

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form N-2

**REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

**Pre-Effective Amendment No. 5
Post-Effective Amendment No. 0**

Medley Capital Corporation

(Exact name of Registrant as specified in its charter)

**375 Park Avenue, Suite 3304
New York, NY 10152**

(Address of Principal Executive Offices)

(212) 759-0777

(Registrant's Telephone Number, Including Area Code)

Brook Taube

Medley Capital Corporation

**375 Park Avenue, Suite 3304
New York, NY 10152**

(Name and Address of Agent for Services)

Copies to:

**James R. Tanenbaum
Anna T. Pinedo
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104
(212) 468-8000**

**Steven B. Boehm, Esq.
Harry S. Pangas, Esq.
Sutherland Asbill & Brennan LLP
1275 Pennsylvania Avenue, NW
Washington, DC 20004-2415
(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.

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

when declared effective pursuant to Section 8(c).

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

| Title of Securities Being Registered | Proposed Maximum Aggregate Offering Price ⁽¹⁾ / ⁽²⁾ | Amount of Registration Fee |
|---|---|----------------------------------|
| Common Stock, \$0.001 par value per share | \$177,333,352 | \$12,644 |

(1) Includes the underwriters' option to purchase additional shares.

(2) Estimated pursuant to Rule 457(o) solely for the purpose of determining the registration fee.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that the Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such dates as the Commission, acting pursuant to said Section 8(a), may determine.

Explanatory Note

The purpose of this Pre-Effective Amendment No. 5 to the Registration Statement on Form N-2 is solely to file a certain exhibit to the Registration Statement as set forth in Item 25(2) of Part C.

PART C
OTHER INFORMATION

Item 25. Financial statements and exhibits

| | <u>Page(s)</u> |
|---|----------------|
| 1. <i>Financial Statements</i> | |
| Report of Independent Registered Public Accounting Firm, Ernst & Young LLP | |
| Financial Statements of Medley Capital BDC LLC | F-2 |
| Statement of Assets, Liabilities and Member's Capital as of September 30, 2010 (unaudited) and May 31, 2010 | F-3 |
| Statement of Operations for the four months ended September 30, 2010 (unaudited) and the period from April 30, 2010 (date of inception) to May 31, 2010 | F-4 |
| Statement of Change in Member's Capital for the four months ended September 30, 2010 (unaudited) and the period from April 30, 2010 (date of inception) to May 31, 2010 | F-5 |
| Statement of Cash Flows for the four months ended September 30, 2010 (unaudited) and the period from April 30, 2010 (date of inception) to May 31, 2010 | F-6 |
| Notes to Financial Statements | F-7 – F-9 |
| Report of Independent Registered Public Accounting Firm, Rothstein, Kass & Company, P.C. | |
| Financial Statement of MOF I BDC LLC | F-10 |
| Statements of Financial Condition as of September 30, 2010 (unaudited) and May 31, 2010 | F-11 |
| Statement of Operations for the period May 31, 2010 (commencement of operations) to September 30, 2010 (unaudited) | F-12 |
| Statement of Changes in Members' Capital for the period May 31, 2010 (commencement of operations) to September 30, 2010 (unaudited) | F-13 |
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| Schedule of Investments as of September 30, 2010 (unaudited) | F-15 |
| Schedule of Investments as of May 31, 2010 | F-16 |
| Notes to Financial Statements | F-17–F-22 |
| 2. <i>Exhibits</i> | |
| (a)(1) Certificate of Formation of Medley Capital BDC LLC(1) | |
| (a)(2) Certificate of Formation of MOF I BDC LLC(1) | |
| (a)(3) Form of Certificate of Incorporation of Medley Capital Corporation(1) | |
| (b)(1) Limited Liability Company Agreement of Medley Capital BDC LLC(1) | |
| (b)(2) Limited Liability Company Agreement of MOF I BDC LLC(1) | |
| (b)(3) Form of By-Laws of Medley Capital Corporation(1) | |
| (b)(4) Amended and Restated Limited Liability Company Agreement of Medley Capital BDC LLC(1) | |
| (d) Form of Specimen Certificate(1) | |
| (e) Amended Form of Dividend Reinvestment Plan(1) | |
| (g) Form of Investment Management Agreement(1) | |
| (h) Form of Underwriting Agreement(1) | |
| (j)(1) Form of Custody Agreement(1) | |
| (k)(1) Certificate of Appointment of Transfer Agent(1) | |
| (k)(2) Form of Administration Agreement(1) | |
| (k)(3) License Agreement(1) | |
| (k)(4) Form of Sub-Administration Agreement(1) | |
| (k)(5) Form of Fee Waiver Agreement(1) | |
| (k)(6) Form of Registration Rights Agreement(1) | |
| (l) Opinion and Consent of Counsel to the Company(2) | |
| (n)(1) Consent of Thomson Reuters (Markets) LLC(1) | |
| (n)(2) Consent of Rothstein, Kass & Company, P.C.(1) | |
| (n)(3) Consent of Karin Hirtler-Garvey(1) | |
| (n)(4) Consent of John E. Mack(1) | |
| (n)(5) Consent of Joseph Schmuckler(1) | |
| (n)(6) Consent of Ernst & Young LLP(1) | |
| (r)(1) Code of Ethics of Medley Capital Corporation(1)(*) | |
| (r)(2) Code of Ethics of MCC Advisors LLC(1)(*) | |
| (r)(3) Code of Ethics of Medley Capital Corporation and MCC Advisors LLC(1) | |
| (1) Previously filed | |
| (2) Filed herewith | |
| (*) Superseded by exhibit(r)(3) | |

Item 26. Marketing arrangements

The information contained under the heading "Underwriting" 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 expenses to be incurred in connection with the offering described in this registration statement:

| | |
|-------------------------------------|---------------------|
| SEC registration fee | \$ 14,260 |
| FINRA filing fee | 20,500 |
| New York Stock Exchange listing fee | 40,000 |
| Printing (other than certificates) | 100,000 |
| Engraving and printing certificates | 0 |
| Accounting fees and expenses | 15,000 |
| Legal fees and expenses | 900,000 |
| Miscellaneous fees and expenses | 256,000 |
| Total | \$ 1,345,760 |

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 September 30, 2010:

| Title of Class | Number of Record Holders |
|---------------------------------|-----------------------------|
| Common Stock, \$0.001 par value | 0 |

Item 30. Indemnification

The information contained under the heading "Description of Shares" 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 against 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, Suite 3304, 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) Not applicable.

(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) Not applicable.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this 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 the 18th day of January, 2011.

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 Registration Statement has been signed by the following persons in the capacities set forth below on January 18, 2011. This document may be executed by the signatories hereto on any number of counterparts, all of which constitute one and the same instrument.

| <u>Name</u> | <u>Title</u> |
|---|---|
| <u>/s/ Brook Taube</u> Brook Taube | Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer) |
| <u>/s/ Richard T. Allorto, Jr.</u> Richard T. Allorto, Jr. | Chief Financial Officer (Principal Financial and Accounting Officer) |
| <u>/s/ Seth Taube</u> Seth Taube | Director |
| <u>/s/ Andrew Fentress</u> Andrew Fentress | Director |
| <u>/s/ Karin Hirtler-Garvey</u> Karin Hirtler-Garvey | Director |
| <u>/s/ John E. Mack</u> John E. Mack | Director |
| <u>/s/ Guy Rounsaville, Jr.</u> Guy Rounsaville, Jr. | Director |
| <u>/s/ Louis Burnett</u> Louis Burnett | Director |

[LETTERHEAD OF MORRISON & FOERSTER LLP]

January 18, 2011

Medley Capital Corporation
375 Park Avenue, Suite 3304
New York, New York 10152

Re: Registration Statement on Form N-2

Ladies and Gentlemen:

We have acted as counsel to Medley Capital Corporation, a Delaware corporation (the "Company"), in connection with the preparation and filing of a Registration Statement on Form N-2 (File No. 333-166491) originally filed on May 3, 2010, as amended (the "Registration Statement"), with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"). The Registration Statement relates to the proposed issuance by the Company of up to an aggregate of 11,111,112 shares of the Company's common stock, par value \$0.001 per share (the "Common Stock"). This opinion is being furnished to the Company in accordance with the requirements of Item 25 of Form N-2 under the Investment Company Act of 1940, as amended (the "1940 Act").

In connection with this opinion, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records and other instruments and such agreement, certificates and receipts of public officials, certificates of officers or other representatives of the Company and others, and such other documents as we have deemed necessary or appropriate as a basis for rendering this opinion, including (i) the Registration Statement, (ii) the Company's notice of intent to file an election pursuant to Section 54(a) under the 1940 Act to be regulated as a business development company, as filed with the Commission on May 3, 2010, as amended (the "Notice of Intent"), (iii) a draft of the Form N-54 in the form it will be filed with the Commission (the "Form N-54"), (iv) the form of underwriting agreement proposed to be entered into by and between the Company and Goldman, Sachs & Co., Citigroup Global Markets Inc. and UBS Securities LLC, as representatives of the several underwriters named therein (the "Underwriters"), filed as an exhibit to the Registration Statement (the "Underwriting Agreement"), (v) a specimen certificate representing the Common Stock, (vi) the form of Certificate of Incorporation of the Company, filed as an exhibit to the Registration Statement, (vii) the form of Bylaws of the Company, filed as an exhibit to the Registration Statement, (viii) a certificate of good standing with respect to the Company issued by the Secretary of State of the State of Delaware dated January 18, 2011, and (ix) proposed resolutions of the sole incorporator of the Company relating to the formation of the Company, and (x) proposed resolutions of the board of directors of the Company relating to, among other things, the authorization and issuance of the Common Stock.

In our examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such copies and that all certificates issued by public officials have been properly issued. In addition, we have assumed (i) the formation transaction will have been completed as described in the Registration Statement, (ii) the Certificate of Incorporation will have been filed with the Secretary of State of the State of Delaware, (iii) the Certificate of Incorporation and Bylaws will have become effective substantially in the form of the documents filed as exhibits to the Registration Statement and (iv) the Registration Statement will have been declared effective by the Commission.

Based on the foregoing, and subject to the further assumptions and qualifications set forth in this letter, it is our opinion that when (i) the Registration Statement becomes effective under the Securities Act, (ii) the Underwriting Agreement has been duly executed and delivered, (iii) the Form N-54 is filed with the Commission and becomes effective; and (iv) certificates representing the Common Stock in the form of the specimen certificate examined by us have been manually signed by an authorized officer of the Company and an authorized officer of the transfer agent for the Shares and registered by such transfer agent, and have been delivered to and paid for by the

Underwriters at a price per share not less than the per share par value of the Common Stock as contemplated by the Underwriting Agreement, the issuance and sale of the Common Stock will have been duly authorized, and the Common Stock will be validly issued, fully paid and nonassessable.

The opinion expressed herein is limited to the General Corporation Law of the State of Delaware. This opinion letter is limited to the matters expressly set forth herein, and no opinion may be implied or inferred beyond those expressly stated. We assume no obligation to advise you of any changes in the foregoing subsequent to the date of this opinion.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to this firm under the caption "Legal Matters" in the prospectus which forms a part of the Registration Statement. In giving such consent, we do not admit hereby that we come within the category of persons whose consent is required under Section 7 of the Securities Act, or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Morrison & Foerster LLP
Morrison & Foerster LLP