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EIS FUND INC
Form DEF 14A
March 25, 2002

SCHEDULE 14A INFORMATION

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

Filed by the Registrant [X]

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))
- [X] Definitive Proxy Statement
- [] Definitive Additional Materials
- [] Soliciting Materials Pursuant to 17 CFR 240.14a-11(c) or 17 CFR 240.14a-12

EIS FUND, INC.

Name of Registrant as Specified In Its Charter

N/A

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

[X] 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:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

EIS FUND, INC.
383 Madison Avenue
New York, New York 10179

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held on Thursday, April 18, 2002

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders (the "Meeting") of EIS Fund, Inc., (f/k/a Excelsior Income Shares, Inc.), a New York corporation (the "Fund"), will be held at the executive offices of Bear Stearns Funds Management Inc., 383 Madison Avenue, 13th Floor, Conference Room 301, New York, New York 10179 on Thursday, April 18, 2002 at 10:00 a.m. for the following purposes:

1. To elect five directors to hold office until the year 2003 Annual Meeting of Shareholders (Proposal No. 1);
2. To ratify the selection of Tait, Weller & Baker as the Fund's independent accountants for the year ending December 31, 2002 (Proposal No. 2); and
3. To consider and vote upon such other matters as may properly come before said Meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on March 8, 2002 as the record date for the determination of shareholders entitled to notice of, and to vote at this Meeting or any adjournment thereof. The stock transfer books

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will not be closed.

Copies of the Fund's most recent annual report may be ordered free of charge to any shareholder by writing to the Fund at c/o Bear Stearns Funds Management Inc., 383 Madison Avenue, 23rd Floor, New York, New York 10179, or by calling collect (212) 272-2093.

By Order of the Board of Directors

Thomas R. Westle, Secretary

Dated: March 25, 2002

UNLESS YOU EXPECT TO BE PRESENT AT THE MEETING, PLEASE FILL IN, DATE, SIGN AND MAIL THE ENCLOSED PROXY CARD IN THE ENCLOSED REPLY ENVELOPE. YOUR PROMPT RESPONSE WILL ASSURE A QUORUM AT THE MEETING.

INSTRUCTIONS FOR SIGNING PROXY CARDS

The following general rules for signing proxy cards may be of assistance to you and avoid the time and expense to the Fund involved in validating your vote if you fail to sign your proxy card properly.

- 1. Individual Accounts: Sign your name exactly as it appears in the registration on the proxy card.
- 2. Joint Accounts: Either party may sign, but the name of the party signing should conform exactly to a name shown in the registration.
- 3. Other Accounts: The capacity of the individual signing the proxy card should be indicated unless it is reflected in the form of registration. For example:

REGISTRATION

CORPORATE ACCOUNTS

VALID SIGNATURE

- (1) ABC Corp.....ABC Corp. (by John Doe, Treasurer)
- (2) ABC Corp.....John Doe, Treasurer
- (3) ABC Corp.
c/o John Doe, Treasurer.....John Doe
- (4) ABC Corp. Profit Sharing Plan.....John Doe, Trustee

TRUST ACCOUNTS

- (1) ABC Trust.....Jane B. Doe, Trustee
- (2) Jane B. Doe, Trustee
u/t/d/ 12/28/78.....Jane B. Doe

CUSTODIAL OR ESTATE ACCOUNTS

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- (1) John B. Smith, Cust.
f/b/o John B. Smith, Jr. UGMA.....John B. Smith
- (2) John B. Smith.....John B. Smith, Jr., Executor

EIS FUND, INC.
(F/K/A EXCELSIOR INCOME SHARES, INC.)
383 Madison Avenue
New York, New York 10179

PROXY STATEMENT
for
ANNUAL MEETING OF SHAREHOLDERS
to be held on Thursday, April 18, 2002

GENERAL

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of EIS Fund, Inc. (f/k/a Excelsior Income Shares, Inc.), a New York corporation (the "Fund") for use at the Annual Meeting of Shareholders for the year 2002 (the "Meeting") to be held at the executive offices of Bear Stearns Funds Management Inc., 383 Madison Avenue, 13th Floor, Conference Room 301, New York, New York 10179 on Thursday, April 18, 2002, at 10:00 a.m., New York time, and at any and all adjournments thereof. A form of proxy is enclosed herewith. This Proxy Statement and the accompanying form of proxy are being first mailed to Shareholders on or about March 25, 2002.

Any stockholder who executes and delivers a proxy may revoke it by written communication to the Secretary of the Fund at any time prior to its use or by voting in person at the Meeting. Unrevoked proxies will be voted in accordance with the specifications thereon and, unless specified to the contrary, will be voted FOR the election of Messrs. Ralph W. Bradshaw, Gary A. Bentz, Andrew A. Strauss, Glenn W. Wilcox, Sr. and Scott B. Rogers as the nominees for Director and FOR the ratification of the selection of Tait, Weller & Baker as the independent accountants of the Fund for the year ending December 31, 2002.

In general, abstentions and broker non-votes, as defined below, count for purposes of obtaining a quorum but do not count as votes cast with respect to any proposal where the broker does not have discretion. With respect to a proposal requiring the affirmative vote of a majority of the Fund's outstanding shares of common stock, the effect of abstentions and broker non-votes is the same as a vote against such proposal. Otherwise, abstentions and broker non-votes have no effect on the outcome of a proposal. A broker non-vote is a proxy from a broker or nominee indicating that such person has not received instructions from the beneficial owner or other person entitled to vote shares on a particular matter with respect to which the broker or nominee does not have discretionary voting power.

At least 51% of the Fund's shareholders must be present at the Meeting in person or by proxy to constitute a quorum for the transaction of business by the Fund. In the event that a quorum is not present at the Meeting, the persons named as proxies may propose one or more adjournments of the Meeting from time to time. Any such adjournment will require the affirmative vote of a majority of those shares represented at the Meeting in person or by proxy. The persons named as proxies will vote those proxies which they are entitled to vote FOR or AGAINST any such proposal in their discretion.

The cost of soliciting the proxies will be borne by the Fund. Proxy solicitations will be made primarily by mail, but solicitations may also be made by telephone, telegraph or personal interviews conducted by officers or employees of the Fund or Bear Stearns Funds Management Inc., the administrator to the Fund (the "Administrator").

Only holders of issued and outstanding shares of the Fund's common stock of record at the close of business on March 8, 2002 are entitled to notice of, and to vote at, the Meeting. Each such holder is entitled to one vote per share of common stock so held. The number of shares of common stock outstanding on March 8, 2002 was 2,161,091. The Fund is a closed-end, diversified management investment company.

Copies of the Fund's most recent annual report may be ordered free of charge to any stockholder by writing to the Fund at c/o Bear Stearns Funds Management Inc., 383 Madison Avenue, New York, New York 10179, or by telephone by calling the Fund collect at (212) 272-2093. This report is not to be regarded as proxy-soliciting material.

This Proxy Statement is first being mailed to Shareholders on or about March 25, 2002.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

The current Board of Directors currently consists of five members.

At the Meeting, Shareholders will be asked to elect five directors to hold office until the year 2003 Annual Meeting of Shareholders or thereafter until each of their respective successors is duly elected and qualified.

At the Meeting, Shareholders will be asked to vote for the election of Messrs. Ralph W. Bradshaw, Gary A. Bentz, Andrew A. Strauss, Glenn W. Wilcox,

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Sr. and Scott B. Rogers as directors to serve until the year 2003 Annual Meeting of Shareholders or thereafter until each of their successors is duly elected and qualified. If elected, each nominee has consented to serve as a director of the Fund until his successor is duly elected and qualified.

The persons named in the accompanying form of proxy intend to vote at the Meeting (unless directed not to vote) FOR the election of Messrs. Ralph W. Bradshaw, Gary A. Bentz, Andrew A. Strauss, Glenn W. Wilcox, Sr. and Scott B. Rogers. Each nominee has indicated that he will serve if elected, and the Board of Directors has no reason to believe that any of the nominees named above will become unavailable for election as a director, but if any nominee should be unable to serve, the proxy will be voted for any other person determined by the persons named in the proxy in accordance with their judgment.

The following table sets forth the names, addresses, ages and principal occupations of each of the nominees for election as Directors:

NOMINEES

| Name, Address and Age ----- | Position(s) with Fund ----- | Term of Office Since ----- | Principal Occupation during past 5 years ----- | Directorships h Nominee for Dir outside of Fund ----- |
|---|---|-------------------------------|---|--|
| NON-INDEPENDENT NOMINEES: | | | | |
| Ralph W. Bradshaw (51)** One West Pack Square Suite 1650 Asheville, NC 28801 | Chairman of the Board and President | 2001 | President of Cornerstone Advisors, Inc.; President of The Cornerstone Strategic Return Fund, Inc., Cornerstone Strategic Value Fund, Inc. and Progressive Return Fund, Inc.; Vice President, Deep Discount Advisors, Inc. (1993-1999). | Director of The Fund, Inc., The SmallCap Fund, Progressive Ret Fund, Inc., The Cornerstone Str Return Fund, In Cornerstone Str Value Fund, Inc |
| Gary A. Bentz** (45) One West Pack Square Suite 1650 Asheville, NC 28801 | Vice President, Treasurer and Director | 2001 | Chief Financial Officer of Cornerstone Advisors, Inc., Vice President and Treasurer of Progressive Return Fund, Inc., Cornerstone Strategic Value Fund, Inc. and The | Director of The Fund, Inc. |

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Cornerstone Strategic Return Fund, Inc.; Chief Financial Officer of Deep Discount Advisors, Inc. (1993-2000).

INDEPENDENT NOMINEES:

| | | | | |
|---|-----------------|-------------|---|--|
| <p>Andrew A. Strauss (48) 77 Central Avenue Suite F Asheville, NC 28801</p> | <p>Director</p> | <p>2001</p> | <p>Attorney and senior member of Strauss & Associates, P.A., Attorneys, Asheville and Hendersonville, N.C.; previous President of White Knight Healthcare, Inc. and LMV Leasing, Inc., a wholly owned subsidiary of Xerox Credit Corporation.</p> | <p>Director of Pro Return Fund, In Cornerstone Str Return Fund, In Cornerstone Str Value Fund, Inc Memorial Missio Hospital Founda Deerfield Episc Retirement Comm</p> |
|---|-----------------|-------------|---|--|

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INDEPENDENT NOMINEES CONTINUED:

| | | | | |
|--|-----------------|-------------|--|--|
| <p>Glenn W. Wilcox, Sr. (70) One West Pack Square Suite 1700 Asheville, NC 28801</p> | <p>Director</p> | <p>2001</p> | <p>Chairman of the Board and Chief Executive Officer of Wilcox Travel Agency.</p> | <p>Director of The Cornerstone Str Return Fund, In Progressive Ret Fund, Inc., Cor Strategic Value Inc. and Wachov Corp.; Board Tr and Chairman of Appalachian Sta University; and Trustee and Dir Mars Hill Colle Director, Champ Industries, Inc Chairman, Tower Associates, Inc real estate ven</p> |
| <p>Scott B. Rogers (46) 30 Cumberland Ave. Asheville, NC 28801</p> | <p>Director</p> | <p>2001</p> | <p>Chief Executive Officer, Asheville Buncombe Community Christian Ministry; and President, ABCCM Doctor's Medical Clinic; Appointee, NC Governor's Commission on Welfare to Work.</p> | <p>Director of Pro Return Fund, In Cornerstone Str Return Fund, In Cornerstone Str Value Fund, Inc A-B Vision Boar Chairman and Di Recycling Unlim Interdenominati Ministerial All and Director, Southeastern Jurisdiction Ur</p> |

The following table sets forth, for each Director and for the Directors as a group, the amount of shares beneficially owned in the Fund as of March 8, 2002. The information as to beneficial ownership is based on statements furnished to the Fund by each Director. Unless otherwise noted, beneficial ownership is based on sole investment power.

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| Name of Director ----- | Amount of Securities Beneficially Owned ----- |
|---------------------------|---|
| Ralph W. Bradshaw | 1,001 |
| Gary A. Bentz | 1,500 |
| Andrew A. Strauss | 400 |
| Glenn W. Wilcox Sr. | 1,000 |
| Scott B. Rogers | 0 |
| All Directors as a Group | 3,901 |

The following table sets forth, for each Director, the aggregate dollar range of equity securities owned of the Fund and of all Funds overseen by each Director in the Fund Complex as of March 8, 2002. The information as to beneficial ownership is based on statements furnished to the Fund by each Director.

| NAME ----- | DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND. | OF AGGREGATE DOLLAR RANGE OF EQUITY SECURITIES IN ALL FUNDS OVERSEEN BY DIRECTORS IN FUND COMPLEX*. ----- |
|---------------------|--|--|
| Ralph A. Bradshaw | \$10,001-\$50,000 | \$10,001-\$50,000 |
| Gary A. Bentz | \$10,001-\$50,000 | \$10,001-\$50,000 |
| Andrew A. Strauss | \$1-\$10,000 | \$1-\$10,000 |
| Glenn W. Wilcox Sr. | \$10,001-\$50,000 | \$10,001-\$50,000 |
| Scott B. Rogers | 0 | 0 |

EXECUTIVE OFFICERS

In addition to Messrs. Bradshaw and Bentz, the other officer of the

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Fund is:

| Name, Address and Age | Position(s) with Fund | Term of Office Since | Principal Occupation during past 5 years | Directorships h by Officer |
|--|--------------------------|----------------------------|---|-------------------------------|
| ----- | ----- | ----- | ----- | ----- |
| Thomas R. Westle (48) 405 Park Avenue New York, NY 10022 | Secretary | 2001 | Partner of Spitzer & Feldman P.C., a law firm, and previous Partner at Battle Fowler LLP; Secretary of Progressive Return Fund, Inc., Cornerstone Strategic Value Fund, Inc. and The Cornerstone Strategic Return Fund, Inc. | |

Under the federal securities laws, the Fund is required to provide to Shareholders in connection with the Meeting information regarding compensation paid to Directors by the Fund as well as by the various other U.S. registered investment companies advised by the Fund's investment adviser during its prior fiscal year. The following table provides information concerning the compensation paid during the year ended December 31, 2001, to each Director of the Fund in their capacities solely as a director of the Fund. This information does not reflect any additional monies received for a named individual serving in any other capacity to the Fund. Please note that the Fund has no bonus, profit sharing, pension or retirement plans.

| Name of Director ----- | Director Since ----- | Aggregate Compensation From Fund for 2001 ----- |
|---------------------------|----------------------------|---|
| Ralph W. Bradshaw | 2001 | \$1,733 |
| Gary A. Bentz | 2001 | \$1,733 |
| Glenn W. Wilcox, Sr. | 2001 | \$1,733 |
| Andrew A. Strauss | 2001 | \$1,733 |
| Scott B. Rogers | 2001 | \$1,733 |
| Townsend Brown II* | 1992 | \$8,467 |
| Geoffrey J. O'Connor | 1999 | \$8,167 |
| John H. Reilly | 1996 | \$6,367 |
| Perry W. Skjelbred | 1993 | \$8,467 |
| Philip J. Tlearico | 1993 | \$8,467 |

Townsend Brown II was a party to an employment agreement (the "Employment Agreement") with the Fund which provided for a ten year term commencing on May 4, 1994. Under the Employment Agreement, in the event of a termination of Mr. Brown by the Fund without "Cause" or by Mr. Brown for "Good Reason" (as each term is defined in the Employment Agreement), the Fund was required to pay Mr. Brown a lump sum payment equal to his then current salary for the remainder of the employment term and an annualized 3% compound interest on such amount. In addition, under the Employment Agreement, the Fund was required to make Mr. Brown whole for any excise taxes imposed upon him under Section 4999 of the Internal Revenue Code as a result of payments made to him by the Fund in connection with his termination. On April 2, 2001, Mr. Brown terminated the Employment Agreement for Good Reason and resigned as President and CEO of the Fund. Thereafter the Fund made a severance payment to Mr. Brown of approximately \$181,500.

With the exception of John H. Reilly, each Director attended at least seventy-five (75%) percent or more of the meetings of the Board of Directors (including regularly scheduled and special meetings) held during the period for which he was a Director.

AUDIT COMMITTEE

The Fund's Audit Committee is currently composed of three independent directors, Messrs. Wilcox, Strauss and Rogers. The principal functions of the Audit Committee include but are not limited to: (i) recommendations to the Board for the appointment of the Fund's independent accountants; (ii) review of the scope and anticipated cost of the independent accountant's audit; and (iii)

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consideration of the independent accountant's reports concerning their conduct of the audit, including any comments or recommendations the Board of Directors might make in connection thereto. The Audit Committee convened once during the year ended December 31, 2001. Each member of the Audit Committee attended the meeting of the Audit Committee.

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On June 1, 2000, the Audit Committee, followed by the full Board of Directors, adopted a written charter setting forth the duties and responsibilities of the Audit Committee, and such charter was reapproved by the Board of Directors on February 9, 2001 and February 13, 2002, respectively. The Audit Committee recommends to the Board of Directors, subject to stockholder approval, the selection of Tait, Weller & Baker, as the Fund's independent accountants.

On February 25, 2002, the Board of Directors and the Audit Committee determined to replace PricewaterhouseCoopers LLP ("PwC") as the Fund's independent public accountants. PwC's accountant report for the past two years did not contain any adverse opinion or any qualification as to uncertainty, audit scope or accounting principles. Further, the Board's decision to replace PwC was not due to any disagreement on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

The following table sets forth the aggregate fees billed by PwC, the independent accountants for the Fund's most recent fiscal year, for professional services rendered for: (i) the audit of the Fund's annual financial statements and the review of financial statements included in the Fund's reports to Shareholders ("Audit Fees"); (ii) financial information systems design and implementation services provided to the Fund, its investment adviser and entities that control, are controlled by or under common control with the Fund's investment adviser that provides services to the Fund ("Financial Information Systems Design"); and (iii) all other services provided to the Fund, its investment adviser and entities that control, are controlled by or under common control with the Fund's investment adviser that provides services to the Fund ("All Other Fees").

| AUDIT FEES | FINANCIAL INFORMATION SYSTEMS DESIGN | ALL OTHER FEES |
|------------|--------------------------------------|----------------|
| \$20,000 | \$0 | \$1,000 |

The Fund has no nominating or compensation committees.

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AUDIT COMMITTEE REPORT

The Audit Committee has met and held discussions with the Fund's Administrator, Bear Stearns Funds Management Inc., and the Fund's independent accountants. The Administrator represented to the Audit Committee that the

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Fund's financial statements were prepared in accordance with U.S. generally accepted accounting principles, and the Audit Committee has reviewed and discussed the financial statements with the Fund's Administrator and its independent accountants. The Audit Committee also discussed with the independent accountants matters required to be discussed by Statement on Auditing Standards No. 61.

The Fund's independent accountants also provided to the Audit Committee the written disclosures required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the Audit Committee discussed with the independent accountants' their independence, in light of the services they were providing.

Based upon the Audit Committee's discussion with the Fund's Administrator and the independent accountants and the Audit Committee's review of the representations of the Fund's Administrator and the report of the independent accountants to the Audit Committee, the Audit Committee recommended that the Board of Directors include the audited financial statements in the Fund's Annual Report for the fiscal year ended December 31, 2001 filed with the Securities and Exchange Commission.

Respectfully submitted,

Glenn W. Wilcox, Sr.
Andrew A. Strauss
Scott B. Rogers

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SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 30(h) of the 1940 Act in combination require the Fund's directors and officers, persons who own more than ten (10%) of the Fund's common stock, and the Fund's investment adviser and its directors and officers, to file reports of ownership and changes in ownership with the Securities and Exchange Commission and the New York Stock Exchange, Inc. The Fund believes that the Fund's directors and officers, the Fund's investment adviser and its directors and officers have complied with all applicable filing requirements during the year ended December 31, 2001.

REQUIRED VOTE

Directors are elected by a plurality (a simple majority of the votes cast at the meeting) of the votes cast by the holders of shares of common stock of the Fund present in person or represented by proxy at a meeting with a quorum present. For purposes of the election of Directors, abstentions and broker non-votes will be counted as shares present for quorum purposes, may be considered votes cast, and may affect the plurality vote required for Directors.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE SHAREHOLDERS VOTE "FOR" THE ELECTION OF MESSRS. RALPH W. BRADSHAW, GARY A. BENTZ, ANDREW A. STRAUSS, GLENN

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W. WILCOX, SR. AND SCOTT B. ROGERS AS DIRECTORS OF THE FUND.

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PROPOSAL NO. 2

RATIFICATION OF SELECTION OF INDEPENDENT PUBLIC ACCOUNTANTS

The second proposal to be submitted will be the ratification or rejection of the selection by the Board of Directors of Tait, Weller & Baker as independent public accountants of the Fund for the year ending December 31, 2002. At a meeting held on February 25, 2002, the Board of Directors, including those directors who are not "interested persons" of the Fund, approved the selection of Tait, Weller & Baker for the year ending December 31, 2002 and determined to replace PricewaterhouseCoopers LLP. Such selection is being submitted to the Shareholders for ratification. The engagement of Tait, Weller & Baker is conditioned on the right of the Fund, by majority vote of its Shareholders, to terminate such employment.

Tait, Weller & Baker has informed the Fund that it and its Partners have no material direct or indirect financial interest in the Fund. A representative of Tait, Weller & Baker will be available by telephone at the Meeting and will have the opportunity to make a statement if the representative so desires and will be available to respond to appropriate questions.

REQUIRED VOTE

Ratification of the selection of Tait, Weller & Baker as independent accountants of the Fund requires the affirmative vote of the holders of a simple majority, defined as a majority of the votes cast by holders of shares of common stock of the Fund present in person or represented by proxy at a meeting with a quorum present. For purposes of this proposal, abstentions and broker non-votes will be counted as shares present at the Meeting for quorum purposes and may be considered votes cast for the foregoing purpose.

THE BOARD OF DIRECTORS, INCLUDING THE "NON-INTERESTED" DIRECTORS, RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE RATIFICATION OF TAIT, WELLER & BAKER AS THE FUND'S INDEPENDENT PUBLIC ACCOUNTANTS.

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INFORMATION PERTAINING TO THE FUND'S

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INVESTMENT ADVISER AND ADMINISTRATOR

THE INVESTMENT ADVISER

Cornerstone Advisors, Inc. has acted as the Fund's investment adviser since January 1, 2002, and has its principal office at One West Pack Square, Suite 1650, Asheville, North Carolina 28801. Cornerstone Advisors was organized in February of 2001, to provide investment management services to closed-end investment companies and is registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. Cornerstone Advisors is the investment manager to three other closed-end funds, Cornerstone Strategic Value Fund, Inc., The Cornerstone Strategic Return Fund, Inc. and Progressive Return Fund, Inc.

Mr. Bradshaw owns fifty percent (50%) of the total outstanding shares of common stock of Cornerstone Advisors and is President and Chairman of the Board of Directors of the Fund. Mr. Bentz, who is the Vice President, Treasurer and a Director of the Fund, also owns fifty percent (50%) of the total outstanding shares of common stock of Cornerstone Advisors. The address of Messrs. Bradshaw and Bentz is One West Pack Square, Suite 1650, Asheville, North Carolina 28801.

THE PREVIOUS INVESTMENT ADVISER

U.S. Trust Company of New York ("U.S. Trust"), the previous investment adviser, has its principal offices at 114 West 47th Street, New York, New York 10036. U.S. Trust is a New York State-chartered bank and trust company and a member bank of the Federal Reserve System. U.S. Trust is a wholly owned subsidiary of the U.S. Trust Corporation, a registered bank holding company, which has its principal offices at 114 West 47th Street, New York, New York 10036.

THE ADMINISTRATOR

Bear Stearns Funds Management Inc. (the "Administrator"), whose address is 383 Madison Avenue, 23rd Floor, New York, New York 10179, currently acts as the administrator of the Fund.

INFORMATION PERTAINING TO CERTAIN SHAREHOLDERS

The following table sets forth the beneficial ownership of shares of the Fund by each person known to the Fund to be deemed the beneficial owner of more than five (5%) percent of the outstanding shares of the Fund as of February 13, 2002:

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| NAME AND ADDRESS OF BENEFICIAL OWNER | SHARES OF COMMON STOCK BENEFICIALLY OWNED | % OF FU SHARES B |
|--|--|---------------------|
| Deep Discount Advisors, Inc. (1) One West Pack Square Suite 777 Asheville, NC 28801 | 277,200 | |
| Ron Olin Investment Management Company (1) One West Pack Square Suite 777 Asheville, NC 28801 | 461,400 | |

Additionally, on March 8, 2002, Cede & Co., a nominee for participants in the Depository Trust Company, held of record 1,031,763 shares of the Fund, equal to approximately 89% of the outstanding shares of the Fund.

OTHER BUSINESS

The Board of Directors of the Fund does not know of any other matter which may come before the Meeting, but should any other matter requiring a vote of Shareholders arise, including any questions as to the adjournment of the Meeting, it is the intention of the persons named in the proxy to vote the proxies in accordance with their judgment on that matter.

PROPOSALS TO BE SUBMITTED BY SHAREHOLDERS

All proposals by Shareholders of the Fund which are intended to be presented at the Fund's next Annual Meeting of Shareholders, to be held in the year 2003, must be received by the Fund addressed to EIS Fund, Inc. c/o Bear Stearns Funds Management Inc., 383 Madison Avenue, 23rd Floor, New York, New York 10179 for inclusion in the Fund's proxy statement and proxy relating to that meeting in advance of the meeting as set forth below. Any stockholder who desires to bring a proposal at the Fund's 2003 Annual Meeting of Shareholders to be included in the Fund's proxy statement must deliver (via the U.S. Post Office or such other means that guarantees delivery) written notice thereof to the Secretary of the Fund c/o Bear Stearns Funds Management Inc., 383 Madison Avenue, 23rd Floor, New York, New York 10179 no earlier than one hundred twenty (120) calendar days and no later than ninety (90) days prior to the anniversary of the date of the Notice of the preceding year's Annual Meeting of

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Stockholders.

EIS FUND, INC.

Thomas R. Westle
Secretary

Dated: March 25, 2002

IT IS IMPORTANT THAT PROXIES BE RETURNED PROMPTLY. SHAREHOLDERS WHO DO NOT EXPECT TO ATTEND THE MEETING ARE THEREFORE URGED TO COMPLETE, SIGN, DATE AND RETURN THE PROXY CARD AS SOON AS POSSIBLE IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

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FORM OF PROXY CARD

EIS FUND, INC.

The undersigned shareholder of EIS Fund, Inc. (the "Fund") hereby constitutes and appoints Messrs. Ralph W. Bradshaw, Thomas R. Westle and Frank J. Maresca, or any of them, the action of a majority of them voting to be controlling, as proxy of the undersigned, with full power of substitution, to vote all shares of common stock of the Fund standing in his or her name on the books of the Fund at the Annual Meeting of Shareholders of the Fund to be held on Thursday, April 18, 2002 at 10:00 a.m., New York time, at the offices of Bear Stearns Funds Management Inc., 383 Madison Avenue, 13th Floor, Conference Room 301, New York, New York 10179, or at any adjournment thereof, with all the powers which the undersigned would possess if personally present, as designated on the reverse hereof.

The undersigned hereby revokes any proxy previously given and instructs the said proxies to vote in accordance with the aforementioned instructions with respect to (a) the election of five Directors; (b) the ratification of the selection by the Board of Directors of the Fund's independent accountants; and (c) the consideration and vote of such other matters as may properly come before the Annual Meeting of Shareholders or any adjournment thereof. If no such specification is made, the undersigned will vote FOR each of the proposals set forth above, and in their discretion with respect to such other matters as may properly come before the Annual Meeting of Shareholders.

THIS PROXY IS SOLICITED ON BEHALF OF EIS FUND, INC.'S BOARD OF DIRECTORS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON
April 18, 2002

(To be dated and signed on reverse side)

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Please mark boxes / / or /X/ in blue or black ink.

PLEASE MARK YOUR VOTES AS IN THIS EXAMPLE:

X

- | | | | |
|----|------------------------------|-----|----------|
| 1. | To elect five (5) Directors: | FOR | WITHHELD |
| | Ralph W. Bradshaw | [] | [] |
| | Gary A. Bentz | [] | [] |
| | Andrew A. Strauss | [] | [] |
| | Glenn W. Wilcox, Sr. | [] | [] |
| | Scott B. Rogers | [] | [] |
2. To ratify the selection by the Board of Directors of Tait, Weller & Baker as the Fund's independent accountants for the year ending December 31, 2002:
- | | | | |
|--|-----|---------|---------|
| | FOR | AGAINST | ABSTAIN |
| | [] | [] | [] |

In their discretion, the proxies are authorized to consider and vote upon such matters as may properly come before said Meeting or any adjournment thereof.

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THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE STOCKHOLDER. IF NO SPECIFICATION IS MADE, THIS PROXY WILL BE VOTED IN FAVOR OF EACH PROPOSAL.

Your proxy is important to assure a quorum at the Annual Meeting of Shareholders whether or not you plan to attend the meeting in person. You may revoke this proxy at anytime, and the giving of it will not effect your right to attend the Annual Meeting of Shareholders and vote in person.

PLEASE MARK, SIGN, DATE AND RETURN THE PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE.

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SIGNATURE (S) _____ DATE _____

NOTE: Please sign exactly as name appears. When shares are held as joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by president or other authorized officer and if a partnership, please sign in full partnership name by authorized person.

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