

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): February 6, 2012

MEDLEY CAPITAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

1-35040
(Commission File Number)

27-4576073
(I.R.S. Employer
Identification No.)

375 Park Avenue, 33rd Floor
New York, NY 10152
(Address of principal executive offices)(Zip Code)

Registrant's telephone number, including area code: **(212) 759-0777**

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 2.02. Results of Operations and Financial Condition.

On February 6, 2012, Medley Capital Corporation issued a press release announcing its financial results for the quarter ended December 31, 2011. A copy of this press release is attached hereto as Exhibit 99.1.

The information disclosed under this Item 2.02, including Exhibit 99.1 hereto, is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

ITEM 7.01. Regulation FD Disclosure.

Medley Capital Corporation issued a press release, filed herewith as Exhibit 99.1, on February 6, 2012 announcing the declaration of a dividend of \$0.28 per share. The dividend is payable on March 15, 2012 to stockholders of record at the close of business on February 24, 2012.

The information disclosed under this Item 7.01, including Exhibit 99.1 hereto, is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

ITEM 9.01. Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---------------------------------------|
| 99.1 | Press Release, dated February 6, 2012 |

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.

MEDLEY CAPITAL CORPORATION

Date: February 6, 2012

/s/ Richard T. Allorto, Jr.

Name: Richard T. Allorto, Jr.

Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit No.

Description

99.1

Press Release, dated February 6, 2012

New York, NY – February 06, 2012

First Quarter Fiscal Year 2012 Dividend Declared

Medley Capital Corporation (the "Company") (NYSE: MCC) today announced that its Board of Directors declared a dividend for the quarter ended December 31, 2011 of \$0.28 per share, payable on March 15, 2012 to stockholders of record as of February 24, 2012. The dividend will be paid from earnings whose specific tax characteristics will be reported to stockholders on Form 1099 after the end of the calendar year.

First Quarter Fiscal 2012 Financial Results

Highlights for the quarter ended December 31, 2011

- Declared a dividend of \$0.28 per share
- Net investment income of \$0.28 per share
- Net income of \$0.25 per share
- Net asset value (NAV) of \$12.57 per share
- New investment originations of \$52.5 million

“We are pleased to announce an increase in the dividend to \$0.28 per share for the quarter end December 31, 2011” said Mr. Brook Taube, CEO. “The dividend is equal to our net investment income for the quarter and our goal is to increase net investment income as well as future dividends as we continue to grow the portfolio” continued Mr. Taube.

Portfolio Investments

The total value of our investments, including cash and cash equivalents, was \$250.1 million at December 31, 2011. During the quarter ended December 31, 2011, the Company originated \$52.5 million of new investments and had \$3.4 million of repayments resulting in net investment originations of \$49.1 million. As of December 31, 2011, the Company had investments in securities of 24 portfolio companies with approximately 55.5% consisting of senior secured first lien investments, 43.3% consisting of senior secured second lien investments, 0.6% in equities / warrants and 0.6% consisting of cash and cash equivalents. As of December 31, 2011, the weighted average yield based upon the cost basis of our portfolio investments, excluding cash and cash equivalents, was 14.4% and there were no non-accrual assets.

Results of Operations

The Company reported net investment income of \$0.28 per share and net income of \$0.25 per share for the three months ended December 31, 2011. As of December 31, 2011, the Company's NAV was \$12.57 per share.

Investment Income

For the three months ended December 31, 2011, gross investment income was \$8.2 million and consisted of \$7.1 million of portfolio interest income and \$1.1 million of other fee income.

Expenses

For the three months ended December 31, 2011, total expenses net of management fee waiver were \$3.4 million and consisted of the following: base management fees net of waiver of \$1.0 million, professional fees of \$0.3 million, administrator expenses of \$0.3 million, directors fees of \$0.1 million, interest and credit facility financing expenses of \$0.3 million, incentive fees of \$1.2 million and other general and administrative related expenses of \$0.2 million.

Net Investment Income

The Company reported net investment income of \$4.8 million, or \$0.28 on a weighted average per share basis, for the quarter ended December 31, 2011.

Net Realized and Unrealized Gains/Losses

For the three months ended December 31, 2011, the Company reported net realized gains of \$0.1 million and net unrealized depreciation of \$0.5 million.



Medley Capital Corporation
Consolidated Statements of Operations

For the three
Months ended
December 31,
2011

| | |
|---|---------------------|
| INVESTMENT INCOME | |
| Interest from investments | |
| Non-controlled/Non-affiliated investments | \$ 5,537,730 |
| Affiliated investments | 1,554,071 |
| Total interest income | <u>7,091,801</u> |
| Interest from cash and cash equivalents | 1,843 |
| Other fee income | 1,135,556 |
| Total investment income | <u>8,229,200</u> |
| EXPENSES | |
| Base management fees | 1,045,267 |
| Incentive fees | 1,206,662 |
| Administrator expenses | 296,246 |
| Professional fees | 292,104 |
| Interest and credit facility financing expenses | 282,026 |
| Directors fees | 115,254 |
| Insurance | 104,414 |
| General and administrative | 101,703 |
| Expenses before management fee waiver | <u>3,443,676</u> |
| Management fee waiver | <u>(41,126)</u> |
| Total expenses net of management fee waiver | <u>3,402,550</u> |
| Net investment income before excise taxes | 4,826,650 |
| Excise tax expense | <u>(35,501)</u> |
| NET INVESTMENT INCOME | <u>4,791,149</u> |
| REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS | |
| Net realized gain from investments | 111,521 |
| Net unrealized depreciation on investments | <u>(513,452)</u> |
| Net loss on investments | <u>(401,931)</u> |
| NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS | |
| | <u>\$ 4,389,218</u> |
| WEIGHTED AVERAGE - BASIC AND DILUTED EARNINGS PER COMMON SHARE | |
| | \$ 0.25 |
| WEIGHTED AVERAGE COMMON STOCK OUTSTANDING - BASIC AND DILUTED | |
| | 17,320,468 |

ABOUT MEDLEY CAPITAL CORPORATION

The Company is a newly-organized, externally-managed, non-diversified closed-end management investment company that has filed an election to be treated as a business development company under the Investment Company Act of 1940, as amended. The Company's investment objective is to generate both current income and capital appreciation, primarily through investments in privately negotiated debt and equity securities of middle market companies. The Company is a direct lender targeting private debt transactions ranging in size from \$10 to \$50 million to borrowers principally located in North America. The Company's investment activities are managed by its investment adviser, MCC Advisors LLC, which is an investment adviser registered under the Investment Advisers Act of 1940, as amended.

FORWARD-LOOKING STATEMENTS

Statements included herein may contain "forward-looking statements". Statements other than statements of historical facts included in this press release may constitute forward-looking statements and are not guarantees of future performance or results and involve a number of assumptions, risks and uncertainties, which change over time. Actual results may differ materially from those anticipated in any forward-looking statements as a result of a number of factors, including those described from time to time in filings by the Company with the Securities and Exchange Commission. The Company undertakes no duty to update any forward-looking statement made herein. All forward-looking statements speak only as of the date of this press release.

SOURCE: Medley Capital Corporation

Contact:
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