As filed with the Securities and Exchange Commission on August 5, 2014

Securities Act Registration No. 333-187324

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form N-2
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

o **Pre-Effective Amendment No.**

x **Post-Effective Amendment No. 7**

Medley Capital Corporation

Exact name of Registrant as specified in its charter

375 Park Avenue, 33rd Floor
New York, NY 10152

Address of Principal Executive Offices (Number, street, City, State, Zip Code)

(212) 759-0777

Registrant's Telephone Number, Including Area Code

Brook Taube
Medley Capital Corporation
375 Park Avenue, 33rd Floor
New York, NY 10152

Name and Address (Number, street, City, State, Zip Code)
of Agent for Service

Copies to:

Steven B. Boehm, Esq.
Harry S. Pangas, Esq.
Sutherland Asbill & Brennan LLP
700 Sixth Street, NW
Washington, DC 20001
(202) 383-0100

Approximate date of proposed public offering: As soon as practicable after the effective date of this Registration Statement.

If any securities being registered on this form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, other than securities offered in connection with a dividend reinvestment plan, check the following box. x

It is proposed that this filing will become effective (check appropriate box):

o when declared effective pursuant to Section 8(c).

Explanatory Note

The purpose of this Post-Effective Amendment No. 7 to the Registration Statement on Form N-2 is solely to file certain exhibits to the Registration Statement as set forth in Item 25(2) of Part C. Accordingly, this Post-Effective Amendment No. 7 consists only of a facing page, this explanatory note and Part C of the Registration Statement on Form N-2 setting forth the exhibits to the Registration Statement. This Post-Effective Amendment No. 7 does not modify any other part of the Registration Statement. Pursuant to Rule 462(d) under the Securities Act, this Post-Effective Amendment No. 7 shall become effective immediately upon filing with the Securities and Exchange Commission. The contents of the Registration Statement are hereby incorporated by reference.

PART C

OTHER INFORMATION

Item 25. Financial statements and exhibits

1. ***Financial Statements***

2. ***Exhibits***

The following exhibits are filed as part of this report or hereby incorporated by reference to exhibits previously filed with the SEC:

a	Certificate of Incorporation (Incorporated by reference to Exhibit 99.A.3 to the Registrant's Pre-Effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-166491), filed on November 22, 2010).
b	Form of Bylaws (Incorporated by reference to Exhibit 99.B.3 to the Registrant's Pre-Effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-166491), filed on November 22, 2010).
d.1	Form of Stock Certificate (Incorporated by reference to Exhibit 99.D to the Registrant's Pre-Effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-166491), filed on November 22, 2010).
d.2	Indenture, dated February 7, 2012, between Medley Capital Corporation and U.S. Bank National Association, as Trustee (Incorporated by reference to Exhibit 99.D.2 to the Registrant's Pre-Effective Amendment No. 1 to the Registration Statement on Form N-2 (File No. 333-179237), filed on February 13, 2012).
d.3	First Supplemental Indenture, dated March 21, 2012, between Medley Capital Corporation and U.S. Bank National Association, as Trustee (Incorporated by reference to Exhibit 99.D.4 to the Registrant's Post-Effective Amendment No. 2 to the Registration Statement on Form N-2 (File No. 333-179237), filed on March 21, 2012).
d.4	Form of Second Supplemental Indenture between Medley Capital Corporation and U.S. Bank National Association, as Trustee (Incorporated by reference to Exhibit d.4 to the Registrant's Post-Effective Amendment No. 7 to the Registration Statement on Form N-2, filed on March 15, 2013).
d.5	Statement of Eligibility of Trustee on Form T-1 (Incorporated by reference to Exhibit d.5 to the Registrant's Registration Statement on form N-2 (File No. 333-187324, filed on March 18, 2013).
e	Dividend Reinvestment Plan (Incorporated by reference to Exhibit 99.E to the Registrant's Pre-Effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-166491), filed on November 22, 2010).
f.1	Senior Secured Revolving Credit Agreement among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, dated August 4, 2011 (Incorporated by reference to the Current Report on Form 8-K filed on August 9, 2011).
f.2	Guarantee, Pledge and Security Agreement among the Company, the Subsidiary Guarantors party thereto, ING Capital LLC, as Administrative Agent, each Financial Agent and Designated Indebtedness Holder party thereto and ING Capital LLC, as Collateral Agent, dated August 4, 2011 (Incorporated by reference to the Current Report on Form 8-K filed on August 9, 2011).
f.3	Amendment No. 1, made as of August 31, 2012, to the Senior Secured Revolving Credit Agreement dated August 4, 2011, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent (Incorporated by reference to the Current Report on Form 8-K filed on September 6, 2012).
f.4	Amendment No. 2, made as of December 7, 2012, to the Senior Secured Revolving Credit Agreement dated August 4, 2011, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, as amended by that certain Amendment No. 1 to Senior Secured Revolving Credit Agreement, dated as of August 31, 2012 (Incorporated by reference to the Current Report on Form 8-K filed on December 13, 2012).

f.5 Amendment No. 3, dated as of March 28, 2013, to the Senior Secured Revolving Credit Agreement dated as of August 4, 2011, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, as amended by Amendment Nos. 1 and 2 to the Senior Secured Revolving Credit Agreement, dated as of August 31, 2012 and December 7, 2012, respectively (Incorporated by reference to the Current Report on Form 8-K filed on April 2, 2013).

f.6 Senior Secured Term Loan Credit Agreement, dated as of August 31, 2011, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent (Incorporated by reference to the Current Report on Form 8-K filed on September 6, 2012).

f.7 Amendment No. 1, made as of December 7, 2012, to the Senior Secured Term Loan Credit Agreement dated as of August 31, 2011, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent (Incorporated by reference to the Current Report on Form 8-K filed on December 13, 2012).

f.8 Amendment No. 2, made as of January 23, 2013, to the Senior Secured Term Loan Credit Agreement dated as of August 31, 2011, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent (Incorporated by reference to the Current Report on Form 8-K filed on January 23, 2013).

f.9 Amendment No. 3, dated as of March 28, 2013, to the Senior Secured Term Loan Credit Agreement, dated as of August 31, 2011, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, as amended by Amendment Nos. 1 and 2 to the Senior Secured Term Loan Credit Agreement, dated as of December 7, 2012 and January 23, 2013, respectively (Incorporated by reference to the Current Report on Form 8-K filed on April 2, 2013).

f.10 Amendment No. 4, dated as of May 1, 2013, to the Senior Secured Revolving Credit Agreement, dated as of August 4, 2011, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, as amended by Amendment Nos. 1, 2 and 3 to the Senior Secured Revolving Credit Agreement, dated as of August 31, 2012, December 7, 2012, March 28, 2013, respectively (Incorporated by reference to the Current Report on Form 8-K filed on May 7, 2013).

f.11 Amendment No. 4, dated as of May 1, 2013, to the Senior Secured Term Loan Credit Agreement, dated as of August 31, 2011, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, as amended by Amendment Nos. 1, 2 and 3 to the Senior Secured Term Loan Credit Agreement, dated as of December 7, 2012, January 23, 2013, and March 28, 2013, respectively (Incorporated by reference to the Current Report on Form 8-K filed on May 7, 2013).

f.12 Amendment No. 5, dated as of June 2, 2014, to the Senior Secured Revolving Credit Agreement, dated as of August 4, 2011, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, as amended by Amendment Nos. 1, 2, 3 and 4 to the Senior Secured Revolving Credit Agreement, dated as of August 31, 2012, December 7, 2012, March 28, 2013, and May 1, 2013 respectively (Incorporated by reference to the Current Report on Form 8-K filed on June 3, 2014).

f.13 Amendment No. 5, dated as of June 2, 2014, to the Senior Secured Term Loan Credit Agreement, dated as of August 31, 2011, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, as amended by Amendment Nos. 1, 2, 3 and 4 to the Senior Secured Term Loan Credit Agreement, dated as of December 7, 2012, January 23, 2013, March 28, 2013, and May 1, 2013 respectively (Incorporated by reference to the Current Report on Form 8-K filed on June 3, 2014).

f.14	Incremental Assumption Agreement, dated as of February 10, 2012, made by Credit Suisse AG, Cayman Islands Branch, as Assuming Lender, relating to the Senior Secured Revolving Credit Agreement dated as of August 4, 2011, among Medley Capital Corporation, as Borrower, the Several Lenders and Agents from Time to Time Parties Thereto, and ING Capital LLC, as Administrative Agent and Collateral Agent (Incorporated by reference to the Current Report on Form 8-K filed on February 10, 2012).
f.15	Incremental Assumption Agreement dated as of March 30, 2012, made by Onewest Bank, FSB, as Assuming Lender, relating to the Senior Secured Revolving Credit Agreement dated as of August 4, 2011, among Medley Capital Corporation, as Borrower, the Several Lenders and Agents from Time to Time Parties Thereto, and ING Capital LLC, as Administrative Agent and Collateral Agent (Incorporated by reference to the Current Report on Form 8-K filed on April 4, 2012).
f.16	Incremental Assumption Agreement dated as of May 3, 2012, made by Doral Bank, as Assuming Lender, relating to the Senior Secured Revolving Credit Agreement dated as of August 4, 2011, among Medley Capital Corporation, as Borrower, the Several Lenders and Agents from Time to Time Parties Thereto, and ING Capital LLC, as Administrative Agent and Collateral Agent (Incorporated by reference to the Current Report on Form 8-K filed on May 3, 2012).
f.17	Incremental Assumption Agreement dated as of September 25, 2012, made by Stamford First Bank, a division of the Bank of New Canaan, as Assuming Lender, relating to the Senior Secured Revolving Credit Agreement dated as of August 4, 2011, and Amended by Amendment No. 1 dated August 31, 2012, among Medley Capital Corporation, as Borrower, the Several Lenders and Agents from Time to Time Parties Thereto, and ING Capital LLC, as Administrative Agent and Collateral Agent (Incorporated by reference to the Current Report on Form 8-K filed on September 28, 2012).
g	Form of Amended and Restated Investment Management Agreement between Registrant and MCC Advisors LLC (Incorporated by reference to Exhibit g to the Registrant's Post-Effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-187324), filed on December 10, 2013).
h	Underwriting Agreement dated April 23, 2014 (Incorporated by reference to Exhibit h to the Registrant's Post-Effective Amendment No. 6 to the Registration Statement on Form N-2 (File No. 333-187324), filed on April 25, 2014).
h.2	Distribution Agency Agreement, dated August 1, 2014, by and between the Registrant, MCC Advisors LLC and Goldman, Sachs & Co., Barclays Capital Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, Keefe, Bruyette & Woods, Inc., BB&T Capital Markets, a division of BB&T Securities, LLC, Janney Montgomery Scott LLC, Ladenburg Thalmann & Co. Inc., MLV & Co. LLC, Maxim Group LLC, National Securities Corporation, and Gilford Securities Incorporated, as sales agents.(1)
j	Form of Custody Agreement (Incorporated by reference to Exhibit 99.J to the Registrant's Pre-Effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-166491), filed on November 22, 2010).
k.1	Form of Administration Agreement (Incorporated by reference to Exhibit 99.K.2 to the Registrant's Pre-Effective Amendment No. 1 to the Registration Statement on Form N-2 (File No. 333-166491), filed on June 9, 2010).
k.2	Form of Trademark License Agreement (Incorporated by reference to Exhibit 99.K.3 to the Registrant's Pre-Effective Amendment No. 1 to the Registration Statement on Form N-2 (File No. 333-166491), filed on June 9, 2010).
k.3	Certificate of Appointment of Transfer Agent (Incorporated by reference to Exhibit 99.K.1 to the Registrant's Pre-Effective Amendment No. 2 to the Registration Statement on Form N-2 (File No. 333-166491), filed on July 2, 2010).

k.4	Form of Sub-Administration Agreement (Incorporated by reference to Exhibit 99.K.4 to the Registrant's Pre-Effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-166491), filed on November 22, 2010).
l.1	Opinion of Sutherland Asbill & Brennan LLP (Incorporated by reference to Exhibit h to the Registrant's Post-Effective Amendment No. 6 to the Registration Statement on Form N-2 (File No. 333-187324), filed on April 25, 2014).
1.2	Opinion of Sutherland Asbill & Brennan LLP.(1)
n.1	Consent of Ernst & Young LLP.(1)
n.2	Report of Ernst & Young LLP Regarding the Senior Security Table (Incorporated by reference to Exhibit n.2 to the Registrant's Post-Effective Amendment No. 4 to the Registration Statement on Form N-2 (File No. 333-187324), filed on January 17, 2014).
r.1	Code of Business Conduct and Ethics of the Registrant (Incorporated by reference to Exhibit 14.1 to the Registrant's 10-Q for the period ended June 30, 2011, filed on August 4, 2011).
r.2	Code of Business Ethics of MCC Advisors (Incorporated by reference to Exhibit 99.R.2 to the Registrant's Pre-Effective Amendment No. 1 to the Registration Statement on Form N-2, filed on June 9, 2010).
99.1	Statement of Computation of Ratios of Earnings to Fixed Charges (Incorporated by reference to Exhibit 99.1 to the Registrant's Post-Effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-187324), filed on December 10, 2013).

(1) Filed herewith.

Item 26. Marketing arrangements

The information contained under the heading "Plan of Distribution" in this Registration Statement is incorporated herein by reference. Reference is also made to the Form of Underwriting Agreement for the Registrant's shares of common stock to be filed by amendment to this registration statement.

Item 27. *Other expenses of issuance and distribution*

The following table sets forth the estimated (except for the SEC registration fee and the FINRA filing fee) expenses to be incurred in connection with the offering described in this registration statement:

SEC registration fee	$ 102,300
FINRA filing fee	113,000
New York Stock Exchange listing fee*	72,500
Printing	200,000
Accounting fees and expenses	240,000
Legal fees and expenses	500,000
Miscellaneous fees and expenses	100,000
Total	$ 1,327,800

* Assumes issuance of $750,000,000 of common stock.

All of the expenses set forth above shall be borne by the Registrant.

Item 28. *Persons controlled by or under common control with the registrant*

None.

Item 29. ***Number of holders of shares***

The following table sets forth the approximate number of record holders of the Company's common stock as of July 31, 2014:

Title of Class	Number of Record Holders
Common Stock, $0.001 par value	16

Item 30. ***Indemnification***

The information contained under the heading "Description of Capital Stock" is incorporated herein by reference.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the "Securities Act") may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described above, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person in the successful defense of an action suit or proceeding) is asserted by a director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is again public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The Registrant carries liability insurance for the benefit of its directors and officers (other than with respect to claims resulting from the willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office) on a claims-made basis.

The Registrant has agreed to indemnify the underwriters against specified liabilities for actions taken in their capacities as such, including liabilities under the Securities Act.

Item 31. ***Business and other connections of investment adviser***

A description of any other business, profession, vocation or employment of a substantial nature in which MCC Advisors, and each managing director, director or executive officer of MCC Advisors, is or has been during the past two fiscal years, engaged in for his or her own account or in the capacity of director, officer, employee, partner or trustee, is set forth in Part A of this Registration Statement in the section entitled "The Adviser". Additional information regarding MCC Advisors and its officers and directors is set forth in its Form ADV, as filed with the Securities and Exchange Commission (SEC File No. 801-71515), and is incorporated herein by reference.

Item 32. ***Location of accounts and records***

The Registrant's accounts, books and other documents are currently located at the offices of the Registrant, 375 Park Avenue, 33rd Floor, New York, NY 10152, and at the offices of the Registrant's Custodian, U.S. Bank National Association, and Transfer Agent, American Stock Transfer & Trust Company.

Item 33. ***Management services***

Not applicable.

Item 34. ***Undertakings***

(1) The Registrant hereby undertakes to suspend the offering of its common stock until it amends its prospectus if (a) subsequent to the effective date of its registration statement, the NAV declines more than 10 percent from its NAV as of the effective date of the Registration Statement or (b) the NAV increases to an amount greater than its net proceeds as stated in the prospectus.

(2) Not applicable.

(3) Not applicable.

(4) The Registrant hereby undertakes:

(a) To file, during any period in which offers or sales are being made, a post-effective amendment to the registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the 1933 Act;

(ii) to reflect in the prospectus any facts or events after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(b) That, for the purpose of determining any liability under the 1933 Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of those securities at that time shall be deemed to be the initial bona fide offering thereof; and

(c) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering; and

(d) That, for the purpose of determining liability under the 1933 Act to any purchaser, if the Registrant is subject to Rule 430C: Each prospectus filed pursuant to Rule 497(b), (c), (d) or (e) under the 1933 Act as part of a registration statement relating to an offering, other than prospectuses filed in reliance on Rule 430A under the 1933 Act, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness; *Provided, however*, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(e) That, for the purpose of determining liability of the Registrant under the 1933 Act to any purchaser in the initial distribution of securities, the undersigned Registrant undertakes that in a primary offering of securities of the undersigned Registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned Registrant will be a seller to the purchaser and will be considered to offer or sell such securities to the purchaser:

(i) any preliminary prospectus or prospectus of the undersigned Registrant relating to the offering required to be filed pursuant to Rule 497 under the 1933 Act;

(ii) the portion of any advertisement pursuant to Rule 482 under the 1933 Act relating to the offering containing material information about the undersigned Registrant or its securities provided by or on behalf of the undersigned Registrant; and

(iii) any other communication that is an offer in the offering made by the undersigned Registrant to the purchaser.

(f) To file a post-effective amendment to the registration statement, and to suspend any offers or sales pursuant the registration statement until such post-effective amendment has been declared effective under the 1933 Act, in the event the shares of Registrant are trading below its net asset value and either (i) Registrant receives, or has been advised by its independent registered accounting firm that it will receive, an audit report reflecting substantial doubt regarding the Registrant's ability to continue as a going concern or (ii) Registrant has concluded that a material adverse change has occurred in its financial position or results of operations that has caused the financial statements and other disclosures on the basis of which the offering would be made to be materially misleading.

(5) (a) For the purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of a registration statement in reliance upon Rule 430A and contained in the form of prospectus filed by the Registrant under Rule 497(h) under the Securities Act of 1933 shall be deemed to be part of the Registration Statement as of the time it was declared effective.

(b) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of the securities at that time shall be deemed to be the initial bona fide offering thereof.

(6) The Registrant undertakes to send by first class mail or other means designed to ensure equally prompt delivery within two business days of receipt of a written or oral request, any Statement of Additional Information.

(7) The Registrant hereby undertakes to file a post-effective amendment when any preferred stock, warrants, debt securities and units are offered and to file for review by the Staff of the Securities and Exchange Commission a post-effective amendment under section 8(c) of the 1933 Act in respect of any one or more offerings of shares of common stock of the Company (including rights to purchase any shares of common stock) below net asset value that will result in greater than 15% dilution in the aggregate to existing shareholder net asset value.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Post-Effective Amendment No. 7 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, and the State of New York, on August 5, 2014.

MEDLEY CAPITAL CORPORATION

By: /s/ Brook Taube
Name: Brook Taube
Title: Chief Executive Officer and Chairman of the Board of Directors

Pursuant to the requirements of the Securities Act of 1933, this Post-Effective Amendment No. 7 to the Registration Statement has been signed by the following persons in the capacities set forth below on August 5, 2014. This document may be executed by the signatories hereto on any number of counterparts, all of which constitute one and the same instrument.

Name	Title
/s/ Brook Taube Brook Taube	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)
/s/ Richard T. Allorto, Jr. Richard T. Allorto, Jr.	Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ Seth Taube* Seth Taube	Director
/s/ Andrew Fentress* Andrew Fentress	Director
/s/ Arthur S. Ainsberg* Arthur S. Ainsberg	Director
/s/ Richard A. Dorfman* Richard A. Dorfman	Director
/s/ Karin Hirtler-Garvey* Karin Hirtler-Garvey	Director
/s/ John E. Mack* John E. Mack	Director

*By: /s/ Richard T. Allorto, Jr.
Richard T. Allorto, Jr.
(As Attorney-in-Fact)

Exhibit h.2

[FORM OF DISTRIBUTION AGENCY AGREEMENT]

Medley Capital Corporation

Common Stock
$0.001 Par Value Per Share

DISTRIBUTION AGENCY AGREEMENT

August 1, 2014

Goldman, Sachs & Co.
200 West Street
New York, NY 10282

Barclays Capital Inc.
745 Seventh Avenue
New York, NY 10019

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010

J.P. Morgan Securities LLC
383 Madison Avenue
New York, NY 10010

Keefe, Bruyette & Woods, Inc.
787 7th Avenue, Fifth Floor
New York, NY 10019

BB&T Capital Markets, a division of BB&T Securities, LLC
901 East Byrd Street, Ste. 410
Richmond, VA 23219

Janney Montgomery Scott LLC
409 Washington Avenue, Suite 295
Towson, MD 21204

Ladenburg Thalmann & Co.
520 Madison Avenue, 9th Floor
New York, NY 10022

MLV & Co. LLC
1251 Avenue of the Americas, 41st Floor
New York, NY 10020

Maxim Group LLC
405 Lexington Avenue
New York, NY 10174

National Securities Corporation
410 Park Avenue, 14th Fl.
New York, NY 10022

Gilford Securities Incorporated
777 Third Avenue
New York, NY 10017

Dear Sirs:

1. *Introductory.* Medley Capital Corporation, a Delaware corporation (the "**Company**"), agrees with Goldman, Sachs & Co., Barclays Capital Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, Keefe, Bruyette & Woods, Inc., BB&T Capital Markets, a division of BB&T Securities, LLC, Janney Montgomery Scott LLC, Ladenburg Thalmann & Co. Inc., MLV & Co. LLC, Maxim Group LLC, National Securities Corporation and Gilford Securities Incorporated (each a "**Manager**" and collectively, the "**Managers**") to issue and sell from time to time through the Managers, as sales agents and/or as principals, shares of its common stock (the "**Shares**"), $0.001 par value (the "**Common Stock**"), having an aggregate offering price of up to $100,000,000 (the "**Maximum Amount**") on the terms set forth herein.

The Company owns (i) 100% of the equity interests in MOF I BDC LLC, a Delaware limited liability company, (ii) 100% of the limited partnership interests in Medley SBIC, L.P., a Delaware limited partnership, (iii) 100% of the equity interests in Medley SBIC GP, LLC, a Delaware limited liability company and the general partner of Medley SBIC, L.P., and (iv) MCC Investment Holdings LLC, a Delaware limited liability company (collectively, the "**Subsidiaries**").

On May 3, 2010, the Company filed a Form N-6F Notice of Intent to be Subject to Sections 55 through 65 of the Investment Company Act of 1940 (File No. 814-0818) with the Securities and Exchange Commission (the "**Commission**") under the Investment Company Act of 1940, as amended, and the rules and regulations thereunder (collectively, the "**Investment Company Act**"), pursuant to which the Company notified the Commission that it intends to elect to be treated as a business development company ("BDC"). The Company filed an amendment to the above referenced Form N-6F on September 2, 2010 and December 1, 2010.

On January 20, 2011, the Company filed with the Commission a Form N-54A Notification of Election to be Subject to Sections 55 through 65 of the Investment Company Act of 1940 (File No. 814-00818) (the "**Notification of Election**"), pursuant to which the Company elected to be treated as a BDC. The Company has elected to be treated as a regulated investment company ("**RIC**") (within the meaning of Section 851(a) of the Internal Revenue Code of 1986, as amended (the "**Code**")) commencing with its first taxable year that it is treated as a corporation for federal income tax purposes.

The Company has entered into an investment management agreement, dated as of January 19, 2011 (the "**Investment Management Agreement**"), with MCC Advisors LLC, a Delaware limited liability company ("MCC Advisors" and, when acting in the capacity as the Company's investment adviser pursuant to the Investment Management Agreement, the "**Adviser**"), which has registered as an investment adviser under the Investment Advisers Act of 1940, as amended, and the rules and regulations thereunder (the "**Advisers Act**").

The Company has entered into an administration agreement, dated as of January 19, 2011 (the "**Administration Agreement**"), with MCC Advisors (when acting in the capacity as the Company's administrator pursuant to the Administration Agreement, the "**Administrator**").

The Company agrees that whenever it determines to sell the Shares directly to a Manager as principal, it will enter into a separate agreement (each, a "**Terms Agreement**") in form and substance satisfactory to such Manager as the case may be, relating to such sale in accordance with Section 4 of this Distribution Agency Agreement.

The aggregate gross sales price of the Shares that may be sold pursuant to this Distribution Agency Agreement or any Terms Agreement shall not exceed the Maximum Amount.

2. *Representations and Warranties of the Company.* The Company represents and warrants to, and agrees with each Manager, and MCC Advisors represents and warrants to, and agrees with each Manager, that:

(a) A registration statement on Form N-2 (File No. 333-187324) (the "**Initial Registration Statement**"), in respect of the Shares has been filed with the Commission; the Company is eligible to use Form N-2; the Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered to you and have been declared effective by the Commission in such form; other than a registration statement, if any, increasing the size of the offering (a "**Rule 462(b) Registration Statement**"), filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (together with the rules and regulations thereunder, the "Securities Act"), which became effective upon filing, no other document with respect to the Initial Registration Statement has heretofore been filed with the Commission; and no stop order suspending the effectiveness of the Initial Registration Statement, any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose has been initiated or, to the Company's knowledge, threatened by the Commission (the base prospectus including the related statement of additional information filed as part of the Initial Registration Statement, in the form in which it has most recently been filed with the Commission on or prior to the date of this Distribution Agency Agreement relating to the Shares, is hereinafter called the "**Basic Prospectus**"; the various parts of the Initial Registration Statement and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and including the information contained in the form of final prospectus filed with the Commission pursuant to Rule 497 (c) or Rule 497(h) under the Securities Act in accordance with Section 6(A)(a) hereof and deemed by virtue of Rule 430C under the Securities Act to be part of the Initial Registration Statement at the time it was declared effective (the "**Effective Time**"), each as amended at the time such part of the Initial Registration Statement became effective or such part of the Rule 462(b) Registration Statement, if any, became or hereafter becomes effective, are hereinafter collectively called the "**Registration Statement**"; the final prospectus supplement, including the related statement of additional information, relating to the Shares, filed by the Company with the Commission pursuant to Rule 497 (c) and/or Rule 497 (h) under the Securities Act in accordance with Section 6(A)(a) hereof in the form first used by the Managers to confirm sales of the Shares is hereinafter called the "**Prospectus Supplement**"; the Basis Prospectus together with the Prospectus Supplement is hereinafter called "**Prospectus**"; any reference to any amendment or supplement to the Basic Prospectus or any Prospectus shall be deemed to refer to and include any post-effective amendment to the Registration Statement and any prospectus supplement relating to the Shares filed with the Commission pursuant to Rule 497(c) and Rule 497(h) under the Securities Act, in each case after the date of the Basic Prospectus or such Prospectus, as the case may be);

(b) No order preventing or suspending the use of the Prospectus has been issued by the Commission, and each Prospectus, at the time of filing thereof or any Applicable Time thereafter, conformed in all material respects to the requirements of the Securities Act and the rules and regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by the Managers expressly for use therein;

(c) For purposes of this Distribution Agency Agreement, an "**Applicable Time**" is the time of each sale of any Shares pursuant to this Distribution Agency Agreement and any Terms Agreement. (A) At the time the Registration Statement initially became effective, (B) at the time of each amendment thereto for the purposes of complying with Section 10(a)(3) of the Securities Act (whether by post-effective amendment, incorporated report or form of prospectus), (C) at the Effective Time and (D) on each date on which such Sales are made (each a "**Settlement Date**"), the Registration Statement conformed and will conform in all respects to the requirements of the Securities Act and the Rules and Regulations and did not include any untrue statement of a material fact required to be stated therein or omit to state any material fact necessary in order to make the statements therein not misleading; and each Additional Disclosure Item (as defined in Section 8 hereof, and collectively, with the Prospectus as of any Applicable Time, the "**General Disclosure Package**") listed on Schedule I hereto does not conflict with the information contained in the Registration Statement or the Prospectus in any material respect and each such Additional Disclosure Item, as supplemented by and taken together with the Prospectus as of any Applicable Time when considered together with the Pricing Information, did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to statements or omissions made in any prospectus in reliance upon and in conformity with information furnished in writing to the Company by the Managers expressly for use therein;

(d) The Registration Statement conforms, and any further amendments or supplements to the Registration Statement will (A) on its date, (B) at the time of filing the Prospectus pursuant to Rule 497(b) and (C) at each Applicable Time and (D) on each Settlement Date, conform, in all material respects to the requirements of the Securities Act and do not and will not, as of the applicable effective date as to each part of the Registration Statement and as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Prospectus and any further amendments or supplements to the Prospectus will (A) on its date, (B) at the time of filing the Prospectus pursuant to Rule 497(b) and (C) at each Applicable Time and (D) on each Settlement Date, conform, in all material respects to the requirements of the Securities Act and do not and will not, as of the applicable effective date as to each part of the Registration Statement and as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by the Managers expressly for use therein; there are no contracts or agreements that are required to be described in the Registration Statement or the Prospectus, or to be filed as an exhibit to the Registration Statement that have not been so described and filed as required;

(e) None of the Company or any of the Subsidiaries has sustained since the date of the most recent financial statements included in the Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus; and, since the respective dates as of which information is given in the Registration Statement or any subsequent Prospectus, there has not been any change in the capital stock or long-term debt of the Company or any of the Subsidiaries other than any borrowings by the Company under its credit facility in the ordinary course of business, or any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company on any class of its capital stock, or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity, results of operations or prospects of the Company and the Subsidiaries (any such change or development is hereinafter referred to as a "**Material Adverse Change**"), in each such case except to the extent set forth or contemplated in the General Disclosure Package;

(f) The Company and the Subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them, free and clear of all liens, encumbrances and defects except such as are described in the Prospectus or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries; and any real property and buildings held under lease by the Company or the Subsidiaries are held by it under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company or the Subsidiaries; the Company and the Subsidiaries own, lease or have access to all properties and other assets that are necessary to the conduct their business as described in the General Disclosure Package;

(g) Each of the Subsidiaries has been duly organized and is validly existing as a partnership or limited liability company, as the case may be, in good standing under the laws of the State of Delaware with all required power and authority (partnership, limited liability company and other) necessary to own its properties and conduct its business as described in the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction;

(h) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus and to enter into and perform its obligations under this Distribution Agency Agreement and the other agreements described in this Distribution Agency Agreement, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction;

(i) As of the date of this Distribution Agency Agreement, the Company has an authorized and outstanding capitalization as set forth under the heading “Actual” in the section of the Prospectus entitled “Capitalization” and, as of the Time of Delivery (as defined in Section 5(w) hereof), the Company shall have an authorized and outstanding capitalization as set forth under the heading “As Adjusted” (assuming the application of the proceeds from this offering to repay outstanding indebtedness under the Company’s credit facility described herein) in the section of the Prospectus entitled “Capitalization”; all of the issued shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable and conform to the description of the Stock contained in the Prospectus; and, except as disclosed in the General Disclosure Package, none of the Company or any of the Subsidiaries has issued any debt securities or entered into any agreement or arrangement relating to the issuance of any debt securities;

(j) On each date when the Shares are to be issued and sold by the Company to a Manager hereunder or pursuant to any Terms Agreement, such Shares have been duly and validly authorized and, when issued and delivered against payment therefor as provided herein, will be duly and validly issued and fully paid and non-assessable and will conform in all material respects to the description of the Stock contained in the Prospectus and the offer and sale of the Shares as contemplated hereby has been duly approved by all necessary corporate or other action of the Company; and the issuance and sale of the Shares is not subject to any pre-emptive, co-sale right, rights of first refusal or other similar rights of any security holder of the Company or any other person;

(k) Except as disclosed in the General Disclosure Package, there are no contracts, agreements or understandings between the Company and any person that would give rise to a valid claim against the Company or any Manager for a brokerage commission, finder's fee or other like payment in connection with this offering.

(l) Except as disclosed in the Prospectus, the Company does not control (as such term is defined in Section 2(a)(9) of the Investment Company Act) any of the corporations or other entities described in the Prospectus under the captions "Investments and Portfolio Companies" (each a "**Portfolio Company**" and collectively, the "**Portfolio Companies**"). In accordance with Article 6 of Regulation S-X under the Securities Act, the Company is not currently required to consolidate the financial statements of any corporation, association or other entity with the Company's financial statements other than the Subsidiaries;

(m) All of the outstanding membership, partnership or other equity interests of the Subsidiaries have been duly authorized and issued and are fully paid and non-assessable, and all outstanding membership, partnership or other equity interests of the Subsidiaries are owned by the Company free and clear of any security interests, claims, liens or encumbrances;

(n) This Distribution Agency Agreement has been duly authorized, executed and delivered by the Company; each of the License Agreement, dated as of May 26, 2011 (the "**License Agreement**"), between the Company and MCC Advisors, the Custodian Agreement, dated as of January 19, 2011 (the "**Custodian Agreement**"), between the Company and U.S. Bank National Association, the Investment Management Agreement and the Administration Agreement have been duly authorized, executed and delivered by the Company and constitute valid, binding and enforceable agreements of the Company, subject, as to enforcement, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally; and the Investment Management Agreement has been approved by the Company's board of directors and stockholders in accordance with Section 15 of the Investment Company Act and contains the applicable provisions required by Section 205 of the Advisers Act and Section 15 of the Investment Company Act;

(o) None of the execution, delivery and performance of this Distribution Agency Agreement, the License Agreement, the Custodian Agreement, the Investment Management Agreement or the Administration Agreement, or the consummation of transactions contemplated hereby and thereby, will (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or the Subsidiaries is a party or by which the Company or the Subsidiaries is bound or to which any of their properties or assets are subject, or (ii) result in any violation of the provisions of the certificate of incorporation or the bylaws of the Company or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or the Subsidiaries or any of their properties except, with respect to clause (i), to the extent that any such conflict, breach or violation would not result in a Material Adverse Change; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the execution, delivery or performance of any of this Distribution Agency Agreement, the License Agreement, the Investment Management Agreement or the Administration Agreement, or the consummation of the transactions contemplated hereby and thereby, except the registration under the Act of the Shares, such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws or the Financial Industry Regulatory Authority ("**FINRA**") requirements in connection with the purchase and distribution of the Shares by the Managers and such consents, approvals, authorization, registrations or qualifications which have been obtained or effected;

(p) None of the Company or the Subsidiaries is (i) in violation of its organizational documents, including certificate of incorporation, bylaws, limited liability company agreement and limited partnership agreement, or (ii) in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound;

(q) The statements set forth in the Prospectus under the caption "Description of Our Capital Stock," insofar as they purport to constitute a summary of the terms of the Stock, and under the captions "The Adviser—Investment Management Agreement," "The Adviser—Administration Agreement," "The Adviser—License Agreement," "Regulation," "Tax Matters," and "Plan of Distribution" insofar as they purport to describe the provisions of the laws or legal conclusions with respect thereto and documents referred to therein, are accurate, complete and fair;

(r) The Company is not and, after giving effect to the offering and sale of the Shares and the application of the proceeds thereof, will not be a "**registered management investment company**," as such term is used in the Investment Company Act;

(s) There are no legal or governmental proceedings pending to which the Company or the Subsidiaries is a party or of which any property of the Company or the Subsidiaries is the subject which, if determined adversely to the Company or the Subsidiaries, would individually or in the aggregate have a Material Adverse Change on the current or future financial position, stockholders' equity or results of operations of the Company and the Subsidiaries; and, to the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(t) The Company has duly elected to be regulated by the Commission as a BDC under the Investment Company Act, and no order of suspension or revocation has been issued or proceedings therefor initiated or, to the knowledge of the Company, threatened by the Commission. Such election is effective and has not been withdrawn and the provisions of the Company's certificate of incorporation and bylaws and compliance by the Company with the investment objectives, policies and restrictions described in the Prospectus will not conflict with the provisions of the Investment Company Act applicable to the Company;

(u) Ernst & Young LLP, who have audited certain financial statements of the Company and the Subsidiaries, are independent public accountants of the Company as required by the Securities Act and the rules and regulations of the Commission thereunder;

(v) The financial statements, together with the related notes, included in the Registration Statement and the Prospectus, present fairly, in all material respects, the financial position of the Company and the Subsidiaries at the dates indicated and the statement of operations, changes in net assets, cash flows and financial highlights of the Company and the Subsidiaries for the periods specified; said financial statements have been prepared in conformity with U.S. generally accepted accounting principles applied on a consistent basis throughout the periods involved;

(w) The Company and the Subsidiaries maintain a system of "internal control over financial reporting" (as such term is defined in Rule 13a-15 and 15d-15 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorization and with the investment objectives, policies and restrictions of the Company and the applicable requirements of the Investment Company Act and the Code; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with U.S. generally accepted accounting principles and to maintain accountability for assets and to maintain material compliance with the books and records requirements under the Investment Company Act; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. There has been (1) no material weakness (whether or not remediated) in the Company's internal control over financial reporting and (2) no change in the Company's internal control over financial reporting that has materially negatively affected, or is reasonably likely to materially negatively affect, the Company's internal control over financial reporting;

(x) The Company and the Subsidiaries have established and maintain disclosure controls and procedures (as such term is defined in Rule 13a-15 and 15d-15 under the Exchange Act); such disclosure controls and procedures are designed to ensure that material information relating to the Company, including material information pertaining to the Company's operations and assets managed by the Adviser, is made known to the Company's Chief Financial Officer by others within the Company and the Adviser, and such disclosure controls and procedures are effective to perform the functions for which they were established;

(y) The terms of the Investment Management Agreement comply in all material respects with the applicable provisions of the Investment Company Act and the Advisers Act;

(z) Other than the Shares, the Company has not sold any securities within the past six month period, the sale of which is required to be registered under the Securities Act which has not been so registered;

(aa) Except as disclosed in the Prospectus, there are no agreements requiring the registration under the Securities Act of, and there are no options, warrants or other rights to purchase any shares of, or exchange any securities for shares of, the Company's capital stock;

(bb) When the Notification of Election was filed with the Commission, it (i) contained all statements required to be stated therein in accordance with, and compiled in all material respects with the requirements of, the Investment Company Act and (ii) did not include any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein not misleading;

(cc) By executing the License Agreement, the Company has obtained a valid and enforceable license for, or other right to use, the trademarks (whether registered or unregistered) and trade names described in the Prospectus as being licensed by it or which the Company believes are necessary for the conduct of its businesses;

(dd) The Company and the Subsidiaries maintain insurance covering their properties, operations, personnel and businesses as the Company deems adequate; such insurance insures against such losses and risks to an extent which is adequate in accordance with customary industry practice to protect the Company and the Subsidiaries and their business; all such insurance is fully in force;

(ee) None of the Company or the Subsidiaries have sent or received any communication regarding termination of, or intent not to renew, any of the contracts or agreements referred to or described in, or filed as an exhibit to, the Registration Statement, and no such termination or non-renewal has been threatened by the Company and the Subsidiaries or, to the Company's knowledge, any other party to any such contract or agreement;

(ff) The Company has not, directly or indirectly, extended credit, arranged to extend credit, or renewed any extension of credit, in the form of a personal loan, to or for any director or executive officer of the Company, or to or for any family member or affiliate of any director or executive officer of the Company;

(gg) None of the Company, the Subsidiaries or, to the Company's knowledge, any employee or agent of the Company or the Subsidiaries has made any payment of funds of the Company or received or retained any funds in violation of any law, rule or regulation, which payment, receipt or retention of funds is of a character required to be disclosed in the Prospectus;

(hh) Neither the Company nor, to the Company's knowledge, any of its respective directors, officers, affiliates or controlling persons has taken, directly or indirectly, any action designed, or which has constituted or might reasonably be expected to cause or result in, under the Exchange Act, to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale of the Shares;

(ii) To the Company's knowledge, there are no affiliations or associations between any member of FINRA and any of the Company's officers, directors or securityholders, except as set forth in the Prospectus;

(jj) Except as disclosed in the Prospectus, (i) no person is serving or acting as an officer, director or investment adviser of the Company, except in accordance with the provisions of the Investment Company Act and the Advisers Act and (ii) to the knowledge of the Company, no director of the Company is an "**affiliated person**" (as defined in the Investment Company Act) of any Manager;

(kk) The operations of the Company and the Subsidiaries are in compliance in all material respects with the provisions of the Investment Company Act applicable to a BDC and the rules and regulations of the Commission thereunder;

(ll) The Company has not distributed any offering material in connection with the offering or sale of the Shares other than the Registration Statement or the Prospectus;

(mm) None of the persons identified as "**independent directors**" in the Registration Statement or in the Prospectus is an "**interested person**" as that term is defined in Section 2(a)(19) of the Investment Company Act;

(nn) Except as described in the Registration Statement and the Prospectus, no relationship, direct or indirect, exists between or among the Company or any of the Subsidiaries, on the one hand, and the directors, officers or stockholders of the Company or any of the Subsidiaries, on the other hand, that is required to be described in the Registration Statement or the Prospectus which is not so described;

(oo) Except as disclosed in the Registration Statement and the Prospectus, neither the Company nor the Adviser has any lending or other relationship with any affiliate of any Manager and the Company will not use any of the proceeds from the sale of the Shares to repay any indebtedness owed to any affiliate of any Manager;

(pp) The Company is in compliance with the requirements of the Code necessary to qualify as a regulated investment company ("**RIC**") under Subchapter M of the Code, and intends to maintain such qualification and election in effect for each taxable year during which it is a BDC. The Company intends to direct the investment of the net proceeds of the offering of the Shares and continue to conduct its activities in such a manner as to continue to comply with the requirements for qualification as a RIC under Subchapter M of the Code;

(qq) Except as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change, the Company and the Subsidiaries have paid all federal, state, local and foreign taxes and filed all tax returns required to be paid or filed through the date hereof; and except as otherwise disclosed in the Prospectus, there is no tax deficiency that has been, or would reasonably be expected to be, asserted against the Company or any of the Subsidiaries or any of their respective properties or assets, except as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change;

(rr) The Company and the Subsidiaries possess all licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate federal, state, local or foreign governmental or regulatory authorities that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses as described in the Prospectus, except where the failure to possess or make the same would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Change; and except as described in the Prospectus, none of the Company or any of the Subsidiaries has received notice of any revocation or modification of any such license, certificate, permit or authorization or, to the Company's knowledge, has any reason to believe that any such license, certificate, permit or authorization will not be renewed in the ordinary course, and which, if the subject of an unfavorable decision, ruling or finding would have a Material Adverse Change;

(ss) The Company is not aware that any executive officer of the Company or any of the Subsidiaries plans to terminate employment with the Company or is subject to any noncompete, nondisclosure, confidentiality, employment, consulting or similar agreement that would be violated by the present or proposed business activities of the Company or any of the Subsidiaries;

(tt) The Company (i) has adopted and implemented written policies and procedures reasonably designed to prevent violation of the Federal Securities Laws (as that term is defined in Rule 38a-1 under the Investment Company Act) by the Company, (ii) is conducting its business in compliance with all laws, rules, regulations, decisions, directives and orders, except for such failure to comply which would not, either individually or in the aggregate, reasonably be expected to, result in a Material Adverse Change and (iii) is conducting its business in compliance, in all material respects, with the requirements of the Investment Company Act;

(uu) None of the Company, any of the Subsidiaries or, to the knowledge of the Company, any director, officer, agent, employee, affiliate or other person acting on behalf of the Company or any of the Subsidiaries is aware of or has taken any action, directly or indirectly, that has resulted or would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (collectively, the "**FCPA**"), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA;

(vv) The operations of the Company and the Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the applicable money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar applicable rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of the Subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened;

(ww) None of the Company, any of the Subsidiaries or, to the knowledge of the Company, any director, officer, agent, employee, affiliate or person acting on behalf of the Company or any of the Subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**"), and it will not directly or indirectly use any of the proceeds received from the sale of Shares contemplated by this Distribution Agency Agreement, or lend, contribute or otherwise make available any such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC;

(xx) Except as otherwise disclosed in the Prospectus, and to the Company's knowledge, each Portfolio Company is current, in all material respects, with all its obligations under the applicable loan and other agreements of which the Company or any of the Subsidiaries are a party, and no event of default (or a default which with the giving of notice or the passage of time would become an event of default) has occurred and is continuing under such agreements;

(yy) Any statistical and market-related data included in the Prospectus are based on or derived from sources that the Company believes to be reliable and accurate, all such dates included in the Prospectus accurately reflect the materials upon which it is based or from which it was derived, and the Company has delivered true, complete and correct copies of such materials to the Managers;

(zz) None of the Company or any of the Subsidiaries or, to the knowledge of the Company, any director, officer, agent, employee, affiliate or person acting on behalf of the Company or any of the Subsidiaries, has made any contribution or other payment to any official of, or candidate for, any federal, state or foreign office in violation of any law or of the character required to be disclosed in the Prospectus;

(aaa) No person other than the principals of MCC Advisors played a significant part in achieving the investment track record of the principals of MCC Advisors set forth in the Prospectus, and such track record of the principals of MCC Advisors relates to their management of investment funds with substantially similar investment objectives and strategies to that of the Company;

(bbb) All of the information provided to the Managers or to counsel for the Managers by the Company and, to the knowledge of the Company, its officers and directors in connection with letters, filings or other supplemental information provided to the FINRA pursuant to FINRA Conduct Rule 2310 is true, complete and correct;

(ccc) The Company has not received any written comments from the Commission staff in connection with the Company's reports under the Exchange Act that remain unresolved;

(ddd) The Company has not taken, directly or indirectly, any action that is designed to or that has constituted or that would reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares;

(eee) The Common Stock is an "actively-traded security" exempted from the requirements of Rule 101 of Regulation M under the Exchange Act by subsection 101(c)(1) of such rule; and

(fff) Other than any Terms Agreement, the Company has not, entered into any other sales agency or distribution agreements or similar arrangements with any agent or other representative, in respect of the Shares and the equity shelf program established by this Distribution Agency Agreement, the terms of which that have not been properly and duly waived.

3. *Representations and Warranties of MCC Advisors*. MCC Advisors represents and warrants to each Manager that:

(a) It has not sustained since the date of its formation any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus; and, since the date as of which information is given in such Prospectus, there has not been any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of MCC Advisors (any such change or development is hereinafter referred to as a "**MCC Advisors Material Adverse Change**"), otherwise than as set forth or contemplated in the Pricing Prospectus;

(b) It has been duly formed and is validly existing as a limited liability company and is in good standing under the laws of the State of Delaware, with power and authority to own its properties and conduct its business as described in the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction;

(c) It is duly registered with the Commission as an investment adviser under the Advisers Act and is not prohibited by the Advisers Act or the Investment Company Act from acting under the Investment Management Agreement for the Company as contemplated by the Prospectus. There does not exist any proceeding or, to its knowledge, any facts or circumstances the existence of which could lead to any proceeding which might adversely affect the registration of the Adviser with the Commission;

(d) This Distribution Agency Agreement, the Investment Management Agreement, the Administration Agreement and the License Agreement have each been duly authorized, executed and delivered by MCC Advisors and constitute valid, binding and enforceable agreements of it, subject, as to enforcement, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally;

(e) None of the execution, delivery and performance of this Distribution Agency Agreement, the Investment Management Agreement, the Administration Agreement or the License Agreement, or the consummation of the transactions contemplated hereby and thereby, will (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it or any of its subsidiaries is a party or by which it or any of its subsidiaries is bound or to which any of the property or assets of MCC Advisors or any of its subsidiaries is subject, or (ii) result in any violation of the provisions of its limited liability company agreement or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over it or any of its subsidiaries or any of its properties except, with respect to clause (i), to the extent that any such conflict, breach or violation would not result in a MCC Advisors Material Adverse Change; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the execution, delivery or performance of any of this Distribution Agency Agreement, the Investment Management Agreement, the Administration Agreement or the License Agreement, or the consummation of the transactions contemplated hereby and thereby by MCC Advisors, including the conduct of its business, except such as have been obtained under the Act, the Investment Company Act and the Advisers Act;

(f) There are no legal or governmental proceedings pending to which it is a party or of which any of its property is the subject which, if determined adversely to it would individually or in the aggregate materially adversely affect its ability to properly render services to the Company under the Investment Management Agreement or Administration Agreement or have a material adverse effect on its current or future financial position, stockholders' equity or results of operations and, to its knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(g) It is not in violation of its limited liability company agreement or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound;

(h) It possesses all licenses, certificates, permits and other authorizations issued by appropriate federal, state or foreign regulatory authorities necessary to conduct its business, and has not received any notice of proceeding relating to the revocation or modification of any such license, certificate, permit or authorization which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a MCC Advisors Material Adverse Change;

(i) The descriptions of MCC Advisors and its principals and business, and the statements attributable to it, in the Prospectus do not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(j) It has the financial resources available to it necessary for the performance of its services and obligations as contemplated in the Prospectus and under this Distribution Agency Agreement, the Investment Management Agreement and the Administration Agreement; it owns, leases or has access to all properties and other assets that are necessary to the conduct of its business and to perform the services, as described in such Prospectus;

(k) It is not aware that (i) any of its executives, key employees or significant group of employees plans to terminate employment with it or (ii) any such executive or key employee is subject to any noncompete, nondisclosure, confidentiality, employment, consulting or similar agreement that would be violated by its present or proposed business activities;

(l) It maintains a system of internal controls sufficient to provide reasonable assurance that (i) transactions effectuate by it under the Investment Management Agreement are executed in accordance with its management's general or specific authorization; (ii) transactions for which it has bookkeeping and record keeping responsibility for under the Administration Agreement are recorded as necessary to permit preparation of the Company's financial statements in conformity with generally accepted accounting principles and to maintain accountability for the Company's assets; (iii) access to the Company's assets is permitted only in accordance with its management's general or specific authorization; and (iv) the recorded accountability for such assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

(m) It has not taken, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in, under the Exchange Act or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares, and it is not aware of any such action being taken by any of its affiliates;

(n) It maintains insurance covering its properties, operations, personnel and businesses as it deems adequate; such insurance insures against such losses and risks to an extent which is adequate in accordance with customary industry practice to protect it and its businesses; all such insurance is fully in force and effect;

(o) Neither it nor any its subsidiaries nor, to its knowledge, any director, officer, agent, employee, affiliate or other person acting on behalf of it or any of its subsidiaries is aware of or has taken any action, directly or indirectly, that has resulted or would result in a violation by such persons of the FCPA, including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any “foreign official” (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA;

(p) MCC Advisors and its subsidiaries operations are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Money Laundering Laws and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving it or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to its knowledge, threatened;

(q) Neither MCC Advisors nor, to the knowledge of MCC Advisors, any director, officer, agent, employee, affiliate or person acting on behalf of MCC Advisors, has made any contribution or other payment to any official of, or candidate for, any federal, state or foreign office in violation of any law or of the character required to be disclosed in the Prospectus;

(r) No person other than the Brook Taube and Seth Taube played a significant part in achieving their investment track record set forth in the Prospectus, and such track record of Brook Taube and Seth Taube relates to their management of investment funds with substantially similar investment objectives and strategies to that of the Company; and

(s) Neither it nor any of its subsidiaries nor, to its knowledge, any director, officer, agent, employee, affiliate or person acting on its behalf or any of its subsidiaries is currently subject to any U.S. sanctions administered by the OFAC; and it will not cause the Company to directly or indirectly use any of the proceeds received by the Company from the sale of Shares contemplated by this Distribution Agency Agreement, or cause the Company to lend, contribute or otherwise make available any such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

4. *Sale and Delivery of Shares*.

(a) Subject to the terms and conditions set forth herein, the Company agrees to issue and sell through the Managers acting as sales agents and each Manager agrees to use its commercially reasonable efforts to sell as sales agent for the Company, the Shares. Each Manager hereby covenants and agrees not to make any sales of the Shares on behalf of the Company other than (A) by means of ordinary brokers' transactions that qualify for delivery of a Prospectus to the NYSE in accordance with Rule 153 under the 1933 Act (such transactions are hereinafter referred to as "**At the Market Offerings**") and (B) such other sales of the Shares on behalf of the Company in its capacity as agent of the Company as shall be agreed by the Company and such Manager. Each Manager covenants and agrees that it shall not engage in a sale of Shares on the Company's behalf that would constitute the sale of a "block" under Rule 10b-18(a)(5) under the Exchange Act or a "distribution" within the meaning of Rule 100 of Regulation M under the Exchange Act without the Company's prior written consent. Subject to the previous sentence, the Company acknowledges and agrees that in the event a sale of Shares on behalf of the Company would constitute the sale of a "block" under Rule 10b-18(a)(5) under the Exchange Act or a "distribution" within the meaning of Rule 100 of Regulation M under the Exchange Act or such Manager reasonably believes it may be deemed an "underwriter" under the 1933 Act in a transaction that is not an At the Market Offering and the Company consents to such sale, the Company will provide to a Managers, at the Manager's request and upon reasonable advance notice to the Company, on or prior to the Settlement Date (as defined below) for such transaction, the opinions of counsel, accountants' letters and officers' certificates pursuant to Section 5 hereof, each dated the Settlement Date, and such other documents and information as the Manager shall reasonably request. Solely with respect to such sales that would constitute a "block" or a "distribution," each Manager shall use commercially reasonable efforts to assist the Company in obtaining performance of its obligations by each purchaser whose offer to purchase Shares has been solicited by the Manager and accepted by the Company.

Each time that the Company wishes to issue and sell Shares hereunder (each, a "**Placement**"), it will notify the applicable Manager by email notice (or other method mutually agreed to in writing by the parties) containing the parameters in accordance with which it desires Shares to be sold, which shall at a minimum include the number of Shares to be offered, the time period during which sales are requested to be made, any limitation on the number of Shares that may be sold in any one day and any minimum price below which sales may not be made (a "**Placement Notice**"), a form of which containing such minimum sales parameters necessary is attached hereto as Schedule III. If the Manager wishes to accept such proposed terms included in the Placement Notice (which it may decline to do so for any reason in its sole discretion) or, following discussion with the Company, wishes to propose modified terms, the Manager will, prior to 4:30 p.m. (New York City time) or, if later, within three hours after receipt of the Placement Notice, on the same Business Day on which such Placement Notice is delivered to the Manager, issue to the Company a notice by email (or other method mutually agreed to in writing by the parties) addressed to all of the individuals from the Company and the Manager set forth on Schedule II) accepting such terms (the "**Manager Acceptance**") or setting forth the terms that the Manager is willing to accept. Where the terms provided in the Placement Notice are proposed to be modified as provided for in the immediately preceding sentence, such terms will not be binding on the Company or the Manager until the Company delivers to the Manager an acceptance by email (or other method mutually agreed to in writing by the parties) of all of the terms of such Placement Notice, as proposed to be modified (the "**Company Acceptance**" and, whichever of it or the Manager Acceptance becomes effective, the "**Acceptance**"), which must be delivered not later than 6:00 p.m. (New York City time) or, if later, within three hours after receipt of the modified terms proposed by the Manager, on the same Business Day. The Placement Notice shall be effective upon receipt by the Company of the Manager Acceptance or, if modified as provided above, upon receipt by the Manager of the Company Acceptance, as the case may be, unless and until (i) the entire amount of the Shares covered by the Acceptance have been sold, (ii) in accordance with the notice requirements set forth in Section 4(c), the Company suspends or terminates the Placement Notice, (iii) the Company issues a subsequent Placement Notice with parameters superseding those on the earlier dated Placement Notice, or (iv) the Distribution Agency Agreement has been terminated under the provisions of Section 9. It is expressly acknowledged and agreed that neither the Company nor the Manager will have any obligation whatsoever with respect to a Placement unless and until the Company delivers a Placement Notice to the Manager and there occurs with respect thereto either (i) an Manager Acceptance or (ii) a Company Acceptance pursuant to the terms set forth above, and then only upon the terms specified in the relevant Acceptance and herein. In the event of a conflict between the terms of this Distribution Agency Agreement and the terms of an Acceptance, the terms of the Acceptance will control. Subject to the terms and conditions hereof, upon the existence of an Acceptance, the Manager shall use its commercially reasonable efforts to sell as sales agent Shares designated in the Acceptance up to the amount specified, and otherwise in accordance with the terms of such Acceptance. The Company and the Manager each acknowledge and agree that (A) there can be no assurance that the Manager will be successful in selling Shares and (B) the Manager will incur no liability or obligation to the Company or any other person or entity if it does not sell Shares for any reason other than a failure by the Manager to use its commercially reasonable efforts consistent with its normal trading and sales practices and applicable law and regulations to sell such Shares as required by this Distribution Agency Agreement. For purposes of clarification, a Manager shall only be acting as a sales agent under this Distribution Agency Agreement during the period beginning with the effectiveness of a Placement Notice for such Placement Agent and ending upon the expiration of such Placement pursuant to this Section 4.

(b) Notwithstanding the foregoing, the Company shall not authorize the issuance and sale of, and each Manager as sales agent shall not be obligated to use its commercially reasonable efforts to sell, any Shares (i) at a price lower than the minimum price therefor authorized from time to time, or (ii) in a number in excess of the number of Shares authorized from time to time to be issued and sold under this Distribution Agency Agreement, in each case, by the Board, or a duly authorized committee thereof, and as set forth in the applicable Acceptance. In addition, the Company or such Manager may, upon notice to the other party hereto by telephone, suspend or refuse to undertake any sale of Shares designated in such Acceptance for any reason and at any time; *provided*, *however,* that such suspension or termination shall not affect or impair the parties' respective obligations with respect to Shares sold hereunder prior to the giving of such notice. Each of the parties hereto agrees that no such notice shall be effective against the other unless it is in accordance with this Section 4.

(c) The gross sales price of any Shares sold pursuant to this Distribution Agency Agreement by each Manager acting as sales agent of the Company shall be the market price prevailing at the time of sale for shares of the Company's Common Stock sold by the Manager on the NSYE or otherwise, at prices relating to prevailing market prices or at negotiated prices. The compensation payable to the Manager for sales of Shares with respect to which the Manager acts as sales agent shall be up to 2% of the gross sales price of the Shares for amounts of Shares sold pursuant to this Distribution Agency Agreement. The remaining proceeds, after further deduction for any transaction fees imposed by any governmental, regulatory or self-regulatory organization in respect of such sales, shall constitute the net proceeds to the Company for such Shares (the "**Net Proceeds**"). The Manager shall notify the Company as promptly as practicable if any deduction referenced in the preceding sentence will be required. In the event that the Company's Common Stock is trading at a price that is less than 2.00% above its net asset value per share after the Company delivers a Placement Notice to the Manager, the commission will be reduced commensurately, down to a minimum of $0.05 per Share sold. If the Manager sells Shares below the 2.00% commission level, the Company will increase the number of Shares that the Manager can sell pursuant to the Placement Notice, until there are no more Shares remaining to be sold hereunder, to offset the lower commission rate until such time as the Manager sells enough Shares to earn an aggregate dollar amount of commission equal to 2% of the gross sales price of the Shares that the Manager would have received had the Company's Common Stock continued to trade at a price equal to or greater than 2% above its net asset value per share.

(d) The Manager shall provide written confirmation to the Company following the close of trading on the NYSE each day in which Shares are sold under this Distribution Agency Agreement setting forth the number of Shares sold on such day, the aggregate gross sales proceeds of the Shares, the Net Proceeds to the Company and the compensation payable by the Company to the Manager with respect to such sales. For the avoidance of doubt, such written confirmation will be provided to the Company no later than the opening of trading on the immediately following trading day on the NYSE.

(e) Under no circumstances shall the aggregate offering price or number, as the case may be, of Shares sold pursuant to this Distribution Agency Agreement or any Terms Agreement exceed the Maximum Amount. In addition, under no circumstances shall any Shares with respect to which the Manager acts as sales agent be sold at a price lower than the minimum price therefor authorized from time to time by the Company's Board, or a duly authorized committee thereof, and notified to the Manager in writing as set forth in the applicable Placement Notice. If either party has reason to believe that the exemptive provisions set forth in Rule 101(c)(1) of Regulation M under the Exchange Act are not satisfied with respect to the Shares, it shall promptly notify the other party and sales of the Shares under this Distribution Agency Agreement shall be suspended until that or other exemptive provisions have been satisfied in the judgment of each party. The Manager shall calculate and provide in writing to the Company, on a monthly basis, the average daily trading volume (as defined in Rule 100 of Regulation M under the Exchange Act) of the Common Stock.

(f) Settlement for sales of Shares pursuant to this Section 4 and made in accordance with the terms of the applicable Acceptance will occur on the third business day that is also a trading day for the NYSE (other than a day on which the NYSE is scheduled to close prior to its regular weekday closing time) following the Settlement Date, unless another date shall be agreed to by the Company and the Manager. On each Settlement Date, the Shares sold through the Manager for settlement on such date shall be delivered by the Company or its transfer agent to the Manager against payment of the Net Proceeds from the sale of such Shares. Settlement for all Shares shall be effected by book-entry delivery of Shares to the Manager's account at The Depository Trust Company against payments by the Manager of the Net Proceeds from the sale of such Shares in same day funds delivered to an account designated by the Company. If the Company shall default on its obligation to deliver Shares on any Settlement Date, the Company shall (i) indemnify and hold the Manager harmless against any loss, claim or damage arising from or as a result of such default by the Company and (ii) pay the Manager any commission to which it would otherwise be entitled absent such default.

(g) At each Applicable Time, each Settlement Date (each as defined in Section 2(c) herein) and each Representation Date (as defined in Section 5(s) herein), the Company, the Adviser and the Administrator shall be deemed to have affirmed each representation and warranty contained in this Distribution Agency Agreement. The obligation of each Manager to use its commercially reasonable efforts to sell the Shares on behalf of the Company as sales agent shall be subject to the continuing accuracy of the representations and warranties of the Company herein, to the performance by the Company of its obligations hereunder and to the continuing satisfaction of the additional conditions specified in Section 4 of this Distribution Agency Agreement.

(h) The Company agrees that any offer to sell, any solicitation of an offer to buy, or any sales of Common Stock or any other equity security of the Company pursuant to this Distribution Agency Agreement shall only be effected by or through only one of Manager or on any single given day, but in no event by more than one of them, and the Company shall in no event request that more than one of Manager or sell shares of Common Stock on the same day; provided, however, that (i) the foregoing limitation shall not apply to sales solely to employees of the Company, the Adviser, the Administrator or their respective affiliates, or to a trustee or other person acquiring such securities for the accounts of such persons and (ii) such limitation shall not apply on any day during which no sales are made pursuant to this Distribution Agency Agreement.

(i) Except as may be mutually agreed by the Company and a Manager the Company and the Managers agree that no sales of Shares shall take place, and the Company shall not request the sale of any Shares that would be sold, and the Managers shall not be obligated to sell, (i) with respect to the Company's quarterly filings on Form 10-Q, during any period commencing upon the 30th day following the end of each fiscal quarter and ending on the date on which the Company files with the Commission a Prospectus Supplement under Rule 497 relating to the Shares that includes updated financial information as of the end of the Company's most recent quarterly period (the "**10-Q Filing**") and (ii) with respect to the Company's annual report filings on Form 10-K, during any period commencing upon the 50th day following the end of the Company's fiscal year and ending on the date on which the Company files with the Commission a Prospectus Supplement under Rule 497 relating to the Shares that includes updated audited financial information as of the end of the Company's most recent fiscal year (the "**10-K Filing**") (each of a 10-Q Filing and/or a 10-K Filing shall also be referred to herein as a "**Quarterly 497 Filing**"). To the extent the Company releases its earnings for its most recent quarterly period or fiscal year, as applicable (an "**Earnings Release**") before it files with the Commission its quarterly report on Form 10-Q for such quarterly period or annual report on Form 10-K for such fiscal year, as applicable, then the Managers and the Company agree that no sales of Shares shall take place for the period beginning on the date of the Earnings Release and ending on the date of the applicable Quarterly 497 Filing. Notwithstanding the foregoing, without the prior written consent of each of the Company and the Managers, no sales of Shares shall take place, and the Company shall not request the sale of any Shares that would be sold, and the Managers shall not be obligated to sell, during any period in which the Company is in possession of material non-public information.

(j) (i) If the Company wishes to issue and sell the Shares other than through a Placement, it will notify the Managers of the proposed terms of such offering not less than three days prior to the date of such placement. If a Manager, acting as principal, wishes to accept such proposed terms (which it may decline to do for any reason in its sole discretion) or, following discussions with the Company, wishes to accept amended terms, such Manager and the Company will enter into a Terms Agreement setting forth the terms of such placement.

(ii) The terms set forth in a Terms Agreement will not be binding on the Company or the Manager unless and until the Company and the Manager have each executed such Terms Agreement, accepting all of the terms of such Terms Agreement. In the event of a conflict between the terms of this Distribution Agency Agreement and the terms of a Terms Agreement, the terms of such Terms Agreement will control.

5. *Certain Agreements of the Company and MCC Advisors.* (A) The Company agrees with each Manager that:

(a) During the period in which a Prospectus relating to the Shares is required to be delivered under the Act (whether physically or deemed to be delivered pursuant to Rule 153 under the Act or any similar rule), to notify the Managers promptly of the time when any subsequent amendment to the Registration Statement has become effective or any subsequent supplement to such Prospectus has been filed; to prepare and file with the Commission, promptly upon a Manager's request, any amendments or supplements to the Registration Statement or any such Prospectus that, in the Manager's reasonable opinion, may be necessary or advisable in connection with the offering of the Shares by the Manager; and to cause each amendment or supplement to the Prospectus to be filed with the Commission as required pursuant to the applicable paragraph of Rule 497(b) of the Act, within the time period prescribed;

(b) Promptly from time to time to take such action as you may reasonably request to qualify the Shares for offering and sale under the securities laws of such jurisdictions as you may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Shares, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(c) Promptly advise the Managers, confirming such advice in writing, of any request by the Commission for amendments or supplements to the Registration Statement, the Prospectus or for additional information with respect thereto, or of notice of institution of proceedings for, or the entry of a stop order suspending the effectiveness of the Registration Statement and, if the Commission should enter a stop order suspending the effectiveness of the Registration Statement, to use its best efforts to obtain the lifting or removal of such order as soon as possible; to promptly advise the Managers of any proposal to amend or supplement the Registration Statement or such Prospectus, and to provide the Managers and their counsel copies of any such documents for review and comment a reasonable amount of time prior to any proposed filing and to file no such amendment or supplement (other than any prospectus supplement relating to the offering of other securities (including, without limitation, the Common Stock)) to which the Managers shall have objected in writing;

(d) To make available to the Managers, as soon as practicable after this Distribution Agency Agreement becomes effective, and thereafter from time to time to furnish to the Managers, as many copies of the Prospectus (or of such Prospectus as amended or supplemented if the Company shall have made any amendments or supplements thereto after the effective date of the Registration Statement) as the Managers may request for the purposes contemplated by the Act; in case a Manager is required to deliver (whether physically, deemed to be delivered pursuant to Rule 153 under the Act or any similar rule), in connection with the sale of the Shares, a prospectus after the nine-month period referred to in Section 10(a)(3) of the Act, or after the time a post-effective amendment to the Registration Statement is required pursuant to Item 512(a) of Regulation S-K under the Act, the Company will prepare, at its expense, promptly upon request such amendment or amendments to the Registration Statement and the Prospectus as may be necessary to permit compliance with the requirements of Section 10(a)(3) of the Act or Item 512(a) of Regulation S-K under the Act, as the case may be;

(e) Subject to Section 5(c) hereof, to file promptly all reports and documents and any preliminary or definitive proxy or information statement required to be filed by the Company with the Commission in order to comply with the Exchange Act for so long as a prospectus is required by the Act to be delivered (whether physically, deemed to be delivered pursuant to Rule 153 under the Act or any similar rule) in connection with any sale of Shares;

(f) [Reserved];

(g) If immediately prior to the anniversary (the "**Renewal Deadline**") of the initial effective date of the Registration Statement, any of the Shares remain unsold by the Managers, the Company will, prior to the Renewal Deadline file, if it has not already done so and is eligible to do so, a new shelf registration statement relating to the Shares, in a form satisfactory to the Managers, and will use its best efforts to cause such registration statement to be declared effective within 180 days after the Renewal Deadline. The Company will take all other action necessary or appropriate to permit the public offering and sale of the Shares to continue as contemplated in the expired registration statement. References herein to the Registration Statement shall include such new automatic shelf registration statement;

(h) To promptly notify the Managers of the happening of any event within the period during which a prospectus is required to be delivered (whether physically, deemed to be delivered pursuant to Rule 153 under the Act or any similar rule) in connection with any sale of Shares, which event could require the making of any change in the Prospectus then being used so that such Prospectus would not include an untrue statement of material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading, and, during such time, subject to Section 5(c), to prepare and furnish, at the Company's expense, to the Managers promptly such amendments or supplements to such Prospectus as may be necessary to reflect any such change;

(i) To furnish such information as may be required and otherwise to cooperate in qualifying the Shares for offering and sale under the securities or blue sky laws of such states or other jurisdictions as the Managers may designate and to maintain such qualifications in effect so long as required for the distribution of the Shares; *provided*, *however*, that the Company shall not be required to qualify as a foreign corporation or to consent to the service of process under the laws of any such jurisdiction (except service of process with respect to the offering and sale of the Shares); and to promptly advise the Managers of the receipt by the Company of any notification with respect to the suspension of the qualification of the Shares for offer or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose.

(j) To make generally available to the Company's securityholders as soon as practicable, but in any event not later than 16 months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158);

(k) Not to sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to sell or otherwise dispose of or agree to dispose of, directly or indirectly, any shares of the Common Stock or securities convertible into or exchangeable or exercisable for the Common Stock or warrants or other rights to purchase the Common Stock or any other securities of the Company that are substantially similar to the Common Stock or permit the registration under the Act of any shares of the Common Stock, in each case without giving the Managers at least three business days' prior written notice specifying the nature of the proposed sale and the date of such proposed sale. Notwithstanding the foregoing, the Company may (i) register the offer and sale of the Shares through the Managers pursuant to this Distribution Agency Agreement or to the Managers pursuant to any Terms Agreement; (ii) issue securities under the Company's equity compensation plans described in the Company's reports filed with the Commission under the Exchange Act; and (iii) issue shares upon the exercise of outstanding options described in the Company's reports filed with the Commission under the Exchange Act. In the event that notice of a proposed sale is provided by the Company pursuant to this Section 5(l), a Manager may suspend activity under this program for such period of time as may be requested by the Company or as may be deemed appropriate by the Manager;

(l) Not, at any time at or after the execution of this Distribution Agency Agreement, to offer or sell any Shares by means of any "prospectus" (within the meaning of the Act), or use any "prospectus" (within the meaning of the Act) in connection with the offer or sale of the Shares, in each case other than the Prospectus;

(m) To furnish to its stockholders as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders' equity and cash flows of the Company certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the effective date of the Registration Statement), to make available to its stockholders consolidated summary financial information of the Company for such quarter in reasonable detail;

(n) During a period of five years from the effective date of the Registration Statement and only to the extent not otherwise available on the Commission's EDGAR system, to furnish to you copies of all reports or other communications (financial or other) furnished to stockholders, and to deliver to you (i) as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which any class of securities of the Company is listed; and (ii) such additional information concerning the business and financial condition of the Company as you may from time to time reasonably request (such financial statements to be on a consolidated basis to the extent the accounts of the Company are consolidated in reports furnished to its stockholders generally or to the Commission);

(o) To use the net proceeds received by it from the sale of the Shares pursuant to this Distribution Agency Agreement in the manner specified in the Prospectus under the caption “Use of Proceeds”;

(p) To advise the Managers immediately after it shall have received notice or obtain knowledge thereof, of any information or fact that would alter or affect any opinion, certificate, letter or other document provided to the Managers pursuant to Section 5 herein;

(q) To use its best efforts to list, subject to notice of issuance, the Shares on the New York Stock Exchange (the “Exchange”);

(r) To file with the Commission such information on Form 10-Q or Form 10-K as may be required by Rule 463 under the Act, and to disclose in such filings the number of the Shares sold through or to the Managers under this Distribution Agency Agreement, the Net Proceeds to the Company and the compensation paid by the Company with respect to sales of the Shares pursuant to this Distribution Agency Agreement during the relevant quarter;

(s) Upon commencement of the offering of the Shares under this Distribution Agency Agreement, and each time that (i) the Registration Statement or the Prospectus shall be amended or supplemented (other than pursuant to subclause (ii) below and other than a prospectus supplement filed pursuant to Rule 497(b) under the Act relating solely to the offering of securities other than the Shares), (ii) the Shares are delivered to the Managers pursuant to a Terms Agreement, or (iii) otherwise as a Manager may reasonably request (each such date referred to in subclauses (i), (ii) and (iii) above, a “**Representation Date**”), to furnish or cause to be furnished to the Manager forthwith a certificate dated and delivered the date of effectiveness of such amendment, the date of filing with the Commission of such supplement or other document, the Time of Delivery, or promptly upon request, as the case may be, in form satisfactory to the Manager to the effect that the statements contained in the certificate referred to in Section 5(f) of this Distribution Agency Agreement which were last furnished to the Manager are true and correct at the time of such amendment, supplement, filing, or delivery, as the case may be, as though made at and as of such time (except that such statements shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented to such time) or, in lieu of such certificate, a certificate of the same tenor as the certificate referred to in said Section 8(f), modified as necessary to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such certificate;

(t) Upon commencement of the offering of the Shares under this Distribution Agency Agreement, and at each Representation Date, to furnish or cause to be furnished forthwith to the Managers and to counsel to the Managers a written opinion of Sutherland Asbill & Brennan LLP counsel to the Company or other counsel satisfactory to the Managers, dated and delivered as of such Representation Date, in form and substance satisfactory to the Managers, of the same tenor as the opinion referred to in Section 8(d) of this Distribution Agency Agreement, but modified as necessary to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such opinion;

(u) Upon commencement of the offering of the Shares under this Distribution Agency Agreement, and at each Representation Date, to furnish or cause to be furnished to the Managers forthwith a certificate of the Secretary of the Company, dated and delivered as of such Representation Date, in form and substance satisfactory to the Managers;

(v) Upon commencement of the offering of the Shares under this Distribution Agency Agreement, and at each Representation Date, Fried, Frank, Harris, Shriver & Jacobson, counsel to the Managers, shall deliver a written opinion, dated and delivered as of such Representation Date, in form and substance satisfactory to the Managers;

(w) Upon commencement of the offering of the Shares under this Distribution Agency Agreement, and each time that (i) the Registration Statement or the Prospectus shall be amended or supplemented to include additional or amended financial information, (ii) upon request by a Manager to the Company, Shares are delivered to the Manager pursuant to a Terms Agreement or (iii) the Company shall file an annual report on Form 10-K or a quarterly report on Form 10-Q, (iv) upon request by a Manager to the Company, there is filed with the Commission any document (other than an annual report on Form 10-K or a quarterly report on Form 10-Q) which contains financial information, or (v) or as otherwise reasonably requested by the Managers, to cause Ernst & Young LLP, or other independent accountants satisfactory to the Manager, forthwith to furnish the Manager a letter, dated the date of effectiveness of such amendment, the date of filing of such supplement or other document with the Commission, or the "**Time of Delivery**", as the case may be, in form and substance satisfactory to the Manager, of the same tenor as the letter referred to in Section 8(a) of this Distribution Agency Agreement but modified to relate to the Registration Statement and the Prospectus, as amended and supplemented to the date of such letter;

(x) Upon commencement of the offering of the Shares under this Distribution Agency Agreement, and each time that (i) the Registration Statement or the Prospectus is amended or supplemented (other than pursuant to subclause (ii) below and other than a prospectus supplement filed pursuant to Rule 497(b) under the Act relating solely to the offering of securities other than the Shares), (ii) the Shares are delivered to the Managers pursuant to a Terms Agreement, or (iii) otherwise as a Manager shall reasonably request, and in any case, not less than on a weekly basis, to conduct a due diligence session, in form and substance, satisfactory to the Manager, which shall include representatives of the management and the accountants of the Company;

(y) That it consents to the Managers trading in the Common Stock for a Manager's own account and for the account of its clients at the same time as sales of the Shares occur pursuant to this Distribution Agency Agreement or pursuant to a Terms Agreement;

(z) If to the knowledge of the Company, any condition set forth in Section 8(b) or 8(i) of this Distribution Agency Agreement shall not have been satisfied on the applicable Settlement Date, to offer to any person who has agreed to purchase the Shares from the Company as the result of an offer to purchase solicited by a Manager the right to refuse to purchase and pay for such Shares;

(aa) To ensure that prior to instructing a Manager to sell Shares the Company shall have obtained all necessary corporate authority for the offer and sale of such Shares;

(bb) To use its best efforts to maintain its qualification and election in effect to be treated as a regulated investment company under Subchapter M of the Code for each taxable year during which it is a BDC under the Investment Company Act;

(cc) The Company, during a period of two years from the effective date of the Registration Statement, will use its best efforts to maintain its status as a BDC; provided, however, the Company may change the nature of its business so as to cease to be, or to withdraw its election as, a BDC, with the approval of the board of directors and a vote of stockholders as required by Section 58 of the Investment Company Act or any successor provision;

(dd) Not to take, directly or indirectly, any action designed, or which could reasonably be expected to cause or result in, under the Exchange Act, in the stabilization or manipulation of the price of any security of the Company to facilitate the sale of the Shares;

(ee) To maintain a transfer agent and, if necessary under the jurisdiction of incorporation of the Company, a registrar for the Stock;

(ff) The Company will comply with the Act, the Exchange Act and the Investment Company Act, and the rules and regulations thereunder, so as to permit the completion of the distribution of the Shares as contemplated in this Distribution Agency Agreement and the Prospectus; and

(gg) That each acceptance by the Company of an offer to purchase the Shares hereunder, and each execution and delivery by the Company of a Terms Agreement, shall be deemed to be an affirmation to the Managers that the representations and warranties of the Company contained in or made pursuant to this Distribution Agency Agreement are true and correct as of the date of such acceptance or of such Terms Agreement as though made at and as of such date, and an undertaking that such representations and warranties will be true and correct as of the Settlement Date for the Shares relating to such acceptance or as of the Time of Delivery relating to such sale, as the case may be, as though made at and as of such date (except that such representations and warranties shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented relating to such Shares).

(B) MCC Advisors agrees with each Manager not to take, directly or indirectly, any action designed, or which could reasonably be expected to cause or result in, under the Exchange Act, in the stabilization or manipulation of the price of any security of the Company to facilitate the sale of the Shares.

6. *Free Writing Prospectuses and Additional Disclosure.* The Company represents, warrants and agrees that, without the prior consent of the Managers, (i) it will not distribute any offering material other than the Registration Statement or any Statutory Prospectus, and (ii) it has not made and will not make any offer relating to the Shares that would constitute a "**free writing prospectus**" as defined in Rule 405 under the Act and which the parties agree, for the purposes of this Distribution Agency Agreement, including (x) any "**advertisement**" as defined in Rule 482 under the Act; and (y) any sales literature, materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the offering of the Shares, including any in-person roadshow or investor presentations (including slides and scripts relating thereto) made to investors by or on behalf of the Company (the materials and information referred to in this Section 8 are herein referred to as an "**Additional Disclosure Item**"); any Additional Disclosure Item the use of which has been consented to by the Managers is listed on Schedule I hereto.

7. *Fees to be Paid by the Company.* The Company covenants and agrees with each Manager that the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Shares under the Act and all other expenses in connection with the preparation, printing, reproduction and filing of the Registration Statement, the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Managers; (ii) the cost of printing or producing this Distribution Agency Agreement, the Blue Sky Memorandum, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Shares; (iii) all expenses in connection with the qualification of the Shares for offering and sale under state securities laws as provided in Section 6A(b) hereof, including the fees and disbursements of counsel for the Managers in connection with such qualification and in connection with the Blue Sky survey; (iv) all fees and expenses in connection with listing the Shares on the Exchange; (v) the filing fees incident to, and the fees and disbursements of counsel for the Managers in connection with, any required review by FINRA of the terms of the sale of the Shares (vi) the cost of preparing stock certificates; (vii) the cost and charges of any transfer agent or registrar; (viii) fifty percent of "road show" expenses of the Company and the Managers (including but not limited to travel and accommodations) and (ix) all other costs and expenses incident to the performance of the Company or MCC Advisors LLC of their obligations hereunder which are not otherwise specifically provided for in this Section. It is understood, however, that, except as provided in this Section and Section 9 hereof, each Manager will pay all of its own costs and expenses, including the fees of its counsel, stock transfer taxes on resale of any of the Shares by it, and any advertising expenses connected with any offers it may make, and that the fees and disbursements of counsel to the Managers referred to in clauses (iii) and (v) of this Section 7 shall not exceed, in the aggregate, $10,000.

8. *Conditions of the Obligations of the Managers.* The obligations of each Manager hereunder and under any Terms Agreement are subject to the (i) accuracy of the representations and warranties of the Company herein on the date hereof, as of each Applicable Time , as of the date of any executed Terms Agreement and as of each Settlement and Time of Delivery, (ii) the performance by the Company of its obligations hereunder and (iii) to the following additional conditions precedent:

(a) The Manager shall have received letters, of Ernst & Young LLP on every date specified in Section 5(x), dated such date, confirming that they are a registered public accounting firm and independent public accountants within the meaning of the Act and substantially in the form of Schedule II hereto;

(b) The Prospectus shall have been filed with the Commission in accordance with the Act and Section 5(a) hereof. No stop order suspending the effectiveness of the Registration Statement or of any part thereof shall have been issued and no proceedings for that purpose shall have been instituted or, to the knowledge of the Company or the Manager, shall be contemplated by the Commission; the Registration Statement and all amendments thereto shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; the Prospectus, and any amendment or supplement thereto, shall not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading in the light of the circumstances under which they are made, not misleading;

(c) Subsequent to the execution and delivery of this Distribution Agency Agreement, there shall not have occurred (i) any change, or any development or event involving a prospective change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as one enterprise which, in the judgment of the Manager, is material and adverse and makes it impractical or inadvisable to proceed with the sale of the Shares; (ii) any downgrading in the rating of any debt securities of the Company by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating) or any announcement that the Company has been placed on negative outlook; (iii) any change in U.S. or international financial, political or economic conditions or currency exchange rates or exchange controls as would, in the judgment of the Manager, impractical to market or to enforce contracts for the sale of the Shares, whether in the primary market or in respect of dealings in the secondary market; (iv) any material suspension or material limitation of trading in securities generally on the New York Stock Exchange, or any setting of minimum prices for trading on such exchange, or any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market; (v) any banking moratorium declared by U.S. Federal or New York authorities; (vi) any major disruption of settlements of securities or clearance services in the United States; or (vii) any attack on, outbreak or escalation of hostilities or acts of terrorism involving the United States, any declaration of war by Congress or any other national or international calamity or emergency if, in the judgment of the Manager, the effect of any such attack, outbreak, escalation, act, declaration, calamity or emergency makes it impractical or inadvisable to market the Shares or enforce contracts for the sale of the Shares;

(d)

(i) The Managers shall have received an opinion, on every date specified in Section 5(u), dated such date, of Sutherland Asbill & Brennan LLP, counsel for the Company in form and substance satisfactory to the Managers (a draft of such opinion is attached as Annex 1(a) hereto);

(ii) The Managers shall have received an opinion, on every date specified in Section 5(u), dated such date, of Sutherland Asbill & Brennan LLP, counsel for the Company in form and substance satisfactory to the Managers (a draft of such opinion is attached as Annex 1(b) hereto);

(e) The Managers shall have received from Fried, Frank, Harris, Shriver & Jacobson LLP, counsel for the Managers, on every date specified in Section 5(w), such opinion or opinions, dated such date, with respect to the incorporation of the Company, the validity of the Shares delivered pursuant to this Distribution Agency Agreement and any applicable Terms Agreement, the Registration Statement, the Prospectus and other related matters as the Managers may require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters;

(f) The Managers shall have received a certificate, on every date specified in Section 5(t), dated such date, of the officers of each of the Company and MCC Advisors (including a principal financial or accounting officer of the Company), in which such officers, on behalf of the Company and MCC Advisors, shall state that the representations and warranties of the Company and MCC Advisors, respectively, in this Distribution Agency Agreement and any Terms Agreement are true and correct, that the Company and MCC Advisors, respectively, have complied with all agreements and satisfied all conditions on their part to be performed or satisfied hereunder at or prior to such date, that no stop order suspending the effectiveness of the Registration Statement or of any part thereof has been issued and no proceedings for that purpose have been instituted or are contemplated by the Commission and that, subsequent to the date of the most recent financial statements included with the Registration Statement and the General Disclosure Package, there has been no Material Adverse Change, nor any development or event involving a prospective material adverse change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as a whole except as set forth in or contemplated by the Registration Statement and the General Disclosure Package or as described in such certificate;

(g) The Shares shall have been approved for listing on the NYSE, subject only to notice of issuance at or prior to each Settlement Date;

(h) The Common Stock shall be an “actively-traded security” excepted from the requirements of Rule 101 of Regulation M under the Exchange Act by subsection (c)(1) of such rule;

(i) All filings with the Commission required by Rule 497 under the Act to have been filed by the Settlement Date or the Time of Delivery, as the case may be, shall have been made within the applicable time period prescribed for such filing by Rule 497.

The Company will furnish the Managers with such conformed copies of such opinions, certificates, letters and documents as the Managers reasonably requests. Each Manager may in its sole discretion waive compliance with any conditions to the obligations of the Manager hereunder.

9. *Indemnification and Contribution.*

(a) The Company will indemnify and hold harmless each Manager, its partners, members, directors and officers and each person, if any, who controls the Manager within the meaning of Section 15 of the Act, against any losses, claims, damages or liabilities, joint or several, to which the Manager may become subject, under the Act or the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Prospectus, or any amendment or supplement thereto, any Additional Disclosure Item, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they wawere made, not misleading, and will reimburse each Indemnified Party for any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by the Managers specifically for use therein, it being understood and agreed that the only such information furnished by the Managers consists of the information described as such in subsection (c) below;

(b) MCC Advisors will indemnify and hold harmless each Manager, its partners, members, directors and officers and each person, if any, who controls the Manager within the meaning of Section 15 of the Act, against any losses, claims, damages or liabilities, joint or several, to which the Manager may become subject, under the Act or the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Prospectus, or any amendment or supplement thereto, any Additional Disclosure Item, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they wawere made, not misleading, and will reimburse each Indemnified Party for any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that MCC Advisors will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to MCC Advisors by the Managers specifically for use therein, it being understood and agreed that the only such information furnished by the Managers consists of the information described as such in subsection (c) below;

(c) Each Manager, will, severally and not jointly, indemnify and hold harmless (i) the Company, its directors and officers and each person, if any, who controls the Company within the meaning of Section 15 of the Act and (ii) MCC Advisors, its directors and officers and each person, if any, who controls the Company within the meaning of Section 15 of the Act against any losses, claims, damages or liabilities to which the Company and/or MCC Advisors may become subject, under the Act or the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they wawere made, not misleading,, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company or MCC Advisors by the Managers specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by such Manager Indemnified Party in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred, it being understood and agreed that the only such information furnished by the Managers consists of the following information in the Prospectus: (i) the sentences related to concessions and reallowances and (ii) the paragraphs related to stabilization, syndicate covering transactions and penalty bids under the caption “Plan of Distribution”. The Company, MCC Advisors and the Managers acknowledge that no information has been furnished to the Company by the Managers for use in any Non-Prospectus Road Show;

(d) Promptly after receipt by an indemnified party under this Section 9 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) (b) or (c) above, notify the indemnifying party in writing of the commencement thereof; provided that the failure to notify the indemnifying party will not relieve it from any liability which it may have under subsection (a) (b) or (c) above except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided further that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to any indemnified party otherwise than under subsection (a) (b) or (c) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, however, if such indemnified party shall have been advised by counsel that there are one or more defenses available to it that are in conflict with those available to the indemnifying party (in which case the indemnifying party shall not have the right to direct the defense of such action on behalf of the indemnified party), the reasonable fees and expenses of such indemnified party's counsel shall be borne by the indemnifying party. In no event shall the indemnifying party be liable for the fees and expenses of more than one counsel (together with appropriate local counsel) at any time for any indemnified party in connection with any one action or separate but substantially similar or related actions arising in the same jurisdiction out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of any indemnified party;

(e) If the indemnification provided for in this Section 9 is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and MCC Advisors on the one hand and the Managers on the other from the offering of the Shares or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and MCC Advisors on the one hand and the Managers on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company and MCC Advisors on the one hand and the Managers on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total commissions received by the Managers from the Company and MCC Advisors under this Distribution Agency Agreement. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and MCC Advisors or the Managers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), no Manager shall be required to contribute any amount in excess of the amount by which the total price at which the Shares sold by it and distributed to the public exceeds the amount of any damages which the Manager has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation;

(f) The obligations of the Company and MCC Advisors under this Section 9 shall be in addition to any liability which the Company and MCC Advisors may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls the Manager within the meaning of the Act or the Exchange Act, and the obligations of the Manager under this Section 9 shall be in addition to any liability which the Manager may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company (including any person who, with his or her consent, is named in the Registration Statement as about to become a director of the Company) and MCC Advisors and to each person, if any, who controls the Company and MCC Advisors within the meaning of the Act or the Exchange Act. No party shall be entitled to indemnification under this Section 9 if such indemnification of such party would violate Section 17(i) of the Investment Company Act.

10. *Survival of Certain Representations and Obligation*. The respective indemnities, agreements, representations, warranties and other statements of the Company or its officers and MCC Advisors or its officers and of the Managers, as set forth in this Distribution Agency Agreement or any Terms Agreement, shall remain in full force and effect, regardless of any investigation, or any statement as to the results thereof, made by or on behalf of the Managers, the Company or any of their representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Shares. If any Shares have been sold hereunder, the representations and warranties in Section 2 and Section 3 and all obligations under Section 5 shall also remain in effect.

11. *Termination.* (a) The Company shall have the right, by giving written notice as hereinafter specified, to terminate the provisions of this Distribution Agency Agreement relating to the solicitation of offers to purchase the Shares in its sole discretion at any time. Any such termination shall be without liability of any party to any other party except that (i) if any of the Shares have been sold through the Managers for the Company, then Section 5(ee) shall remain in full force and effect, (ii) with respect to any pending sale, through the Managers for the Company, the obligations of the Company, including in respect of compensation of the Managers, shall remain in full force and effect notwithstanding the termination and (iii) the provisions of Section 5(g), 9, 10, 11, 12, 13, 15 and 18 of this Distribution Agency Agreement shall remain in full force and effect notwithstanding such termination;

(b) The Managers shall have the right, by giving written notice as hereinafter specified, to terminate the provisions of this Distribution Agency Agreement relating to the solicitation of offers to purchase the Shares in its sole discretion at any time. Any such termination shall be without liability of any party to any other party except that the provisions of Section 5(g), 9, 10, 13, 15, and 18 of this Distribution Agency Agreement shall remain in full force and effect notwithstanding such termination.

(c) This Distribution Agency Agreement shall remain in full force and effect unless terminated pursuant to Sections 11(a) or (b) above or otherwise by mutual agreement of the parties; provided that any such termination by mutual agreement shall in all cases be deemed to provide that Section 5(g), Section 9 and Section 10 shall remain in full force and effect.

(d) Any termination of this Distribution Agency Agreement shall be effective on the date specified in such notice of termination; provided that such termination shall not be effective until the close of business on the date of receipt of such notice by the Managers or the Company, as the case may be. If such termination shall occur prior to the Settlement Date for any sale of the Shares, such sale shall settle in accordance with the provisions of Section 3 of this Distribution Agency Agreement.

12. *Research Independence.* In addition, the both the Company and MCC Advisors acknowledge that each Manager's research analysts and research departments are required to be independent from their respective investment banking divisions and are subject to certain regulations and internal policies, and that each Manager's research analysts may hold and make statements or investment recommendations and/or publish research reports with respect to the Company and MCC Advisors and/or the offering that differ from the views of their investment bankers. The Company and MCC Advisors hereby waive and release, to the fullest extent permitted by law, any claims that the Company or MCC Advisors may have against the Manager with respect to any conflict of interest that may arise from the fact that the views expressed by the Manager's independent research analysts and research departments may be different from or inconsistent with the views or advice communicated to the Company or MCC Advisors by the Manager's investment banking divisions. The Company and MCC Advisors acknowledge that the Manager is a full service securities firm and as such from time to time, subject to applicable securities laws, may effect transactions for its own accounts or the accounts of their customers and hold long or short positions in debt or equity securities of the companies that may be the subject of the transactions contemplated by this Distribution Agency Agreement and any Terms Agreement.

Notices. All communications hereunder and under any Terms Agreement will be in writing and mailed, delivered or telegraphed and confirmed to the Managers at the respective contact information listed on Schedule IV hereto, provided, however, that any notice to the Managers pursuant to Section 9 will be mailed, delivered or telegraphed and confirmed to the Managers, or, if sent to the Company, will be mailed, delivered or telegraphed and confirmed to it at Medley Capital Corporation, 375 Park Avenue, 33rd Floor, New York, NY 10152. Any communications shall take effect upon receipt thereof. In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

13. *Successors.* This Distribution Agency Agreement shall be binding upon, and inure solely to the benefit of, the Managers, the Company and MCC Advisors and, to the extent provided in Sections 9 and 10 hereof, the officers and directors of the Company and each person who controls the Company or the Managers, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Distribution Agency Agreement. No purchaser of any of the Shares from the Managers shall be deemed a successor or assign by reason merely of such purchase.

14. *No Fiduciary Duty*. Each of the Company and MCC Advisors hereby acknowledges and agrees that in connection with the sale of the Shares or any other services the Managers may be deemed to be providing hereunder, notwithstanding any preexisting relationship, advisory or otherwise, between the parties or any oral representations or assurances previously or subsequently made by the Managers: (i) no fiduciary or agency relationship between the Company, MCC Advisors and any other person, on the one hand, and the Managers, on the other, exists; (ii) each Manager is not acting as advisor, expert or otherwise, to the Company or MCC Advisors, including, without limitation, with respect to the determination of the sale price of the Shares, and such relationship between the Company or MCC Advisors, on the one hand, and the Managers, on the other, is entirely and solely commercial, based on arm's-length negotiations; (iii) any duties and obligations that the Managers may have to the Company or MCC Advisors shall be limited to those duties and obligations specifically stated herein; and (iv) the Managers and its respective affiliates may have interests that differ from those of the Company or MCC Advisors. Each of the Company and MCC Advisors hereby waives any claims that the Company may have against the Managers with respect to any breach of fiduciary duty in connection with the offering.

15. *Merger.* This Distribution Agency Agreement supersedes all prior agreements and understandings (whether written or oral) between the Company and MCC Advisors on the one hand and the Managers on the other, or any of them, with respect to the subject matter hereof.

16. *Applicable Law.* This Distribution Agency Agreement shall be governed by and construed in accordance with the laws of the State of New York. Except as set forth below, no claim, counterclaim or dispute of any kind or nature whatsoever arising out of or in any way relating to this Distribution Agency Agreement or any Terms Agreement (a "**Claim**") may be commenced, prosecuted or continued in any court other than the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York, which courts shall have jurisdiction over the adjudication of such matters, and the Company and MCC Advisors each consents to the jurisdiction of such courts and personal service with respect thereto. The Company and MCC Advisors each hereby consents to personal jurisdiction, service and venue in any court in which any Claim arising out of or in any way relating to this Distribution Agency Agreement or any Terms Agreement is brought by any third party against the Managers or any indemnified party. The Managers and the Company (on its behalf and, to the extent permitted by applicable law, on behalf of its stockholders and affiliates) and MCC Advisors (on its behalf and, to the extent permitted by applicable law, its members and affiliates) each waive all right to trial by jury in any action, proceeding or counterclaim (whether based upon contract, tort or otherwise) in any way arising out of or relating to this Distribution Agency Agreement or any Terms Agreement. The Company and MCC Advisors each agrees that a final judgment in any such action, proceeding or counterclaim brought in any such court shall be conclusive and binding upon each of the Company and MCC Advisors and may be enforced in any other courts to the jurisdiction of which any of the Company or MCC Advisors each is or may be subject, by suit upon such judgment.

17. *Counterparts*. This Distribution Agency Agreement and any Terms Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

If the foregoing is in accordance with your understanding, please sign and return to us one for the Company and the Managers plus one for each counsel counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the Managers, this letter and such acceptance hereof shall constitute a binding agreement among each of the Managers, the Company and the Adviser.

Very truly yours,

MEDLEY CAPITAL CORPORATION

By: _____
Name: Richard T. Allorto, Jr.
Title: Chief Financial Officer and Secretary

MCC ADVISORS LLC

By: _____
Name: Brook Taube
Title: Managing Member

Accepted as of the date hereof:

GOLDMAN, SACHS & CO.

By: _____
Name:
Title:

Accepted as of the date hereof:

BARCLAYS CAPITAL INC.

By: _____
Name:
Title:

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Accepted as of the date hereof:

CREDIT SUISSE SECURITIES (USA) LLC

By: _____
Name:
Title:

Accepted as of the date hereof:

J.P. MORGAN SECURITIES LLC

By: _____
Name:
Title:

Accepted as of the date hereof:

KEEFE, BRUYETTE & WOODS, INC.

By: _____
Name:
Title:

Accepted as of the date hereof:

BB&T CAPITAL MARKETS, A DIVISION OF BB&T SECURITIES, LLC

By: _____
Name:
Title:

Accepted as of the date hereof:

JANNEY MONTGOMERY SCOTT LLC

By: _____
Name:
Title:

Accepted as of the date hereof:

LADENBURG THALMANN & CO. INC.

By: _____
Name:
Title:

Accepted as of the date hereof:

MLV & CO. LLC

By: _____
Name:
Title:

Accepted as of the date hereof:

MAXIM GROUP LLC

By: _____
Name:
Title:

Accepted as of the date hereof:

NATIONAL SECURITIES CORPORATION

By: _____
Name:
Title:

Accepted as of the date hereof:

GILFORD SECURITIES INCORPORATED

By: _____
Name:
Title:

SCHEDULE I

Additional Disclosure Items:

- NONE

Annex 1(a)
Opinion of Sutherland Asbill & Brennan LLP, counsel for the Company

Annex 1(b)
Opinion of Sutherland Asbill & Brennan LLP, counsel for MCC Advisors

SCHEDULE II

SCHEDULE III

FORM OF PLACEMENT NOTICE

From:
Cc:
To:
Subject: Distribution Agency Agreement — Placement Notice

Gentlemen:

Pursuant to the terms and subject to the conditions contained in the Distribution Agency Agreement between Medley Capital Corporation (the "Company"), MCC Advisors LLC and [●] (the "Managers") dated August 1, 2014 (the "Agreement"), I hereby request on behalf of the Company that the [●] (the "Specified Manager") sell up to shares of the Company's common stock, par value $0.001 per share, at a minimum market price of $ per share.

The time period during which sales are requested to be made shall be _____.

[No more than _____ shares may be sold in any one trading day.]

ADDITIONAL SALES PARAMETERS MAY BE ADDED, SUCH AS SPECIFIC DATES THE SHARES MAY NOT BE SOLD ON, AND/OR THE MANNER IN WHICH SALES ARE TO BE MADE BY THE SPECIFIED MANAGER.

THE COMPANY MAY CANCEL THIS PLACEMENT NOTICE AT ANY TIME IN ITS SOLE DISCRETION SUBJECT TO THE PROVISIONS OF SECTION 4(b) OF THE AGREEMENT.

SCHEDULE IV

Exhibit l.2

[Letterhead of Sutherland Asbill & Brennan LLP]

August 1, 2014

Medley Capital Corporation
375 Park Avenue, 33rd Floor
New York, NY 10152

Ladies and Gentlemen:

We have acted as counsel to Medley Capital Corporation, a Delaware corporation (the "***Company***"), in connection with the registration statement on Form N-2 (File No. 333-187324) (as amended as of the date hereof, the "***Registration Statement***") filed by the Company with the Securities and Exchange Commission (the "***Commission***") under the Securities Act of 1933, as amended (the "***Securities Act***"), previously declared effective by the Commission, relating to the public offering of securities of the Company that may be offered by the Company from time to time as set forth in the prospectus dated January 17, 2014, which was included in Post-Effective Amendment No. 4 to the Registration Statement, and which forms a part of the Registration Statement (the "***Prospectus***"), and as may be set forth from time to time in one or more supplements to the Prospectus.

This opinion letter is rendered in connection with the issuance and sale from time to time of up to $100,000,000 in aggregate offering amount of shares of the Company's Common Stock (the ***"Shares"***), as described in the prospectus supplement, dated as of August 1, 2014, filed with the Commission pursuant to Rule 497 under the Securities Act (the ***"Prospectus Supplement"***). The Shares are to be sold by the Company pursuant to a Distribution Agency Agreement, dated as of August 1, 2014, by and among the Company, MCC Advisors LLC (the "***Adviser***") and Goldman, Sachs & Co., Barclays Capital Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, J.P. Morgan Securities LLC, Keefe, Bruyette & Woods, Inc., BB&T Capital Markets, a division of BB&T Securities, LLC, Janney Montgomery Scott LLC, Ladenburg Thalmann & Co. Inc., MLV & Co. LLC, Maxim Group LLC, National Securities Corporation, and Gilford Securities Incorporated (the ***"Sales Agreement"***).

As counsel to the Company, we have participated in the preparation of the Registration Statement, the Prospectus and the Prospectus Supplement and have examined the originals or copies of the following:

(i) the Articles of Amendment and Restatement of the Company, certified as of the date hereof by an officer of the Company (the "***Articles***");

(ii) the Bylaws of the Company, certified as of the date of this opinion letter by an officer of the Company (the "***Bylaws***");

(iii) a Certificate of Good Standing with respect to the Company, issued by the Delaware Secretary of State as of a recent date (the "***Certificate of Good Standing***");

(iv) The resolutions of the board of directors of the Company relating to, among other things, (a) the authorization and approval of the preparation and filing of the Registration Statement, and (b) the authorization of the issuance, offer and sale of the Shares pursuant to the Registration Statement, certified as of the date hereof by an officer of the Company.

As to certain matters of fact relevant to the opinions in this opinion letter, we have relied upon certificates and/or representations of officers of the Company. We have also relied on certificates and confirmations of public officials. We have not independently established the facts, or in the case of certificates or confirmations of public officials, the other statements, so relied upon.

For purposes of our opinions in this opinion letter, we have assumed, without any independent investigation or verification, that: (a) each document that we have reviewed is accurate and complete, is either an authentic original or a copy that conforms to an authentic original, and the signatures on it are genuine; (b) each governmental or officer's certificate has been properly issued and it is accurate, complete and authentic (and we have assumed that such certificates remain accurate on the date of this letter); (c) all natural persons have sufficient legal capacity; and (d) the accuracy and completeness of all corporate records made available to us by the Company.

This opinion letter is limited to the effect of the General Corporation Laws of the State of Delaware, as in effect on the date hereof, and we express no opinion with respect to any other laws of such jurisdiction or the laws of any other jurisdictions. Without limiting the preceding sentence, we express no opinion as to any state securities or broker-dealer laws or regulations thereunder relating to the offer, issuance and sale of the Shares. This opinion letter has been prepared, and should be interpreted, in accordance with customary practice followed in the preparation of opinion letters by lawyers who regularly give, and such customary practice followed by lawyers who on behalf of their clients regularly advise opinion recipients regarding, opinion letters of this kind.

Based upon and subject to the limitations, exceptions, qualifications and assumptions set forth in this opinion letter, we are of the opinion the Shares have been duly authorized for issuance and, when issued and paid for in accordance with the terms and conditions of the Sales Agreement, will be validly issued, fully paid and nonassessable.

The opinions expressed in this opinion letter (a) are strictly limited to the matters stated in this opinion letter, and without limiting the foregoing, no other opinions are to be implied and (b) are only as of the date of this opinion letter, and we are under no obligation, and do not undertake, to advise the addressee of this opinion letter or any other person or entity either of any change of law or fact that occurs, or of any fact that comes to our attention, after the date of this opinion letter, even though such change or such fact may affect the legal analysis or a legal conclusion in this opinion letter.

We hereby consent to the filing of this opinion as an exhibit to the Company's Post-Effective Amendment No. 5 to the Registration Statement, to be filed with the Commission on the date hereof, and to the reference to our firm in the "Legal Matters" section in the Prospectus Supplement. We do not admit by giving this consent that we are in the category of persons whose consent is required under Section 7 of the Securities Act.

Very truly yours,

/s/ Sutherland Asbill & Brennan LLP

Exhibit n.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the reference to our firm under the captions “Experts”, “Selected Financial and Other Data”, “Senior Securities” and "Independent Registered Public Accounting Firm" and to the inclusion of our reports (a) dated December 9, 2013 with respect to the consolidated financial statements of Medley Capital Corporation as of September 30, 2013 and 2012, and for the three years in the period ended September 30, 2013, (b) dated December 9, 2013, with respect to the effectiveness of internal control over financial reporting of Medley Capital Corporation as of September 30, 2013 and to the incorporation by reference of our report (c) dated December 9, 2013, with respect to the senior securities table of Medley Capital Corporation as of September 30, 2013, included in the Registration Statement (Form N-2 No. 333-187324).

/s/ Ernst & Young LLP

New York, New York
August 1, 2014