
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

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

Date of report (Date of earliest event reported): October 28, 2020

Portman Ridge Finance Corporation

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

814-00735
(Commission
File Number)

20-5951150
(IRS Employer
Identification No.)

650 Madison Avenue, 23rd Floor
New York, New York
(Address of Principal Executive Offices)

10022
(Zip Code)

(212) 891-2880

(Registrant's telephone number, including area code)

Not Applicable

(Former Name or Former Address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

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

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.01 per share	PTMN	The NASDAQ Global Select Market
6.125% Notes due 2022	KCAPL	The NASDAQ Global Select Market

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

Emerging growth company

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

Item 2.01. Completion of Acquisition or Disposition of Assets.

On October 28, 2020, Portman Ridge Finance Corporation, a Delaware corporation (the “Company”), completed its previously announced acquisition of Garrison Capital Inc., a Delaware corporation (“GARS”), pursuant to that certain Agreement and Plan of Merger (the “Merger Agreement”), dated as of June 24, 2020, by and among the Company, GARS, Citadel Acquisition Sub Inc., a Delaware corporation and a direct wholly owned subsidiary of the Company (“Acquisition Sub”), and Sierra Crest Investment Management LLC, a Delaware limited liability company and the external investment adviser to the Company (“Sierra Crest”). Pursuant to the Merger Agreement, Acquisition Sub was merged with and into GARS, with GARS continuing as the surviving corporation and a direct wholly owned subsidiary of the Company (the “First Merger”). Immediately following the First Merger, GARS was merged with and into the Company, with the Company continuing as the surviving corporation (the “Second Merger”). As a result of, and as of the effective time of, the Second Merger, GARS’ separate corporate existence ceased.

In accordance with the terms of the Merger Agreement, at the effective time of the First Merger (the “Effective Time”), each share of common stock, par value \$0.001 per share, of GARS (the “GARS Common Stock”) issued and outstanding immediately prior to the Effective Time (other than shares owned by the Company or GARS or any wholly owned subsidiary of the Company or GARS (other than shares held in trust accounts, managed accounts and the like, or otherwise held in a fiduciary or agency capacity, that were beneficially owned by third parties) and all treasury shares (collectively, “Cancelled Shares”)) was converted into the right to receive (i) an amount in cash, without interest, equal to approximately \$1.19 and (ii) approximately 1.917 shares of common stock, par value \$0.01 per share, of the Company (the “Company Common Stock”) (plus any applicable cash in lieu of fractional shares). As of immediately prior to the Effective Time, there were 44,169,060 shares of Company Common Stock issued and outstanding. The Merger Agreement also provides that each share of GARS Common Stock issued and outstanding immediately prior to the Effective Time, excluding Cancelled Shares, will be entitled to receive, as additional consideration funded by Sierra Crest, an amount in cash, without interest, equal to approximately \$0.31.

The foregoing description of the Merger Agreement is a summary only and is qualified in its entirety by reference to the full text of the Merger Agreement, a copy of which was filed by the Company as Exhibit 2.1 to its Current Report on Form 8-K filed on June 25, 2020, and is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of New Directors

On October, 26, 2020, the Company’s board of directors (the “Board”) unanimously expanded the size of the Board from 7 to 9 members and, pursuant to the terms of the Merger Agreement, each of the individuals named below (each of whom previously served as a member of the board of directors of GARS) was appointed to the Board, and to the director class indicated across from his name, to fill the vacancies created by such expansion, with each to hold office until his successor is elected and qualified, effective as of immediately after the closing of the transactions contemplated by the Merger Agreement:

Name	<u>Director Class</u>
Matthew Westwood	Class I
Joseph Morea	Class II

Each of Messrs. Westwood and Morea accepted the appointment.

Matthew Westwood had served as a director of GARS since 2011. Mr. Westwood formerly served as a managing director and principal of Wilshire Associates Incorporated. While at Wilshire Associates Incorporated, Mr. Westwood was a senior investment professional for Wilshire Private Markets, a global private equity fund of funds. Prior to joining Wilshire Associates Incorporated, Mr. Westwood worked at Ernst & Young LLP where he managed audit and consulting engagements for both public and private clients. During his career, Mr. Westwood has served on numerous private equity limited partner advisory boards. He also formerly served as a member of the board of the Pittsburgh Venture Capital Association and as a member of Wilshire Associates Incorporated’s 401k Committee. Mr. Westwood received a B.S. from Villanova University and an M.B.A. from the University of Pittsburgh. Mr. Westwood is currently an inactive Certified Public Accountant. Mr. Westwood’s experience at a senior level in the asset management industry and as an accountant led the Company’s Nominating and Corporate Governance Committee to conclude that Mr. Westwood is qualified to serve as a director.

Joseph Morea had served as a director of GARS since 2015. Mr. Morea has also served as a director for Industrial Logistics Properties Trust, a REIT primarily investing in industrial and logistics properties, since January 2018, for Tremont Mortgage Trust, a real estate finance company primarily investing in first mortgage loans secured by middle market and transitional commercial real estate, since June 2017, for Eagle Growth and Income Opportunities Fund, an investment company primarily investing in equity and fixed income securities, since April 2015, for TravelCenters of America LLC, a company that operates full-service facilities along highways, since February 2015 and for First Eagle Senior Loan Fund, an investment company primarily investing in bank loans, since June 2013. Additionally, he served as a director for RMR Real Estate Income Fund, an investment company primarily investing in common and preferred securities issued by REITs and other real estate companies, from May 2016 to May 2020 and Equity Commonwealth, a real estate investment trust, from July 2012 to March 2014. Mr. Morea previously served as a Principal for Berkeley Realty Ventures, LLC. Prior to joining Berkeley Realty Ventures in August 2012, Mr. Morea served as the Vice Chairman and Managing Director of RBC Capital Markets from 2003 through June 2012. In this position, Mr. Morea led the U.S. Equity Capital Markets Division, the U.S. Investment Banking Division and the U.S. Commitment Committee. Earlier in his career, Mr. Morea held positions in equity capital markets at UBS, Inc., PaineWebber, Inc. and Smith Barney, Inc. and was a branch manager at Merrill Lynch Pierce Fenner & Smith, Inc. Mr. Morea received a B.S. from Albany State University and a M.B.A. from The Peter J. Tobin College of Business at St. John's University. Mr. Morea is also an inactive Certified Public Accountant. Mr. Morea's extensive knowledge of capital markets and his experience as a director with other investment companies led the Nominating and Corporate Governance Committee to conclude that Mr. Morea is qualified to serve as a director.

In connection with the appointment of Messrs. Westwood and Morea to the Board and effective at the same time, the Board appointed Mr. Westwood to serve as a member of each of the Board's Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee and appointed Mr. Morea to serve as a member of each of the Board's Compensation Committee and Nominating and Corporate Governance Committee.

Neither of Mr. Westwood nor Mr. Morea was appointed pursuant to any arrangement or understanding between such person and any other persons pursuant to which such person was selected as a director. As of the date of this report, neither of Mr. Westwood nor Mr. Morea is a party to and does not participate in any material plan, contract or arrangement (whether or not written) involving the Company. Further, neither of Mr. Westwood nor Mr. Morea, as applicable, and the Company have been involved in any transaction of the type described in Item 404(a) of Regulation S-K.

Item 7.01. Regulation FD Disclosure.

On October 28, 2020, the Company issued a press release announcing the completion of the transactions contemplated by the Merger Agreement. A copy of the press release is furnished herewith as Exhibit 99.1. The information contained in this Item 7.01 of this Current Report on Form 8-K (including Exhibit 99.1) is furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or under the Exchange Act, whether made before or after the date hereof, except as may be expressly set forth by specific reference in such filing to this Item 7.01 of this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Filed with this report:

2.1* [Agreement and Plan of Merger, dated as of June 24, 2020, by and among Portman Ridge Finance Corporation, Citadel Acquisition Sub Inc., Garrison Capital Inc. and Sierra Crest Investment Management LLC. \(Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on June 25, 2020\).](#)

* Exhibits and schedules to this Exhibit have been omitted in accordance with Item 601(b)(2) of Regulation S-K. The registrant agrees to furnish supplementally a copy of all omitted exhibits and schedules to the SEC upon its request.

Furnished with this report:

99.1 [Press Release, dated October 28, 2020.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PORTMAN RIDGE FINANCE CORPORATION

Date: October 28, 2020

By: /s/ Edward U. Gilpin

Name: Edward U. Gilpin

Title: Chief Financial Officer

PORTMAN RIDGE

FOR IMMEDIATE RELEASE

Portman Ridge Finance Corporation Closes Merger with Garrison Capital Inc.

- **Combined company estimated to have total assets of approximately \$638 million**
- **Third strategic transaction closed by Portman Ridge in two years**

NEW YORK, October 28, 2020 – Portman Ridge Finance Corporation (Nasdaq: PTMN) (the “Company” or “PTMN”) and Garrison Capital Inc. (formerly Nasdaq: GARS) (“GARS”) announced today the closing (the “Closing”) of the previously announced transaction under which GARS will be merged into PTMN.

As a result of the Closing, October 28, 2020 has been set as the record date (the “Record Date”) for the GARS stockholders’ right to receive the \$5.0 million cash payment from an affiliate of BC Partners Advisors L.P. (“BC Partners”) as well as the merger consideration composed of (i) approximately \$19.1 million in cash from PTMN and (ii) approximately 30.8 million shares of PTMN common stock. Accordingly, each share of GARS common stock will receive approximately \$1.50 in cash and 1.917 shares of PTMN common stock.

The merger received solid support from the GARS stockholder base, with nearly 99% of the voting stockholders approving the transaction. As of the Closing, PTMN and GARS stockholders owned approximately 59.0% and 41.0%, respectively, of the combined company.

The combined company will be externally managed by Sierra Crest Investment Management LLC, an affiliate of BC Partners, and after the Closing is expected to have total assets of approximately \$638 million and net asset value of approximately \$209 million.

Ted Goldthorpe, President and CEO of PTMN and Head of BC Partners Credit commented, “We are very pleased to close the merger with Garrison Capital, the third transaction successfully negotiated and closed by our team in less than two years. Our new and existing stakeholders will benefit not only from the increased size and scale of the combined entity, but also from the access and resources provided by BC Partners’ broader \$31 billion platform. We look forward to continuing to execute on our long-term strategy of building a diversified portfolio of high-quality directly originated senior secured debt investments.”

Simpson Thacher & Bartlett LLP served as counsel to PTMN. Keefe, Bruyette & Woods, *A Stifel Company* served as exclusive financial advisor to the Special Committee of GARS’ Board of Directors. Proskauer Rose LLP served as counsel to GARS and Eversheds Sutherland (US) LLP served as counsel to the Special Committee of GARS’ Board of Directors.

About Portman Ridge Finance Corporation

Portman Ridge Finance Corporation (Nasdaq: PTMN) is a publicly traded, externally managed investment company that has elected to be regulated as a business development company under the Investment Company Act of 1940. Portman Ridge Finance Corporation’s middle market investment business originates, structures, finances and manages a portfolio of term loans, mezzanine investments and selected equity securities in middle market companies. The Company’s investment activities are managed by its investment adviser, Sierra Crest Investment Management LLC, an affiliate of BC Partners Advisors, LP.

Portman Ridge Finance Corporation's filings with the Securities and Exchange Commission (the "SEC"), earnings releases, press releases and other financial, operational and governance information are available on the Company's website at www.portmanridge.com.

About BC Partners Advisors L.P. and BC Partners Credit

BC Partners is a leading international investment firm with over \$31 billion of assets under management in private equity, private credit and real estate strategies. Established in 1986, BC Partners has played an active role in developing the European buyout market for three decades. Today, BC Partners executives operate across markets as an integrated team through the firm's offices in North America and Europe. Since inception, BC Partners has completed 117 private equity investments in companies with a total enterprise value of €149 billion and is currently investing its eleventh private equity fund. For more information, please visit www.bcpartners.com.

BC Partners Credit was launched in February 2017 and has pursued a strategy focused on identifying attractive credit opportunities in any market environment and across sectors, leveraging the deal sourcing and infrastructure made available from BC Partners.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The matters discussed in this press release, as well as in future oral and written statements by management of Portman Ridge Finance Corporation, that are forward-looking statements are based on current management expectations that involve substantial risks and uncertainties which could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements.

Forward-looking statements relate to future events or our future financial performance and include, but are not limited to, projected financial performance, expected development of the business, plans and expectations about future investments and the future liquidity of the Company. We generally identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "outlook," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar words. Forward-looking statements are based upon current plans, estimates and expectations that are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove to be incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements.

Important assumptions include our ability to originate new investments, and achieve certain margins and levels of profitability, the availability of additional capital, and the ability to maintain certain debt to asset ratios. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this press release should not be regarded as a representation that such plans, estimates, expectations or objectives will be achieved. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, (1) uncertainty of the expected financial performance of the Company; (2) expected

synergies and savings associated with the transaction in which Garrison Capital Inc. merged with and into the Company; (3) the ability of the Company and/or BC Partners to implement its business strategy; (4) evolving legal, regulatory and tax regimes; (5) changes in general economic and/or industry specific conditions; (6) the impact of increased competition; (7) business prospects and the prospects of the Company's portfolio companies; (8) contractual arrangements with third parties; (9) any future financings by the Company; (10) the ability of Sierra Crest Investment Management LLC to attract and retain highly talented professionals; (11) the Company ability to fund any unfunded commitments; (12) any future distributions by the Company; (13) changes in regional or national economic conditions, including but not limited to the impact of the COVID-19 pandemic, and their impact on the industries in which we invest; and (14) other changes in the conditions of the industries in which we invest and other factors enumerated in our filings with the SEC. The forward-looking statements should be read in conjunction with the risks and uncertainties discussed in the Company's filings with the SEC, including the Company's most recent Form 10-K and other SEC filings. We do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required to be reported under the rules and regulations of the SEC.

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