

MACC PRIVATE EQUITIES INC
Form 10-Q
August 14, 2009

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

Form 10-Q

(Mark one)

R QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2009

£ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-24412

MACC PRIVATE EQUITIES INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

42-1421406
(I.R.S. Employer Identification No.)

580 Second Street; Suite 102, Encinitas, California 92024
(Address of principal executive offices)

(760) 479-5080
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant has (1) 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 R No £

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 or 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 and post such files.) Yes £ No R

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

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Large accelerated filer

Accelerated filer
reporting company

Non-accelerated filer

Smaller

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

At August 1, 2009, the registrant had issued and outstanding 2,464,621 shares of common stock.

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PART I -- FINANCIAL INFORMATION

Item 1.

Financial Statements

MACC PRIVATE EQUITIES INC.
Condensed Balance Sheets

	June 30, 2009 (Unaudited)	September 30, 2008
Assets		
Cash and cash equivalents	\$ 70,026	145,790
Loans and investments in portfolio securities, at market or fair value:		
Unaffiliated companies (cost of \$819,102 and \$2,274,595)	1,483,682	1,530,127
Affiliated companies (cost of \$11,331,488 and \$12,234,007)	8,053,452	10,528,449
Controlled companies (cost of \$2,874,939 and \$2,932,231)	2,602,022	2,443,275
Interest receivable	295,752	313,561
Other assets	325,863	352,675
Total assets	\$ 12,830,797	15,313,877
Liabilities and net assets		
Liabilities:		
Notes payable	4,314,022	4,750,405
Line of credit	330,000	---
Incentive fees payable	16,361	16,361
Accounts payable and other liabilities	112,918	112,130
Total liabilities	4,773,301	4,878,896
Net assets:		
Common stock, \$.01 par value per share; authorized 10,000,000 shares; issued and outstanding 2,464,621 shares	24,646	24,646
Additional paid-in-capital	10,919,223	13,349,317
Unrealized depreciation on investments	(2,886,373)	(2,938,982)
Total net assets	8,057,496	10,434,981
Total liabilities and net assets	\$ 12,830,797	15,313,877
Net assets per share	\$ 3.27	4.23

SEE ACCOMPANYING NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

MACC PRIVATE EQUITIES INC.
Condensed Statements of Operations

(Unaudited)

	For the three months ended June 30, 2009	For the three months ended June 30, 2008	For the nine months ended June 30, 2009	For the nine months ended June 30, 2008
Investment income:				
Interest				
Unaffiliated companies	\$ 96,049	8,263	111,878	25,189
Affiliated companies	31,397	101,248	178,372	407,061
Controlled companies	6,056	8,952	18,834	39,942
Other	31	72	223	2,341
Dividends				
Affiliated companies	18,912	163,326	136,279	261,624
Other income	---	---	---	6
Total investment income	152,445	281,861	445,586	736,163
Operating expenses:				
Interest expenses	85,745	93,377	229,147	330,304
Management fees	41,039	75,107	192,303	205,200
Professional fees	54,870	99,263	229,463	353,959
Other	70,903	94,274	215,354	245,903
Total operating expenses	252,557	362,021	866,267	1,135,366
Investment expense, net	(100,112)	(80,160)	(420,681)	(399,203)
Realized and unrealized (loss) gain on investments and other assets:				
Net realized (loss) gain on investments:				
Unaffiliated companies	(372,201)	101,616	(1,140,811)	107,109
Affiliated companies	(868,602)	584,431	(868,602)	584,431
Net change in unrealized appreciation/depreciation on investments	165,280	(34,322)	52,609	(955,652)
Net change in unrealized gain on other assets	---	(40,628)	---	(34,000)
Net (loss) gain on investments	(1,075,523)	611,097	(1,956,804)	