

**AMERITRANS CAPITAL CORPORATION**

**CODE OF ETHICS**

**Effective as of September 23, 2009**

## Table of Contents

	<u>Page</u>
<b>CODE OF ETHICS .....</b>	<b>1</b>
Introduction.....	1
Client Opportunities.....	6
Insider Trading.....	7
Personal Securities Transactions.....	10
Gifts, Entertainment and Contributions .....	15
Outside Business Activities .....	17
Confidentiality .....	18
Recordkeeping .....	20

The following Appendices consist primarily of forms and documents to be utilized to implement the Code of Ethics (the “Code of Ethics” or “Code”) and the Policies and Procedures set forth herein.

### APPENDICES

Appendix 1	Access Person Acknowledgment of Receipt of Manual
Appendix 2	Annual Certification of Compliance
Appendix 3	Personal Securities Holdings Report
Appendix 4	Quarterly Securities Transaction Report and Access Person Trading Policy Attestation
Appendix 5	Notice/Pre-Clearance Transaction Form For Access Person Accounts

# CODE OF ETHICS

## Introduction

### I. Fiduciary Duty - Statement of Policy

This Code of Ethics (the “Code”) has been adopted by Ameritrans Capital Corporation and its wholly owned subsidiary Elk Associates Funding Corp. (the “Company”) in compliance with Rule 17j-1 under the Investment Company Act of 1940 (the “Act”). The purpose of the Code is to establish standards and procedures for the detection and prevention of activities by which persons having knowledge of the investments and investment intentions of the Company may abuse their fiduciary duty to the Company, and otherwise to provide full and fair disclosure of all material facts in order to mitigate the types of conflict of interest situations to which Rule 17j-1 applies.

All of the Company’s non-Independent Directors, officers and employees (collectively, “Access Persons”) must affirmatively exercise authority and responsibility for the benefit of the Company, and may not participate in any activities that may conflict with the interests of the Company except in accordance with this Manual. In addition, Access Persons must avoid activities, interests and relationships that might interfere or appear to interfere with making decisions in the best interests of the Company. Accordingly, at all times, we must conduct our business with the following precepts in mind:

1. **Place the interests of the Company first.** We may not cause the Company to take action, or not to take action, for personal benefit rather than the benefit of the Company. For example, causing the Company to purchase a security owned by an Access Person for the purpose of increasing the price of that security would be a violation of this Code.
2. **Moderate gifts and entertainment.** The receipt of investment opportunities, perquisites, or gifts from persons doing or seeking to do business with the Company could call into question the exercise of our independent judgment. Accordingly, Access Persons may accept such items only in accordance with the limitations in this Code.
3. **Conduct all personal securities transactions in compliance with this Code of Ethics.** This includes all pre-clearance and reporting requirements and procedures regarding inside information and personal and proprietary trades. While the Company encourages Access Persons and their families to develop personal investment programs, Access Persons must not take any action that could result in even the appearance of impropriety.

4. **Keep information confidential.** Information concerning Company transactions or holdings may be material non-public information and Access Persons may not use knowledge of any such information to profit from the market effect of those transactions.
5. **Comply with the federal securities law and all other laws and regulations applicable to the Company's business.** Make it your business to know what is required of the Company as a business development company under the Act and otherwise, and of you as an Access Person of the Company, and integrate compliance into the performance of all duties.
6. **Seek advice when in doubt about the propriety of any action or situation.** Any questions concerning this Code of Ethics should be addressed to the Chief Compliance Officer, who is encouraged to consult with outside counsel, outside auditors or other professionals, as necessary.

The Policies and Procedures in this Code of Ethics implement these general fiduciary principles in the context of specific situations.

## II. Definitions

**A. "Access Person"** means an Advisory Person (as defined below) of the Company. All of the Company's non-independent directors, officers and employees are presumed to be Access Persons. The complete list of all Access Persons, as amended from time to time, will be kept by the Chief Compliance Officer.

**B. An "Advisory Person"** of the Company means: (i) any director, officer, general partner or employee of the Company, or any company in a Control (as defined below) 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 any Covered Security (as defined below) by the Company, or whose functions relate to the making of any recommendation 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 any Covered Security by the Company.

**C. "Automatic Investment Plan"** means a program in which regular periodic purchases (or withdrawals) are made automatically in (or from) investment accounts in accordance with a predetermined schedule and allocation. An Automatic Investment Plan includes a dividend reinvestment plan.

**D. “Beneficial Ownership”** is interpreted in the same manner as it would be under Rule 16a 1(a)(2) under the Securities Exchange Act of 1934 (the “1934 Act”) in determining whether a person is a beneficial owner of a security for purposes of Section 16 of the 1934 Act and the rules and regulations thereunder.

**E. “Chief Compliance Officer or CCO”** means the Chief Compliance Officer of the Company. The current Chief Compliance Officer of the Company is Michael R. Feinsod. Any change in the CCO will be promptly reported.

**F. “Control”** shall have the same meaning as that set forth in Section 2(a)(9) of the Act.

**G. “Covered Security”** means a security as defined in Section 2(a)(36) of the Act, which includes: any note, stock, treasury stock, security future, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, pre-organization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a “security”, or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

Except that “**Covered Security**” does not include: (i) direct obligations of the Government of the United States; (ii) bankers' acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements; and (iii) shares issued by open-end investment companies registered under the Act. (Collectively, “**Exempt Securities**”)

References to a Covered Security in this Code (e.g., a prohibition or requirement applicable to the purchase or sale of a Covered Security) shall be deemed to refer to and to include any warrant for, option in, or security immediately convertible into that Covered Security, and shall also include any instrument that has an investment return or value that is based, in whole or in part, on that Covered Security (collectively, “Derivatives”). Therefore, except as otherwise specifically provided by this Code: (i) any prohibition or requirement of this Code applicable to the purchase or sale of a Covered Security shall also be applicable to the purchase or sale of a Derivative relating to that Covered Security; and (ii) any prohibition or requirement of this Code applicable to the purchase or sale of a Derivative shall also be applicable to the purchase or sale of a Covered Security relating to that Derivative.

**H. “Independent 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 Act.

**I. “Initial Public Offering”** means an offering of securities registered under the Securities Act of 1933 (the “1933 Act”), the issuer of which, immediately before the registration, was not subject to the reporting requirements of Sections 13 or 15(d) of the 1934 Act.

**J. “Investment Personnel”** 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 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 made to the Company regarding the purchase or sale of securities by the Company.

**K. “Limited Offering”** means an offering that is exempt from registration under the 1933 Act pursuant to Section 4(2) or Section 4(6) thereof or pursuant to Rule 504, Rule 505, or Rule 506 thereunder.

**L. “Security Held or to be Acquired”** by the Company means: (i) any Covered Security which, within the most recent (3) days: (A) is or has been held by the Company; or (B) is being or has been considered by the Company for purchase by the Company; and (ii) any option to purchase or sell, and any security convertible into or exchangeable for, a Covered Security described in Section II (K)(i).

### **III. Sanctions and Certifications**

**Sanctions.** Access Persons may not engage in conduct that is deceitful, fraudulent or manipulative, or that involves false or misleading statements, in connection with the purchase or sale of investments by the Company. In this regard, Access Persons should recognize that Rule 17j-1 makes it unlawful for any affiliated person of the Company, or any affiliated person of an investment adviser for the Company, in connection with the purchase or sale, directly or indirectly, by the person of a Security Held or to be Acquired by the Company to:

- 1) employ any device, scheme or artifice to defraud the Company;
- 2) make any untrue statement of a material fact to the Company or omit to state to the Company a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;
- 3) engage in any act, practice or course of business that operates or would operate as a fraud or deceit on the Company; or
- 4) engage in any manipulative practice with respect to the Company.

Technical compliance with the procedures, prohibitions and limitations of this Code will not automatically insulate Access Persons from scrutiny of transactions that show a pattern of compromise or abuse of the individual's fiduciary duty to the Company.

Every Access Person shall promptly report any violation of this Code to the Chief Compliance Officer.

Upon discovering a violation of this Code, the board of directors, including a majority of the Independent Directors, may impose such sanction(s) as it deems appropriate under the circumstances, including, but not limited to, suspension or termination of employment, a letter of censure and/or restitution of an amount equal to the difference between the price paid or received by the Company and the more advantageous price paid or received by the offending person. Violations of this Code may also result in administrative, civil and/or criminal prosecution.

### **Certifications.**

Each Access Person must acknowledge having read (and must retain a copy of) the Company's Compliance Manual, including this Code of Ethics. (See Appendix 1 for the Access Person Acknowledgment of Receipt of Manual form.) At least once a year, each Access Person will be required to certify on the Annual Certification of Compliance form (see Appendix 2) that he or she has read and understood the Company's Compliance Manual, including this Code of Ethics, complied with its requirements, and has disclosed or reported all personal securities transactions required to be disclosed or reported.

The board of directors of the Company, including a majority of directors who are not interested persons, must approve the Code of Ethics and any material changes to the Code within six months after the adoption of the material change. Prior to its consideration and approval, the Company shall provide to the board a written report that (a) describes any issues arising under the Code 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.

## Client Opportunities

### Law

No Access Person may cause or attempt to cause the Company to purchase, sell or hold any security for the purpose of creating any personal benefit for him or herself. Rule 17j-1(b) makes it unlawful for an affiliated person of the Company to employ a “device, scheme or artifice” to defraud the Company or engage in any “act, practice or course of business” that operates as a “fraud or deceit” on the Company. While these provisions speak of fraud, they have been construed very broadly by the SEC and used to regulate, through enforcement action, many types of behavior that the SEC deems to be not in the best interest of the Company or inconsistent with fiduciary obligations. One such category of behavior is taking advantage of investment opportunities for personal gain that would be suitable for clients.

### Policy

An Access Person may not take personal advantage of any opportunity properly belonging to the Company. This principle applies primarily to the acquisition of securities of limited availability for an Access Person’s own account that would be suitable and could be purchased for the account of the Company, or the disposition of securities from an Access Person’s account prior to selling a position from the account of the Company.

Under limited circumstances, and only with the prior written approval of the Chief Compliance Officer, an Access Person may participate in opportunities of limited availability that are deemed by the Chief Compliance Officer not to have an adverse effect on the Company.

An Access Person may not cause or attempt to cause the Company to purchase, sell, or hold any Covered Securities for the purpose of creating a personal benefit.

### Procedures

**Disclosure of Personal Interest.** No Access Person shall recommend any transaction in any Covered Securities by the Company without having disclosed to the Chief Compliance Officer of the Company, his or her interest, if any, in such Covered Securities or the issuer thereof, including: the Access Person's Beneficial Ownership of any Covered Securities of such issuer; any contemplated transaction by the Access Person in such Covered Securities; any position the Access Person has with such issuer; and any present or proposed business relationship between such issuer and the Access Person (or a party in which the Access Person has a significant interest).

**Restriction on Investment.** Based on the information given, the Chief Compliance Officer will decide whether to restrict an Access Person’s participation in the investment decision or investment. In making these determinations, the Chief Compliance Officer will consider the following factors: (i) whether the opportunity was suitable for the Company; (ii) whether the

Company was legally and financially able to take advantage of the opportunity; (iii) whether the Company would be disadvantaged by the Access Person's interest or participation; (iv) whether the Access Person's interest is de minimis; and (v) whether the Access Person's interest or participation is clearly not related economically to the securities to be purchased, sold or held by the Company.

**Record of Determination and Monitoring.** A memorandum concerning the investment opportunity and the disposition of the approval request will be prepared promptly and maintained by the Chief Compliance Officer. The Chief Compliance Officer will monitor Access Persons' (i.e., Access Persons) personal securities transactions to identify, and will investigate any instance of, an Access Person purchasing or selling a security of limited availability or limited market interest, respectively, prior to making the opportunity available to the Company.

## **Insider Trading**

### **Law**

In the course of business, the Company and its Access Persons may have access to various types of material non-public information about issuers, securities or the potential effects of the Company's own investment and trading on the market for securities. Trading while in possession of material non-public information or communicating such information to others who may trade on such information is a violation of the securities laws. This conduct is frequently referred to as "insider trading" (whether or not one is an "insider").

While the law concerning insider trading is not static, it is generally understood to prohibit:

- (a) trading by an insider while in possession of material non-public information; in the case of an investment adviser, information pertaining to the adviser's positions or trades for its clients may be material non-public information;
- (b) trading by a non-insider while in possession of material non-public information, where the information either was disclosed to the non-insider in violation of an insider's duty to keep it confidential or was misappropriated;
- (c) communicating material non-public information to others; or
- (d) trading ahead of research reports or recommendations prepared by the Company.

The Company may come into possession of material non-public information about another company, such as an issuer in which it is investing or in which its own personnel might be investing for their own accounts.

**Who is an Insider?** The concept of “insider” is broad. It includes officers, directors and employees of a company. In addition, a person can be a “temporary insider” if he or she enters into a special confidential relationship in the conduct of a company’s affairs and as a result is given access to information solely for the company’s purposes. A temporary insider can include, among others, a company’s attorneys, accountants, consultants, and bank and the employees of such organizations. In addition, a person who advises or otherwise performs services for a company may become a temporary insider of that company. An Access Person of the Company could become a temporary insider to a company because of the Company’s and/or Access Person’s relationship to the company (*e.g.*, by having contact with company executives while researching the company). A company must expect the outsider to keep the disclosed non-public information confidential and the relationship must at least imply such a duty before the outsider will be considered an insider or temporary insider.

**What is Material Information?** Trading on non-public information is not a basis for liability unless the information is material. “Material information” generally is defined as information for which there is a substantial likelihood that a reasonable investor would consider it important in making his or her investment decisions, or information that is reasonably certain to have a substantial effect on the price of a security. Information that Access Persons should consider material includes, but is not limited to: dividend changes, earnings estimates, changes in previously released earnings estimates, significant merger or acquisition proposals or agreements, major litigation, liquidation problems, knowledge of an impending default on debt obligations, knowledge of an impending change in debt rating by a statistical rating organization, and extraordinary management developments.

Material information does not have to relate to the issuer’s business. For example, in one case the Supreme Court considered as material certain information about the contents of a forthcoming newspaper column that was expected to affect the market price of a security. In that case, a reporter at *The Wall Street Journal* was found criminally liable for disclosing to others the date that reports on various companies would appear in *The Wall Street Journal* and whether those reports would be favorable or not.

**What is Non-public Information?** Information is non-public until it has been effectively communicated to the marketplace. One must be able to point to some fact to show that the information is generally public. For example, information found in a report filed with the SEC, or appearing in *Dow Jones*, *Reuters Economic Services*, *The Wall Street Journal* or other publications of general circulation would be considered public.

**What is Tipping?** Tipping involves providing material non-public information to anyone who might be expected to trade while in possession of that information. An Access Person may become a “tippee” by acquiring material non-public information from a tipper, which would then require the Access Person to follow the procedures below for reporting and limiting use of the information.

**Penalties for Insider Trading.** Penalties for trading on or communicating material non-public information are severe, both for individuals involved in such unlawful conduct and their employers, and may include fines or damages up to three times the amount of any profit gained or loss avoided. A person can be subject to some or all of the applicable penalties even if he or she does not personally benefit from the violation.

## **Policy**

The Company forbids any Access Person to trade, either personally or on behalf of others, including the Company, while in possession of material non-public information or to communicate material non-public information to others in violation of the law. The Company's insider trading prohibitions extend to activities within and outside the Access Persons' duties as employees of the Company.

In addition, it is the policy of the Company that all information about securities holdings and transactions is to be kept in strict confidence by those who receive it, and such information may be divulged only within the Company and to those who have a need for it in connection with the preparation of SEC regulatory filings. Despite this blanket prohibition, some trades in securities in which the Company has also invested may be permitted because the fact that the Company has made such investments may not be viewed as material information (*e.g.*, trades in highly liquid securities with large market capitalization). The personal trading procedures set forth below establish circumstances under which such trades will be considered permissible and the procedures to follow in making such trades.

## **Procedures**

**Identification and Protection of Insider Information.** If an Access Person believes that he or she is in possession of information that is material and non-public, or has questions as to whether information is material and non-public, he or she should take the following steps:

- Report the matter immediately to the Chief Compliance Officer, who will document the matter.
- Refrain from purchasing or selling the securities on behalf of himself or herself or others.
- Refrain from communicating the information inside or outside the Company other than to the Chief Compliance Officer.

If the Chief Compliance Officer determines that an Access Person is in possession of material non-public information, he or she will notify all Access Persons that the security is restricted. All decisions about whether to restrict a security, or remove a security from restriction, will be made by the Chief Compliance Officer. Restrictions on such securities also extend to options, rights and warrants relating to such securities. When a security is restricted, all new trading activity of such security shall cease, unless approved in writing by the Chief Compliance Officer. If trading in a security is restricted, Access Persons are prohibited from communicating that fact to anyone outside the Company. A security will be removed from restriction if the Chief

Compliance Officer determines that no insider trading issue remains with respect to such security (for example, if the information becomes public or no longer is material).

**Restricting Access to Material Non-public Information.** Documents and files that contain material non-public information must be secure in order to minimize the possibility that such information will be transmitted to an unauthorized person. Such documents and files must be stored in locked file cabinets or other secure locations and confidential information accessible by computer should be maintained in computer files that are password protected or otherwise secure against access by unauthorized persons. Access Persons may not discuss material non-public information with, or in the presence of, persons who are not affiliated with the Company or authorized to receive such information, and should thus avoid discussions of material non-public information in hallways, elevators, trains, subways, airplanes, restaurants and other public places generally. The use of speaker phones or cellular telephones also should be avoided in circumstances where such information may be overheard by unauthorized persons.

**Detecting Insider Trading.** To detect insider trading, the Chief Compliance Officer will review the trading activity of the Company, Access Person accounts and other Company accounts, as applicable. It is also the responsibility of each Access Person to notify the Chief Compliance Officer of any potential insider trading issues. The Chief Compliance Officer will investigate any instance of possible insider trading and fully document the results of any such investigation. At a minimum, an investigation record should include: (i) the name of the security; (ii) the date the investigation commenced; (iii) an identification of the account(s) involved; and (iv) a summary of the investigation disposition.

## Personal Securities Transactions

### Law

Access Person investments must be consistent with the mission of the Company always to put the interests of the Company first and with the requirements that the Company and its Access Persons not trade on the basis of material non-public information concerning investment decisions for the Company.

Rule 17j-1 of the Act requires that every Access Person of the Company report their transactions and holdings periodically to the Chief Compliance Officer and that the adviser review these reports.

**Transaction Reporting Requirements.** All Access Persons must file initial and annual holdings reports and quarterly transaction reports with respect to all Covered Securities in which they have or acquire any direct or indirect Beneficial Ownership. As noted earlier, Covered Securities do not include (“Exempt Securities”):

- direct obligations of the Government of the United States;

- bankers' acceptances, bank certificates of deposit, commercial paper and high-quality short-term debt instruments, including repurchase agreements; and
- shares issued by open-end funds.

“Access Person Accounts” also may include accounts of others who share the Access Person’s household, anyone to whose support the Access Person materially contributes and other accounts over which the Access Person exercises a controlling influence. Access Person Accounts do not include accounts in which an Access Person has a Beneficial Interest but over which the Access Person does not exercise investment discretion. To exclude such an account, the Access Person must provide the Chief Compliance Officer with written documentation showing that someone else has been granted investment discretion over the account. Reports need not be filed with respect to transactions effected pursuant to an Automatic Investment Plan or in an account over which the Access Person has no direct or indirect influence or control.

## **Policy**

It is the Company’s policy that all of the Company’s non-independent directors, officers and employees are Access Persons for purposes of Rule 17j-1 and must file all required reports, including initial and annual holdings reports, and quarterly reports of transactions in Access Person Accounts.

**Pre-clearance - Initial Public Offerings and Limited Offerings.** Access Persons must obtain the written approval of the Chief Compliance Officer (or Chairman of the Audit Committee with respect to approving transactions of the Chief Compliance Officer) prior to investing in shares of Initial Public Offerings or Limited Offerings. Access Persons must furnish any prospectus, private placement memoranda, subscription documents and other materials about the investment as the Chief Compliance Officer may request.

Transactions Exempt from Preclearance. Preclearance requirements shall not apply to:

- (a) purchases, sales or other transactions effected in any account over which such person has no direct or indirect influence or control or other Beneficial Ownership Interest;
- (b) purchases that are part of an automatic dividend reinvestment plan;
- (c) purchases effected upon the exercise of rights issued by an issuer *pro rata* to all holders of a class of its securities, to the extent such rights were acquired from such issuer, and sales of such rights so acquired;
- (d) any equity securities transaction, or series of related transactions effected over a 30 calendar day period, involving 500 shares or less in the aggregate, if:

- (i) the Access Person has no prior knowledge of activity in such security by the Company; and
  - (ii) the issuer is listed on the New York Stock Exchange or has a market capitalization (outstanding shares multiplied by the current price per share) greater than \$1 billion (or a corresponding market capitalization in foreign markets).
- (e) any fixed income securities transactions, or series of related transactions effected over a 30 calendar day period, involving 100 units (\$100,000 principal amount) or less in the aggregate, if the Access Person has no prior knowledge of transactions in such securities by the Company.

**Short-Term Trading.** Short-term trading in securities of issuers in which an Access Person is an officer or director or the owner of 10% or more of a class of equity securities is subject to significant restrictions under the securities laws.

**Blackout Periods.** For any Covered Security in which trading is not otherwise prohibited by this Code of Ethics, Access Persons may trade in such Covered Security except during a period beginning (3) trading days before and ending (3) trading days after trades in the Covered Security are effected for the Company.

**Prohibited Transactions.** No Access Person may trade in any account in any security subject to a restriction on trading issued by the Chief Compliance Officer under the Company's insider trading policies and procedures set forth in this Code of Ethics.

**Maintaining Access Person Accounts.** While the Company encourages Access Persons to develop personal investment programs, it must be in a position to properly oversee the trading activity undertaken. As a result, the Company requires all Access Persons to provide duplicate account statements and confirmations for all accounts in which the Access Person has direct or indirect beneficial ownership.

## **Procedures**

**Duplicate Statements.** For any account opened or maintained at a broker-dealer, bank or similar financial institution, each Access Person shall be responsible for arranging for duplicate account statements and confirmations to be sent directly to the Chief Compliance Officer at the following address:

Ameritrans Capital Corporation  
 Fairview Investment Services  
 c/o 107 Glenwood Avenue  
 Raleigh, NC 27603  
 Attention: Chief Compliance Officer

Such statements must be provided upon issuance for all Access Person Accounts, and all such statements must be received no later than 30 days after the end of each quarter, except for accounts in which the Access Person only transacts in Exempt Securities. Duplicate confirmations must be provided upon issuance.

**Initial and Annual Holdings Reports.** Each Access Person must file a holdings report disclosing all Covered Securities (other than Exempt Securities and those that have been previously reported on account statements received by the Company) in any Access Person Account on the Annual Personal Securities Holdings Report (see Appendix 3) or any substitute acceptable to the Chief Compliance Officer, no later than 10 days after becoming an Access Person, and annually thereafter (45) days following the end of the calendar year. Each such report must be current as of a date no more than 45 days before the report is submitted.

**Quarterly Trade Reporting Requirements.** Each Access Person must submit to the Chief Compliance Officer within 30 days after the end of each quarter a report of all securities transactions (other than transactions in Exempt Securities) affected in each Access Person account during such quarter. The report must include the name of the security, date of the transaction, quantity, price, nature of the transaction and name of the bank, broker-dealer or financial institution through which the transaction was effected. Access Persons must independently report securities that do not appear on the account statements or confirmations (*e.g.*, any securities acquired in limited offerings or by gift or inheritance) on the Quarterly Securities Transaction Report provided as Appendix 4. Even if no transactions are required to be reported, each Access Person must submit such a report certifying that all transactions have been reported.

**Pre-clearance.** Each Access Person who wishes to effect a transaction in any Initial Public Offering or Limited Offering must first obtain written pre-clearance (see Appendix 5 ) of the transaction from the Chief Compliance Officer. A decision on permissibility of the trade generally will be rendered by the end of the trading day on which the request is received. Pre-clearance will be effective for a 24-hour period, unless otherwise specified.

**Review and Availability of Personal Trade Information.** All information supplied under these procedures, including quarterly transaction and initial and annual holdings reports, will be reviewed by the Chief Compliance Officer or designee for compliance with the policies and procedures in this Code of Ethics. Specifically, the Chief Compliance Officer or designee will:

- determine whether Access Persons followed internal procedures, such as pre-clearance;
- compare Access Person transactions to any restrictions in effect at the time of the trade;
- assess whether the Access Person is trading for his or her own account in the same financial instrument he or she is trading for the Company, and if so, whether the Company is receiving terms as favorable as those of the Access Person's trades; and
- analyze periodically the Access Person's trading for patterns that may indicate abuse.

**Confidentiality.** The Chief Compliance Officer or designee will maintain records in a manner to safeguard their confidentiality.

**Annual Certification.** The Chief Compliance Officer (or his or her delegate) shall notify each Access Person of the Company who may be required to make reports pursuant to this Code, that such person is subject to reporting requirements and shall deliver a copy of this Code to each such person. The Chief Compliance Officer shall annually obtain written assurances in the form attached hereto as Appendix 2 from each Access Person that he or she is aware of his or her obligations under this Code and has complied with the Code and with its reporting requirements.

## Gifts, Entertainment and Contributions

### Law

The giving or receiving of gifts or other items of value to or from persons doing business or seeking to do business with the Company could call into question the independence of its judgment as a fiduciary. If the Company and or its Access Persons were found to be acting in a position of undisclosed conflict of interest, it could be deemed an unlawful action under Rule 17j-1(b) of the Act.

Other federal laws and regulations prohibit companies and their employees from giving anything of value to employees of various financial institutions in connection with attempts to obtain any business transaction with the institution, which is viewed as a form of bribery.

### Policy

**Accepting Gifts and Entertainment.** On occasion, because of an Access Person's position with the Company, the Access Person may be offered, or may receive, gifts or other forms of non-cash compensation from investees, brokers, vendors, or other persons that do business with the Company. Extraordinary or extravagant gifts (*i.e.*, gifts that have an aggregate value of more than \$200 annually from a single giver) are not permissible and must be declined or returned, absent approval by the Chief Compliance Officer. Gifts of nominal value (*i.e.*, gifts that have an aggregate value of no more than \$200 annually from a single giver) and promotional items (*i.e.*, pens, mugs) may be accepted. Gifts should be sent to Access Persons at the Company's offices and may not be sent to an Access Person's home.

Entertainment having a reasonable value of no more than \$200 at which both the Access Person and the giver are present (*e.g.*, business lunches and dinners, and sporting and cultural events) also may be accepted. Access Persons may not accept entertainment having a value in excess of \$200 unless (i) there is a specific business purpose for such event; (ii) both the Access Person and the giver are present; and (iii) the Access Person's participation in the event has been reviewed by the Chief Compliance Officer.

**Giving Gifts and Providing Entertainment.** Access Persons may not give any gift(s) with an aggregate value in excess of the amounts listed above per year to any person associated with a securities or financial organization, including brokerage firms or other investment management firms, to members of the news media, or to investees or prospective investees of the Company. Access Persons may provide reasonable entertainment to such persons provided that both the Access Person and the recipient are present and there is a business purpose for the entertainment. Access Persons may not provide entertainment having a reasonable value in excess of \$100 to such persons unless (i) there is a specific business purpose for such event; (ii) both the Access Person and the recipient are present; and (iii) the provision of such entertainment has been reviewed by the Chief Compliance Officer.

**Cash.** No Access Person may give or accept cash gifts or cash equivalents to or from current or prospective investees, brokers, vendors, or other persons that do business with the Company.

**Solicitation of Gifts.** All solicitation of gifts or gratuities is unprofessional and is strictly prohibited.

**Pay to Play – Political Contributions.** Political contributions to public officials may not exceed \$1000 to any one official per election without the review by the Chief Compliance Officer. Similar restrictions may apply to gifts or benefits given to non-U.S. officials. Access Persons should consult with the Chief Compliance Officer prior to making any such gift or benefit.

**Charitable Contributions.** Access Persons may not solicit charitable contributions from investees, brokers, vendors, or other persons that do business with the Company without the prior approval of the Chief Compliance Officer, who shall maintain a record of each such solicitation.

**Client Complaints.** Access Persons may not make any payments or other account adjustments in order to resolve any type of complaint. All such matters must be handled by the Chief Compliance Officer.

## **Procedures**

**Prohibited Gifts and Entertainment.** If an Access Person has been offered a gift with an aggregate value exceeding \$100 from any investee, broker, vendor, or other person that does business with the Company or has been invited to participate in an event having a value in excess of \$200, the Access Person must seek the approval of the Chief Compliance Officer in order to accept or retain such gift or entertainment.

If an Access Person wishes to provide or accept any such gift or entertainment exceeding the values listed above to or from any person associated with a securities or financial organization, including brokerage firms or other investment management firms, to members of the news media, or to investees or prospective investees of the Company, the Access Person should review the gift or entertainment opportunity with the Chief Compliance Officer. Reviews of such gifts and entertainment will be recorded in a gift and entertainment log or documented. If there is any question about the appropriateness of any particular gift or entertainment opportunity, Access Persons should consult the Chief Compliance Officer.

**Political Contributions.** All political contributions in excess of \$1000 must be reported to the Chief Compliance Officer. Records of political contributions will be maintained by the Chief Compliance Officer or designee. The Chief Compliance Officer or designee will review all reports of political contributions upon receipt to determine compliance with Company policy.

## Outside Business Activities

### Law

The Company's fiduciary duties dictate that the Company and its Access Persons devote their professional attention to Client interests above their own and those of other organizations.

### Policy

Access Persons, who are not otherwise exempted by existing employment agreements, may not engage in any of the following outside business activities without the consulting with the Chief Compliance Officer:

- Be engaged in any other investment-related business;
- Be an officer of or employed or compensated by any other person for business-related activities;
- Serve as general partner, managing member or in a similar capacity with partnerships, limited liability companies or private funds other than those managed by the Company or its affiliates;
- Engage in personal investment transactions to an extent that diverts an Access Person's attention from or impairs the performance of his or her duties in relation to the business of the Company;
- Have any direct or indirect financial interest or investment in any dealer, broker or other current or prospective supplier of goods or services to the Company (other than ownership of publicly traded securities) from which the Access Person might benefit or appear to benefit materially; or
- Serve on the board of directors (or in any similar capacity) of another company. Authorization for board service will normally require that the Company not hold or purchase any securities of the company on whose board the Access Person sits.

**Restrictions on Activities.** With respect to any outside activities engaged in by an Access Person, the following restrictions shall be in effect: (i) the Access Person is prohibited from implying that he or she is acting on behalf of, or as a representative of, the Company; and (ii) if the activity was required to be reported to or reviewed by the Chief Compliance Officer, the Access Person must report any material change with respect to such activity.

## **Procedures**

**Approval.** Before undertaking the activities listed above, the Access Person must provide to the Chief Compliance Officer detailed information regarding all aspects of the proposed activity. The Access Person may not undertake such activity until the Access Person has obtained approval from the Chief Compliance Officer.

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## **Confidentiality**

### **Law**

During the course of employment with the Company, an Access Person may be exposed to or acquire Confidential Information. “Confidential Information” is any and all non-public, confidential or proprietary information in any form concerning the Company, its affiliates, their investments and investment strategies, or its clients or any other information received by the Company from a third party to whom the Company has an obligation of confidentiality, regardless of when such information was produced or obtained by the Company. Confidential Information includes documentation in any medium or format whatsoever, and all reproductions, copies, notes and excerpts of any documentation comprising or including any Confidential Information, as well as information orally conveyed to the Access Person.

Confidential Information shall not include (i) any information which the Access Person can prove by documentary evidence is generally available to the public or industry other than as a result of a disclosure by the Access Person, or (ii) any information that the Access Person obtains from a third party who is not subject to a confidentiality agreement with the Company and who did not obtain that information directly or indirectly from the Company.

### **Policy**

Access Persons shall not at any time while employed or at any time after being employed (i) disclose, directly or indirectly, any Confidential Information to anyone other than personnel of the Company or (ii) use or appropriate any Confidential Information. In addition, until disclosed in a public report to shareholders or to the SEC in the normal course, all information concerning the securities “being considered for purchase or sale” by the Company shall be kept confidential by all Access Persons and disclosed only on a “need to know” basis.

## **Procedures**

**Restrictions on Communications of Confidential Information.** Each Access Person agrees to inform the Chief Compliance Officer promptly if he or she (i) is seeking an exception in order to disclose Confidential Information in contravention of Company policy, or (ii) discovers that someone else is making or threatening to make unauthorized use or disclosure of Confidential Information. The Chief Compliance Officer will investigate any potential breaches of its confidentiality policy and report such to the Company's board of directors.

**Physical Security of Information.** Access Persons should avoid discussions of Confidential Information in hallways, elevators, trains, subways, airplanes, restaurants and other public places generally. Use of speaker phones or cellular telephones also shall be avoided in circumstances where Confidential Information may be overheard by unauthorized persons. Documents and files that contain Confidential Information must be kept secure in order to minimize the possibility that such Confidential Information will be transmitted to an unauthorized person. Confidential databases and other Confidential Information accessible by computer should be maintained in computer files that are password protected or otherwise secure against access by unauthorized persons. All Access Persons should lock their computers at the end of each work day.

**Company Property.** Access Persons may not physically remove Confidential Information from the premises of the Company except consistent with and in furtherance of the performance of their duties to the Company. All originals and copies of Confidential Information are the sole property of the Company. Upon the termination of employment for any reason, or upon the request of the Company at any time, each Access Person promptly will deliver all copies of such materials to the Company.

## Recordkeeping

### Law

Pursuant to Rule 17j-1, the Company is required to maintain at its principal place of business, the following records:

- A copy of each Code adopted by the Company pursuant to Rule 17j-1 that has been in effect at any time during the past five (5) years;
- A record of any violation of this Code, and of any action taken as a result of such violation for at least five (5) years after the end of the fiscal year in which the violation occurs;
- A copy of each initial holdings report, annual holdings report and quarterly transaction report made by an Access Person pursuant to this Code (including any brokerage confirmation or account statements provided in lieu of the reports) for at least five (5) years after the end of the fiscal year in which the report is made, the first two (2) years in an easily accessible place;
- A list of all persons who are, or within the past five (5) years have been, required to make initial holdings, annual holdings or quarterly transaction reports pursuant to this Code, or who are or were responsible for reviewing such reports, to be maintained in an easily accessible place;
- A record of all written acknowledgments and annual certifications of compliance for each person who is currently, or within the past five (5) years was required to provide such, maintained for at least five (5) years after the person ceases to be a Access Person of the Company;
- A copy of each report made by the Company to the board of directors for at least five (5) years after the end of the fiscal year in which the report was made, the first two (2) years in an easily accessible place; and
- A record of any decision, and the reasons supporting the decision, to approve the acquisition by Access Persons of securities in an Initial Public Offering or Limited Offering for at least five (5) years after the end of the fiscal year in which the approval is granted.

## **Policy and Procedures**

The Chief Compliance Officer is responsible for ensuring that Company adheres to the recordkeeping requirements described above.

**APPENDIX 1**

**AMERITRANS CAPITAL CORPORATION**

**ACKNOWLEDGMENT OF RECEIPT OF CODE OF ETHICS**

I acknowledge that I have received a copy of the current Code of Ethics (“Code”) of the Company, and represent that:

1. I have read this Code, and understand the Code’s the policies and procedures.
2. I understand that the Company may impose sanctions, up to and including termination of employment, for violation of any provision of this Code of Ethics.
3. I will comply with this Code of Ethics in all respects.

Access Person Name: \_\_\_\_\_

Access Person Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX 2**

**AMERITRANS CAPITAL CORPORATION**

**ANNUAL CERTIFICATION OF COMPLIANCE**

I certify that during the past year, in accordance with the Company's Compliance Manual (including the Code of Ethics and the Compliance Policies and Procedures),:

1. I have fully disclosed the securities holdings in my Access Person Accounts (as defined in the Code of Ethics).
2. Except for transactions exempt from the reporting, I have arranged for the Chief Compliance Officer to receive duplicate copies of each confirmation for each securities transaction and of monthly statements of all Access Person Accounts.
3. I have read, understand and have complied with the Company's Compliance Manual (including the Code of Ethics and the Compliance Policies and Procedures) in all other respects.

Access Person Name: \_\_\_\_\_

Access Person Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX 3****AMERITRANS CAPITAL CORPORATION****PERSONAL SECURITIES HOLDINGS REPORT**

Please provide a list of all Access Person Accounts and any other non-Client accounts for which you make investment decisions or have direct or in-direct beneficial ownership.

Name of Access Person: \_\_\_\_\_

Type of Report *(check one)*: \_\_\_\_\_ Initial Holdings Report *(submitted within 10 days after becoming an access person)*  
 \_\_\_\_\_ Annual Holdings Report *(submitted annually)*

	<b>Name of Account Holder</b>	<b>Relationship to Access Person</b>	<b>Financial Institution and Account Number</b>	<b>Name and Phone Number of Contact at Institution</b>
1.				
2.				
3.				
4.				
5.				

For each account, attach your most recent account statement listing securities in that account if not previously provided to the Company. If you own securities that are not listed in an account statement, list them below. This includes not only securities held by brokers and other financial institutions, but also securities held at home, in safe deposit boxes, or by an issuer.

	<b>Name of Security/Ticker</b>	<b>Quantity</b>	<b>Value</b>	<b>Name of Broker, Bank or Custodian of Security</b>
1.				
2.				
3.				
4.				
5.				

I certify that this form and the attached statements (if any) reflect all of the securities in my Access Person Accounts and any other non-client accounts for which I make investment decisions. If I am relying on account statements in lieu of listing all securities holdings above, I certify that such statements fully and accurately reflect all of the above information and all of the personal securities holdings I am required to report under the Company's Personal Securities Transactions Policy and Procedures.

Access Person Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**APPENDIX 4****AMERITRANS CAPITAL CORPORATION****QUARTERLY SECURITIES TRANSACTION REPORT  
AND EMPLOYEE TRADING POLICY ATTESTATION****For Quarter Ended:** \_\_\_\_\_

Please provide a list of all transactions in securities in any Access Person Account (other than transactions in Non-Reportable Investments) that are not reflected on monthly account statements otherwise provided to the Chief Compliance Officer. This includes not only securities held by brokers and other financial institutions, but also securities held at home, in safe deposit boxes, or by an issuer.

Name of Access Person: \_\_\_\_\_

For each account, attach your most recent account statement listing transactions in that account during the quarterly period. If you transacted in securities that are not listed in an account statement provided to the Company, please list them below:

	<b>Name of Security/Ticker</b>	<b>Trade Date</b>	<b>Quantity (as applicable, interest rate/maturity date)</b>	<b>Purchase or Sale</b>	<b>Price</b>	<b>Name of Broker, Bank or Custodian of Security</b>
1.						
2.						
3.						
4.						
5.						

I hereby certify that:

1. I have personal knowledge and am aware of the trading activities for the quarter ended on the date above in each of my Access Person Accounts;
2. This form and the statements (if any) provided to the Company reflect all of the securities transactions in my Access Person Accounts for the quarter ended on the date above;
3. No transaction reported on the form or on statements provided to the Company was effected based on material non-public information.

Access Person Signature: \_\_\_\_\_ Date: \_\_\_\_\_

