

EQUUS TOTAL RETURN, INC.
Form 10-Q
November 14, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2018

or

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

For the transition period to

Commission File Number 814-00098

EQUUS TOTAL RETURN, INC.

(Exact name of registrant as specified in its charter)

Delaware	76-0345915
(State or other jurisdiction of	(I.R.S. Employer
incorporation or organization)	Identification No.)

700 Louisiana St., 48th Floor

Houston, Texas	77002
(Address of principal executive offices)	(Zip Code)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Registrant's telephone number, including area code: (713) 529-0900

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller Reporting Company	Emerging Growth Company
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If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company. Yes No

There were 13,518,146 shares of the registrant's common stock, \$.001 par value, outstanding, as of November 14, 2018

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EQUUS TOTAL RETURN, INC.

(A Delaware Corporation)

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Table of Contents**EQUUS TOTAL RETURN, INC.****BALANCE SHEETS****(Unaudited)****Part I. Financial Information****Item 1. Financial Statements**

	September 30, 2018	December 31, 2017
(in thousands, except per share amounts)		
Assets		
Investments in portfolio securities at fair value:		
Control investments (cost at \$10,050)	\$10,711	\$8,212
Affiliate investments (cost at \$350)	20,500	16,686
Non-affiliate investments - related party (cost at \$6,501 and \$6,276, respectively)	5,004	5,240
Non-affiliate investments (cost at \$977)	977	977
Total investments in portfolio securities at fair value	37,192	31,115
Temporary cash investments	16,995	17,998
Cash and cash equivalents	8,206	10,795
Restricted cash	170	180
Accounts receivable from affiliates	561	586
Accrued interest receivable	489	420
Other assets	174	110
Total assets	63,787	61,204
Liabilities and net assets		
Accounts payable	114	122
Accounts payable to related parties	107	77
Borrowing under margin account	16,995	17,998
Total liabilities	17,216	18,197
Commitments and contingencies (see Note 2)		
Net assets	\$46,571	\$43,007
Net assets consist of:		
Common stock, par value	\$13	\$13
Capital in excess of par value	55,661	55,304
Undistributed net investment losses	(28,421)	(25,772)
Undistributed net capital gains	4	—

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Unrealized appreciation of portfolio securities, net	20,811	14,498
Unrealized depreciation of portfolio securities, net - related party	(1,497)	(1,036)
Total net assets	\$46,571	\$43,007
Shares of common stock issued and outstanding, \$.001 par value, 50,000 shares authorized	13,518	13,518
Shares of preferred stock issued and outstanding, \$.001 par value, 5,000 shares authorized	—	—
Net asset value per share	\$3.45	\$3.18

The accompanying notes are an integral part of these financial statements.

Table of Contents**EQUUS TOTAL RETURN, INC.****STATEMENTS OF OPERATIONS****(Unaudited)**

	Three Months ended		Nine Months Ended	
(in thousands, except per share amounts)	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Investment income:				
Interest and dividend income:				
Non-affiliate investments - related party	\$76	\$65	\$225	\$192
Non-affiliate investments	—	45	69	240
Total interest and dividend income	76	110	294	432
Interest from temporary cash investments	9	2	21	7
Total investment income	85	112	315	439
Expenses:				
Transaction costs	—	(204)	—	2,501
Compensation expense	365	292	1,263	1,899
Professional fees	206	314	1,011	977
Director fees and expenses	75	46	271	