

OFS Capital Corp
Form DEF 14A
April 27, 2015

SCHEDULE 14A (RULE 14a-101)

Information Required in Proxy Statement Schedule 14A Information

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:

Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

OFS CAPITAL CORPORATION

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:
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Fee paid previously with preliminary materials.

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(1) Amount previously paid:

(2) Form, schedule or registration statement no.:

(3) Filing party:

(4) Date filed:

**10 South Wacker Drive, Suite 2500
Chicago, Illinois 60606**

May 6, 2015

Dear Shareholder:

You are cordially invited to attend the 2015 Annual Meeting of Shareholders of OFS Capital Corporation (the Company, OFS Capital, we, us, or ours) to be held on Thursday, June 4, 2015 at 10:00 A.M., Central time, at 10 South Wacker Drive, 12th Floor, Conference Center Madison Room, Chicago, Illinois 60606.

The notice of annual meeting and proxy statement accompanying this letter provide an outline of the business to be conducted at the meeting. At the meeting, you will be asked: (i) to elect two directors of the Company; and (ii) to ratify the selection of BDO USA, LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015. We will also report on the progress of the Company during the past year and respond to shareholders' questions.

It is important that your shares be represented at the annual meeting. If you are unable to attend the meeting in person, we urge you to complete, date and sign the enclosed proxy card and promptly return it in the envelope provided. Your vote and participation in the governance of the Company is very important to us.

Sincerely yours,

Bilal Rashid
*Chairman of the Board of Directors and
Chief Executive Officer*

**10 South Wacker Drive, Suite 2500
Chicago, Illinois 60606
(847) 734-2000**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON June 4, 2015
10:00 A.M., Central time**

To the Shareholders of OFS Capital Corporation:

The 2015 Annual Meeting of Shareholders of OFS Capital Corporation (the Company, OFS Capital, we, us, or our) will be held at 10 South Wacker Drive, 12th Floor, Conference Center Madison Room, Chicago, Illinois 60606 on Thursday, June 4, 2015 at 10:00 A.M., Central time, for the following purposes:

1. To elect two directors of the Company, each of whom will serve for a term of three years, or until his respective successor is duly elected and qualified; and
2. To ratify the selection of BDO USA, LLP to serve as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015.
3. To transact such other business as may properly come before the Annual Meeting of Shareholders and any adjournments or postponements thereof.

You have the right to receive notice of and to vote at the meeting if you were a shareholder of record at the close of business on April 28, 2015. If you are unable to attend, please sign the enclosed proxy card and return it promptly in the self-addressed envelope provided. Please refer to the voting instructions provided on your proxy card. In the event there are not sufficient votes for a quorum or to approve the proposals at the time of the annual meeting, the annual meeting may be adjourned in order to permit further solicitation of proxies by the Company.

The Company has enclosed a copy of the proxy statement, the proxy card and the Company's annual report to shareholders for the year ended December 31, 2014 (the Annual Report). The proxy statement, the proxy card and the Annual Report are also available on the Company's website at www.ofscapital.com.

By Order of the Board of Directors,

Linda S. VanDenburgh,
Corporate Secretary

Chicago, Illinois
May 6, 2015

This is an important meeting. To ensure proper representation at the meeting, please complete, sign, date and return the proxy card in the enclosed self-addressed envelope. Even if you vote your shares prior to the meeting, you still may attend the meeting and vote your shares in person if you wish to change your vote.

OFS CAPITAL CORPORATION
10 South Wacker Drive, Suite 2500
Chicago, Illinois 60606

ANNUAL MEETING OF SHAREHOLDERS
To Be Held On June 4, 2015

PROXY STATEMENT

GENERAL

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of OFS Capital Corporation (Board or Directors), a Delaware corporation (the Company, OFS Capital, we, us, or use at the Annual Meeting of Shareholders of the Company to be held at 10:00 A.M., Central time on Thursday, June 4, 2015, at 10 South Wacker Drive, 12th Floor, Conference Center Madison Room, Chicago, Illinois 60606, and any adjournments thereof (the Annual Meeting). This Proxy Statement and the accompanying materials are being mailed to shareholders of record described below on or about May 6, 2015 and are available at www.ofscapital.com.

All properly executed proxies representing shares of stock (Shares) received prior to the Annual Meeting will be voted in accordance with the instructions marked thereon. **If no specification is made, the Shares will be voted FOR the proposal to elect directors and FOR the proposal to ratify the selection of BDO USA, LLP as the Company s independent registered public accountant.** Any shareholder who has given a proxy has the right to revoke it at any time prior to its exercise. Shareholders who execute proxies may revoke them with respect to a proposal by attending the Annual Meeting and voting his or her Shares in person, or by submitting a letter of revocation or a later-dated proxy to the Company at the above address prior to the date of the Annual Meeting.

Quorum

A quorum must be present at the Annual Meeting for any business to be conducted. The presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the shares of common stock outstanding on the Record Date will constitute a quorum. Abstentions will be treated as shares present for quorum purposes. Shares for which brokers have not received voting instructions from the beneficial owner of the shares and do not have discretionary authority to vote the shares on certain proposals (which are considered broker non-votes with respect to such proposals) will be treated as shares present for quorum purposes.

If a quorum is not present at the Annual Meeting, the shareholders who are represented may adjourn the Annual Meeting until a quorum is present. The persons named as proxies will vote those proxies for such adjournment, unless

marked to be voted against any proposal for which an adjournment is sought, to permit the further solicitation of proxies.

Record Date

You may vote your shares at the Annual Meeting only if you were a shareholder of record at the close of business on the record date. The Board has fixed the close of business on April 28, 2015 as the record date (the **Record Date**) for the determination of shareholders entitled to notice of and to vote at the Annual Meeting and all adjournments thereof.

There were 9,662,940 shares of the Company's common stock outstanding on the Record Date.

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Votes Required

Proposal	Vote Required	Broker Discretionary Voting Allowed?	Effect of Abstentions and Broker Non-Votes
Proposal 1 To elect two directors of the Company, each of whom will serve for a term of three years, or until his respective successor is duly elected and qualified.	Affirmative vote by a plurality of holders of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal.	No	Abstentions, or votes withheld, and broker non-votes will have no effect on the result of the vote.
Proposal 2 To ratify the selection of BDO USA, LLP to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2015.	The affirmative vote of the majority of shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal.	Yes	Abstentions and broker non-votes will have no effect on the result of the vote.

Voting

When mailing your proxy card, you are requested to:

indicate your instructions on the proxy card;
date and sign the proxy card;

mail the proxy card promptly in the envelope provided, which requires no postage if mailed in the United States; and allow sufficient time for the proxy card to be received on or before 10:00 A.M., Central time on June 4, 2015.

Submitting Voting Instructions for Shares Held Through a Broker

If you hold shares of common stock through a broker, bank or other nominee, you must follow the voting instructions you receive from your broker, bank or nominee. If you hold shares of common stock through a broker, bank or other nominee and you want to vote in person at the Annual Meeting, you must obtain a legal proxy from the record holder of your shares and present it at the Annual Meeting. If your shares are held by a broker on your behalf and you do not instruct the broker as to how to vote these shares on Proposal 1, the broker may not exercise discretion to vote for or against Proposal 1. These shares will not be counted as having been voted on the applicable proposal. **Please instruct your bank or broker so your vote can be counted.**

Authorizing a Proxy for Shares Held in Your Name

If you are a record holder of shares of common stock, you may authorize a proxy to vote on your behalf by mail, as described on the enclosed proxy card. Authorizing your proxy will not limit your right to vote in person at the Annual Meeting. A properly completed and submitted proxy will be voted in accordance with your instructions, unless you subsequently revoke your instructions. If you authorize a proxy without indicating your voting instructions, the proxyholder will vote your shares according to the Board's recommendations. Shareholders of record may also vote

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either via the Internet or by telephone. Specific instructions to be followed by shareholders of record interested in voting via the Internet or telephone are shown on the enclosed proxy card.

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Revoking Your Proxy

If you are a shareholder of record, you can revoke your proxy at any time before it is exercised by (1) delivering a written revocation notice prior to the Annual Meeting to our Corporate Secretary, Linda S. VanDenburgh, at OFS Capital Corporation, 10 South Wacker Drive, Suite 2500, Chicago, Illinois 60606, Attention: Corporate Secretary; (2) submitting a later-dated proxy that we receive no later than the conclusion of voting at the Annual Meeting; or (3) voting in person at the Annual Meeting. If you hold shares of common stock through a broker, bank or other nominee, you must follow the instructions you receive from your nominee in order to revoke your voting instructions. Attending the Annual Meeting does not revoke your proxy unless you also vote in person at the Annual Meeting.

Internet and telephone procedures for voting and for revoking or changing a vote are designed to authenticate shareholders' identities, to allow shareholders to give their voting instructions and to confirm that shareholders' instructions have been properly recorded. A shareholder that votes through the Internet should understand that there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies, which will be borne by the shareholder.

The Company's most recent annual report on Form 10-K (the Annual Report) will be available on the Company's website at www.ofscapital.com and the Securities and Exchange Commission's (SEC's) website at www.sec.gov or by e-mailing investorrelations@ofscapital.com. The Company will also furnish a copy of the Annual Report upon request without charge by writing the Company at OFS Capital Corporation, c/o Linda S. VanDenburgh, 10 South Wacker Drive, Suite 2500, Chicago, Illinois 60606.

Information Regarding this Solicitation

The Company will bear the expense of the solicitation of proxies for the Annual Meeting, including the cost of preparing, printing, and mailing this proxy statement, the accompanying Notice of Annual Meeting of Shareholders, and the proxy card. The Company has requested that brokers, nominees, fiduciaries, and other persons holding shares in their names, or in the name of their nominees, which are beneficially owned by others, forward the proxy materials to, and obtain proxies from, such beneficial owners. The Company will reimburse such persons for their reasonable expenses in so doing.

In addition to the solicitation of proxies by mail, proxies may be solicited in person and by telephone, facsimile transmission, or telegram by directors, officers, or regular employees of the Company (without special compensation therefor). Any proxy given pursuant to this solicitation may be revoked by notice from the person giving the proxy at any time before it is exercised. Any such notice of revocation should be provided in writing and signed by the shareholder in the same manner as the proxy being revoked and delivered to the Company's proxy tabulator.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The following table sets forth, as of April 28, 2015, the beneficial ownership of the nominees for director, the Company's executive officers, each person known to us to beneficially own 5% or more of the outstanding shares of our common stock, and the executive officers and directors as a group. Percentage of beneficial ownership is based on 9,662,940 shares of common stock outstanding as of April 28, 2015.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. Ownership information for those persons who beneficially own 5% or more of our shares of common stock is based upon information furnished by the Company's transfer agent and other information obtained from such persons, if available.

Unless otherwise indicated, the Company believes that each beneficial owner set forth in the table has sole voting and investment power and has the same address as the Company. The Company's directors are divided into two groups interested directors and independent directors. Interested directors are interested persons of OFS Capital Corporation as defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended (the 1940 Act). Unless otherwise indicated, the address of all executive officers and directors is c/o OFS Capital Corporation, 10 South Wacker Drive, Suite 2500, Chicago, Illinois 60606.

Name and Address of Beneficial Owner	Number of Shares Owned Beneficially	Percentage of Class	
Other			
Orchard First Source Asset Management, LLC (OFSAM ⁽¹⁾)	2,946,474	30.5	%
UBS Group AG, directly and on behalf of certain subsidiaries ⁽²⁾	524,176	5.4	%
Interested Directors			
Glenn R. Pittson ⁽³⁾	88,531		*
Bilal Rashid	None	None	
Independent Directors			
Marc Abrams	2,000		*
Robert J. Cresci	None	None	
Elaine E. Healy	None	None	
Officers Who Are Not Directors			
Jeffrey A. Cerny	None	None	
Eric P. Rubenfeld	1,000		*
Bei Zhang	None	None	
Linda S. VanDenburgh	None	None	
Officers and Directors as a group (9 persons)	91,531		*

*

Less than 1.0%.

OFSAM is owned by Bilal Rashid, Jeffrey A. Cerny and other officers of OFS Capital Management, LLC (OFS (1)Advisor), the Company's investment adviser. Neither of Messrs. Rashid or Cerny is a beneficial owner of the Company's shares held by OFSAM for purposes of Section 13(d).

(2)Based on information included in the Schedule 13G filed by UBS Group AG on January 21, 2015, as of December 31, 2014, UBS Group AG had beneficial ownership and sole voting and dispositive power over 524,176 shares of

the Company's common stock.

(3) Mr. Pittson has notified the board that he will not stand for re-election at the annual meeting, and his term will expire immediately prior to the 2015 annual meeting.

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DOLLAR RANGE OF SECURITIES BENEFICIALLY OWNED BY DIRECTORS

Set forth in the table below is the dollar range of equity securities beneficially owned by each director as of April 28, 2015, based on a per share price of \$12.08 as of April 8, 2015.

Name of Director	Dollar Range of Equity Securities in the Company ^{(1),(2)}
<u>Independent Directors</u>	
Marc Abrams	\$10,001 - \$50,000
Robert J. Cresci	None
Elaine E. Healy	None
<u>Interested Directors</u>	
Glenn R. Pittson ⁽³⁾	Over \$100,000
Bilal Rashid	None

(1) The dollar ranges are as follows: none, \$1 - \$10,000, \$10,001 - \$50,000, \$50,001 - \$100,000 or over \$100,000.

(2) Beneficial ownership determined in accordance with Rule 16a-1(a)(2) under the Securities Exchange Act of 1934 (the Exchange Act).

(3) Mr. Pittson has notified the board that he will not stand for re-election at the annual meeting, and his term will expire immediately prior to the 2015 annual meeting.

PROPOSAL 1: ELECTION OF DIRECTORS

Our business and affairs are managed under the direction of our Board. Pursuant to the Company's bylaws, the Board may modify, by amendment to our bylaws, the number of members of the board of directors provided that the number of directors will not be fewer than four or greater than eight. The Board currently consists of five members, of whom three are not interested persons of the Company, as defined in Section 2(a)(19) of the 1940 Act. Rule 5605(b)(1) of The NASDAQ Global Select Market rules requires that the Company maintain a majority of independent directors on the Board and further provides that a director of a business development company (BDC) shall be considered to be independent if he or she is not an interested person of the Company, as defined in Section 2(a)(19) of the 1940 Act.

Mr. Abrams has been nominated for re-election to a three year term expiring in 2018. Mr. Cerny has been nominated for election to replace Mr. Pittson to a three year term expiring in 2018. Mr. Pittson has notified the board that he will not stand for re-election at the annual meeting, and his term will expire immediately prior to the 2015 annual meeting. Mr. Abrams and Mr. Cerny have each indicated a willingness to serve if elected and have consented to be named as a nominee. No person being nominated as a director is being proposed for election pursuant to any agreement or understanding between any such person and the Company.

A shareholder can vote for or withhold the vote from each of the nominees or abstain from voting. Abstentions will not be included in determining the number of votes cast and, as a result, will have no effect on the election of directors. Shares represented by broker non-votes are not considered entitled to vote and thus are not counted for purposes of determining whether each of the nominees for election as a director have been elected. **In the absence of instructions to the contrary, it is the intention of the persons named as proxies to vote such proxy FOR the election of each of the nominees named below.** If a nominee should decline or be unable to serve as a director, it is intended that the proxy will be voted for the election of such person nominated as a replacement. The Board has no

reason to believe that the persons named will be unable or unwilling to serve.

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Information about Director Nominees and Officers

Certain information as of April 28, 2015, pertaining to the director nominees and executive officers of the Company, as well as each of the other directors who are not standing for re-election, is set forth below, including their names, ages, a brief description of their recent business experience, including present occupations and employment, certain directorships that each person held during the last five years, and the year in which each person became a director of the Company. The Board oversees the Company's business and investment activities and is responsible for protecting the interests of the Company's shareholders. The term "executive officer" means the president, any vice president in charge of a principal business unit, division, or function, or any other officer who performs a policy making function.

DIRECTOR NOMINEES

Name, Address ⁽¹⁾ , Age and Position(s) with Company	Term of Office ⁽²⁾ and Length of Time Served	Principal Occupation(s)	Other Public Directorships Held by Director
Marc Abrams <i>Director</i> Age: 69	Since 2011	<i>Marc Abrams</i> is the founder and leader (on a semi-retired status) of the public company business sector of SingerLewak LLP, a certified public accounting firm founded in 1995. He has over 35 years of public accounting experience. Mr. Abrams' expertise includes audits of publicly held companies, initial public offerings, private offerings, corporate reorganizations and acquisitions, evaluating business plans and litigation support. Additionally, Mr. Abrams' broad practice includes expertise in several industries including technology, life sciences, real estate, retail and franchise, hotels and casinos, and manufacturing. He currently serves on the board of ICEWEB, Inc. Mr. Abrams graduated from American University in 1967 with a Bachelor of Science in Accounting. Through 2011, he was an active member of AICPA, the California Society of CPAs and the Los Angeles Venture Association. Mr. Abrams brings to our Board extensive accounting experience and expertise, which is invaluable to our company.	ICEWEB, Inc.

Name, Address ⁽¹⁾ , Age and Position(s) with Company	Term of Office ⁽²⁾ and Length of Time Served	Principal Occupation(s)	Other Public Directorships Held by Director
Jeffrey Cerny <i>Director Nominee</i> <i>Chief Financial Officer and Treasurer</i> <i>Corporate Secretary</i> Age: 52	Since 2015 Since 2014 2011 to 2015	Jeffrey A. Cerny is the Chief Financial Officer and Treasurer of OFS Capital. Mr. Cerny also serves as Treasurer and a Senior Managing Director of OFS Advisor and Orchard First Source Capital, Inc. (OFSC), as a Vice President of OFSAM, and as a member of OFSAM s investment and executive committees. Mr. Cerny oversees the finance and accounting functions of OFS Capital as well as underwriting, credit monitoring, CLO portfolio compliance and loan administration for OFS Advisor s syndicated senior loan business. Prior to joining OFSC in 1999, Mr. Cerny held various positions at Sanwa Business Credit Corporation, American National Bank and Trust Company of Chicago and Charter Bank Group, a multi-bank holding company. Mr. Cerny holds a B.S. in Finance from Northern Illinois University, a Masters of Management in Finance and Economics from Northwestern University s J.L. Kellogg School of Management, and a J.D. from DePaul University s School of Law. Mr. Cerny brings to our Board extensive accounting and financial experience and expertise, as well as investing experience, including lending, structuring and workouts.	N/A

INDEPENDENT DIRECTORS

Name, Address ⁽¹⁾ , Age and Position(s) with Company	Term of Office ⁽²⁾ and Length of Time Served	Principal Occupation(s)	Other Public Directorships Held by Director
Robert J. Cresci <i>Director</i> Age: 71	Since 2011	Robert J. Cresci has been a managing director of Pecks Management Partners Ltd., an investment management firm, since 1990. He currently serves on the boards of j2 Global, Inc., Luminex Corporation and CIM Commercial Trust Corporation. Mr. Cresci holds an undergraduate degree in Engineering from the United States Military	j2 Global, Inc.; Luminex Corporation; CIM Commercial Trust Corporation

Academy at West Point and holds a M.B.A. in Finance from the Columbia University Graduate School of Business. By virtue of his time with Pecks Management Partners and the other business entities mentioned, Mr. Cresci brings to our Board his broad expertise and experience in investment strategies, accounting issues, and public company matters.

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Name, Address ⁽¹⁾ , Age and Position(s) with Company	Term of Office ⁽²⁾ and Length of Time Served	Principal Occupa
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