

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 18, 2020

Medley Capital Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of incorporation)

1-35040 (Commission File Number) **27-4576073** (I.R.S. Employer Identification No.)

280 Park Avenue, 6th Floor East
New York, NY 10017
(Address of Principal Executive Offices and Zip Code)

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

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.001 per share	MCC	The New York Stock Exchange
6.125% Notes due 2023	MCV	The New York Stock Exchange

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement

In connection with the adoption by the Board of Directors (the “Board”) of Medley Capital Corporation (the “Company”) of an internalized management structure, on November 19, 2020, the Company entered into a Fund Accounting Servicing Agreement and an Administration Servicing Agreement on customary terms with U.S. Bancorp Fund Services, LLC d/b/a U.S. Bank Global Fund Services.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of David Lorber as Interim Chief Executive Officer and Ellida McMillan as Chief Financial Officer

In further connection with the adoption by the Board of an internalized management structure, the Board appointed Mr. David Lorber, age 42, as interim Chief Executive Officer of the Company, effective January 1, 2021, and Ms. Ellida McMillan, age 53, as Chief Financial Officer of the Company, effective January 1, 2021. Certain information regarding Mr. Lorber and Ms. McMillan is contained in the press release referred to in Item 7.01 and is incorporated herein by reference. Mr. Lorber and Ms. McMillan will each serve at the pleasure of the Board. In connection with his appointment, Mr. Lorber stepped down from the Compensation Committee of the Board, the Nominating and Corporate Governance Committee of the Board, and the Special Committee of the Board. Mr. Lorber’s base annual salary will be \$425,000, with a discretionary annual bonus of up to 100% of the base annual salary. Ms. McMillan’s base annual salary will be \$300,000, with a discretionary annual bonus of up to \$200,000.

Item 7.01 Regulation FD Disclosure

On November 20, 2020, the Company issued a press release announcing the internalized management structure. The press release is furnished herewith as Exhibit 99.1.

The information in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 furnished herewith, is being furnished and shall not be deemed “filed” for any purpose of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of such section. The information in this Current Report on Form 8-K shall not be deemed to be incorporated by reference into any filing under the

Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release dated as of November 20, 2020.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 24, 2020

MEDLEY CAPITAL CORPORATION

By: /s/ Richard T. Allorto, Jr.

Name: Richard T. Allorto, Jr.

Title: Chief Financial Officer

Medley Capital Corporation Board Approves Internalization**New Internalized Management Team to be Installed Effective January 1, 2021**

NEW YORK, NY (November 20, 2020) - On November 18, 2020, the Board of Directors (the “Board”) of Medley Capital Corporation (NYSE: MCC) (the “Company”) approved adoption of an internalized management structure effective January 1, 2021. The new management structure will replace the current Investment Management and Administration Agreements with MCC Advisors LLC, which expire on December 31, 2020.

To lead the internalized management team, the Board approved the appointment of David Lorber, who has served as an independent director of the Company since April 2019, as interim Chief Executive Officer and Ellida McMillan as Chief Financial Officer of the Company, each effective January 1, 2021.

Mr. Lorber and Ms. McMillan are in the process of assembling the internalized management team, that will be responsible for the day-to-day management and operations of the Company, under the oversight of the Board. The Company has thus far engaged a senior investment professional with significant credit experience to serve as the lead portfolio strategist, who will work closely with Mr. Lorber. The Company has also retained US Bancorp Fund Services, LLC to serve as the Company’s fund accountant and administrator, and is in the process retaining Alaric Compliance Services, LLC, an officer of which would serve as the Company’s Chief Compliance Officer. The new, simplified and streamlined structure is expected to lead to reduced operating costs/expenses for the Company in 2021, although there can be no assurance of the anticipated savings.

Mr. Lorber, is a Co-Founder of FrontFour Capital Group LLC, an investment adviser, and has served as a Portfolio Manager for the firm since January 2007. Mr. Lorber has significant principal investment expertise in both the equity and credit markets. Mr. Lorber has also served as a director of Ferro Corporation, a leading producer of specialty materials and chemicals for manufacturers, since May 2013, where he is also Lead Director, Chairman of its Governance & Nomination Committee and a member of its Compensation Committee. From April 2006 until December 2014, Mr. Lorber served as a director of Aerojet Rocketdyne Holdings, Inc. (formerly GenCorp Inc.), a technology-based manufacturer of aerospace and defense products and systems with a real estate segment.

Ms. McMillan, served as Chief Financial Officer and Chief Operating Officer of Alcentra Capital Corporation, a NASDAQ-traded BDC, from April 2017 until it merged into Crescent Capital BDC, Inc. in February 2020. Previously, beginning in November 2013, she served as Chief Accounting Officer of Alcentra Capital, Treasurer and Secretary of Alcentra Capital. At Alcentra she built the company’s financial and operating infrastructure, oversaw the IPO and initial NASDAQ listing, as well as assisted in all corporate M&A and strategic processes involving the BDC.

Mr. Lorber said: “I am excited to lead the Company in this new phase as we move forward and look to generate value creatively and efficiently.”

Arthur Ainsberg, the Company’s Lead Independent Director added: “We believe our streamlined internalized structure will increase our flexibility to continue to seek to maximize shareholder value.”

About Medley Capital Corporation

Medley Capital Corporation is a closed-end, externally managed business development company (“BDC”) that has common stock which trades on the New York Stock Exchange (NYSE: MCC) and has outstanding bonds which trade on the New York Stock Exchange under the symbols (NYSE: MCV) and (NYSE: MCX). Medley Capital Corporation’s investment objective is to generate current income and capital appreciation by lending to privately-held middle market companies, primarily through directly originated transactions, to help these companies expand their businesses, refinance and make acquisitions. Our portfolio generally consists of senior secured first lien loans and senior secured second lien loans. Medley Capital Corporation is presently externally managed by MCC Advisors LLC, which is an investment adviser registered under the Investment Advisers Act of 1940, as amended. For additional information, please visit Medley Capital Corporation at www.medleycapitalcorp.com.

Forward-Looking Statements

This press release contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, particularly with respect to the future performance of the Company under the new internalized management team. Such forward-looking statements represent management’s current expectations and are inherently uncertain. There are a number of important factors that could materially impact the value of the MCC’s common stock or cause actual results to differ materially from those indicated by such forward-looking statements. These important factors include, but are not limited to, the ability of the Company to assemble the new internalized management team as contemplated; the ability of the new internalized management team to execute on its financial and investment strategies; the ability of the Company to realize savings and other efficiencies from the replacement of the current external management team with the new internal management structure, and uncertainties as to the amount and timing of any such savings; and other important factors discussed under the caption “Risk Factors” in Part 1. Item 1A of MCC’s Form 10-K for the fiscal year ended September 30, 2019, and its other reports filed with the Securities and Exchange Commission. These factors, among others, could cause actual results to differ materially from those indicated by forward-looking statements made in this press release and presented elsewhere by management from time to time. While MCC may elect to update such forward-looking statements at some point in the future, MCC disclaims any obligation to do so, even if subsequent events cause its views to change. These forward-looking statements should not be relied upon as representing the views of the Company as of any date subsequent to the date of this press release.

SOURCE: Medley Capital Corporation

Investor Relations Contact:

Sam Anderson

Head of Capital Markets & Risk Management

Medley Management Inc.

212-759-0777

Media Contact: Jonathan Gasthalter/Nathaniel Garnick

Gasthalter & Co. LP

212-257-4170