

GAMCO Natural Resources, Gold & Income Trust
Form DEF 14A
April 03, 2017

SCHEDULE 14A INFORMATION

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

(Amendment No.)

Filed by 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))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Sec. 240.14a-12

GAMCO Natural Resources, Gold & Income Trust

(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:

GAMCO NATURAL RESOURCES, GOLD & INCOME TRUST

One Corporate Center
Rye, New York 10580-1422
(914) 921-5070

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held on May 15, 2017**

To the Shareholders of

GAMCO NATURAL RESOURCES, GOLD & INCOME TRUST

Notice is hereby given that the Annual Meeting of Shareholders of GAMCO Natural Resources, Gold & Income Trust, a Delaware statutory trust (the "Fund"), will be held on Monday, May 15, 2017, at 1:45 p.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 two (2) Trustees of the Fund, to be elected by the holders of the Fund's common shares; 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 23, 2017, 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

April 5, 2017

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

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.

GAMCO NATURAL RESOURCES, GOLD & INCOME TRUST

ANNUAL MEETING OF SHAREHOLDERS

May 15, 2017

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 GAMCO Natural Resources, Gold & Income Trust, a Delaware statutory trust (the “Fund”), for use at the Annual Meeting of Shareholders of the Fund to be held on Monday, May 15, 2017, at 1:45 p.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 April 5, 2017.

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 Sodali 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, 2016, 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 23, 2017, 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.

Each shareholder is entitled to one vote for each full share held. On the record date, there were 20,864,818 Common Shares, par value \$0.001 per share (“Common Shares”) outstanding.

Set forth below is information as to those shareholders to the Fund’s knowledge that beneficially own 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>
Oxbow Advisors 800 Shoreline Blvd. Suite 2200 South Corpus Christi, TX 78401	Common	1,918,603 beneficial	9.19%
First Trust Portfolios, LP Suite 400 120 East Liberty Drive Wheaton, IL 60187	Common	1,376,748 beneficial	6.59%

SUMMARY OF VOTING RIGHTS ON PROXY PROPOSALS

<u>Proposal</u>	<u>Common Shareholders</u>
Election of Trustees	Common Shareholders voting to elect two Trustees: Michael J. Melarkey and Anthonie C. van Ekris

Other Business

PROPOSAL: TO ELECT TWO (2) TRUSTEES OF THE FUND

Nominees for the Board of Trustees

The Board consists of nine Trustees, all 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. Michael J. Melarkey and Anthonie C. van Ekris have each been nominated by the Board for election to serve for a three year term to expire at the Fund’s 2020 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 August 20, 2008 organizational meeting of the Fund with the exception of Mr. Heitmann, who became a Trustee of the Fund on May 25, 2011. 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 2020 Annual Meeting of Shareholders

Michael J. Melarkey

Anthonie C. van Ekris

Trustees Serving Until 2019 Annual Meeting of Shareholders

James P. Conn

Vincent D. Enright

Kuni Nakamura

Trustees Serving Until 2018 Annual Meeting of Shareholders

Anthony J. Colavita

Frank J. Fahrenkopf, Jr.

William F. Heitmann

Salvatore J. Zizza

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, all of whom are not considered to be “interested persons,” as defined in the 1940 Act (the “Independent Trustees”), two 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
<u>INDEPENDENT TRUSTEES/NOMINEES⁽⁴⁾:</u>				
Anthony J. Colavita⁽⁵⁾				
Trustee Age: 81	Since 2008***	President of the law firm of Anthony J. Colavita, P.C.	—	35
James P. Conn				
Trustee Age: 79	Since 2008**	Former Managing Director and Chief Investment Officer of Financial Security Assurance Holdings, Ltd. (1992-1998)	—	27
Vincent D. Enright				
Trustee Age: 73	Since 2008**	Former Senior Vice President and Chief Financial Officer of KeySpan Corp. (public utility) (1994-1998)	Director of Echo Therapeutics, Inc. (therapeutics and diagnostics) (2008-2014); Director of The LGL Group, Inc. (diversified manufacturing) (2011-2014)	17
Frank J. Fahrenkopf, Jr.⁽⁵⁾				
Trustee Age: 77	Since 2008***	Co-Chairman of the Commission on Presidential Debates; Former President and Chief Executive Officer of the American Gaming Association (1995-2013); Former Chairman of the Republican National Committee (1983-1989)	Director of First Republic Bank (banking)	12

<p>William F. Heitmann⁽⁵⁾</p> <p>Trustee</p> <p>Age: 68</p>	<p>Since 2011***</p>	<p>Managing Director and Senior Advisor of Perlmutter Investment Company (real estate); Senior Vice President of Finance, Verizon Communications, and President, Verizon Investment Management (1971-2011)</p>	<p>—</p>	<p>4</p>
<p>Michael J. Melarkey</p> <p>Trustee</p> <p>Age: 67</p>	<p>Since 2008*</p>	<p>Owner in Pioneer Crossing Casino Group; Of Counsel in the law firm of McDonald Carano Wilson LLP; previously partner in the law firm of Avansino, Melarkey, Knobel, Mulligan & McKenzie (1980-2015)</p>	<p>Director of Southwest Gas Corporation (natural gas utility)</p>	<p>16</p>
<p>Kuni Nakamura</p> <p>Trustee</p> <p>Age: 48</p>	<p>Since 2008**</p>	<p>President of Advanced Polymer, Inc. (chemical manufacturing company); President of KEN Enterprises, Inc. (real estate)</p>	<p>—</p>	<p>26</p>
<p>Anthonie C. van Ekris⁽⁵⁾</p> <p>Trustee</p> <p>Age: 82</p>	<p>Since 2008*</p>	<p>Chairman and Chief Executive Officer of BALMAC International, Inc. (global import/export company)</p>	<p>—</p>	<p>22</p>
<p>Salvatore J. Zizza⁽⁵⁾⁽⁶⁾</p> <p>Trustee</p> <p>Age: 71</p>	<p>Since 2008***</p>	<p>President of Zizza & Associates Corp. (private holding company); Chairman of Harbor Diversified, Inc. (pharmaceuticals); Chairman of BAM (semiconductor and aerospace manufacturing); Chairman of Bergen Cove Realty Inc.; Chairman of Metropolitan Paper Recycling Inc. (recycling) (2005-2014)</p>	<p>Director and Vice Chairman of Trans-Lux Corporation (business services); Director and Chairman of Harbor Diversified Inc. (pharmaceuticals); Director, Chairman, and CEO of General Employment Enterprises (staffing services) (2009-2012)</p>	<p>30</p>

OFFICERS:

<u>Name, Position(s), Address⁽¹⁾ and Age</u>	<u>Term of Office and Length of Time Served⁽⁷⁾</u>	<u>Principal Occupation(s) During Past Five Years</u>
<p>Bruce N. Alpert President Age: 65</p>	<p>Since 2008</p>	<p>Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988; Officer of registered investment companies within the Gabelli/GAMCO Fund Complex; Senior Vice President of GAMCO Investors, Inc. since 2008; Director of Teton Advisors, Inc., 1998-2012</p>
<p>Agnes Mullady Treasurer and Principal Financial and Accounting Office Age: 58</p>	<p>Since 2008</p>	<p>President and Chief Operating Officer of the Fund Division of Gabelli Funds, LLC since 2015; Chief Executive Officer of G. distributors, LLC since 2010; Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Executive Vice President of Associated Capital Group, Inc. since November 2016; Officer of all of the registered investment companies within the Gabelli/GAMCO Fund Complex</p>
<p>Andrea R. Mango Secretary and Vice President Age: 44</p>	<p>Since 2013</p>	<p>Vice President of GAMCO Investors, Inc. since 2016; Counsel of Gabelli Funds, LLC since 2013; Secretary of all registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Vice President of all closed-end funds within the Gabelli/GAMCO Fund Complex since 2014; Corporate Vice President within the Corporate Compliance Department of New York Life Insurance Company, 2011-2013; Vice President and Counsel of Deutsche Bank, 2006-2011</p>
<p>Richard J. Walz Chief Compliance Officer Age: 57</p>	<p>Since 2013</p>	<p>Chief Compliance Officer of all of the registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Chief Compliance Officer of AEGON USA Investment Management, 2011-2013; Chief Compliance Officer of Cutwater Asset Management, 2004-2011</p>
<p>Carter W. Austin Vice President</p>	<p>Since 2008</p>	<p>Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Fund Complex; Senior Vice President (since 2015) and Vice President (1996-2015) of Gabelli Funds, LLC</p>

Age: 50

Molly A.F. Marion

Vice President and Ombudsman Since 2011 Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Fund Complex; Vice President of GAMCO Investors, Inc. since 2012

Age: 63

David I. Schachter

Vice President and Ombudsman Since 2008 Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Fund Complex; Senior Vice President (since 2015) and Vice President (1999-2015) of G.research, LLC

Age: 63

(1) Address: One Corporate Center, Rye, NY 10580-1422.

(2) The Fund's Board of Trustees is divided into three classes, each class having a term of three years. Each year the term of office of one class expires and the successor or successors elected to such class serve for a three year term.

(3) The "Fund Complex" or the "Gabelli/GAMCO Fund Complex" includes all the U.S. registered investment companies that are considered part of the same fund complex as the Fund because they have common or affiliated investment advisers.

(4) Trustees who are not considered to be "interested persons" of the Fund as defined in the 1940 Act are considered to be "Independent" Trustees. None of the Trustees (with the possible exceptions as described in this proxy statement) nor their family members had any interest in the Adviser or any person directly or indirectly controlling, controlled by, or under common control with the Adviser as of December 31, 2016.

(5) Mr. Colavita's son, Anthony S. Colavita, and Mr. Fahrenkopf's daughter, Leslie F. Foley, serve as directors of other funds in the Gabelli/GAMCO Fund Complex. Mr. van Ekris is an independent director of Gabelli International Ltd., Gabelli Fund, LDC, GAMA Capital Opportunities Master, Ltd., and GAMCO International SICAV, and Mr. Zizza is an independent director of Gabelli International Ltd., all of which may be deemed to be controlled by Mario J. Gabelli and/or affiliates and in that event would be deemed to be under common control with the Adviser. Mr. Heitmann's son was a summer intern at GAMCO Investors, Inc., the parent company of the Adviser, from June 29, 2015 through July 24, 2015.

(6) On September 9, 2015, Mr. Zizza entered into a settlement with the Securities and Exchange Commission (the "SEC") to resolve an inquiry relating to an alleged violation regarding the making of false statements or omissions to the accountants of a company concerning a related party transaction. The company in question is not an affiliate of,

nor has any connection to, the Fund. Under the terms of the settlement, Mr. Zizza, without admitting or denying the SEC's findings and allegation, paid \$150,000 and agreed to cease and desist committing or causing any future violations of Rule 13b2-2 of the Securities Exchange Act of 1934, as amended (the "1934 Act").

(7) Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is duly elected and qualifies.

* Nominee to serve, if elected, until the Fund's 2020 Annual Meeting of Shareholders or until his successor is duly elected and qualifies.

** Term continues until the Fund's 2019 Annual Meeting of Shareholders or until his successor is duly elected and qualifies.

*** Term continues until the Fund's 2018 Annual Meeting of Shareholders or until his successor is duly elected and qualifies.

The Board believes that each Trustee's experience, qualifications, attributes, or skills on an individual basis and in combination with those of other Trustees lead to the conclusion that each Trustee should serve in such capacity. Among the attributes or skills common to all Trustees are their ability to review critically and to evaluate, question and discuss information provided to them, to interact effectively with the other Trustees, the Adviser, the sub-administrator, other service providers, counsel and the Fund's independent registered public accounting firm, and to exercise effective and independent business judgment in the performance of their duties as Trustees. Each Trustee's ability to perform his/her duties effectively has been attained in large part through the Trustee's business, consulting, or public service positions and through experience from service as a member of the Board and one or more of the other funds in the Fund Complex, public companies, or non-profit entities, or other organizations as set forth above and below. Each Trustee's ability to perform his duties effectively also has been enhanced by education, professional training, and other experience.

Independent Trustees/Nominees

Anthony J. Colavita, Esq. Mr. Colavita is a practicing attorney with over fifty-five years of experience. He is Chairman of the Fund's Nominating Committee and a member of the Fund's *ad hoc* Proxy Voting Committee. Mr. Colavita also serves on comparable or other board committees with respect to other funds in the Fund Complex on whose boards he sits. He served as a Commissioner of the New York State Thruway Authority and as a Commissioner of the New York State Bridge Authority, where his duties included reviewing financial documents of these agencies. He served for eleven years as the elected Supervisor of the Town of Eastchester, New York, responsible for ten annual municipal budgets. Mr. Colavita also served as Special Counsel to the New York State Assembly for five years and as a Senior Attorney with the New York State Insurance Department. He is the former Chairman of the New York State Republican Party, the Westchester County Republican Party, and the Eastchester Republican Town Committee. Mr. Colavita received his Bachelor's degree from Fairfield University and his Juris Doctor from Fordham University School of Law.

James P. Conn. Mr. Conn is the Lead Independent Trustee of the Fund, and a member of the Fund's *ad hoc* Proxy Voting and *ad hoc* Pricing Committees. He serves on comparable or other board committees with respect to other funds in the Fund Complex on whose boards he sits. He was a senior business executive of Transamerica Corp., an insurance holding company, for much of his career including service as Chief Investment Officer. Mr. Conn has been a director of several public companies in banking and other industries, and was lead director and/or chair of various committees. He received his Bachelor's degree in Business Administration from Santa Clara University.

Vincent D. Enright. Mr. Enright is Chairman of the Fund's *ad hoc* Proxy Voting Committee, a member of the Fund's Audit and *ad hoc* Pricing Committees, and a member of both multi-fund *ad hoc* Compensation Committees. He serves on comparable or other board committees with respect to other funds in the Fund Complex on whose boards he sits. Mr. Enright was a senior executive and Chief Financial Officer ("CFO") of KeySpan Corp., an energy public utility, for four years. Mr. Enright is a former director of a therapeutic and diagnostic company and served as Chairman of its Compensation Committee and as a member of its Audit Committee. He is a former director of a pharmaceutical

company and a diversified manufacturing company. Mr. Enright received his Bachelor's degree from Fordham University and completed the Advanced Management Program at Harvard University.

Frank J. Fahrenkopf, Jr. Mr. Fahrenkopf is the Co-Chairman of the Commission on Presidential Debates, which is responsible for the widely-viewed Presidential debates during the quadrennial election cycle. Additionally, he serves as a board member of the International Republican Institute, which he founded in 1984. Mr. Fahrenkopf is a member of the Fund's Audit Committee, and serves on comparable or other board committees with respect to other funds in the Fund Complex on whose boards he sits. Mr. Fahrenkopf is the former President and Chief Executive Officer of the American Gaming Association ("AGA"), the trade group for the hotel-casino industry. He served for many years as Chairman of the Pacific Democrat Union and Vice Chairman of the International Democrat Union, a worldwide association of political parties from the United States, Great Britain, France, Germany, Canada, Japan, Australia, and twenty other nations. Prior to becoming the AGA's first chief executive in 1995, Mr. Fahrenkopf was a partner in the law firm of Hogan & Hartson, where he chaired the International Trade Practice Group and specialized in regulatory, legislative, and corporate matters for multinational, foreign, and domestic clients. He also served as Chairman of the Republican National Committee for six years during Ronald Reagan's presidency. Mr. Fahrenkopf is the former Chairman of the Finance Committee of the Culinary Institute of America and remains a member of the board. For over 30 years, Mr. Fahrenkopf has served on the Board of First Republic Bank and as Chairman of the Corporate Governance and Nominating Committee and as a member of the Audit Committee. Mr. Fahrenkopf received his Bachelor's degree from the University of Nevada, Reno and his Juris Doctor from Boalt Hall School of Law, U.C. Berkeley.

William F. Heitmann. Mr. Heitmann is a Managing Director and Senior Advisor of Perlmutter Investment Company, a privately owned real estate company. He is Chairman of the Fund's Audit Committee and is the Fund's designated Audit Committee Financial Expert. Mr. Heitmann serves in comparable roles for another fund in the Fund Complex. For over thirty-five years, he served in various capacities at Verizon Communications and its predecessor companies including as Senior Vice President and Treasurer of Verizon Communications, Vice President of Asset Management and Treasurer of Bell Atlantic Corporation, and Vice President of Merger Implementation during the Bell Atlantic-NYNEX merger. Additionally, he served as Chairman of the Board for Verizon Capital Corporation, the company's financial subsidiary. As Senior Vice President of Finance at Verizon, Mr. Heitmann was responsible for leading the Verizon Investment Management Corporation, for which he held the positions of President and Chief Investment Officer. Mr. Heitmann serves as a director of Syncreon, a contract logistics provider, and Chairman of its Audit Committee, and is a member of the Investment Committee of the Society for Neurology. He was a director of DRS Technologies and Chairman of its Audit Committee, a director of the Pension Real Estate Association, and member of the Committee for the Investment of Employee Benefit Assets, the Financial Executives Institute, and The Pension Manager's Advisory Committee of the NYSE. Mr. Heitmann received his Bachelor's degree in Mechanical Engineering from New Jersey Institute of Technology and his M.B.A. from Rutgers University.

Michael J. Melarkey, Esq. Mr. Melarkey, after more than forty years of experience as an attorney specializing in business, estate planning, and gaming regulatory work, recently retired from the active practice of law, and is of counsel to the firm of McDonald Carano and Wilson in Reno, Nevada. He is a member of the Fund's Nominating Committee and one of the multi-fund *ad hoc* Compensation Committees. He also serves on comparable or other board committees with respect to other funds in the Fund Complex on whose boards he sits. He is currently Chairman of the Board of Southwest Gas Corporation and serves on its Nominating, Corporate Governance, and Compensation Committees. Mr. Melarkey acts as a trustee and officer for several private charitable organizations including as a trustee of The Bretzlaff Foundation and Edwin L. Wiegand Trust. He is an owner of Pioneer Crossing Casino Group consisting of three Nevada casinos and an officer of a private oil and gas company. Mr. Melarkey received his Bachelor's degree from the University of Nevada, Reno, Juris Doctor from the University of San Francisco School of Law, and Masters of Law in Taxation from New York University School of Law.

Kuni Nakamura. Mr. Nakamura is the president of Advanced Polymer, Inc., a chemical manufacturing company, and president of KEN Enterprises, Inc., a real estate company. He serves on the boards of other funds in the Gabelli/GAMCO Fund Complex. Mr. Nakamura was previously a board member of The LGL Group, Inc., a diversified manufacturing company. Mr. Nakamura serves on the Board of Trustees of Mercy College in Dobbs Ferry, NY. He chairs the Endowment Management Committee and is a member of the Audit Committee. He is also involved in various capacities with The University of Pennsylvania and The Guiding Eyes for the Blind. Mr. Nakamura is a graduate of the University of Pennsylvania — The Wharton School with a Bachelor's degree in Economics and Multinational Management.

Anthonie C. van Ekris. Mr. van Ekris has been the Chairman and Chief Executive Officer of BALMAC International, Inc., a global import/export company, for over twenty years. He serves on the boards of other funds in the Gabelli/GAMCO Fund Complex and as Chairman of the GAMCO International SICAV. Mr. van Ekris has over fifty-five years of experience as Chairman and/or Chief Executive Officer of public and private companies involved in

international trading or commodity trading, and served in both of these capacities for nearly twenty years for a large public jewelry chain. Mr. van Ekris is a former director of an oil and gas operations company. He served on the boards of a number of public companies and for more than ten years on the Advisory Board of the Salvation Army of Greater New York.

Salvatore J. Zizza. Mr. Zizza is the President of Zizza & Associates Corp., a private holding company that invests in various industries. He also serves as Chairman to other companies involved in manufacturing, recycling, real estate, technology, and pharmaceuticals. He is a member of the Fund's Audit, Nominating, and *ad hoc* Pricing Committees, and a member of both multi-fund *ad hoc* Compensation Committees. Mr. Zizza serves on comparable or other board committees with respect to other funds in the Fund Complex on whose boards he sits. In addition to serving on the boards of other funds in the Fund Complex, he is currently and has previously been a director of other public companies. He was also the President, Chief Executive Officer, and Chief Financial Officer of a large NYSE-listed construction company. Mr. Zizza received his Bachelor's degree and M.B.A. in Finance from St. John's University, which awarded him an Honorary Doctorate in Commercial Sciences.

Trustees – Leadership Structure and Oversight Responsibilities

Overall responsibility for general oversight of the Fund rests with the Board. The Board does not have a Chairman. The Board has appointed Mr. Conn as the Lead Independent Trustee. The Lead Independent Trustee presides over executive sessions of the Trustees and also serves between meetings of the Board as a liaison with service providers, officers, counsel, and other Trustees on a wide variety of matters including scheduling agenda items for Board meetings. Designation as such does not impose on the Lead Independent Trustee any obligations or standards greater than or different from other Trustees. The Board has established a Nominating Committee and an Audit Committee to assist the Board in the oversight of the management and affairs of the Fund. The Board also has an *ad hoc* Proxy Voting Committee that exercises beneficial ownership responsibilities on behalf of the Fund in selected situations. From time to time, the Board establishes additional committees or informal working groups, such as an *ad hoc* Pricing Committee related to securities offerings by the Fund to address specific matters, or assigns one of its members to work with Trustees or directors of other funds in the Fund Complex on special committees or working groups that address fund complex-wide matters, such as the multi-fund *ad hoc* Compensation Committee relating to the compensation of the Chief Compliance Officer for all the funds in the Fund Complex, and a separate multi-fund *ad hoc* Compensation Committee relating to the compensation of certain other officers of the closed-end funds in the Fund Complex.

All of the Fund's Trustees are Independent Trustees, and the Board believes it is able to provide effective oversight of the Fund's service providers. In addition to providing feedback and direction during Board meetings, the Independent Trustees meet regularly in executive session and chair all committees of the Board.

The Fund's operations entail a variety of risks, including investment, administration, valuation, and a range of compliance matters. Although the Adviser, the sub-administrator, and the officers of the Fund are responsible for managing these risks on a day to day basis within the framework of their established risk management functions, the Board also addresses risk management of the Fund through its meetings and those of the committees and working groups. As part of its general oversight, the Board reviews with the Adviser at Board meetings the levels and types of risks, including options risk being undertaken by the Fund, and the Audit Committee discusses the Fund's risk management and controls with the independent registered public accounting firm engaged by the Fund. The Board reviews valuation policies and procedures and the valuations of specific illiquid securities. The Board also receives periodic reports from the Fund's Chief Compliance Officer regarding compliance matters relating to the Fund and its major service providers, including results of the implementation and testing of the Fund's and such providers' compliance programs. The Board's oversight function is facilitated by management reporting processes designed to provide visibility to the Board regarding the identification, assessment, and management of critical risks, and the controls and policies and procedures used to mitigate those risks. The Board reviews its role in supervising the Fund's risk management from time to time and may make changes at its discretion at any time.

The Board has determined that its leadership structure is appropriate for the Fund because it enables the Board to exercise informed and independent judgment over matters under its purview, allocates responsibility among

committees in a manner that fosters effective oversight, and allows the Board to devote appropriate resources to specific issues in a flexible manner as they arise. The Board periodically reviews its leadership structure as well as its overall structure, composition, and functioning, and may make changes at its discretion at any time.

Beneficial Ownership of Shares Held in the Fund and the Family of Investment Companies for each Trustee and Nominee for Election as Trustee

Set forth in the table below is the dollar range of equity securities in the Fund beneficially owned by each Trustee and nominee for election as Trustee and the aggregate dollar range of equity securities in the Fund Complex beneficially owned by each Trustee and each Nominee for election as Trustee.

<u>Name of Trustee/Nominee</u>	<u>Dollar Range of Equity Securities Held in the Fund⁽¹⁾</u>	<u>Aggregate Dollar Range of Equity Securities Held in the Family of Investment Companies⁽¹⁾⁽²⁾</u>
<u>INDEPENDENT TRUSTEES/NOMINEES:</u>		
Anthony J. Colavita	A	E
James P. Conn	C	E
Vincent D. Enright	A	E
Frank J. Fahrenkopf, Jr.	A	E
William F. Heitmann	C	E
Michael J. Melarkey	A	E
Kuni Nakamura	C	E
Anthonie C. van Ekris	A	E
Salvatore J. Zizza	A	E

*

Key to Dollar Ranges

A. None

B. \$1 – \$10,000

C. \$10,001 – \$50,000

D. \$50,001 – \$100,000

E. Over \$100,000

All shares were valued as of December 31, 2016.

(1) This information has been furnished by each Trustee and nominee for election as Trustee as of December 31, 2016. “Beneficial Ownership” is determined in accordance with Rule 16a-1(a)(2) of the 1934 Act.

(2) The term “Family of Investment Companies” includes two or more registered funds that share the same investment adviser or principal underwriter and hold themselves out to investors as related companies for purposes of investment and investor services. Currently, the registered funds that comprise the “Fund Complex” are identical to those that comprise the “Family of Investment Companies.”

Set forth in the table below is the amount of shares beneficially owned by each Trustee, nominee for election as Trustee, and executive officer of the Fund.

<u>Name of Trustee/Nominee/Officer</u>	<u>Amount and Nature of Beneficial Ownership⁽¹⁾</u>	<u>Percent of Shares Outstanding⁽²⁾</u>
<u>INDEPENDENT TRUSTEES/NOMINEES:</u>		
Anthony J. Colavita	0	*
James P. Conn	3,000	*
Vincent D. Enright	0	*
Frank J. Fahrenkopf, Jr.	0	*
William F. Heitmann	2,000	*
Michael J. Melarkey	0	*
Kuni Nakamura	2,833	*
Anthonie C. van Ekris	0	*
Salvatore J. Zizza	0	*
<u>EXECUTIVE OFFICERS:</u>		
Bruce N. Alpert	0	*
Andrea R. Mango	0	*
Agnes Mullady	0	*
Richard J. Walz	0	*

This information has been furnished by each Trustee, including each nominee for election as Trustee, and (1) executive officer as of December 31, 2016. "Beneficial Ownership" is determined in accordance with Rule 13d-3 of the 1934 Act.

An asterisk indicates that the ownership amount constitutes less than 1% of the total shares outstanding. The (2) ownership of the Trustees, including nominees for election as Trustee, and executive officers as a group constitutes less than 1% of the total shares outstanding.

Set forth in the table below is the amount of interests beneficially owned by each Independent Trustee, nominee for election as an Independent Trustee or his or her immediate family member, as applicable, in a person, other than a registered investment company, that may be deemed to be controlled by the Fund's Adviser and/or affiliates (including Mario J. Gabelli) and in that event would be deemed to be under common control with the Fund's Adviser.

Name of Independent Trustee/Nominee	Name of Owner and Relationships to	Value of	Percent of
AIA Acquisition Corp. 6787 Market Street Upper Darby, Pennsylvania	439,600 (4)	13.0%	
Jack D. Seibald 1336 Boxwood Drive West Hewlett Harbor, New York	384,394 (1)(5)	412.3%	
Morton L. Certilman 90 Merrick Avenue East Meadow, New York	179,829 (1)		6.0%

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Jay M. Haft 69 Beaver Dam Road Salisbury, Connecticut	167,158 (1)(6)	5.6%
David A. Lyons 252 Brookdale Road Stamford, Connecticut	31,311 (7)	1.0%
All executive officers and directors as a group (7 persons)	1,874,144 (1)(2)(3) (5)(6)(7)(8)	57.8%

-
- (1) Based upon Schedule 13D filed under the Securities Exchange Act of 1934, as amended, and other information that is publicly available.
- (2) Includes (i) 11,900 shares held in a retirement trust for the benefit of Mr. Goldstein and (ii) 97,500 shares issuable upon the exercise of options that are currently exercisable. Excludes (i) the shares beneficially owned by AIA Acquisition Corp. (“AIA”) of which members of Mr. Goldstein’s family are principal stockholders and (ii) 57,692 shares issuable to a limited liability company of which Mr. Goldstein is a minority member upon the conversion of preferred shares that are currently convertible. Mr. Goldstein disclaims beneficial ownership of the shares owned by AIA or issuable to such limited liability company.
- (3) Includes 487,495 shares owned by Infinity Capital Partners, L.P. (“Partners”). Each of (i) Infinity Capital, LLC (“Capital”), as the general partner of Partners, (ii) Infinity Management, LLC (“Management”), as the Investment Manager of Partners, and (iii) Michael Feinsod, as the Managing Member of Capital and Management, the General Partner and Investment Manager, respectively, of Partners, may be deemed to be the beneficial owners of the shares held by Partners. Pursuant to the Schedule 13D filed under the Securities Exchange Act of 1934, as amended, by Partners, Capital, Management and Mr. Feinsod, each has sole voting and dispositive power over the shares.
- (4) Based upon Schedule 13G filed under the Securities Exchange Act of 1934, as amended, and other information that is publicly available. Includes 390,000 shares issuable upon the conversion of preferred shares that are currently convertible.
- (5) Includes (i) 113,000 shares owned jointly by Mr. Seibald and his wife, Stephanie Seibald; (ii) 100,000 shares owned by SDS Partners I, Ltd., a limited partnership (“SDS”); (iii) 3,000 shares owned by Boxwood FLTD Partners, a limited partnership (“Boxwood”); (iv) 3,000 shares owned by Stewart Spector IRA (“S. Spector”); (v) 3,000 shares owned by Barbara Spector IRA Rollover (“B. Spector”); (vi) 4,000 shares owned by Karen Dubrowsky IRA (“Dubrowsky”); and (vii) 144,230 shares issuable to a retirement trust for the benefit of Mr. Seibald upon the conversion of preferred shares that are currently convertible. Mr. Seibald has voting and dispositive power over the shares owned by SDS, Boxwood, S. Spector, B. Spector and Dubrowsky and issuable to the retirement trust.

- (6) Includes 3,076 shares held in a retirement trust for the benefit of Mr. Haft.
- (7) Includes 20,000 shares issuable upon the exercise of currently exercisable options.
- (8) Includes 5,000 shares issuable upon the exercise of currently exercisable options.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth information as of December 31, 2008 with respect to compensation plans (including individual compensation arrangements) under which our common shares are authorized for issuance, aggregated as follows:

- All compensation plans previously approved by security holders; and
- All compensation plans not previously approved by security holders.

EQUITY COMPENSATION PLAN INFORMATION

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	177,400	\$ 2.40	367,724
Equity compensation plans not approved by security holders	-0-	-0-	-0-
Total	177,400	\$ 2.40	367,724

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

2003 Debt Financing

In July 2003, we obtained \$3,500,000 from a private placement of debt. The debt was initially repayable on January 10, 2006 and provided for interest at the rate of 12.625% per annum, payable semi-annually. We had the right to prepay the debt. During 2005, we utilized our bank line of credit then in effect to repay \$2,000,000 of the debt.

In consideration of the debt financing, we issued to the lenders warrants for the purchase of an aggregate of 105,000 of our common shares at an exercise price of \$6.25 per share. The warrants were initially scheduled to expire on January 10, 2006. In May 2005, the holders of the remaining \$1,500,000 of debt agreed to extend the maturity date of the debt to September 30, 2007. The debt extension was given to satisfy a requirement of a lender that arose in connection with a December 2004 increase in the lender's revolving line of credit and an extension of the line to June 30, 2007. In consideration for the extension of the due date for the debt, we extended the expiration date of warrants held by the debtholders for the purchase of 97,500 common shares to September 30, 2007. Between March 2007 and September 2007, the holders of the outstanding debt agreed to a further extension of the due date to September 30, 2008. In consideration for such further extension, we further extended the expiration date of the warrants held by the debtholders to September 30, 2008.

In August 2008, the maturity date was further extended from September 30, 2008 to July 10, 2009 (or earlier if certain conditions were met). In exchange for this extension, the holders were entitled to receive an aggregate incentive payment equal to \$10,000 times the number of months (or partial months) the debt was outstanding after September 30, 2008 through the maturity date. If a prepayment of principal reduced the debt below \$1,500,000, the incentive payment for all subsequent months was to be reduced in proportion to any such reduction to the debt. The aggregate incentive payment was due upon full repayment of the debt.

One of the private placement lenders was a retirement trust established for the benefit of Jack D. Seibald (the "Seibald Retirement Trust") which loaned us \$625,000 and was issued a warrant for the purchase of 18,750 of our common shares. Mr. Seibald is one of our principal stockholders and, effective September 2004, became one of our directors. As of May 2009, the Seibald Retirement Trust held approximately \$288,000 of the debt.

In September 2007, a limited liability company of which Mr. Goldstein is a minority member purchased from a debtholder a note in the approximate principal amount of \$115,000 and a warrant for the purchase of 7,500 shares. In connection with the purchase, the maturity date of the debt and the expiration date of the warrant were extended as discussed above.

The warrants expired on September 30, 2008.

In May 2009, three of the holders of the debt exchanged an aggregate of approximately \$519,000 of note principal for Series E preferred shares having an aggregate redemption amount equal to such aggregate principal amount of notes. The Series E preferred shares have rights and preferences as discussed below under "Exchange of Preferred Stock". Concurrently, we paid approximately \$50,000 to the three holders, which amount represented all accrued and unpaid interest and incentive payments through the date of exchange. As part of the transaction, the Seibald Retirement Trust exchanged its note in the approximate principal amount of \$288,000 for Series E preferred shares. In addition, the limited liability company of which Mr. Goldstein is a minority member exchanged its note in the approximate principal amount of \$115,000 for Series E preferred shares.

In May 2009, we prepaid approximately \$687,000 in principal of the debt to the remaining five holders, together with approximately \$81,000, which amount represented accrued and unpaid interest and incentive payments on such prepayment.

In June 2009, we prepaid the remaining approximately \$294,000 in principal of the debt to such remaining holders, together with approximately \$19,000, which amount represented accrued and unpaid interest and incentive payments on such prepayment.

Kingstone Insurance Company (formerly known as Commercial Mutual Insurance Company)

On January 31, 2006, we purchased two surplus notes in the aggregate principal amount of \$3,750,000 issued by Commercial Mutual Insurance Company (“Commercial Mutual”). Commercial Mutual (now renamed Kingstone Insurance Company) is a New York property and casualty insurer.

Concurrently with the purchase, the new Commercial Mutual Board of Directors elected Mr. Goldstein as its Chairman of the Board. Mr. Goldstein had been elected as a director of Commercial Mutual in December 2005. Subsequently, Mr. Goldstein was elected Chairman of Commercial Mutual’s Executive Committee and its Chief Investment Officer. Mr. Seibald and Victor Brodsky, our then Chief Accounting Officer and currently our Chief Financial Officer, also were elected as directors of Commercial Mutual.

In March 2007, the Board of Directors of Commercial Mutual approved a resolution to convert Commercial Mutual from an advance premium insurance company to a stock property and casualty insurance company pursuant to Section 7307 of the New York Insurance Law.

As of June 30, 2009, we held two surplus notes issued by Commercial Mutual in the aggregate principal amount of \$3,750,000. Previously earned but unpaid interest on the notes as of June 30, 2009 was approximately \$2,246,000. The surplus notes were past due and provided for interest at the prime rate or 8.5% per annum, whichever is less. Payments of principal and interest on the surplus notes could only be made out of the surplus of Commercial Mutual and required the approval of the Insurance Department of the State of New York (the “Insurance Department”). As of June 30, 2009, the statutory surplus of Commercial Mutual, as reported to the Insurance Department, was approximately \$7,884,000.

The conversion by Commercial Mutual to a stock property and casualty insurance company was subject to a number of conditions, including the approval by the Superintendent of Insurance of the State of New York (the “Superintendent of Insurance”) of the plan of conversion, which was filed with the Superintendent of Insurance in April 2008. The Superintendent of Insurance approved the plan of conversion in April 2009. The plan of conversion was approved by the required two-thirds of all votes cast by eligible Commercial Mutual policyholders at a special meeting of policyholders held in June 2009.

Effective July 1, 2009, Commercial Mutual completed its conversion from an advance premium cooperative to a stock property and casualty insurance company. Upon the effectiveness of the conversion, Commercial Mutual’s name was changed to Kingstone Insurance Company (“KICO”). Pursuant to the plan of conversion, we acquired a 100% equity interest in KICO in consideration of the exchange of our \$3,750,000 principal amount of surplus notes of Commercial Mutual. In addition, we forgave all accrued and unpaid interest of \$2,246,000 on the surplus notes as of the date of conversion.

Exchange of Preferred Stock

AIA

Effective March 23, 2007, the outside mandatory redemption date for the preferred shares held by AIA Acquisition Corp. (“AIA”) was extended from April 30, 2007 to April 30, 2008 through the issuance of Series B preferred shares in exchange for an equal number of Series A preferred shares held by AIA.

Effective April 16, 2008, the outside mandatory redemption date for the preferred shares held by AIA was further extended to April 30, 2009 through the issuance of Series C preferred shares in exchange for an equal number of Series B preferred shares held by AIA. In addition, the Series C preferred shares provided for dividends at the rate of 10% per annum (as compared to 5% per annum for the Series B preferred shares).

Effective August 23, 2008, the outside mandatory redemption date for the preferred shares held by AIA was further extended to July 31, 2009 through the issuance of Series D preferred shares in exchange for an equal number of Series C preferred shares held by AIA.

Effective May 12, 2009, the outside mandatory redemption date for the preferred shares held by AIA was further extended to July 31, 2011 through the issuance of Series E preferred shares in exchange for an equal number of Series D preferred shares held by AIA. In addition, the Series E preferred shares provide for dividends at the rate of 11.5% per annum (as compared to 10% per annum for the Series D preferred shares) and a conversion price of \$2.00 per share (as compared to \$2.50 per share for the Series D preferred shares). Further, the two series differ in that our obligation to redeem the Series E preferred shares is not accelerated based upon a sale of substantially all of our assets or certain of our subsidiaries (as compared to the Series D preferred shares which provided for such acceleration) and our obligation to redeem the Series E preferred shares is not secured by the pledge of the outstanding stock of our subsidiary, AIA-DCAP Corp. (as compared to the Series D preferred shares which provided for such pledge).

The current aggregate redemption amount for the Series E preferred shares held by AIA is \$780,000, plus accumulated and unpaid dividends. As indicated above, the Series E preferred shares are convertible into our common shares at a price of \$2.00 per share. Members of Mr. Goldstein’s family are principal stockholders of AIA.

Other

Reference is made to “2003 Debt Financing” for a discussion of an issuance in May 2009 of Series E preferred shares in exchange for promissory notes held by the Seibald Retirement Trust and the limited liability company of which Mr. Goldstein is a minority member.

Sale of Franchise Operations

In May 2009, we sold all of the outstanding stock of the subsidiaries that operated our DCAP franchise business to Stuart Greenvald and Abraham Weinzimer. The purchase price for the stock was \$200,000 which was paid by delivery of a promissory note in such principal amount (the "Franchise Note"). The Franchise Note is payable to the extent of \$50,000 on May 15, 2009 (which has been paid), \$50,000 on May 1, 2010 and \$100,000 on May 1, 2011 and provides for interest at the rate of 5.25% per annum. Mr. Greenvald is the son-in-law of Morton L. Certilman, one of our principal shareholders.

June 2009 Debt Financing

During June 2009, we borrowed \$500,000 and issued promissory notes in such aggregate principal amount (the "June 2009 Notes"). The June 2009 Notes provide for interest at the rate of 12.625% per annum and are payable on July 10, 2011. The June 2009 Notes are prepayable by us without premium or penalty; provided, however, that, under any circumstances, the holders of the June 2009 Notes are entitled to receive an aggregate of six months interest from the issue date of the June 2009 Notes with respect to the amount prepaid.

The limited liability company of which Mr. Goldstein is a minority member purchased a June 2009 Note in the principal amount of \$120,000.

September 2009 Debt Financing

During September 2009, we borrowed \$250,000 and issued promissory notes in such aggregate principal amount (the "September 2009 Notes"). The September 2009 Notes provide for interest at the rate of 12.625% per annum and are payable on July 10, 2011. The September 2009 Notes are prepayable by us without premium or penalty; provided, however, that, under any circumstances, the holders of the September 2009 Notes are entitled to receive an aggregate of six months interest from the issue date of the September 2009 Notes with respect to the amount prepaid.

Jay M. Haft, one of our principal stockholders and directors, purchased a September 2009 Note in the principal amount of \$50,000. In addition, Donald Feinsod, the father of Michael R. Feinsod, one of our principal stockholders and directors, purchased a September 2009 Note in the principal amount of \$100,000.

Relationship

Certilman Balin Adler & Hyman, LLP, a law firm with which Morton L. Certilman, a principal stockholder, is affiliated, serves as our counsel. It is presently anticipated that such firm will continue to represent us and will receive fees for its services at rates and in amounts not greater than would be paid to unrelated law firms performing similar services.

PROPOSAL 1: ELECTION OF DIRECTORS

Five directors are to be elected at the meeting to serve until the next annual meeting of stockholders and until their respective successors shall have been elected and have qualified.

Our Restated Certificate of Incorporation provides for cumulative voting of shares for the election of directors. This means that each stockholder has the right to cumulate his votes and give to one or more nominees as many votes as equals the number of directors to be elected (five) multiplied by the number of shares he is entitled to vote. A stockholder may therefore cast his votes for one nominee or distribute them among two or more of the nominees.

Nominees for Directors

All five of the nominees are currently members of our Board. The following table sets forth each nominee's age as of October 19, 2009, the positions and offices presently held by him with us, and the year in which he became a director. The Board recommends a vote FOR all nominees. The person named as proxy intends to vote cumulatively all shares represented by proxies equally among all nominees for election as directors, unless proxies are marked to the contrary.

Name	Age	Positions and Offices Held	Director Since
Barry B. Goldstein	56	President, Chairman of the Board, Chief Executive Officer, Treasurer and Director	2001
Michael R. Feinsod	38	Director	2008
Jay M. Haft	73	Director	1989
David A. Lyons	60	Director	2005
Jack D. Seibald	48	Director	2004

Barry B. Goldstein

Mr. Goldstein was elected our President, Chief Executive Officer, Chairman of the Board, and a director in March 2001 and our Treasurer in May 2001. He served as our Chief Financial Officer from March 2001 to November 2007. Since January 2006, Mr. Goldstein has served as Chairman of the Board of Kingstone Insurance Company ("KICO") (formerly known as Commercial Mutual Insurance Company), a New York property and casualty insurer, as well as Chairman of its Executive Committee. In August 2008, Mr. Goldstein was appointed Chief Investment Officer of KICO. Effective July 1, 2009, we acquired a 100% equity interest in KICO. From April 1997 to December 2004, he served as President of AIA Acquisition Corp., which operated insurance agencies in Pennsylvania and which sold substantially all of its assets to us in May 2003. Mr. Goldstein received his B.A. and M.B.A. from State University of New York at Buffalo.

Michael R. Feinsod

Mr. Feinsod has been Chief Executive Officer of Ameritrans Capital Corporation, a business development company, since October 2008. Mr. Feinsod has been President of Ameritrans Capital since November 2006 and also serves as its Chief Compliance Officer. He serves as Senior Vice President of Elk Associates Funding Corporation, a Small Business Investment Company and a subsidiary of Ameritrans Capital, and has served as a director of Ameritrans Capital and Elk Associates Funding Corporation since December 2005. Since January 1999, Mr. Feinsod has been Managing Member of Infinity Capital, LLC, an investment management company. He served as an investment analyst and portfolio manager at Mark Boyar & Company, Inc., a broker-dealer, from June 1997 to January 1999. He is admitted to practice law in New York and served as an associate in the Corporate Law Department of Paul, Hastings, Janofsky & Walker LLP from 1996 to 1997. Mr. Feinsod holds a J.D. from Fordham University School of Law and a B.A. from George Washington University. He has served as one of our directors since October 2008.

Jay M. Haft

Mr. Haft served as our Vice Chairman of the Board from February 1999 until March 2001. From October 1989 to February 1999, he served as our Chairman of the Board and he has served as one of our directors since 1989. Mr. Haft has been engaged in the practice of law since 1959 and since 1994 has served as counsel to Parker Duryee Rosoff & Haft (and since December 2001, its successor, Reed Smith). From 1989 to 1994, he was a senior corporate partner of Parker Duryee. Mr. Haft is a strategic and financial consultant for growth stage companies. He is active in international corporate finance and mergers and acquisitions. Mr. Haft also represents emerging growth companies. He has actively participated in strategic planning and fund raising for many high-tech companies, leading edge medical technology companies and marketing companies. Mr. Haft has been a partner of Columbus Nova, a private investment firm, since 2000. He is a director of a number of public and private corporations, including DUSA Pharmaceuticals, Inc., whose securities are traded on Nasdaq, and also serves on the Board of the United States-Russian Business Counsel. Mr. Haft is a past member of the Florida Commission for Government Accountability to the People, a past national trustee and Treasurer of the Miami City Ballet, and a past Board member of the Concert Association of Florida. He is also a past trustee of Florida International University Foundation and previously served on the advisory board of the Wolfsonian Museum and Florida International University Law School. Mr. Haft received B.A. and LL.B. degrees from Yale University.

David A. Lyons

Mr. Lyons has served since 2004 as a principal of Den Ventures, LLC, a consulting firm focused on business, financing, and merger and acquisition strategies for public and private companies. From 2002 until 2004, Mr. Lyons served as a managing partner of the Nacio Investment Group, and President of Nacio Systems, Inc., a managed hosting company that provides outsourced infrastructure and communication services for mid-size businesses. Prior to forming the Nacio Investment Group, Mr. Lyons served as Vice President of Acquisitions for Expanets, Inc., a national provider of converged communications solutions. Previously, he was Chief Executive Officer of Amnex, Inc. and held various executive management positions at Walker Telephone Systems, Inc. and Inter-tel, Inc. Mr. Lyons has served as one of our directors since July 2005.

Jack D. Seibald

Mr. Seibald is a Managing Director of Concept Capital, a division of SMH Capital, Inc., a broker-dealer. Mr. Seibald has been affiliated with SMH Capital, Inc. and its predecessor firms since 1995 and is a registered representative with extensive experience in equity research and investment management dating back to 1983. Since 1997, Mr. Seibald has also been a Managing Member of Whiteford Advisors, LLC, an investment management firm. He began his career at Oppenheimer & Co. and has also been affiliated with Salomon Brothers, Morgan Stanley & Co. and Blackford Securities. Mr. Seibald is a member of the Board of Directors of Kingstone Insurance Company, a New York property and casualty insurer, and serves as Chairman of its Investments Committee. He holds an M.B.A. from Hofstra University and a B.A. from George Washington University. Mr. Seibald has served as one of our directors since 2004.

Family Relationships

There are no family relationships among any of our executive officers and directors.

Term of Office

Each director will hold office until the next annual meeting of stockholders and until his successor is elected and qualified or until his earlier resignation or removal. Each executive officer will hold office until the initial meeting of the Board of Directors following the next annual meeting of stockholders and until his successor is elected and qualified or until his earlier resignation or removal.

Committees

Audit Committee

The Audit Committee of the Board of Directors is responsible for overseeing our accounting and financial reporting processes and the audits of our financial statements. The responsibilities and duties of the Audit Committee include the following:

- assist the Board of Directors in fulfilling its responsibilities by reviewing
- the financial reports provided by us to the Securities and Exchange Commission, our stockholders or to the general public, and
 - our internal financial and accounting controls,
- oversee the appointment, compensation, retention and oversight of the work performed by any independent public accountants engaged by us,

- recommend, establish and monitor procedures designed to improve the quality and reliability of the disclosure of our financial condition and results of operations,
 - recommend, establish and monitor procedures designed to facilitate
- the receipt, retention and treatment of complaints relating to accounting, internal accounting controls or auditing matters and
- the receipt of confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters.

The members of our Board's Audit Committee currently are Messrs. Lyons, Haft and Seibald. Our Board has adopted a written charter for the Audit Committee. A copy of the charter is available on our website, www.kingstonecompanies.com.

Nominating Committee

The Nominating Committee of the Board of Directors is responsible for assisting the Board in identifying and recruiting qualified individuals to become Board members and select director nominees to be presented for Board and/or stockholder approval. The members of the Nominating Committee currently are Messrs. Feinsod, Haft, Lyons and Seibald. Our Board has adopted a written charter for the Nominating Committee. A copy of the charter is available on our website, www.kingstonecompanies.com. The Nominating Committee will consider qualified director candidates recommended by stockholders if such recommendations are provided in accordance with the procedures set forth in the section entitled "Stockholder Proposals - Stockholder Nominees" below. At this time, the Nominating Committee has not adopted minimum criteria for consideration of a proposed candidate for nomination.

Compensation Committee

The Compensation Committee of the Board of Directors is responsible for the management of our business and affairs with respect to the compensation of our employees, including the determination of the compensation for our Chief Executive Officer and our other executive officers, the approval of one or more stock option plans and other compensation plans covering our employees, and the grant of stock options and other awards pursuant to stock option plans and other compensation plans. The members of the Compensation Committee currently are Messrs. Seibald, Haft and Lyons. The Compensation Committee does not currently have a charter.

The Compensation Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Compensation Committee. Our Chief Executive Officer assists the Compensation Committee from time to time by advising on a variety of compensation matters, such as assisting the Compensation Committee in determining appropriate salaries and bonuses for our executive officers. The Compensation Committee has the authority to consult with management and to engage the services of outside advisors, experts and others to assist it in its efforts. In March 2007, the Compensation Committee retained James F. Reda & Associates, LLC as compensation consultant to the Compensation Committee with respect to the compensation payable to our Chief Executive Officer and our other employees. The compensation consultant reported directly to the Compensation Committee. All projects performed by the compensation consultant were reviewed, discussed and approved by the Compensation Committee.

Report of the Audit Committee

In overseeing the preparation of the financial statements of Kingstone Companies, Inc. (formerly DCAP Group, Inc.) (the "Company") as of December 31, 2008 and for the years ended December 31, 2008 and 2007, the Audit Committee met with management to review and discuss all financial statements prior to their issuance and to discuss significant accounting issues. Management advised the Committee that all financial statements were prepared in accordance with generally accepted accounting principles, and the Committee discussed the statements with management. The Committee also discussed with Holtz Rubenstein Reminick LLP, the Company's outside auditors, the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1 AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

The Committee received the written disclosures and letter from Holtz Rubenstein Reminick LLP required by Independence Standards Board Standard No. 1 (Independence Standards Board Standard No. 1, Discussions with Audit Committees), as adopted by the Public Company Accounting Oversight Board in Rule 3600T, and the Committee discussed the independence of Holtz Rubenstein Reminick LLP with that firm.

On the basis of these reviews and discussions, the Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008, for filing with the Securities and Exchange Commission.

Members of the Audit Committee

David A. Lyons
Jay M. Haft
Jack D. Seibald

Meetings

Our Board of Directors held ten meetings during the fiscal year ended December 31, 2008.

The Audit Committee of the Board of Directors held four meetings during the fiscal year ended December 31, 2008.

The Nominating Committee of the Board of Directors held one meeting during the fiscal year ended December 31, 2008.

The Compensation Committee of the Board of Directors did not meet during the fiscal year ended December 31, 2008.

None of our directors attended fewer than 75% of the aggregate of the total number of meetings of the Board and the total number of meetings held by all committees of the Board on which he served during 2008.

We do not have a formal policy regarding director attendance at our annual meeting of stockholders. However, all directors are encouraged to attend. All of the Board members were in attendance at last year's annual meeting of stockholders.

Communications with Board of Directors

Any security holder who wishes to communicate with our Board of Directors or a particular director should send the correspondence to the Board of Directors, Kingstone Companies, Inc., 1158 Broadway, Hewlett, New York 11557, Attn: Corporate Secretary. Any such communication so addressed will be forwarded by the Corporate Secretary to the members or a particular member of the Board.

Audit Committee Financial Expert

Our Board of Directors has determined that Mr. Lyons is an "audit committee financial expert," as that is defined in Item 407(d)(5) of Regulation S-K. Mr. Lyons is an "independent director" based on the definition of independence in Rule 4200(a)(15) of the listing standards of The Nasdaq Stock Market.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16 of the Exchange Act requires that reports of beneficial ownership of common shares and changes in such ownership be filed with the Securities and Exchange Commission by Section 16 "reporting persons," including directors, certain officers, holders of more than 10% of the outstanding common shares and certain trusts of which reporting persons are trustees. We are required to disclose in this Annual Report each reporting person whom we know to have failed to file any required reports under Section 16 on a timely basis during the fiscal year ended December 31, 2008. To our knowledge, based solely on a review of copies of Forms 4 filed with the Securities and Exchange Commission and written representations that no other reports were required, during the fiscal year ended December 31, 2008, our officers, directors and 10% stockholders complied with all Section 16(a) filing requirements applicable to them, except that Mr. Haft filed a Form 4 late on two occasions and each of Messrs. Lyons and Seibald, and Morton L. Certilman, a former director, filed a Form 4 late on one occasion. Each filing reported one transaction.

Director Independence

Board of Directors

Our Board of Directors is currently comprised of Barry B. Goldstein, Michael R. Feinsod, Jay M. Haft, David A. Lyons and Jack D. Seibald. Each of Messrs. Feinsod, Haft, Lyons and Seibald is currently an "independent director" based on the definition of independence in Rule 4200(a)(15) of the listing standards at The Nasdaq Stock Market.

Audit Committee

The members of our Board's Audit Committee currently are Messrs. Lyons, Haft and Seibald, each of whom is an "independent director" based on the definition of independence in Rule 4200(a)(15) of the listing standards of The Nasdaq Stock Market and Rule 10A-3(b)(1) under the Securities Exchange Act of 1934.

Nominating Committee

The members of our Board's Nominating Committee currently are Messrs. Feinsod, Haft, Lyons and Seibald, each of whom is an "independent director" based on the definition of independence in Rule 4200(a)(15) of the listing standards of The Nasdaq Stock Market.

Compensation Committee

The members of our Board's Compensation Committee currently are Messrs. Seibald, Haft and Lyons, each of whom is an "independent director" based on the definition of independence in Rule 4200(a)(15) of the listing standards of The Nasdaq Stock Market.

INDEPENDENT PUBLIC ACCOUNTANTS

Holtz Rubenstein Reminick, LLP ("Holtz") has served as our auditors since 1990 and was selected as our independent registered public accountants with respect to the fiscal year ended December 31, 2008.

In connection with our acquisition, effective July 1, 2009, of all of the outstanding stock of Commercial Mutual Insurance Company (now known as Kingstone Insurance Company) ("KICO"), Amper Politziner & Mattia has been engaged to audit the financial statements of KICO as of December 31, 2007 and 2008 and for the years then ended. Effective July 1, 2009, substantially all of our continuing operations relate to KICO.

The Audit Committee has not yet selected independent registered public accountants to audit our consolidated financial statements as of December 31, 2009 and for the year then ended.

It is not expected that a representative of an independent registered public accounting firm will attend the meeting.

The following is a summary of the fees billed to us by Holtz, our independent registered public accountants, for professional services rendered for the fiscal years ended December 31, 2008 and December 31, 2007:

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Fee Category	Fiscal 2008 Fees	Fiscal 2007 Fees
Audit Fees(1)	\$ 110,000	\$ 116,000
Audit-Related Fees(2)	-	-
Tax Fees(3)	47,600	28,000
All Other Fees(4)	8,910	8,419
Total Fees	\$ 166,510	\$ 152,419

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- (1) Audit Fees consist of aggregate fees billed for professional services rendered for the audit of our annual financial statements and review of the interim financial statements included in quarterly reports or services that are normally provided by the independent auditors in connection with statutory and regulatory filings or engagements for the fiscal years ended December 31, 2008 and December 31, 2007, respectively.
- (2) Audit-Related Fees consist of aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under "Audit Fees."
- (3) Tax Fees consist of aggregate fees billed for preparation of our federal and state income tax returns and other tax compliance activities.
- (4) All Other Fees consist of aggregate fees billed for products and services provided by Holtz, other than those disclosed above. These fees related to the review of the Uniform Franchise Offering Circular of our then wholly-owned subsidiary, DCAP Management Corp., and other general accounting services.

The Audit Committee is responsible for the appointment, compensation and oversight of the work of the independent auditors and approves in advance any services to be performed by the independent auditors, whether audit-related or not. The Audit Committee reviews each proposed engagement to determine whether the provision of services is compatible with maintaining the independence of the independent auditors. All of the fees shown above were pre-approved by the Audit Committee.

STOCKHOLDER PROPOSALS

Stockholder proposals intended to be presented at our next annual meeting of stockholders pursuant to the provisions of Rule 14a-8 of the Securities and Exchange Commission, promulgated under the Securities Exchange Act of 1934, as amended, must be received at our offices in Hewlett, New York by July 8, 2010 for inclusion in our proxy statement and form of proxy relating to such meeting.

The following requirements with respect to stockholder proposals and stockholder nominees to our Board of Directors are included in our By-Laws.

Stockholder Proposals

In order for a stockholder to make a proposal at an annual meeting of stockholders, under our By-Laws, timely notice must be received by us in advance of the meeting. To be timely, the proposal must be received by our Secretary at our principal executive offices (as provided below) on a date which is not less than 60 days nor more than 90 days prior to the date which is one year from the date of the mailing of the notice regarding the availability of proxy materials for the prior year's annual meeting of stockholders. If during the prior year we did not hold an annual meeting, or if the date of the meeting for which a stockholder intends to submit a proposal has changed more than 30 days from the date of the meeting in the prior year, then the notice must be received a reasonable time before we mail the notice regarding the availability of proxy materials for the current year. A stockholder's notice must set forth as to each matter the stockholder proposes to bring before the annual meeting certain information regarding the proposal, including the following:

- a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at such meeting;
 - the name and address of the stockholder proposing such business;
- the class and number of our shares which are beneficially owned by such stockholder; and
 - any material interest of such stockholder in such business.

Stockholder Nominees

In order for a stockholder to nominate a candidate for director, under our By-Laws, timely notice of the nomination must be received by us in advance of the meeting. To be timely, the notice must be received at our principal executive offices (as provided below) not less than 60 days nor more than 90 days prior to the meeting; however, if less than 70 days= notice of the date of the meeting is given to stockholders and public disclosure of the meeting date, pursuant to a press release, is either not made at all or is made less than 70 days prior to the meeting date, notice by a stockholder to be timely made must be so received no later than the close of business on the tenth day following the earlier of the following:

- the day on which the notice of the date of the meeting was made available to stockholders, or
 - the day on which such public disclosure of the meeting date was made.

The stockholder sending the notice of nomination must describe various matters, including such information as:

- the name, age, business and residence addresses, occupation or employment and shares held by the nominee;

- any other information relating to such nominee required to be disclosed in a proxy statement; and
 - the name, address and number of shares held by the stockholder.

These requirements are separate from and in addition to the requirements a stockholder must meet to have a proposal included in our proxy statement.

Any notice given pursuant to the foregoing requirements must be sent to our Corporate Secretary at 1158 Broadway, Hewlett, New York 11557. The foregoing is only a summary of the provisions of our By-Laws that relate to stockholder proposals and stockholder nominations for director. Any stockholder desiring a copy of our By-Laws will be furnished one without charge upon receipt of a written request therefor.

OTHER BUSINESS

While the accompanying Notice of Annual Meeting of Stockholders provides for the transaction of such other business as may properly come before the meeting, we have no knowledge of any matters to be presented at the meeting other than that listed as Proposal 1 in the notice. However, the enclosed proxy gives discretionary authority in the event that any other matters should be presented.

FORM 10-K

This proxy statement is accompanied by a copy of our Annual Report on Form 10-K for the year ended December 31, 2008 (excluding exhibits). We may charge a fee equal to our reasonable expenses in furnishing the exhibits.

Barry B. Goldstein
Chief Executive Officer

Hewlett, New York
November 5, 2009
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KINGSTONE COMPANIES, INC
1158 BROADWAY
HEWLETT, NY 11557

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE ORM17768-P86330
BLACK INK AS FOLLOWS:

KEEP THIS PORTION
FOR YOUR
RECORDS

DETACH AND
RETURN THIS
PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

KINGSTONE COMPANIES, For Withhold For Al
INC. All All Except

To withhold authority to vote for any
individual nominee(s), mark "For All

Except" and write the number(s) of the nominee(s) on the line below.

1 Election of Directors -0 0 0

The Board of Directors recommends a vote FOR the nominees listed below:

Nominees:

- 01) Barry B. Goldstein
- 02) Michael R. Feinsod
- 03) Jay M. Haft
- 04) David A. Lyons
- 05) Jack D. Seibald

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, WILL BE VOTED FOR THE ELECTION OF THE NOMINEES (AND THE PROXYHOLDER WILL HAVE DISCRETIONARY AUTHORITY TO CUMULATE VOTES AMONG NOMINEES). THE PROXYHOLDER WILL HAVE DISCRETIONARY AUTHORITY TO VOTE ON ANY OTHER MATTER THAT PROPERLY COMES BEFORE THE MEETING.

To cumulate votes as to a particular nominee or nominees as 0 explained in the Proxy Statement, check box to the right then indicate the name(s) and the number of votes to be given to such nominee(s) on the reverse side of this card. Please do not check the box unless you want to exercise cumulative voting.

Signature [PLEASE SIGN WITHIN BOX] Date

Signature (Joint Owners) Date

ANNUAL MEETING OF STOCKHOLDERS OF
KINGSTONE COMPANIES, INC.

December 18, 2009

Please date, sign and mail
your proxy card in the
envelope provided as soon
as possible.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:
The Notice and Proxy Statement and Form 10-K are available at www.proxyvote.com.

Please detach along perforated line and mail in the envelope provided.

M17769-P8633

KINGSTONE COMPANIES, INC.

This Proxy is Solicited on Behalf of the Board of Directors

The undersigned hereby appoints Barry B. Goldstein as proxy, with the power to appoint his substitute, and hereby authorizes him to represent and vote, as designated on the reverse side, all the common shares of Kingstone Companies, Inc. held of record by the undersigned at the close of business on October 19, 2009 at the Annual Meeting of Stockholders to be held on December 18, 2009 or any adjournment thereof.

IF YOU VOTE BY TELEPHONE OR BY INTERNET, DO NOT MAIL THE PROXY CARD. YOUR TELEPHONE OR INTERNET VOTE AUTHORIZES THE NAMED PROXY TO VOTE IN THE SAME MANNER AS YOU VOTED YOUR PROXY CARD EXCEPT FOR THE CUMULATIVE VOTING FEATURE APPLICABLE TO THE ELECTION OF DIRECTORS, WHICH IS ONLY AVAILABLE BY VOTING THE PROXY CARD. THE TELEPHONE AND INTERNET VOTING FACILITIES WILL CLOSE AT 11:59 P.M. ON DECEMBER 17, 2009

CUMULATIVE VOTING- If you exercise cumulative voting, please check the box on the reverse side.

NAME OF NOMINEE

OF VOTES CAST

(Continued and to be signed on the reverse side)