

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): December 14, 2011

MEDLEY CAPITAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

1-35040
(Commission File Number)

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

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

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

ITEM 2.02. Results of Operations and Financial Condition.

On December 14, 2011, Medley Capital Corporation issued a press release announcing its financial results for the quarter and year ended September 30, 2011. A copy of this press release is attached hereto as Exhibit 99.1.

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

ITEM 7.01. Regulation FD Disclosure.

Medley Capital Corporation issued a press release, filed herewith as Exhibit 99.1, on December 14, 2011 announcing the declaration of a dividend of \$0.25 per share. The dividend is payable on December 30, 2011 to stockholders of record at the close of business on December 15, 2011.

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

ITEM 9.01. Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 99.1 | Press Release, dated December 14, 2011 |

Signatures

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

MEDLEY CAPITAL CORPORATION

Date: December 14, 2011

/s/ Richard T. Allorto, Jr.

Name: Richard T. Allorto, Jr.

Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit No.

Description

99.1

Press Release, dated December 14, 2011

Medley Capital Corporation Announces Fourth Quarter and Fiscal Year Ended September 30, 2011 Financial Results

New York, NY – December 14, 2011

Medley Capital Corporation (the “Company”) (NYSE: MCC) today announced its financial results for the quarter and year ended September 30, 2011.

Financial Results for the Quarter and Year ended September 30, 2011

Highlights

- Declared a dividend of \$0.25 per share
- Net investment income of \$0.26 per share for the quarter ended September 30, 2011
- Net income of \$0.23 per share for the quarter ended September 30, 2011
- NAV of \$12.57 per share as of September 30, 2011
- Net investment originations of \$54.4 million for the quarter ended September 30, 2011

Portfolio Investments

The total value of our investments, including cash and cash equivalents, net of unsettled trades, was \$216.4 million at September 30, 2011. During the quarter ended September 30, 2011, the Company originated \$54.4 million of new investments and ended the quarter with investments in securities of eighteen portfolio companies with approximately 55.1% consisting of senior secured first lien investments, 36.7% consisting of senior secured second lien investments, 0.3% consisting of equities/warrants and 7.9% consisting of cash and cash equivalents. As of September 30, 2011, there were no non-accrual assets.

As of September 30, 2011, the weighted average yield based upon the original cost basis of our portfolio investments, excluding cash and cash equivalents, was 14.5%.

Results of Operations: Three Months Ended September 30, 2011

The Company reported earnings and net investment income of \$0.23 per share and \$0.26 per share, respectively, for the three months ended September 30, 2011, and net asset value (NAV) was \$12.57 per share.

Investment Income

For the three months ended September 30, 2011, gross investment income was \$6.9 million and consisted of \$6.0 million of portfolio interest income, \$0.9 million of other fee income and \$6,033 of interest on cash and cash equivalents.

Expenses

For the three months ended September 30, 2011, total expenses net of management fee waiver were \$2.5 million and consisted of the following: base management fees, net of management fee waiver of \$0.8 million, professional fees of \$0.3 million, administrator expenses of \$0.3 million, interest and credit facility financing expenses of \$0.2 million, directors fees of \$0.1 million, incentive management fees of \$0.6 million and other general and administrative related expenses of \$0.2 million.

Net Investment Income

The Company reported net investment income of \$4.4 million, or \$0.26 on a weighted average per share basis, for the quarter ended September 30, 2011.

Net Realized and Unrealized Gains/Losses

For the three months ended September 30, 2011, the Company reported net unrealized depreciation of \$0.5 million.

Results of Operations: Year Ended September 30, 2011

The Company reported earnings and net investment income of \$0.55 per share and \$0.56 per share, respectively, for the year ended September 30, 2011.

Investment Income

For the year ended September 30, 2011, gross investment income was \$14.6 million and consisted of \$12.7 million of portfolio interest income, \$1.8 million of other fee income and \$0.1 million of interest on cash and cash equivalents.

Expenses

For the year ended September 30, 2011, total expenses net of management fee waiver were \$4.9 million and consisted of the following: base management fees, net of management fee waiver of \$1.6 million, professional fees of \$0.6 million, administrator expenses of \$0.9 million, interest and credit facility financing expenses of \$0.2 million, directors fees of \$0.4 million, incentive management fees of \$0.7 million and other general and administrative related expenses of \$0.5 million.

Net Investment Income

The Company reported net investment income of \$9.6 million, or \$0.56 on a weighted average per share basis, for the year ended September 30, 2011.

Net Realized and Unrealized Gains/Losses

For the year ended September 30, 2011, the Company reported net realized gains of \$0.1 million and net unrealized depreciation of \$0.1 million.

Liquidity and Capital Resources

As of September 30, 2011, the Company had cash and cash equivalents, net of unsettled trades, of \$17.2 million and did not have any debt outstanding, and the Company had \$60 million of availability under its revolving credit facility with ING.

On November 29, 2011, the Company's board of directors declared a quarterly dividend of \$0.25 per share payable on December 30, 2011 to stockholders of record at the close of business on December 15, 2011.

Webcast/Conference Call

The Company will host an earnings conference call and audio webcast at 10:00 a.m. (Eastern Time) on Thursday, December 15, 2011.

All interested parties may participate in the conference call by dialing (866) 770-7120 approximately 5-10 minutes prior to the call: international callers should dial (617) 213-8065. Participants should reference Medley Capital Corporation and the participant passcode of 65635980 when prompted. Following the call you may access a replay of the event via audio webcast. This conference call will be broadcast live over the Internet and can be accessed by all interested parties through the Company's website, <http://www.medleycapitalcorp.com>. To listen to the live call, please go to the Company's website at least 15 minutes prior to the start of the call to register and download any necessary audio software. For those who are not able to listen to the live broadcast, a replay will be available shortly after the call on the Company's website.

Financial Statements
Medley Capital Corporation
Consolidated Statements of Assets and Liabilities

| | September 30, 2011 | September 30, 2010 |
|---|-----------------------|-----------------------|
| ASSETS | | |
| Investments at fair value | | |
| Non-controlled/non-affiliated investments (amortized cost of \$153,268,701 and \$0, respectively) | \$ 153,385,565 | \$ - |
| Affiliated investments (amortized cost of \$46,087,374 and \$0, respectively) | 45,820,982 | - |
| Total investments at fair value | 199,206,547 | - |
| Cash and cash equivalents | 17,201,643 | 15,190 |
| Interest receivable | 1,679,738 | - |
| Deferred credit facility financing costs, net | 1,259,382 | - |
| Other assets | 782,006 | - |
| Deferred offering costs | - | 49,760 |
| Total assets | \$ 220,129,316 | \$ 64,950 |
| LIABILITIES | | |
| Management and incentive fees payable, net | 1,483,751 | - |
| Accounts payable and accrued expenses | 626,261 | - |
| Administrator expenses payable | 346,293 | - |
| Deferred revenue | 18,648 | - |
| Interest and credit facility fees payable | 1,667 | - |
| Accrued organizational costs | - | 92,000 |
| Contributed loan | - | 50,000 |
| Deferred offering costs payable | - | 15,000 |
| Total liabilities | \$ 2,476,620 | \$ 157,000 |
| NET ASSETS | | |
| Common stock, par value \$.001 per share, 100,000,000 common shares authorized, 17,320,468 and 0 common shares issued and outstanding, respectively | \$ 17,320 | \$ - |
| Capital in excess of par value | 214,509,815 | - |
| Accumulated undistributed net investment income (loss) | 3,220,089 | (92,050) |
| Accumulated net realized gain from investments | 55,000 | - |
| Net unrealized depreciation on investments | (149,528) | - |
| Total net assets | 217,652,696 | (92,050) |
| Total liabilities and net assets | \$ 220,129,316 | \$ 64,950 |
| NET ASSET VALUE PER SHARE | \$ 12.57 | n/a |

Medley Capital Corporation
Consolidated Statements of Operations

| | Three months ended September 30, 2011 | Year ended September 30, 2011 |
|---|--|-------------------------------------|
| INVESTMENT INCOME | | |
| Interest from investments | | |
| Non-controlled/Non-affiliated investments | \$ 4,400,874 | \$ 8,517,020 |
| Affiliated investments | 1,552,370 | 4,217,333 |
| Total interest income | 5,953,244 | 12,734,353 |
| Interest from cash and cash equivalents | 6,033 | 69,763 |
| Other fee income | 931,284 | 1,764,738 |
| Total investment income | 6,890,561 | 14,568,854 |
| EXPENSES | | |
| Base management fees | 989,776 | 2,678,806 |
| Incentive fees | 633,960 | 713,745 |
| Administrator expenses | 346,293 | 866,055 |
| Professional fees | 262,140 | 628,209 |
| Interest and credit facility financing expenses | 163,072 | 163,072 |
| Directors fees | 126,813 | 448,871 |
| Insurance | 104,414 | 287,326 |
| General and administrative | 56,756 | 130,570 |
| Organizational expense | - | 92,226 |
| Expenses before management fee waiver | 2,683,224 | 6,008,880 |
| Management fee waiver | (219,770) | (1,068,688) |
| Total expenses net of management fee waiver | 2,463,454 | 4,940,192 |
| NET INVESTMENT INCOME | 4,427,107 | 9,628,662 |
| UNREALIZED GAIN (LOSS) ON INVESTMENTS: | | |
| Net realized gain from investments | - | 55,000 |
| Net unrealized depreciation on investments | (493,455) | (149,528) |
| Net loss on investments | (493,455) | (94,528) |
| NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS | \$ 3,933,652 | \$ 9,534,134 |
| WEIGHTED AVERAGE - BASIC AND DILUTED | | |
| EARNINGS PER COMMON SHARE | \$ 0.23 | \$ 0.55 |
| WEIGHTED AVERAGE - BASIC AND DILUTED NET | | |
| INVESTMENT INCOME PER COMMON SHARE | \$ 0.26 | \$ 0.56 |
| WEIGHTED AVERAGE COMMON STOCK | | |
| OUTSTANDING - BASIC AND DILUTED | 17,320,468 | 17,258,215 |
| DIVIDENDS DECLARED PER COMMON SHARE | \$ 0.21 | \$ 0.37 |

ABOUT MEDLEY CAPITAL CORPORATION

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

FORWARD-LOOKING STATEMENTS

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

SOURCE: Medley Capital Corporation

Contact:

