

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 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): January 9, 2017 (January 9, 2017)

**HARRIS & HARRIS GROUP, INC.**

(Exact Name of Registrant as Specified in its Charter)

<u>New York</u> (State or other jurisdiction of incorporation)	<u>0-11576</u> (Commission File Number)	<u>13-3119827</u> (I.R.S. Employer Identification No.)
<u>1450 Broadway</u> <u>New York, New York 10018</u> (Address, including zip code, of Principal Executive Offices)		
<u>(212) 582-0900</u> (Registrant's telephone number, including area code)		

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:

- 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))
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### **Item 7.01. Regulation FD Disclosure.**

A copy of the written materials that the Company intends to use in connection with its shareholder call on January 10, 2017, (the “Slides”) are attached as Exhibit 99.1 to this Current Report on Form 8-K.

By filing this Current Report on Form 8-K and furnishing the information contained herein, the Company makes no admission as to the materiality of any information in this report that is required to be disclosed solely by reason of Regulation FD.

The information contained in the Slides is summary information that is intended to be considered in the context of the Company's Securities and Exchange Commission (“SEC”) filings and other public announcements that the Company may make, by press release or otherwise, from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in this report, although it may do so from time to time as its management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

The information presented herein and in Exhibit 99.1 shall not be deemed to be “filed” for 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.

### **Item 8.01. Other Events.**

On January 9, 2017, Harris & Harris Group, Inc. (the “Company”) issued a press release that reminds shareholders of the Company's upcoming shareholder update call on January 10, 2017. A copy of this press release issued on January 9, 2017, is attached as Exhibit 99.2 to this Form 8-K.

### **Item 9.01. Financial Statements and Exhibits.**

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits.

#### **Exhibit No. Description**

99.1 Slide Presentation for Shareholder Update Call on January 10, 2017

99.2 Press Release, dated January 9, 2017

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## 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.

HARRIS & HARRIS GROUP, INC.

Date: January 9, 2017

By: /s/ Daniel B. Wolfe

Daniel B. Wolfe

President

FIRST. TRANSFORMATIVE. PROVEN.

TRANSFORMING THE FUTURE

NASDAQ: TINY

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## SAFE HARBOR STATEMENT

This presentation may contain statements of a forward-looking nature relating to future events. Statements contained in this presentation that are forward-looking statements are intended to be made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. These statements reflect the Company's current beliefs, and a number of important factors could cause actual results to differ materially from those expressed herein.

Please see the Company's Annual Report on Form 10-K, as well as subsequent filings, filed with the Securities and Exchange Commission for a more detailed discussion of the risks and uncertainties associated with the Company's business, including but not limited to the risks and uncertainties associated with venture capital investing and other significant factors that could affect the Company's actual results. Except as otherwise required by Federal securities laws, Harris & Harris Group, Inc. undertakes no obligation to update or revise these forward-looking statements to reflect new events or uncertainties.

In connection with the transactions referred to in this communication, the Company will file a definitive proxy statement and related materials with the Securities and Exchange Commission ("SEC") pertaining to a Special Meeting of Shareholders (the "Special Meeting"). SHAREHOLDERS ARE URGED TO READ THESE MATERIALS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO), AND ANY OTHER RELEVANT DOCUMENTS IN CONNECTION WITH THE SPECIAL MEETING THAT THE COMPANY WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE, BECAUSE THESE MATERIALS WILL CONTAIN IMPORTANT INFORMATION ABOUT THE COMPANY AND THE SPECIAL MEETING. Shareholders will be able to obtain a free copy of that definitive proxy statement and other materials (when available) that the Company files with the SEC at the SEC's website at <http://www.sec.gov>. That definitive proxy statement and these other materials will also be available free of charge by directing a request to Harris & Harris Group, Inc., Attn: Investor Relations, 1450 Broadway, 24th Floor, New York, NY 10018, or from the Company at [www.hhvc.com](http://www.hhvc.com).

The Company, its directors and its named executive officers may be deemed to be participants in the solicitation of proxies from the Company's shareholders in connection with the Special Meeting. Shareholders may obtain information regarding the names, affiliations and interests of such individuals in the Company's proxy statement filed on April 20, 2016, for the 2016 Annual Meeting of Shareholders. To the extent that holdings of the Company's securities on the part of those individuals have changed since the date of that proxy statement, those changes have been reflected on Statements of Changes in Ownership on Forms 3 or 4 filed with the SEC. These documents can be obtained free of charge from the sources indicated above. More current information regarding the interests of the directors and named executive officers of the Company will be contained in the definitive proxy statement referred to in the preceding paragraph.

## WE NEED TO CHANGE

In letters to shareholders over the last few years we noted the challenges we face in our business:

- Changing nature of venture capital requires greater control over investments
- Structural changes in the public markets have reduced small IPOs dramatically, with companies staying private longer and requiring more capital from us
- We believe that our BDC structure presents significant hurdles to us
- Regulatory burdens imposed post-2004 have had a high cost to small firms such as ours

## CHANGE ANNOUNCED IN DECEMBER 20, 2016 LETTER

### 1. Separate Harris & Harris Group, Inc. into two companies:

- A. 180 Degree Capital Corp ("180") – shepherd our existing portfolio to attempt to maximize returns by investing in what we believe are undervalued small, publicly traded companies with potential for aggressive growth in a structure that seeks to reduce our expenses
- B. HALE.life Corp ("HALE") – an operating company that takes a portion of our precision health and medicine assets and combines them to deliver products that we believe have the potential to change how physicians provide and patients receive healthcare

## BENEFITS OF RESTRUCTURING PATH

We believe this restructuring :

- 1) Is the best opportunity to increase shareholder value
- 2) Focuses the company and permits clear strategic messaging
- 3) Allows the maturing portfolio to reach exits in a cost-effective manner
- 4) Provides income and net asset growth over shorter, more predictable timeframes
- 5) Enables us to grow our precision health and medicine assets by combining them into a controlled operating company



### Value Creation Through Constructive Activism

Investor Presentation

January 2017



## Firm Overview

- Formed from investment management business of Harris & Harris Group.
- Restructured from BDC to closed-end fund:
  - reduce operating costs and regulatory burden.
  - increase management time on value creation for shareholders.
- Led by Kevin Rendino, CEO, and Daniel Wolfe, President, CFO, CCO.
- Initial focus on shepherding existing portfolio to attempt to maximize value.
- Future investment focus in value creation through constructive activism in what we believe are deeply undervalued **public** companies.

We believe 180 will be able to generate income and grow NAV/share over *shorter, more predictable* timeframes than our historical norms.

## Executive Management



**Kevin Rendino, CEO of 180 Degree Capital Corp.** is a financial services leader with three decades of Wall Street experience and expertise in capital markets, value investing and global equity markets. For over twenty years, Kevin worked on one fund, Basic Value Fund, with a consistent Graham and Dodd focus, at the same firm, BlackRock/Merrill Lynch. He was the Value team leader, overseeing 11 funds and \$13B in assets, a member of Blackrock's Leadership Committee and a frequent contributor to CNBC, Bloomberg TV, Fox Business, The New York Times and The Wall Street Journal. For the entirety of his money management career, 12/31/92 to 6/30/12, Kevin ranked in top quartile, and beat competitor average and SPX by over 100 basis points. He also received numerous Lipper awards for Investment Excellence during his tenure. Since 2012, Kevin has served as Chairman/CEO of RGJ Capital, where he leads a value investing focus.



**Daniel Wolfe, President, Chief Financial Officer and Chief Compliance Officer of 180 Degree Capital Corp.** is responsible for day-to-day management of the operations, finance, legal and compliance functions of the firm, as well as being active in the management of the company's investment portfolio. Daniel has significant experience in capital formation at all stages of a company's evolution including sourcing and structuring of private, public and debt financings and identifying and evaluating M&A opportunities. He also established and manages the Company's co-investment fund, H&H Co-Investment Partners, LLC and established and executed H&H's debt investment strategy, designing and structuring the securities through which 180's predecessor, Harris & Harris Group, invested. He is a current and past member of the board of directors of multiple privately held portfolio companies and one publicly traded portfolio company.

## Initial Focus: Seek Maximization of Returns from Existing Portfolio

- We believe our existing portfolio can generate meaningful aggregate gains on aggregate invested capital over time.

Top Ten Investments By Value <sup>(1)</sup>		
Portfolio Company	Value as of 09/30/2016	Cumulative % of Equity Focused Venture Capital Portfolio
D-Wave Systems, Inc.	\$11,498,191	22%
AgBiome, LLC	\$7,837,991	37%
HZO, Inc.	\$5,755,099	48%
Adesto Technologies Corporation <sup>(2)</sup>	\$3,274,256	54%
TARA Biosystems, Inc.	\$3,223,388	60%
Mersana Therapeutics, Inc.	\$2,784,940	65%
ORIG3N, Inc.	\$2,669,372	71%
EchoPixel, Inc.	\$1,687,431	74%
Produced Water Absorbents, Inc.	\$1,424,750	76%
NGX Bio, Inc.	\$1,372,767	79%

(1) Does not include holdings of Metabolan, Inc. as these holdings were sold during the fourth quarter of 2016.

(2) Publicly traded portfolio company. Value as of December 30, 2016.

Note: Amounts realized from all investments may be materially different than the values listed above.

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## We Believe Our Structure Has Inherent Unrecognized Value

- We believe that the public markets are not currently attributing value to our structure that affords:
  - Permanent capital
  - Flexible investment focus
  - Ability to raise capital into and manage drop-down funds
  - A clean structure for public listing of private fund
- We believe that our new simplified structure and focus could lead to partnerships or other opportunities.

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## Our Go-Forward Investment Focus

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- We need to generate income and grow NAV/share over *shorter, more predictable* timeframes than our historical norms. This is a challenge for H&H's historical model of investing in private companies.
- Go-forward investment focus:
  - Identify and target what we believe are deeply undervalued *public companies* where we:
    - Understand the markets that these companies target
    - Can purchase meaningful ownership/control
    - Believe we can add value through active, hands-on constructive activism
    - Invest at valuations that provide significant margin of safety
    - Identify catalysts/changes that we believe can unlock value
    - Believe we can generate meaningful returns in **1-3 years**.
- Initial focus on <\$100 million market capitalization public companies.

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## Opportunity Analysis

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- Why does the opportunity for value creation exist in U.S. micro-capitalization publicly traded stocks?
  - Management and boards often:
    - Prioritize growth over cash flows
    - Overvalue market perception of story versus certainty
    - Favor status quo rather than change
    - Lack intimate knowledge of desires of "buy side" investors and the workings of the public markets in general
    - Mischaracterize "short-term viability" as detractor of "long-term growth"
  - Analyst coverage is miniscule to non-existent.
  - Few investors are willing/able to spend the time and energy identifying, conducting diligence and actively engaging with such companies.

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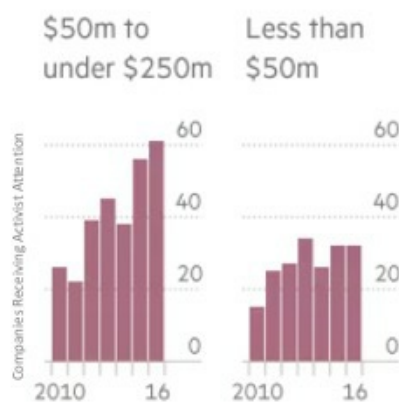
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# Elements of Constructive Activism

- We are not corporate raiders. Our ultimate goal is to engage constructively with existing boards and management teams to unlock value through:
  - Realignment of financial performance to achieve growth of cash flows not just revenues
  - Improving investor relations strategies and outreach
  - Evaluation of strategic options including mergers, acquisitions, sales, divestitures
  - Identification of complementary talent and expertise
  - Introductions to value-add resources and capabilities
  - Alignment of interests with and support from large shareholders
- We are not adverse, however, to pursuing change through other routes including:
  - Private and public shareholder communications
  - Proxy solicitations
- All efforts will be grounded by and based on our fundamental research and diligence.

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## Shareholder Activism in Small Capitalization Companies is Growing



Source: Activist Insight; Data through July 2016.

“[From January to July 2016], 61 micro-cap companies, those with a market capitalisation of \$50m to \$250m, have found themselves on the receiving end of attention from activist funds... because [these] companies are less well researched by analysts, have access to fewer corporate advisers, and are less likely to follow corporate governance best practices, the potential for unlocking big share price gains may be greater than at larger groups”

Source: *Financial Times*, August 28, 2016

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## Our Strategy Shifts the Control of Value Creation Back to Us

	Venture Capital (Historical H&H Focus)	Traditional, Long-Only Micro-Capitalization Funds	180 Degree Capital Corp
Target	Privately held companies	Any public company	Any public company
Value/Entry Price	Uncertain due to private status	At market, no premium	At market, no premium (common stock) Potential at or below market (income-producing securities)
Securities	Non-income producing convertible preferred stock	Common stock	Common stock (primary focus); preferred stock and income-producing securities (secondary focus)
Plan	Initial control that diminishes over time due to additional fundraising	No control	Constructive activism <sup>(1)</sup>
Execution Influence	Active -> passive over time	Passive/dependent ownership size	Active/dependent ownership size
Liquidity	Illiquid Requires sale of company, IPO or secondary sale	Liquid <sup>(2)</sup> Can exit through sale of stock in open market <sup>(2)</sup>	Liquid <sup>(2)</sup> Can exit through sale of stock in open market <sup>(2)</sup>
Investment Timeline	Needs willing buyer, secondary sale or public offering	Inability to control time to reach price target	Potential opportunity to realize investments early if/when market reflects value
Control of Exit Timing	Generally little to none	Full control <sup>(2)</sup>	Full control <sup>(2)</sup>

(1) Subject, in certain cases, to shareholders and/or board approval as well as applicable law.  
(2) Subject to applicable law.

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## What Will Shareholders See If We Change From a BDC to a Closed End Fund

- Lower operating expenses resulting primarily from less regulatory burden.
  - Current estimated savings of at least \$800k per year.
- Financial reports will be filed with the SEC on:
  - Forms N-CSR (Annual Report), N-CSRS (Semiannual Report), and N-Q (Off Quarters) as a closed end fund; versus
  - Forms 10-K (Annual Report) and 10-Q (Quarterly Reports) as a BDC.
- No change in valuation process used to determine fair value of Level 3 (privately held) investments.

Note: A more comprehensive comparison of a BDC to a closed end fund will be provided in a definitive proxy statement and related materials in connection with a special meeting of shareholders related, in part, to the potential withdrawal of Harris & Harris Group's election to be treated as a business development company.

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## Summary

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- Initial focus on shepherding existing portfolio to attempt to maximize value at reduced expense to shareholders.
- Future investment focus in value creation through constructive activism in what we believe are deeply undervalued **public** companies.
- We are actively seeking opportunities to partner with others seeking similar strategies.

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# HALE.LIFE CORP

Healthcare that is  
Precise, Predictive, Collaborative

[www.hale.life](http://www.hale.life)



# HALE.LIFE

## The Opportunity:

- \$250 Billion Primary Care Market ready for disruption
- Consumers are expecting more from medicine (and willing to pay for it)
- New precision medicine solutions are ready for prime time: Genetics, Metabolomics, Microbiome, and Others
  - But, they are hard to access



HALE.life provides individualized information from next-generation, precision medicine products to physicians and consumers through software management systems used by the growing population of functional and integrative medicine practices

# HALE.LIFE

## HALE.life 2017 Milestones

1. Fundraising & strategic partnerships
2. Unlocking new markets for Muses' analytical products
3. Opening expansion opportunities for Essential's functional medicine management services

### ➢ Acquisition and Investment Validation

<b>HLI</b> Raised \$120 Million at \$1.2 Billion Valuation	<b>Foundation Medicine</b> \$1 Billion Acquisition of Controlling Interest by Roche	<b>Healthways</b> \$850+ Million Market Cap
<b>Merge Healthcare</b> \$1 Billion Acquisition by IBM	<b>Invitae</b> Raised \$102 Million in IPO, Initial Mkt Cap of \$500 Million	<b>Precision Health Initiative</b> \$215 Million in Funding

### ➢ Major players are growing in the space





**HARRIS & HARRIS GROUP ISSUES REMINDER  
FOR SHAREHOLDER UPDATE CALL ON JANUARY 10, 2017**

**NEW YORK, NY— January 9, 2017** — Harris & Harris Group, Inc. (NASDAQ: TINY) (the "Company") reminds shareholders and other interested parties that it will be hosting a shareholder update call tomorrow, Tuesday, January 10, 2017, at 2:00 p.m. Eastern Time. Management of the Company will update participants in the call on the proposed restructuring discussed in a press release by the Company on December 20, 2016, which can be accessed at the following link: <http://www.hhvc.com/news-details/?RELEASEID=1005092&Title=Harris%20%26%20Harris%20Group%20Announces%20a%20Proposed%20Strategic%20Restructuring>.

**The dial-in information for the call is noted below:**

U.S. Domestic Dial-In Number: (641) 715-0632

International Dial-In Numbers: please see <http://www.hhvc.com/wp-content/uploads/2016/12/International-Dial-In-Numbers.pdf>

Passcode: 415049

Webcast: [join.freeconferencecall.com/daniel8166](http://join.freeconferencecall.com/daniel8166)

Please access the call at least 15 minutes prior to the scheduled start time in order to download any audio software that may be required. A replay of the webcast will be accessible through the Company's website for seven days following the live event.

Presentation materials are available on the Company's website at [ir.hhvc.com/events.cfm](http://ir.hhvc.com/events.cfm).

Harris & Harris Group is a publicly traded, internally managed business development company. Detailed information about Harris & Harris Group and its holdings can be found on its website at [www.HHVC.com](http://www.HHVC.com), on Facebook at [www.facebook.com/harrisharrisvc](http://www.facebook.com/harrisharrisvc) and by following on Twitter @harrisandharrisgroup.

**Additional Information Regarding Special Meeting Solicitation**

The Company will file a definitive proxy statement and related materials with the Securities and Exchange Commission ("SEC") pertaining to a Special Meeting of Shareholders (the "Special Meeting"). SHAREHOLDERS ARE URGED TO READ THESE MATERIALS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS IN CONNECTION WITH THE SPECIAL MEETING THAT THE COMPANY WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THESE MATERIALS WILL CONTAIN IMPORTANT INFORMATION ABOUT THE COMPANY AND THE SPECIAL MEETING. Shareholders will be able to obtain a free copy of that definitive proxy statement and other materials (when available) that the Company files with the SEC at the SEC's website at <http://www.sec.gov>. That definitive proxy statement and these other materials will also be available free of charge by directing a request to Harris & Harris Group, Inc., Attn: Investor Relations, 1450 Broadway, 24th Floor, New York, NY 10018, or from the Company at [www.hhvc.com](http://www.hhvc.com).

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The Company, its directors and its named executive officers may be deemed to be participants in the solicitation of proxies from the Company's shareholders in connection with the Special Meeting. Shareholders may obtain information regarding the names, affiliations and interests of such individuals in the Company's proxy statement filed on April 20, 2016, for the 2016 Annual Meeting of Shareholders. To the extent that holdings of the Company's securities on the part of those individuals have changed since the date of that proxy statement, those changes have been reflected on Statements of Changes in Ownership on Forms 3 or 4 filed with the SEC. These documents can be obtained free of charge from the sources indicated above. More current information regarding the interests of the directors and named executive officers of the Company will be contained in the definitive proxy statement referred to in the preceding paragraph.

### **Cautionary Statement Regarding Forward-Looking Statements**

Certain statements in this communication regarding the proposed restructuring of the Company, including the formation of 180 Degree Capital Corp ("180") and HALE.life Corp. ("HALE"), including statements regarding the expected timetable for completing the referenced transactions, benefits of the transaction, statements regarding 180 or HALE, their respective investment plans, policies and expected results and any other statements regarding the Company's, 180's or HALE's expectations, beliefs, plans, objectives, financial conditions, assumptions or future events or performance that are not historical facts are "forward-looking" statements within the meaning of the federal securities laws. These statements are often, but not always, made through the use of words or phrases such as "believe," "expect," "anticipate," "should," "planned," "will," "may," "intend," "estimated," "aim," "target," "opportunity," "tentative," "positioning," "designed," "create," "seek," "would," "could", "potential," "continue," "ongoing," "upside," "increases," and "potential," and similar expressions. All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the results expressed in the statements. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are the following: the timing to consummate the proposed transactions; the risk that a condition to closing the proposed transactions may not be satisfied; the failure to receive, on a timely basis or otherwise, the required approvals by the Company's stockholders, governmental or regulatory agencies and third parties; each of 180's and HALE's respective ability to achieve the synergies, recurring income and value creation contemplated by the proposed transactions; uncertainty as to the prospects, distributions and performance of each of 180 and HALE as separate entities; the ability of each company to retain its senior executives and maintain relationships with business partners following consummation of the restructuring; the impact of legislative, regulatory and competitive changes; and the diversion of management time on transaction-related issues. There can be no assurance that the restructuring and the transactions contemplated thereby will in fact be consummated. Additional information concerning these and other factors can be found in the Company's registration statement and proxy statement/prospectus (when filed) as well as in the Company's other filings with the SEC. The Company assumes no obligation to, and expressly disclaim any duty to, update any forward-looking statements contained in this document or to conform prior statements to actual results or revised expectations except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.