57%)			
Kronos International, Inc., Senior Secured Notes, 6.5%, due 4/15/13 (4)	€ 6,296,000	\$ 7,214,063	1.57%
Data Processing, Hosting, and Related Services (2.31%)			
Anacomp, Inc., Senior Secured Subordinated Notes, 14% PIK, due 3/12/13 (2), (5), (8)	\$ 11,127,124	9,847,505	2.14%
Terremark Worldwide, Inc., Senior Secured Notes, 12%, due 6/15/17 (5)	\$ 703,000	784,253	0.17%
Total Data Processing, Hosting, and Related Services		10,631,758	
Full-Service Restaurants (2.04%)			
Real Mex Restaurants, Inc., Senior Secured Notes, 14%, due 1/1/13	\$ 9,613,000	9,420,740	2.04%
Gambling Industries (0.58%)			
Harrah's Operating Company Inc., Senior Secured Notes, 10%, due 12/15/18	\$ 3,212,000	2,673,990	0.58%
Harrah's Operating Company Inc., Senior Secured Notes, 11.25%, due 6/1/17	\$ 18,000	19,530	0.00%
Total Gambling Industries		2,693,520	
Grocery Stores (0.22%)			
Safeway, Inc., Senior Unsecured Notes, 4.95%, due 8/16/10	\$ 1,000,000	1,014,730	0.22%
Industrial Machinery Manufacturing (1.53%)			
GSI Group Corporation, Senior Notes, 11%, due 8/20/13 (3), (5)	\$ 7,778,000	7,039,090	1.53%
Nondepository Credit Intermediation (0.04%)			
Fannie Mae, Fixed Rate Notes, 2.5%, due 4/9/10	\$ 100,000	100,037	0.02%
Federal Home Loan Bank, Fixed Rate Notes, 2.375%, due 4/30/10	\$ 100,000	100,129	0.02%
Total Nondepository Credit Intermediation		200,166	

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Offices of Real Estate Agents and Brokers (0.78%)			
Realogy Corporation, Senior Subordinated Notes, 12.375%, due 4/15/15	\$	4,915,000	3,600,237 0.78%
Oil and Gas Extraction (0.96%)			
Forbes Energy Services, Senior Secured Notes, 11%, due 2/15/15	\$	2,904,000	2,744,222 0.60%
Seitel, Inc., Senior Notes, 9.75%, due 2/15/14 (5)	\$	2,056,000	1,651,811 0.36%
Total Oil and Gas Extraction			4,396,033
Other Amusement and Recreation Industries (0.16%)			
Bally Total Fitness Holdings, Inc., Senior Subordinated Notes, 14% Cash or 15.625% PIK, due 10/1/13 (3), (5)	\$	50,979,834	746,345 0.16%
Other Financial Services (0.09%)			
State Street Corporation, Subordinated Notes, 7.65%, due 6/15/10	\$	410,000	415,728 0.09%
Other Information Services (4.51%)			
IRI Holdco (RW), LLC, Note Receivable, 8%, due 12/12/11 (5)	\$	20,806,522	20,806,522 4.51%
Other Professional, Scientific, and Technical Services (1.16%)			
MSX International, Inc., Senior Secured 2nd Lien Notes, 12.5%, due 4/1/12 - (UK/France/Germany) (5)	\$	6,810,000	5,324,943 1.16%
Resin, Synthetic Rubber, and Artificial Synthetic Fibers and Filaments Manufacturing (3.13%)			
AGY Holding Corporation, Senior Secured 2nd Lien Notes, 11%, due 11/15/14	\$	16,655,000	14,406,575 3.13%

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Consolidated Statement of Investments (Unaudited) (Continued)

March 31, 2010

Showing Percentage of Total Cash and Investments of the Company

Investment	Principal Amount or Shares	Fair Value	Percent of Cash and Investments
Debt Investments (continued)			
Scheduled Air Transportation (2.71%)			
United Air Lines, Inc., Aircraft Secured Mortgage (N508UA), 20%, due 8/25/16 (5)	\$ 3,575,497	\$ 4,649,934	1.01%
United Air Lines, Inc., Aircraft Secured Mortgage (N510UA), 20%, due 9/26/16 (5)	\$ 566,710	738,989	0.16%
United Air Lines, Inc., Aircraft Secured Mortgage (N512UA), 20%, due 10/26/16 (5)	\$ 567,284	741,723	0.16%
United Air Lines, Inc., Aircraft Secured Mortgage (N530UA), 20%, due 11/25/13 (5)	\$ 3,352,037	4,148,146	0.90%
United Air Lines, Inc., Aircraft Secured Mortgage (N536UA), 16%, due 8/21/14 (5)	\$ 546,064	618,691	0.13%
United Air Lines, Inc., Aircraft Secured Mortgage (N545UA), 16%, due 7/17/15 (5)	\$ 641,491	740,922	0.16%
United Air Lines, Inc., Aircraft Secured Mortgage (N585UA), 20%, due 10/25/16 (5)	\$ 666,076	871,227	0.19%
Total Scheduled Air Transportation		12,509,632	
Support Activities for Mining (1.07%)			
Allis-Chalmers Energy, Senior Unsecured Notes, 8.5%, due 3/1/17	\$ 5,511,000	4,917,741	1.07%
Wired Telecommunications Carriers (3.93%)			
NEF Telecom Company BV, Mezzanine Term Loan, EURIBOR + 10% PIK, due 8/16/17 - (Netherlands) (4), (5)	€ 17,000,187	14,159,311	3.07%
Zayo Group, LLC, 1st Lien Senior Secured Notes, 10.25%, due 3/15/17 (5)	€ 3,885,079	3,969,054	0.86%
Total Wired Telecommunications Carriers		18,128,365	
Wireless Telecommunications Carriers (except Satellite) (0.84%)			
Clearwire Communications, LLC, Senior Secured Notes, 12%, due 12/1/15 (5)	\$ 2,622,000	2,683,066	0.58%
Clearwire Communications, LLC, Senior Secured Notes, 12%, due 12/1/15	\$ 1,179,000	1,206,459	0.26%

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Total Wireless Telecommunications Carriers (except Satellite)		3,889,525	
Total Other Corporate Debt Securities (Cost \$192,490,921)		149,814,861	
Total Debt Investments (Cost \$292,622,805)		249,563,427	
Equity Securities (30.92%)			
Architectural, Engineering, and Related Services (5.22%)			
Alion Science and Technology Corporation, Warrants (3), (5)	2,620	–	0.00%
ESP Holdings, Inc., Common Stock (2), (3), (5), (6)	88,670	18,642,166	4.04%
ESP Holdings, Inc., 15% PIK, Preferred Stock (2), (3), (5), (6)	40,618	5,432,121	1.18%
Total Architectural, Engineering, and Related Services		24,074,287	
Data Processing, Hosting, and Related Services (0.46%)			
Anacomp, Inc., Common Stock (2), (3), (5), (8)	1,253,969	2,119,207	0.46%
Depository Credit Intermediation (0.84%)			
Doral Holdings, LP Interest (3), (5)	855,916	3,883,810	0.84%