

Medley Capital Corp  
Form DEF 14A  
January 03, 2014

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**(RULE 14a-101)**

**Information Required in Proxy Statement**

**Schedule 14A Information**

**Proxy Statement Pursuant to Section 14(a) of the Securities**

**Exchange Act of 1934**

Filed by the Registrant  Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**Medley Capital Corporation**

**(Name of Registrant as Specified in Its Charter)**

**(Name of Person(s) Filing Proxy Statement if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**MEDLEY CAPITAL CORPORATION**

**375 Park Avenue, 33<sup>rd</sup> Floor**

**New York, New York 10152**

**(212) 759-0777**

January 3, 2014

Dear Stockholder:

You are cordially invited to participate in the 2014 Annual Meeting of Stockholders (the “Meeting”) of Medley Capital Corporation (the “Company” or “Medley Capital”) to be held on February 11, 2014 at 10:00 a.m., Eastern Time. You will be able to participate in the Meeting, vote and submit your questions via live webcast by visiting [www.virtualshareholdermeeting.com/MCC2014](http://www.virtualshareholdermeeting.com/MCC2014) . Prior to the Meeting, you will be able to vote electronically at [www.proxyvote.com](http://www.proxyvote.com) .

The Notice of Annual Meeting of Stockholders and Proxy Statement accompanying this letter provide an outline of the business to be conducted at the Meeting. At the Meeting, you will be asked to: (i) elect three directors of the Company; (ii) ratify the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for the fiscal year ending September 30, 2014; (iii) approve a proposal to authorize the Company, with the approval of its board of directors, to sell shares of its common stock at a price or prices below the Company’s then current net asset value per share in one or more offerings, subject to certain conditions as set forth in the proxy statement (including, without limitation, that the number of shares issued does not exceed 25% of the Company’s then outstanding common stock, at a price below, but no more than 20% below, its then current net asset value); and (iv) to transact such other business that may properly come before the Meeting. Details of the business to be conducted at the Meeting are set forth in the accompanying Notice of Annual Meeting of Stockholders and Proxy Statement. I, along with other members of the Company’s management, will be available to respond to stockholders’ questions.

It is important that your shares be represented at the Meeting. If you are unable to participate in the Meeting during the scheduled time, I urge you to complete, date and sign the enclosed proxy card and promptly return it in the envelope provided. If you prefer, you can save time by voting through the Internet or by telephone as described in the proxy statement and on the enclosed proxy card.

Your vote and participation in the governance of the Company is very important to us.

Sincerely yours,

/s/ Brook Taube

Brook Taube

Chairman and Chief Executive Officer

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on February 11, 2014.**

Our Proxy Statement and Annual Report on Form 10-K for the fiscal year ended September 30, 2013, are available on the Internet through our website at <http://www.medleycapitalcorp.com>.

The following information applicable to the Meeting may be found in the proxy statement and accompanying proxy card:

• The date, time and location of the Meeting;

• A list of the matters intended to be acted on and our recommendations regarding those matters; and

• Any control/identification numbers that you need to access your proxy card.

**MEDLEY CAPITAL CORPORATION**

**375 Park Avenue, 33<sup>rd</sup> Floor**

**New York, New York 10152**

**(212) 759-0777**

**NOTICE OF 2014 ANNUAL MEETING OF STOCKHOLDERS**

**To be Held on**

**February 11, 2014, 10:00 a.m., Eastern Time**

To the Stockholders of Medley Capital Corporation:

The 2014 Annual Meeting of Stockholders (the “Meeting”) of Medley Capital Corporation (the “Company”) will be held on Tuesday, February 11, 2014, at 10:00 a.m., Eastern Time. You can participate in the Meeting online, vote your shares electronically and submit questions during the Meeting by visiting [www.virtualshareholdermeeting.com/MCC2014](http://www.virtualshareholdermeeting.com/MCC2014). You must have your 12-Digit Control Number in order to access the Meeting. The Meeting will be held for the following purposes:

1. The election of three directors of the Company, to serve for a term of three years, or until his or her successor is duly elected and qualified;
2. A proposal to ratify the appointment of Ernst & Young LLP to serve as the Company’s independent registered public accounting firm for the fiscal year ending September 30, 2014;

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A proposal to authorize the Company, with the approval of its board of directors, to sell shares of its common stock at a price or prices below the Company's then current net asset value per share in one or more offerings, subject to certain conditions as set forth in the proxy statement (including, without limitation, that the number of shares issued does not exceed 25% of the Company's then outstanding common stock, at a price below, but no more than 20% below, its then current net asset value); and

4. To transact such other business as may properly come before the Meeting.

You have the right to receive notice of and to vote at the Meeting if you were a stockholder of record at the close of business on December 16, 2013. If you are unable to attend virtually, please sign the enclosed proxy card and return it promptly in the self-addressed envelope provided or vote by telephone or through the Internet. Please refer to the voting instructions provided on your proxy card. In the event there are not sufficient votes for a quorum or to approve the proposals at the time of the Meeting, the Meeting may be adjourned in order to permit further solicitation of proxies by the Company. Thank you for your support of Medley Capital Corporation.

By order of the Board of Directors,

/s/ Brook Taube

Brook Taube

Chairman of the Board

New York, New York

January 3, 2014

**This is an important meeting. To ensure proper representation at the Meeting, please complete, sign, date and return the proxy card in the enclosed self-addressed envelope or vote by telephone or through the Internet. Even if you vote your shares prior to the Meeting, you still may participate in the Meeting and vote your shares at the time of the Meeting if you wish to change your vote.**



**MEDLEY CAPITAL CORPORATION**

**375 Park Avenue, 33<sup>rd</sup> Floor**

**New York, New York 10152**

**(212) 759-0777**

**PROXY STATEMENT**

**2014 Annual Meeting of Stockholders**

**To Be Held on February 11, 2014**

This Proxy Statement is furnished in connection with the solicitation of proxies by the board of directors of Medley Capital Corporation (the “Company,” “Medley Capital,” “we,” “us,” or “our”) for use at the Company’s 2014 Annual Meeting of Stockholders (the “Meeting”) to be held on Tuesday, February 11, 2014, at 10:00 a.m., Eastern Time. You can virtually attend the Meeting online, vote your shares electronically and submit questions during the Meeting, by visiting [www.virtualshareholdermeeting.com/MCC2014](http://www.virtualshareholdermeeting.com/MCC2014), and at any postponements or adjournments thereof. This Proxy Statement, the accompanying proxy card and the Company’s Annual Report on Form 10-K for the fiscal year ended September 30, 2013, are first being sent to stockholders on or about January 6, 2014.

We encourage you to vote your shares, either by voting at the Meeting, by telephone, online or by granting a proxy (i.e., authorizing someone to vote your shares). If you properly sign and date the accompanying proxy card or vote by telephone or through the Internet, and the Company receives your vote in time for voting at the Meeting, the persons named as proxies will vote your shares in the manner that you specify. **If you give no instructions on the proxy card, the shares covered by the proxy card will be voted FOR the appointment of Ernst & Young LLP to serve as the Company’s independent registered public accounting firm for the fiscal year ending September 30, 2014.**

If you are a “stockholder of record” (i.e., you hold shares directly in your name), you may revoke a proxy at any time before it is exercised by notifying the proxy tabulator, Broadridge Financial Solutions, Inc. (“Broadridge”), in writing, by submitting a properly executed, later-dated proxy, or by virtually attending the Meeting online and voting your shares during the Meeting. Please send your notification to Medley Capital Corporation, c/o Broadridge Financial Solutions, Inc., 51 Mercedes Way, Edgewood, NY 11717. Any stockholder of record participating in the Meeting may

vote at such time whether or not he or she has previously voted his or her shares. If your shares are held for your account by a broker, bank or other institution or nominee (“Broker Shares”), you may vote such shares at the Meeting only if you obtain proper written authority from your institution or nominee and present it at the Meeting.

Stockholders of record may also vote via the Internet or by telephone. Specific instructions to be followed by stockholders of record interested in voting via the Internet or by telephone are shown on the enclosed proxy card. The Internet and telephone voting procedures are designed to authenticate the stockholder’s identity and to allow stockholders to vote their shares and confirm that their instructions have been properly recorded.

### **Purpose of Meeting**

At the Meeting, you will be asked to vote on the following proposals:

1. To elect three directors of the Company, each to serve for a term of three years, or until his or her successor is duly elected and qualified;
2. To ratify the appointment of Ernst & Young LLP to serve as the Company’s independent registered public accounting firm for the fiscal year ending September 30, 2014;
3. To approve Company authorization, with the approval of its board of directors, to sell shares of its common stock at a price or prices below the Company’s then current net asset value per share in one or more offerings, subject to certain conditions as set forth in the proxy statement (including, without limitation, that the number of shares issued does not exceed 25% of the Company’s then outstanding common stock, at a price below, but no more than 20% below, its then current net asset value); and
4. To transact such other business as may properly come before the Meeting.

## **Record Date and Voting Securities**

The record date for the Meeting is the close of business on December 16, 2013. (the “Record Date”). You may cast one vote for each share of common stock that you owned as of the Record Date. There were shares of the Company’s common stock outstanding on the Record Date.

## **Quorum Required**

A quorum must be present at the Meeting for any business to be conducted. The presence at the Meeting, online or by proxy, of the holders entitled to cast a majority of the shares of common stock of the Company entitled to be cast on the Record Date will constitute a quorum. Abstentions will be treated as shares present for quorum purposes. Shares for which brokers have not received voting instructions from the beneficial owner of the shares and do not have discretionary authority to vote the shares on certain proposals (which are considered “Broker Non-Votes” with respect to such proposals) will be treated as shares present for quorum purposes. However, abstentions and Broker Non-Votes are not counted as votes cast.

If a quorum is not present at the Meeting, the stockholders who are represented may adjourn the Meeting until a quorum is present. The persons named as proxies will vote those proxies for such adjournment, unless the proxies are marked to be voted against any proposal for which an adjournment is sought, to permit the further solicitation of proxies.

## **Vote Required**

*Election of Directors.* The election of a director requires the affirmative vote of a majority of the votes cast at the Meeting or by proxy. Stockholders may not cumulate their votes. If you vote “Withhold Authority” with respect to a nominee, your shares will not be voted with respect to the person indicated. Abstentions and Broker Non-Votes will have the same effect as votes against this proposal.

*Ratification of Independent Registered Public Accounting Firm.* The affirmative vote of a majority of the votes cast at the Meeting or by proxy is required to ratify the appointment of Ernst & Young LLP to serve as the Company’s independent registered public accounting firm. Abstentions will not be included in determining the number of votes cast and, as a result, will have no effect on this proposal. Because brokers will have discretionary authority to vote for the ratification of the appointment of the Company’s independent registered public accounting firm in the event that they do not receive voting instructions from the beneficial owner of the shares, your broker will be permitted to vote

your shares for this proposal.

*Approval to Authorize the Company to Sell Shares of its Common Stock at a Price or Prices Below the Company's then Current Net Asset Value Per Share in One or More Offerings, Subject to Certain Conditions as Set Forth in the Proxy Statement (Including, Without Limitation, that the Number of Shares Issued Does Not Exceed 25% of the Company's then Outstanding Common Stock, At a Price Below, but no more than 20% Below, its then Current Net Asset Value).*

The affirmative vote of (1) a majority of the outstanding shares of common stock entitled to vote at the Meeting; and (2) a majority of the outstanding shares of common stock entitled to vote at the Meeting that are not held by affiliated persons of the Company is required to approve this proposal. For purposes of this proposal, the Investment Company Act of 1940, as amended (the "1940 Act"), defines "a majority of the outstanding shares" as: (1) 67% or more of the voting securities present at the Meeting if the holders of more than 50% of the outstanding voting securities of such company are present or represented by proxy; or (2) 50% of the outstanding voting securities of the Company, whichever is less. Abstentions and Broker Non-Votes will have the effect of a vote against this proposal.

*Additional Solicitation.* If there are not enough votes to approve any proposals at the Meeting, the stockholders who are represented may adjourn the Meeting to permit the further solicitation of proxies. The persons named as proxies will vote those proxies for such adjournment, unless the proxies are marked to be voted against any proposal for which an adjournment is sought, to permit the further solicitation of proxies.

Also, a stockholder vote may be taken on one or more of the proposals in this Proxy Statement prior to any such adjournment if there are sufficient votes for approval of such proposal(s).

### **Information Regarding This Solicitation**

The Company will bear the expense of the solicitation of proxies for the Meeting, including the cost of preparing, printing and mailing this Proxy Statement, the accompanying Notice of Annual Meeting of Stockholders, and proxy card. If brokers, trustees, or fiduciaries and other institutions or nominees holding shares in their names, or in the name of their nominees, which are beneficially owned by others, forward the proxy materials to, and obtain proxies from, such beneficial owners, we will reimburse such persons for their reasonable expenses in so doing.

In addition to the solicitation of proxies by the use of the mail, proxies may be solicited in person and/or by telephone or facsimile transmission by directors, officers or employees of the Company and/or officers or employees of MCC Advisors, LLC (“MCC Advisors”), the Company’s investment adviser and administrator. MCC Advisors is located at 375 Park Avenue, 33<sup>rd</sup> Floor, New York, New York 10152. No additional compensation will be paid to directors, officers or regular employees of the Company or MCC Advisors for such services.

Stockholders may also provide their voting instructions by telephone or through the Internet. These options require stockholders to input the Control Number which is located on each proxy card. After inputting this number, stockholders will be prompted to provide their voting instructions. Stockholders will have an opportunity to review their voting instructions and make any necessary changes before submitting their voting instructions and terminating their telephone call or Internet link. Stockholders who vote via the Internet, in addition to confirming their voting instructions prior to submission, will also receive an e-mail confirming their instructions upon request.

If a stockholder wishes to participate in the Meeting, but does not wish to give a proxy by telephone or electronically, the stockholder may still submit the proxy card originally sent with this Proxy Statement.

Any proxy given pursuant to this solicitation may be revoked by notice from the person giving the proxy at any time before it is exercised. Any such notice of revocation should be provided in writing and signed by the stockholder in the same manner as the proxy being revoked and delivered to the Company’s proxy tabulator.

### **Security Ownership of Certain Beneficial Owners and Management**

The following table sets forth, as of the Record Date, the beneficial ownership of each current director, the nominees for director, the Company’s executive officers, each person known to us to beneficially own 5% or more of the outstanding shares of our common stock, and the executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission (“SEC”) and includes voting or investment power with respect to the securities. Ownership information for those persons who beneficially own 5% or more of our shares of common stock is based upon reports filed by such persons with the SEC and other information obtained from such persons, if available.

Unless otherwise indicated, the Company believes that each beneficial owner set forth in the table below has sole voting and investment power and has the same address as the Company. The Company’s directors are divided into two groups — interested directors and independent directors. Interested directors are “interested persons” of the Company as

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defined in Section 2(a)(19) of the 1940 Act. The address of all executive officers and directors is c/o Medley Capital Corporation, 375 Park Avenue, 33<sup>rd</sup> Floor, New York, New York 10152.

Name and Address of Beneficial Owner	Number of Shares	Percentage	
	Owned Beneficially <sup>(1)</sup>	of Class <sup>(2)</sup>	
<b>Interested Directors</b>			
Andrew Fentress	134,966	*	%
Brook Taube	136,688	*	%
Seth Taube	127,510	*	%
<b>Independent Directors<sup>(3)</sup></b>			
Arthur S. Ainsberg	3,000	*	%
Richard A. Dorfman	—	—	%
Karin Hirtler-Garvey	3,000	*	%
John E. Mack	1,000	*	%
<b>Executive Officers</b>			
Richard T. Allorto, Jr.	5,000	*	%
All executive officers and directors as a group (8 persons)	411,164	1.00	%

\* Represents less than one percent.

Beneficial ownership has been determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Assumes no other purchases or sales of our common stock since the most (1) recently available SEC filings. This assumption has been made under the rules and regulations of the SEC and does not reflect any knowledge that we have with respect to the present intent of the beneficial owners of our common stock listed in this table.

(2) Based on a total of 40,199,813 shares of the Company’s common stock issued and outstanding on the Record Date.

Set forth below is the dollar range of equity securities beneficially owned by each of our directors as of the Record Date. We are not part of a “family of investment companies,” as that term is defined in the 1940 Act.

Name of Director	<b>Dollar Range of Equity Securities Beneficially Owned <sup>(1)(2)</sup></b>
Interested Directors	
Andrew Fentress	over \$1,000,000
Brook Taube	over \$1,000,000
Seth Taube	over \$1,000,000
Independent Directors	
Arthur S. Ainsberg	\$ 10,001 - \$50,000
Richard A. Dorfman	none
Karin Hirtler-Garvey	\$ 10,001 - \$50,000
John E. Mack	\$ 10,001 - \$50,000

(1) The dollar ranges are: None, \$1 – \$10,000, \$10,001 – \$50,000, \$50,001 – \$100,000, \$100,001 – \$500,000, \$500,001 – \$1,000,000 or over \$1,000,000.

(2) The dollar range of equity securities beneficially owned in us is based on the closing price for our common stock of \$14.03 on the Record Date on the New York Stock Exchange. Beneficial ownership has been determined in accordance with Rule 16a-1(a)(2) of the Exchange Act.

## **PROPOSAL I: ELECTION OF DIRECTORS**

Our business and affairs are managed under the direction of our board of directors. Pursuant to our charter and bylaws, the board of directors is divided into three classes, designated Class I, Class II, and Class III. At the Meeting, Class III directors shall be elected for a three-year term. Directors are elected for a staggered term of three years each, with a term of office of one of the three classes of directors expiring each year. Each director will hold office for the term to which he or she is elected or until his successor is duly elected and qualified.

Each of Mr. Brook Taube, Mr. John E. Mack and Ms. Karin Hirtler-Garvey have been nominated for re-election for a three year term expiring in 2017. If elected, each of Mr. Mack and Ms. Hirtler-Garvey will continue to serve on the Company’s Audit Committee, Nominating and Corporate Governance Committee and Compensation Committee. Messrs. Taube and Mack and Ms. Hirtler-Garvey are not being proposed for election pursuant to any agreement or understanding between any of them and the Company.

### **Required Vote**



A stockholder can vote for or withhold his or her vote from each nominee. If a stockholder withholds his or her vote for a nominee, such shares will not be voted with respect to the nominee indicated. If any of the nominees should decline or be unable to serve as a director, it is intended that the proxy will vote for the election of such person as is nominated by the board of directors as a replacement. The board of directors has no reason to believe that any of the persons named below will be unable or unwilling to serve.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE ELECTION OF THE NOMINEES NAMED IN THIS PROXY STATEMENT.**

### **Information about the Nominees and Directors**

As described below under “Committees of the Board of Directors — Nominating and Corporate Governance Committee,” the board of directors has identified certain desired attributes for director nominees. Each of our directors and each director nominee has demonstrated high character and integrity, superior credentials and recognition in his or her respective field and the relevant expertise and experience upon which to be able to offer advice and guidance to our management. Each of our directors and each director nominee also has sufficient time available to devote to the affairs of the Company, is able to work with the other members of the board of directors and contribute to the success of the Company and can represent the long-term interests of the Company’s stockholders as a whole. Our directors and the director nominees have been selected such that the board of directors represents a range of backgrounds and experience.

Certain information, as of the Record Date, with respect to the nominees for election at the Meeting, as well as each of the current directors, is set forth below, including their names, ages, a brief description of their recent business experience, including present occupations and employment, certain directorships that each person holds, the year in which each person became a director of the Company, and a discussion of their particular experience, qualifications, attributes or skills that lead us to conclude, as of the Record Date, that such individual should serve as a director of the Company, in light of the Company's business and structure.

**Nominees for Class III Directors — Term Expiring 2017**

Name, Address and Age <sup>(1)</sup>	Position(s) Held with Company	Terms of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Other Directorships Held by Director or Nominee for Director During Past 5 Years
Brook Taube, 43	Director; Chairman of the Board and Chief Executive Officer	Class III Director since 2011; Term expires 2014.	Chairman of the Board, and Chief Executive Officer of Medley Capital Corporation since 2011; Managing Partner of MCC Advisors and Senior Portfolio Manager of Medley; previously, a Partner at CN Opportunity Fund.	Director of Sierra Income Corporation and New Amsterdam Symphony Orchestra.

**Interested Director**

Mr. Brook Taube is an “interested person” of the Company as defined in the 1940 Act due to his positions as Chief Executive Officer of the Company, Managing Partner of MCC Advisors and Senior Portfolio Manager of the private investment funds managed by Medley since 2007. In addition to serving on our board of directors, Mr. Brook Taube currently serves on the board of Sierra Income Corporation and on the investment committee for SIC Advisors, the investment adviser to Sierra Income Corporation. Mr. Taube’s intimate knowledge of the business and operations of MCC Advisors, extensive familiarity with the financial industry and the investment management process in particular, and experience as a director of another business development company not only gives the board of directors valuable insight but also positions him well to continue to serve as the Chairman of our board of directors. Mr. Taube’s positions as Chief Executive Officer of the Company, Managing Partner of MCC Advisors and member of its Investment Committee provides the board with a direct line of communication to, and direct knowledge of the operations of, the Company and MCC Advisors, respectively.

**Independent Director**

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Karin Hirtler-Garvey, 57	Director	Class III Director since 2011; Term expires 2014.	Chief Risk Executive of Ally Financial Services (formerly GMAC) from May 2009 – December 2011; previously, a principal at a real estate development venture.	Chairman of Aeropostale Inc., Director of Western World Insurance and USAA Bank. Former Director of Residential Capital LLC.
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Ms. Hirtler Garvey is not an “interested person” of the Company as defined in the 1940 Act. In February, 2012, Ms. Hirtler-Garvey was appointed Chairman of the Board of Directors of Aeropostale Inc. Prior to being appointed, Ms. Hirtler-Garvey served as a Director of Aeropostale since August 2005 where she was the lead independent director and served as a member of the Nominating and Corporate Governance Committee and Chairperson of the Audit Committee. From May 2009 to November 2011, Ms. Hirtler-Garvey was the Chief Risk Executive for Ally Financial Inc. From March 2005 to December 2008, Ms. Hirtler-Garvey was a principal in a start-up real estate development venture based in New Jersey. From 1995 to 2005, Ms. Hirtler-Garvey held various senior level management positions at Bank of America, including Chief Operating Officer, Global Markets, President of Trust and Credit Banking Products, and Chief Financial Officer/Chief Operating Officer for the Wealth and Investment Management division. Ms. Hirtler-Garvey is also a director of USAA Federal Savings Bank and Western World Insurance Co, each a privately held corporation. Ms. Hirtler-Garvey is a Certified Public Accountant. Ms. Hirtler-Garvey has extensive experience in finance, accounting, risk management and provides valuable insight to the board of directors on regulatory, finance, accounting and risk management issues. In addition, her tenure in the financial services industry and service as a director of both public and private companies provide industry-specific knowledge and expertise to the board of directors.

John E. Mack, 66	Director	Class III Director since 2011; Term expires 2014.	Previously, Senior Managing Executive Officer and Chief Financial Officer of Shinsei Bank of Tokyo.	Vice-Chairman and Director, Islandsbankihf; Director and Audit Committee Chairman, Flowers National Bank; Director of Incapital Holdings, LLC; Director of Residential Capital LLC; Director of Searchlight Minerals Corp.
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Mr. John E. Mack has over 35 years of international banking and financial business management experience. From November 2002 through September 2005, Mr. Mack served as Senior Managing Executive Officer and Chief Financial Officer of Shinsei Bank, Limited of Tokyo, Japan. Prior to joining Shinsei Bank and for more than twenty-five years, Mr. Mack served in senior management positions at Bank of America and its predecessor companies, including twelve years as Corporate Treasurer of NationsBank Corporation and NCNB Corporation. From November 2011 through December 2013, Mr. Mack was a member of the board of directors of Residential Capital LLC. Mr. Mack is currently a member of the board of directors of Flowers National Bank, Incapital Holdings LLC, Searchlight Minerals Corp., and is Vice Chairman and a director of Islandsbanki hf located in Reykjavik, Iceland. Mr. Mack holds an MBA from the University of Virginia, Darden School of Business and received his bachelor's degree in Economics from Davidson College. Mr. Mack has served in senior management positions at large financial institutions and has extensive experience in finance, accounting and regulatory issues. In addition, his tenure in the financial services industry and service as a director of both public and private companies provide industry-specific knowledge and expertise to the board of directors.

**Current Directors — Not up for Election at the Meeting**

**Class I Directors — Term Expiring 2015**

Name, Address and Age <sup>(1)</sup>	Position(s) Held with Company	Terms of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Other Directorships Held by Director or Nominee for Director During Past 5 Years
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**Interested Director**

Andrew Fentress, 43	Director	Class I Director since 2011; Term expires 2015.	Managing Partner of MCC Advisors and Senior Portfolio Manager of the private investment funds managed by Medley; previously, a Partner at CN Opportunity Fund from 2003 – 2005.	Director of Estrella International Energy Services Ltd.
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Mr. Fentress has been the Managing Partner of our investment adviser, MCC Advisors, since inception and Senior Portfolio Manager of the private investment funds managed by Medley since 2007. Through his depth of experience in managerial positions in investment management, leveraged finance and financial services, as well as his intimate knowledge of the business and operations of MCC Advisors and the private investment funds managed by Medley, Mr. Fentress brings valuable industry-specific knowledge and expertise. Mr. Fentress' previous service on the Company's board also provides him with a specific understanding of our Company, its operations, and the business and regulatory issues facing business development companies. Mr. Fentress' positions as Managing Partner of MCC Advisor and member of its Investment Committee provides the board of directors with a direct line of communication to, and direct knowledge of the operations of, the Company and MCC Advisors, respectively.

**Independent Director**

Richard A. Dorfman, 68	Director	Class I Director since 2011; Term expires 2015	Managing Director of Securities Industry and Financial Markets Association (SIFMA); and President and CEO of Federal Home Loan Bank of Atlanta from 2007 – 2010	Director, Atlanta Symphony Orchestra
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Mr. Dorfman has extensive experience in the financial services industry and a deep understanding of state, federal, global regulatory and compliance issues. He is presently Managing Director and head of Dorfman Consultants, offering comprehensive analysis and strategy to clients in every aspect of the residential financing industry. From April 2010 through June 2013, Mr. Dorfman held the position of Managing Director and Head of Securitization for the Securities Industry Financial Markets Association (SIFMA), the largest securities industry advocacy group. From 1984 through 1997, Mr. Dorfman was the President and Chief Executive Officer of the Federal Home Loan Bank of Atlanta, the second largest Federal Home Loan Bank. Prior to Federal Home Loan Bank of Atlanta, Mr. Dorfman provided strategic and operational consulting and advisory work to several Federal Home Loan Banks nationwide, as well as the Federal Home Loan Bank Systems Office of Finance. Mr. Dorfman was the Managing Director & Head of U.S. Agencies and Mortgages at ABN Amro, Inc. and also held a number of senior executive positions with Lehman Brothers Inc., including the role of as head of the business unit dealing with mortgage-backed securities, related investment products and the pertinent financial institutions. Before becoming an investment banker, Mr. Dorfman was an attorney with the Federal Deposit Insurance Corporation as well as a regulatory counsel for the New York Bank for Savings. Through his depth of experience, knowledge and leadership positions, Mr. Dorfman brings to the Board of Directors a valuable perspective.

**Class II Directors — Term Expiring 2016**

Name, Address and Age <sup>(1)</sup>	Position(s) Held with Company	Terms of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Other Directorships Held by Director or Nominee for Director During Past 5 Years
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**Interested Director**

Seth Taube, 43	Director	Class II Director since 2011; Term expires 2016.	Managing Partner of MCC Advisors and Senior Portfolio Manager of the private investment funds managed by Medley; President, Chief Executive Officer and Chairman of the board of directors of Sierra Income Corporation, a non-traded business development company; previously, a Partner at	Sierra Income Corporation, Director of Proactive Northern Container, Advanced Data Centers, and Bennu Glass.
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CN Opportunity Fund.

Mr. Taube is an “interested person” of the Company as defined in the 1940 Act due to his positions as a Managing Partner of MCC Advisors since our inception and Senior Portfolio Manager of the private investment funds managed by Medley LLC (“Medley”) since 2007. In addition, Mr. Taube has served as President, Chief Executive Officer and Chairman of the board of directors of Sierra Income Corporation, a non-traded business development company since its inception in June 16, 2011. Mr, Taube also serves as Chief Executive Officer of SIC Advisors LLC, which serves as the investment adviser to Sierra Income Corporation. In addition to serving on our board of directors, Mr. Seth Taube currently serves on the board of Sierra Income Corporation, Proactive Northern Container,