

GDL FUND
Form DEF 14A
March 29, 2016

SCHEDULE 14A INFORMATION

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

(Amendment No.)

Filed by 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
- Definitive Additional Materials
- Soliciting Material Pursuant to Sec. 240.14a-12

The GDL Fund

(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:

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:

5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

THE GDL FUND

One Corporate Center

Rye, New York 10580-1422

(914) 921-5070

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held on May 9, 2016

To the Shareholders of

THE GDL FUND

Notice is hereby given that the Annual Meeting of Shareholders of The GDL Fund, a Delaware statutory trust (the "Fund"), will be held on Monday, May 9, 2016, at 11:00 a.m., local time, at The Cole Auditorium, The Greenwich Library, 101 West Putnam Avenue, Greenwich, Connecticut 06830 (the "Meeting"), and at any adjournments or postponements thereof for the following purposes:

1. To elect three (3) Trustees of the Fund, two (2) Trustees to be elected by the holders of the Fund's common shares and holders of its 3.00% Series B Cumulative Puttable and Callable Preferred Shares ("Preferred Shares"), voting together as a single class, and one (1) Trustee to be elected by the holders of the Fund's Preferred Shares, voting as a separate class; and
2. To consider and vote upon such other matters, including adjournments, as may properly come before said Meeting or any adjournments thereof.

These items are discussed in greater detail in the attached Proxy Statement.

The close of business on March 14, 2016, has been fixed as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and any adjournments or postponements thereof.

YOUR VOTE IS IMPORTANT REGARDLESS OF THE SIZE OF YOUR HOLDINGS IN THE FUND. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, WE ASK THAT YOU PLEASE VOTE PROMPTLY. SHAREHOLDERS MAY AUTHORIZE THEIR PROXY BY TELEPHONE OR THE INTERNET. ALTERNATIVELY, SHAREHOLDERS MAY SUBMIT VOTING INSTRUCTIONS BY SIGNING AND DATING THE PROXY CARD AND RETURNING IT IN THE ACCOMPANYING POSTAGE-PAID ENVELOPE.

By Order of the Board of Trustees,

ANDREA R. MANGO

Secretary

March 29, 2016

INSTRUCTIONS FOR SIGNING PROXY CARDS TO BE RETURNED BY MAIL

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 properly sign your proxy card.

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 the name shown in the registration.

3. *All Other Accounts:* The capacity of the individuals signing the proxy card should be indicated unless it is reflected in the form of registration. For example:

Registration

Valid Signature

Corporate Accounts

- | | |
|--|--------------------------------|
| (1) ABC Corp. | ABC Corp., 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 |

Custodian or Estate Accounts

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

INSTRUCTIONS FOR TELEPHONE/INTERNET VOTING

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Instructions for authorizing your proxy to vote your shares by telephone or Internet are included with the Notice of Internet Availability of Proxy Materials and the proxy card.

THE GDL FUND

ANNUAL MEETING OF SHAREHOLDERS

May 9, 2016

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Trustees (the “Board,” the members of which are referred to as “Trustees”) of The GDL Fund, a Delaware statutory trust (the “Fund”), for use at the Annual Meeting of Shareholders of the Fund to be held on Monday, May 9, 2016, at 11:00 a.m., local time, at The Cole Auditorium, The Greenwich Library, 101 West Putnam Avenue, Greenwich, Connecticut 06830 (the “Meeting”), and at any adjournments or postponements thereof. A Notice of Internet Availability of Proxy Materials will first be mailed to shareholders on or about March 29, 2016.

In addition to the solicitation of proxies by mail, officers of the Fund and officers and regular employees of American Stock Transfer & Trust Company (“AST”), the Fund’s transfer agent, and affiliates of AST or other representatives of the Fund may also solicit proxies by telephone, Internet, or in person. In addition, the Fund has retained Morrow & Co., LLC to assist in the solicitation of proxies for an estimated fee of \$1,000 plus reimbursement of expenses. The Fund will pay the costs of the proxy solicitation and the expenses incurred in connection with preparing, printing, and mailing the Notice of Internet Availability of Proxy Materials and/or Proxy Statement and its enclosures. If requested, the Fund will also reimburse brokerage firms and others for their expenses in forwarding solicitation materials to the beneficial owners of its shares.

The Fund’s most recent annual report, including audited financial statements for the fiscal year ended December 31, 2015, is available upon request, without charge, by writing to the Secretary of the Fund, One Corporate Center, Rye, New York 10580-1422, calling the Fund at 800-422-3554, or via the Internet at www.gabelli.com.

If the proxy is properly executed and returned in time to be voted at the Meeting, the shares represented thereby will be voted "FOR" the election of the nominees as Trustees as described in this Proxy Statement, unless instructions to the contrary are marked thereon, and at the discretion of the proxy holders as to the transaction of any other business that may properly come before the Meeting. Any shareholder who has submitted a proxy has the right to revoke it at any time prior to its exercise either by attending the Meeting and voting his or her shares in person, or by submitting a letter of revocation or a later dated proxy to the Fund at the above address prior to the date of the Meeting.

A "quorum" is required in order to transact business at the Meeting. A quorum of shareholders is constituted by the presence in person or by proxy of the holders of one-third of the outstanding shares of the Fund entitled to vote at the Meeting. In the event a quorum is not present at the Meeting, or in the event that a quorum is present at the Meeting but sufficient votes to approve any of the proposed items are not received, the chairperson of the Meeting may propose one or more adjournments of such Meeting to permit further solicitation of proxies. If a quorum is present, a shareholder vote may be taken on one or more of the proposals in this Proxy Statement prior to such adjournment if sufficient votes have been received for approval and it is otherwise appropriate. If a quorum is present, the persons named as proxies will vote those proxies which they are entitled to vote "FOR" any proposal in favor of such adjournment and will vote those proxies required to be voted "AGAINST" any proposal against any such adjournment. Absent the establishment of a subsequent record date and the giving of notice to the holders of record thereon, the adjourned meeting must take place not more than 130 days after the record date. At such adjourned meeting, any business may be transacted which might have been transacted at the original Meeting. The Fund may postpone or cancel a meeting of shareholders, and if it does the Fund will make a public announcement of such postponement or cancellation prior to the meeting. The postponed meeting may not be held more than 130 days after the initial record date.

The close of business on March 14, 2016, has been fixed as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and all adjournments or postponements thereof.

The Fund has two classes of capital stock outstanding: common shares, par value \$0.001 per share (the “Common Shares”), and 3.00% Series B Cumulative Puttable and Callable Preferred Shares, par value \$0.001 per share (the “Preferred Shares”). The holders of the Common Shares and Preferred Shares are each entitled to one vote for each full share held. On the record date, there were 19,150,949 Common Shares and 2,624,025 Preferred Shares outstanding.

Set forth below is information as to those shareholders known by the Fund to own of record or beneficially 5% or more of a class of the Fund’s outstanding voting securities as of the record date.

<u>Name and Address of Beneficial Owner(s)</u>	<u>Title of Class</u>	<u>Amount of Shares and Nature of Ownership</u>	<u>Percent of Class</u>
Lazard Asset Management LLC 30 Rockefeller Plaza New York, NY 10112	Common	2,090,003 (beneficial)	10.91%
Mario J. Gabelli and affiliates One Corporate Center Rye, NY 10580-1422	Common	1,813,247 (beneficial) ¹	9.47%
Scharf Investments, LLC and Jeffrey Scharf 5619 Scotts Valley Drive Suite 140 Scotts Valley, CA 95066	Preferred	192,249 (beneficial)	7.33%

Comprised of 178,417 Common Shares owned directly by Mr. Gabelli, 46,522 Common Shares owned by a family partnership for which Mr. Gabelli serves as general partner, 32,542 Common Shares owned by GPJ Retirement 1 Partners, LLC in which Mr. Gabelli has less than 100% interest and disclaims beneficial ownership of the Shares held by this entity which are in excess of this indirect pecuniary interest, and 1,555,766 Common Shares owned by Associated Capital Group, Inc. or its affiliates.

SUMMARY OF VOTING RIGHTS ON PROXY PROPOSALS

<u>Proposal</u>	<u>Common Shareholders</u>	<u>Preferred Shareholders</u>
Election of Trustees	Common and Preferred Shareholders, voting together as a single class, vote to elect two Trustees: Edward T. Tokar and Salvatore J. Zizza	Common and Preferred Shareholders, voting together as a single class, vote to elect two Trustees: Edward T. Tokar and Salvatore J. Zizza Preferred Shareholders, voting as a separate class, vote to elect one Trustee: Anthony J. Colavita
Other Business	Common and Preferred Shareholders, voting together as a single class	

PROPOSAL: TO ELECT THREE (3) TRUSTEES OF THE FUND

Nominees for the Board of Trustees

The Board consists of eight Trustees, six of whom are not “interested persons” of the Fund (as defined in the Investment Company Act of 1940, as amended (the “1940 Act”). The Fund divides the Board into three classes, each class having a term of three years. Each year, the term of office of one class will expire. Anthony J. Colavita, Edward T. Tokar, and Salvatore J. Zizza have each been nominated by the Board for election to serve for a three year term to expire at the Fund’s 2019 Annual Meeting of Shareholders or until their successors are duly elected and qualified. Each of the Trustees of the Fund has served in that capacity since the November 8, 2006 organizational meeting of the Fund. All of the Trustees of the Fund are also directors or trustees of other investment companies for which Gabelli Funds, LLC (the “Adviser”) or its affiliates serve as investment adviser. The classes of Trustees are indicated below:

Nominees to Serve Until 2019 Annual Meeting of Shareholders

Anthony J. Colavita

Edward T. Tokar

Salvatore J. Zizza

Trustees Serving Until 2018 Annual Meeting of Shareholders

Mario J. Gabelli, CFA

Michael J. Melarkey

Trustees Serving Until 2017 Annual Meeting of Shareholders

James P. Conn

Clarence A. Davis

Arthur V. Ferrara

Under the Fund's Declaration of Trust, Statement of Preferences, and the 1940 Act, holders of the Fund's outstanding Preferred Shares, voting as a separate class, are entitled to elect two Trustees, and holders of the Fund's outstanding Common Shares and Preferred Shares, voting together as a single class, are entitled to elect the remaining Trustees. The holders of the Fund's outstanding Preferred Shares would be entitled to elect the minimum number of additional Trustees that would represent a majority of the Trustees in the event that dividends on the Fund's Preferred Shares become in arrears for two full years and until all arrearages are eliminated. No dividend arrearages exist as of the date of this Proxy Statement. Messrs. Colavita and Conn are currently the Trustees elected solely by the holders of the Fund's Preferred Shares. Mr. Conn's term as Trustee is scheduled to expire at the Fund's 2017 Annual Meeting of Shareholders. A quorum of the Preferred Shareholders must be present in person or by proxy at the Meeting in order for the proposal to elect Mr. Colavita to be considered.

Unless instructions are provided to the contrary, it is the intention of the persons named in the proxy to vote the proxy "FOR" the election of the nominees named above. Each nominee has indicated that he has consented to serve as a Trustee if elected at the Meeting. If, however, a designated nominee declines or otherwise becomes unavailable for election, the proxy confers discretionary power on the persons named therein to vote in favor of a substitute nominee or nominees. Each nominee is qualified to serve as a Trustee under the Fund's governing documents.

Information about Trustees and Officers

Set forth in the table below are the existing Trustees, including those Trustees who are not considered “interested persons,” as defined in the 1940 Act (the “Independent Trustees”), three of whom are nominated for re-election to the Board of the Fund, and officers of the Fund, including information relating to their respective positions held with the Fund, a brief statement of their principal occupations and, in the case of the Trustees, their other directorships during the past five years (excluding other funds managed by the Adviser), if any.

Name, Position(s), Address⁽¹⁾ and Age	Term of Office and Length of Time Served⁽²⁾	Principal Occupation(s) During Past Five Years	Other Directorships Held by Trustee During Past Five Years	Number of Portfolios to Fund Complex⁽³⁾ Overseen by Trustee
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**INTERESTED
TRUSTEES/NOMINEES⁽⁴⁾:**

Mario J. Gabelli, CFA Trustee and Chief Investment Officer Age: 73	Since 2006**	Chairman, Chief Executive Officer, and Chief Investment Officer - Value Portfolios of GAMCO Investors, Inc. and Chief Investment Officer - Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc.; Director/Trustee or Chief Investment Officer of other registered investment companies within the Gabelli/GAMCO Fund Complex; Chief Executive Officer of GGCP, Inc.; Chief Executive Officer and Chairman of the Board of Associated Capital Group, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board and Chief Executive Officer of LICT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications); Director of ICTC Group Inc. (communications); Director of RLJ Acquisition, Inc. (blank check company) (2011-2012)	29
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Edward T. Tokar		Senior Managing Director of Beacon	Director of CH Energy Group	2
Trustee	Since 2006*	Trust Company (trust services);	(energy services) (2009-2013);	
Age: 68		Chief Executive Officer of Allied Capital Management LLC (1977-2004); Vice President of Honeywell International Inc. (1977-2004)	Director, Teton Advisors, Inc. (financial services) (2008-2010)	

INDEPENDENT TRUSTEES/NOMINEES⁽⁵⁾:

Anthony J. Colavita⁽⁶⁾⁽⁷⁾		President of the law firm of Anthony J. Colavita, P.C.	—	36
Trustee	Since 2006*			
Age: 80				
James P. Conn⁽⁶⁾		Former Managing Director and Chief Investment Officer of Financial Security Assurance Holdings, Ltd. (1992-1998)	—	22
Trustee	Since 2006***			
Age: 78				
Clarence A. Davis		Former Chief Executive Officer of Nestor, Inc. (2007-2009); Former Chief Operating Officer (2000-2005) and Chief Financial Officer (1999-2000) of the American Institute of Certified Public Accountants	Director of Telephone & Data Systems, Inc. (telephone services); Director of Pennichuck Corp. (water supply) (2009-2012)	3
Trustee	Since 2006***			
Age: 74				
Arthur V. Ferrara		Former Chairman of the Board and Chief Executive Officer of The Guardian Life Insurance Company of America (1993-1995)	—	8
Trustee	Since 2006***			
Age: 85				
Michael J. Melarkey		Owner in Pioneer Crossing Casino Group; Of Counsel in the law firm of McDonald Carano	Director of Southwest Gas Corporation (natural gas utility)	7
Trustee	Since 2006**			
Age: 66				

Wilson LLP; previously partner
in the law firm of Avansino,
Melarkey, Knobel, Mulligan &
McKenzie (1980-2015)

Name, Position(s) Address⁽¹⁾ and Age	Term of Office and Length of Time Served⁽²⁾	Principal Occupation(s) During Past Five Years	Other Directorships Held by Trustee During Past Five Years	Number of Portfolios to Fund Complex⁽³⁾ Overseen by Trustee
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