BEXIL

- **Notice of 2009 Annual Meeting and Proxy Statement**

- **2008 Annual Report**

Symbol:

BXLC

11 Hanover Square
New York, NY 10005

Tel 1-212-785-0400
www.bexil.com

BEXIL CORPORATION

Notice of Annual Meeting of Stockholders

To the Stockholders:

Notice is hereby given that the 2009 Annual Meeting of Stockholders ("Meeting") of Bexil Corporation (the "Company") will be held at The Down Town Association, 60 Pine Street, New York, New York on June 4, 2009 at 11:00 a.m., local time, for the following purposes:

1. To elect to the Board of Directors the Nominee, Douglas Wu, as a Class II Director to serve for a three year term and until his successor is duly elected and qualifies.

2. To consider and act upon any other business as may properly come before the Meeting or any adjournment thereof.

The Board of Directors unanimously recommends that stockholders vote FOR the Nominee named in Proposal 1.

Stockholders of record at the close of business on April 3, 2009 are entitled to receive notice of and to vote at the Meeting.

By Order of the Board of Directors

John F. Ramírez
Secretary

New York, New York
May 4, 2009

THE MEETING WILL START PROMPTLY AT 11:00 A.M., LOCAL TIME. TO AVOID DISRUPTION, ADMISSION MAY BE LIMITED ONCE THE MEETING STARTS. PHOTOGRAPHIC IDENTIFICATION WILL BE REQUIRED FOR ADMISSION TO THE MEETING. PLEASE SIGN AND DATE THE ENCLOSED PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED PRE-ADDRESSED REPLY ENVELOPE WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING. ANY STOCKHOLDER OF RECORD PRESENT AT THE MEETING MAY VOTE IN PERSON INSTEAD OF BY PROXY, THEREBY CANCELING ANY PREVIOUS PROXY.

Please Vote Immediately by Signing and Returning the Enclosed Proxy Card.
Delay may cause the Company to incur additional expenses to solicit votes for the Meeting.

BEXIL CORPORATION

PROXY STATEMENT

Annual Meeting of Stockholders
to be held June 4, 2009

This Proxy Statement is furnished in connection with a solicitation of proxies by Bexil Corporation (the "Company") to be voted at the 2009 Annual Meeting of Stockholders of the Company to be held at The Down Town Association, 60 Pine Street, New York, New York on June 4, 2009 at 11:00 a.m., local time, and at any postponements or adjournments thereof ("Meeting") for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. Only stockholders of record at the close of business on April 3, 2009 (the "Record Date") are entitled to be present and to vote on matters at the Meeting. Stockholders are entitled to one vote for each Company share held. Shares represented by executed and unrevoked proxies will be voted in accordance with the instructions on the Proxy Card. A stockholder may revoke a proxy by delivering to the Company a signed proxy with a date later than the previously delivered proxy or by sending a written revocation to the Company. To be effective, such revocation must be received prior to the Meeting. In addition, any stockholder who attends the Meeting in person may vote by ballot at the Meeting, thereby canceling any proxy previously given. As of the Record Date, the Company had 883,592 shares of common stock issued and outstanding. Stockholders of the Company will vote as a single class.

It is estimated that proxy materials will be mailed to stockholders as of the Record Date on or about May 11, 2009. **A copy of the Company's most recent Annual Report is attached hereto.**

PROPOSAL 1: TO ELECT TO THE BOARD OF DIRECTORS THE NOMINEE, DOUGLAS WU, AS A CLASS II DIRECTOR TO SERVE FOR A THREE YEAR TERM AND UNTIL HIS SUCCESSOR IS DULY ELECTED AND QUALIFIES.

The Board has approved the nominations of Douglas Wu as Class II Director to serve for a three year term and until his successor is duly elected and qualifies. The Nominee currently serves as a director of the Company. Mr. Wu will be elected by a plurality of the votes cast at the Meeting. The address of record for the director is 11 Hanover Square, New York, New York 10005.

The following table sets forth certain information concerning the Nominee for Class II Director of the Company:

Name, Principal Occupation, and Business Experience	Director Since
Class II:	
DOUGLAS WU – Since 1998, Mr. Wu has been a Principal of Maxwell Partners, prior to which, he was a Managing Director of Rothschild Emerging Markets/Croesus Capital Management.	1997

The persons named in the accompanying form of proxy intend to vote such proxy FOR the election of the Nominee listed above unless a stockholder specifically indicates on a proxy the desire to withhold authority to vote for the Nominee. It is not contemplated that the Nominee will be unable to serve as a director for any reason but, if that should occur prior to the Meeting, the proxy holders reserve the right to substitute another person or persons of their choice as Nominee. The Nominee listed above has consented to being named in this Proxy Statement and has agreed to serve as a director if elected.

Vote Required

As set forth in the Company's bylaws, except as otherwise provided in the charter and notwithstanding any other provision of Maryland law, "the election of any director by stockholders requires the affirmative vote of at least eighty percent (80%) of the outstanding shares of all classes of voting stock, voting together, in person or by proxy at a meeting at which a quorum is present, unless such action is approved by the vote of a majority of the Board of Directors, in which case such action requires the affirmative vote of a plurality of the votes cast at the Meeting." Inasmuch as the election of the Nominee was approved by a majority of the Board of Directors, a plurality of all the votes cast at the Meeting at which a quorum is present shall be sufficient to elect the Nominee.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS YOU VOTE FOR THE NOMINEE.

How to Communicate with the Company's Board of Directors

Stockholders who wish to communicate with the Board of Directors or a particular director may send a letter to the Secretary of the Company at 11 Hanover Square, New York, New York 10005. The mailing envelope must contain a clear notation indicating that the enclosed letter is a "Stockholder-Board Communication" or "Stockholder-Director Communication." All such letters must identify the author as a stockholder and clearly state whether the intended recipients are all members of the Board or just certain specified individual directors. The Secretary will make copies of all such letters and circulate them to the appropriate director or directors.

ADDITIONAL INFORMATION

At the Meeting, the presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at the Meeting is sufficient to constitute a quorum. In the event that a quorum is not present at the Meeting, or if a quorum is present but sufficient votes to approve a proposal are not received, the chair of the Meeting may adjourn the Meeting to a later date and time not more than 120 days after the original record date without any other notice other than announcement at the Meeting. A stockholder vote may be taken for one or more proposals prior to any adjournment if sufficient votes have been received for approval. If a proxy is properly executed and returned accompanied by instructions to withhold authority to vote, represents a broker "non-vote" (that is, a proxy from a broker or nominee indicating that such person has not received instructions from the beneficial owner or other person entitled to vote shares of the Company on a particular matter with respect to which the broker or nominee does not have discretionary power), or is marked with an abstention (collectively, "abstentions"), the Company's shares represented thereby will be considered to be present at the Meeting for purposes of determining the existence of a quorum for the transaction of business. Under Maryland law, abstentions do not constitute a vote "for" or "against" a matter and will be disregarded in determining "votes cast" on an issue.

In addition to the use of the mails, proxies may be solicited personally, by telephone, or by other means, and the Company may pay persons holding its shares in their names or those of their nominees for their expenses in sending soliciting materials to their beneficial owners. The Company will bear the cost of soliciting proxies. Authorizations to execute proxies may be obtained by telephonic instructions in accordance with procedures designed to authenticate the stockholder's identity. In all cases where a telephonic proxy is solicited, the stockholder will be asked to provide his or her address, social security number (in the case of an individual), taxpayer identification number (in the case of an entity), or other identifying information, and the number of shares owned and to confirm that the stockholder has received the Company's Proxy Statement and proxy card in the mail. Within 72 hours of receiving a stockholder's telephonic voting instructions and prior to the Meeting, a confirmation will be sent to the stockholder to ensure that the vote has been taken in accordance with the stockholder's instructions and to provide a telephone number to call immediately if the stockholder's instructions are not correctly reflected in the confirmation. Stockholders requiring further information with respect to telephonic voting instructions or the proxy generally should contact the Company's transfer agent at 1-800-757-5755. Any stockholder giving a proxy may revoke it at any time before it is exercised by submitting to the Company a written notice of revocation or a subsequently executed proxy or by attending the Meeting and voting in person.

Discretionary Authority; Submission Deadlines for Stockholder Proposals

Although no business may come before the Meeting other than that specified in the Notice of Annual Meeting of Stockholders, shares represented by executed and unrevoked proxies will confer discretionary authority to vote on matters which the Company did not have notice of a reasonable time prior to mailing this Proxy Statement to stockholders. The Company's bylaws provide that in order for a stockholder to nominate a candidate for election as a director at an annual meeting of stockholders or propose business for consideration at such meeting, written notice generally must be delivered to the Secretary of the Company, at the principal executive offices, not less than 60 days nor more than 90 days prior to the first anniversary of the mailing of the notice for the preceding year's annual meeting. Proposals should be mailed to Bexil Corporation, Attention: Secretary, 11 Hanover Square, New York, New York 10005. The submission by a stockholder of a proposal for inclusion in the proxy statement or presentation at any stockholder meeting does not guarantee that it will be included or presented. Stockholder proposals are subject to certain requirements under Maryland law and must be submitted in accordance with the Company's bylaws.

Annual Statement of Affairs

A full and complete statement of the affairs of the Company, including a balance sheet and a financial statement of operations for the year ended December 31, 2008, shall be submitted at the Meeting and, within 20 days after the Meeting, placed on file at the Company's principal office.

Householding of Proxy Materials

To reduce the expenses of printing and delivering duplicate copies of proxy statements, some banks, brokers, and other nominee record holders may deliver only one copy of these materials to stockholders who share an address unless otherwise requested. If you share an address with another stockholder and have received only one copy of this proxy statement, you may request a separate copy of these materials at no cost to you by or by writing to Bexil Corporation, Attention: Secretary, 11 Hanover Square, New York, New York 10005. For future stockholder meetings, you may request separate copies of these materials or request that we send only one set of these materials to you if you are receiving multiple copies by calling or writing to us at the number or address given above.

Notice to Banks, Broker/Dealers, and Voting Trustees and Their Nominees

Please advise the Company's transfer agent, Illinois Stock Transfer Company, at 1-800-757-5755 whether other persons are the beneficial owners of the shares for which proxies are being solicited and, if so, the number of copies of this Proxy Statement and other soliciting material you wish to receive in order to supply copies to the beneficial owners of shares.

It is important that proxies be returned promptly. Therefore, stockholders who do not expect to attend the Meeting in person are urged to complete, sign, date, and return the enclosed proxy card in the enclosed stamped envelope.

BEXIL CORPORATION

2008 ANNUAL REPORT

BEXIL CORPORATION

11 Hanover Square
New York, New York 10005
Tel. 1-212-785-0400 Fax 1-212-363-1101

May 4, 2009

Fellow Shareholders:

Our objective is simple, straightforward, and sharply focused: to increase book value per share over time. We believe that long term stockholders will benefit from a rising book value as market recognition builds and investors come to appreciate Bexil's intrinsic value as well.

Our book value per share at December 31, 2008 (883,592 shares issued and outstanding) was $43.67, as compared to $43.53 at December 31, 2007. Bexil recorded net income of $261,388 or $0.29 per share on a diluted basis for the year ended December 31, 2008. At December 31, 2008, we had positive working capital of $38,464,347, total assets of $38,738,736, no long term debt, and shareholders equity of $38,583,085. Our primary source of income since the sale of our fifty percent interest in York Insurance Services Group, Inc. ("York") in April 2006 has been from interest and dividends earned from U.S. Treasury securities and money market funds.

How do we propose to further increase book value? Through major equity interests in the best businesses we can find, where we can work with superior managers to grow the value of the business prudently and solidly for the long term.

Since the sale of the York shares, we have been operating to acquire and/or develop one or more businesses. There are no limits on the types of businesses or fields in which we may devote our assets. We have not agreed to acquire any business as of the date of this letter. We have no plans to dissolve and liquidate the Company.

Our acquisition parameters for a public company and private business are:

• A proven track record with demonstrated earning power.
• A seasoned business with solid customer relations.
• Good return on equity, with little or no debt.
• Solid management. Audited financials required.
• Particularly interested in a "spin-off" from a larger company.

We generally are not interested in acquiring (but we may develop) start-ups, turnarounds, or high tech. We will sign a confidentiality agreement and will protect a broker's sell agreement. If the seller quotes a price, we will respond promptly.

Having the value of your investment in Bexil grow is as important to us as it is to you -- management and affiliates own approximately 30% of Bexil's shares.

For more information on Bexil, please visit www.bexil.com. We hope you find our web site useful and informative, whether you are a current stockholder or considering becoming one. If you have any questions or comments about Bexil Corporation, please do not hesitate to contact me personally at twinmill@bexil.com.

Thank you for investing in Bexil Corporation.

Sincerely,

Thomas B. Winmill
President

This Annual Report contains forward looking statements about the Company, including its business operations, strategy and expected financial performance and conditions. Forward looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," or similar expressions. Such statements are based on the current expectations of management, and inherently involve numerous risks and uncertainties, both known and unknown. These forward looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in this Annual Report. The forward looking statements that are contained in this Annual Report are made as of May 4, 2009, and, except as may be required by applicable law, the Company does not undertake any obligation to update publicly or to revise any of the included forward looking statements, whether as a result of new information, future events, or otherwise. The reader is cautioned not to place undue reliance on forward looking statements.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors and Shareholders of
Bexil Corporation

We have audited the accompanying balance sheets of Bexil Corporation as of December 31, 2008 and 2007, and the related statements of income, changes in shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Bexil Corporation at December 31, 2008 and 2007, and the results of its operations and cash flows for each of the two years in the period ended December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

Tait, Weller & Baker LLP

Philadelphia, Pennsylvania
May 4, 2009

BEXIL CORPORATION
BALANCE SHEETS
December 31, 2008 and 2007

	2008	2007
Assets		
Current assets:		
Cash and cash equivalents	$ 38,408,882	$ 958,481
Investment securities, available-for-sale	967	36,820,771
Receivables:		
Refundable taxes	210,149	213,231
Interest receivable	-	609,375
Total current assets	38,619,998	38,601,858
Deferred taxes	118,738	-
Total assets	$ 38,738,736	$ 38,601,858
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 155,651	$ 135,234
Deferred taxes	-	4,177
Total current liabilities	155,651	139,411
Commitments and contingencies (Note 8)	-	-
Shareholders' equity		
Common stock, $0.01 par value, 9,900,000 shares authorized, 883,592 shares issued and outstanding	8,836	8,836
Series A participating preferred stock, $0.01 par value, 100,000 shares authorized, -0- shares issued and outstanding	-	-
Additional paid in capital	13,017,527	12,972,549
Accumulated other comprehensive income (loss)	(409)	185,319
Retained earnings	25,557,131	25,295,743
Total shareholders' equity	38,583,085	38,462,447
Total liabilities and shareholders' equity	$ 38,738,736	$ 38,601,858

See notes to financial statements.

BEXIL CORPORATION
STATEMENTS OF INCOME
Years Ended December 31, 2008 and 2007

	2008	2007
Revenues	$ -	$ -
Expenses		
Compensation and benefits	750,720	746,440
Professional	144,514	388,174
Occupancy	111,035	99,451
Communications	11,951	39,550
	1,018,220	1,273,615
Other income		
Dividends and interest	1,429,675	1,789,342
Realized gain on investments	32,207	-
	1,461,882	1,789,342
Income before income taxes	443,662	515,727
Income tax expense	182,274	257,932
Net income	$ 261,388	$ 257,795
Per share net income:		
Basic	$ 0.30	$ 0.29
Diluted	$ 0.29	$ 0.28
Average shares outstanding:		
Basic	883,592	884,126
Diluted	913,447	931,045

See notes to financial statements.

BEXIL CORPORATION
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
Years Ended December 31, 2008 and 2007

	Common Stock	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance at December 31, 2006, 883,592 common shares	$ 8,836	$ 12,863,641	$ 25,037,948	$ (45,544)	$ 37,864,881
Comprehensive income					
Net income	-	-	257,795	-	257,795
Unrealized security holding income, net of taxes	-	-	-	230,863	- 230,863
Total comprehensive income					488,658
3,000 restricted common shares issued	30	98,460	-	-	98,490
3,000 restricted common shares rescinded	(30)	(98,460)	-	-	(98,490)
Share-based compensation expense	-	108,908	-	-	108,908
Balance at December 31, 2007, 883,592 common shares	8,836	12,972,549	25,295,743	185,319	38,462,447
Comprehensive income					
Net income	-	-	261,388	-	261,388
Unrealized security holding loss, net of taxes	-	-	-	(185,728)	(185,728)
Total comprehensive income					75,660
Share-based compensation expense	-	44,978	-	-	44,978
Balance at December 31, 2008, 883,592 common shares	$ 8,836	$ 13,017,527	$ 25,557,131	$ (409)	$ 38,583,085

See notes to financial statements.

BEXIL CORPORATION
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2008 and 2007

Cash flows from operating activities	**2008**	**2007**
Net income	$ 261,388	$ 257,795
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Net amortization of (discount) premium of investment securities	(104,487)	38,531
Share-based compensation expense	44,978	108,908
Realized gain on sale of investments	(32,207)	-
Increase in deferred taxes	(18,442)	(356)
Decrease (increase) in interest receivable	609,375	(9,696)
Increase (decrease) in accounts payable and accrued expenses	20,417	(75,229)
Decrease in refundable income taxes	3,082	147,733
Decrease in other assets	-	32,763
Net cash provided by operating activities	784,104	500,449
Cash flows from investing activities		
Proceeds from sales and maturities of investment securities	83,483,323	-
Purchases of investment securities	(46,817,026)	-
Net cash provided by investing activities	36,666,297	-
Net increase in cash and cash equivalents	37,450,401	500,449
Cash and cash equivalents		
Beginning of year	958,481	458,032
End of year	$ 38,408,882	$ 958,481
Supplemental disclosure:		
Income taxes paid	$ 197,634	$ 110,555

See notes to financial statements.

BEXIL CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

1. NATURE OF BUSINESS AND ORGANIZATION

Bexil Corporation ("Bexil" or the "Company") is a holding company incorporated in Maryland in 1996.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements are prepared in accordance with generally accepted accounting principles in the United States of America.

Cash and Cash Equivalents

Investments in money market funds and short term investments and other marketable securities maturing in 90 days or less are considered to be cash equivalents. At December 31, 2008 and 2007, the Company held approximately $38,400,000 and $930,000, respectively, in money market fund investments.

Comprehensive Income

The Company reports comprehensive income in the statement of shareholders' equity. Comprehensive income includes net income and unrealized gains and losses on investment securities available-for-sale, net of taxes.

Earnings Per Share

Basic earnings per share is calculated by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by dividing net income by the weighted average number of common shares used in the basic earnings per share calculation plus the dilutive effect of stock options. The dilutive effect of stock options is determined using the treasury stock method, whereby exercise is assumed at the beginning of the reporting period, the proceeds from such exercise are assumed to be used to purchase common stock at the average market price during the period, and the incremental shares (the difference between the number of shares assumed issued and the number of shares assumed purchased) are included in the denominator of the diluted earnings per share calculation.

The following table sets forth the computation of basic and diluted earnings per share for the years ended December 31, 2008 and 2007:

	2008	2007
Net income	$ 261,388	$ 257,795
Weighted average common shares outstanding:		
Basic weighted average shares outstanding	883,592	884,126
Dilutive potential shares from stock options issued	29,855	46,919
Dilutive weighted average shares outstanding	913,447	931,045
Per share net income:		
Basic	$ 0.30	$ 0.29
Diluted	$ 0.29	$ 0.28

Stock options will have a dilutive effect under the treasury method only when the average market price of the common stock during the period exceeds the exercise price of the option ("in the money options").

Stock options outstanding with an exercise price higher than the average stock price for the periods presented ("out of the money options") are excluded from the calculation of diluted net income per share since the effect would have been anti-dilutive under the treasury stock method.

The following table sets forth potential shares of common stock that are not included in the diluted net income per share calculations above because to do so would be anti-dilutive for the years ended December 31 2008 and 2007:

	2008	2007
Stock options outstanding:		
Out of the money options	9,000	4,000

Income Taxes
The Company's method of accounting for income taxes conforms to the Financial Accounting Standards Board's ("FASB") Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes" ("SFAS 109"). This method requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting basis and the tax basis of assets and liabilities.

The Company has analyzed its tax positions taken on federal, state, and local income tax returns for all open tax years (tax years ended December 31, 2005 – 2008) and has concluded that no additional adjustments are required in the financial statements.

Investment Securities, Available-for-Sale
Investment securities, available-for-sale are carried at fair value. Realized gains and losses are included in investment income based on specific identification. Unrealized gains and losses are recorded net of tax as part of accumulated other comprehensive income until realized. The Company periodically reviews each investment security position that has an unrealized loss, or impairment, to determine if that impairment is other than temporary. If the Company determines that the impairment on a security position is other than temporary, the loss will be recognized and recorded in the statement of income.

Reclassifications
Certain prior year amounts have been reclassified to conform to the current year presentation. The amounts related to these reclassifications are not material to the Company's financial statements.

Reporting Segment
The Company accounts for its operations in accordance with FASB SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." No segment disclosures have been made as the Company considers its business activities as a single segment.

Share-based Compensation
The Company accounts for share-based compensation in accordance with FASB SFAS No. 123R "Share-Based Payment" ("SFAS 123R"). Under SFAS 123R, share-based compensation expense reflects the fair value of share-based awards measured at grant date, is recognized over the relevant service period, and is adjusted each period for anticipated forfeitures. The compensation cost recorded for share-based compensation, which includes stock options, is based on the grant date fair

value as required by SFAS 123R.

Accordingly, the Company records compensation expense based on the fair value of the stock options using a Black-Scholes option pricing model. The Black-Scholes option pricing model takes into account variables such as volatility, dividend yield, and the risk-free interest rate. Although the initial fair value of stock options is not adjusted after the grant date, changes in the Company's assumptions may change the value and, therefore, the expense related to future grants of stock options.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain items, including the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are primarily used in the determination of investment impairment, valuation of share-based compensation, and expenses allocation. Actual results may differ from those estimates.

Recently Issued Accounting Pronouncements

The Company adopted SFAS No. 157, "Fair Value measurements" ("SFAS 157") on January 1, 2008. SFAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements to increase comparability related to the recognition of market based assets and liabilities and their impact on earnings. The adoption of SFAS 157 did not have a material impact on the Company's financial statements, but required additional disclosures.

3. RELATED PARTIES

Certain officers of the Company also serve as officers and/or directors of Winmill & Co. Incorporated ("Winco"), Tuxis Corporation ("Tuxis"), and their affiliates (collectively with Bexil, the "Affiliates"). At December 31, 2008, Winco's wholly owned subsidiary, Investor Service Center, Inc., owned 222,644 shares of the Company and 234,665 shares of Tuxis, or 25% and 24%, respectively, of the outstanding common stock. Winco's wholly owned subsidiary, Midas Management Corporation ("MMC"), acts as "master" payer of compensation and benefits of Affiliate employees. At December 31, 2008 and 2007, the Company had a payable to MMC relating to compensation and benefit expenses of $8,507 and $3,633, respectively.

Rent expense of jointly used office space and overhead expenses for various jointly used administrative and support functions jointly incurred by the Affiliates are allocated at cost among them. The Company incurred allocated rent and overhead costs of $103,026 and $89,599 for the years ended December 31, 2008 and 2007, respectively, and had a payable related these costs of $7,810 and $7,303 at December 31, 2008 and 2007, respectively.

The Company participates in a 401(k) retirement plan for substantially all of its qualified employees. Company matching expense is based upon a percentage of contributions to the plan by eligible employees and are accrued and funded on a current basis. The plan was sponsored by Winco through January 31, 2007, and the matching expense to the Winco plan for the year ended December 31, 2007 was $12,218. Effective February 1, 2007, the Company began participating in a non-affiliated 401(k) plan and incurred matching expense of $14,223 and $10,466 for the years ended December 31, 2008 and 2007, respectively.

During 2008 and 2007, the Company invested in Midas Dollar Reserves, Inc. ("MDR"), a money market fund advised by MMC and in Global Income Fund, Inc. ("GIFD"), a closed end investment company advised by CEF Advisers, Inc., a wholly owned subsidiary of Winco. The Company's investment balance in MDR was $105,260 at December 31, 2007 and dividends earned were $8,970 and $4,038 for the years ended December 31, 2008 and 2007, respectively. The Company's carrying value in GIFD was $967 and $1,396 at December 31, 2008 and 2007, respectively, and dividends earned were $86 and $79 for the years ended December 31, 2008 and 2007, respectively. Certain officers and directors of the Company are officers and/or directors of MDR and GIFD.

4. INVESTMENT IN SECURITIES

Available-for-Sale

Investment securities available-for-sale at December 31, 2008 and 2007 consisted of the following:

	Amortized	Gross Unrealized		Fair
2008	Cost	Gains	Losses	Value
Issuer:				
Global Income Fund, Inc.	1,605	-	(638)	967
Total	$ 1,605	$ -	$ (638)	$ 967
2007				
Issuer:				
U.S.Treasury Note due August 2008	$ 36,529,602	$ 289,773	$ -	$ 36,819,375
Global Income Fund, Inc.	1,605	-	(209)	1,396
Total	$ 36,531,207	$ 289,773	$ (209)	$ 36,820,771

Fair Value

SFAS 157 defines fair value as the price that the Company would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 establishes a framework for measuring fair value and a three level hierarchy for fair value measurements based on the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The Company's investment in its entirety is assigned a level based upon the inputs which are significant to the overall valuation. The hierarchy of inputs is summarized below.

- Level 1 - quoted prices in active markets for identical investments
- Level 2 - other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 - significant unobservable inputs (including the Company's own assumptions in determining fair value of investments)

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

The following is a summary of fair value measurements as of December 31, 2008:

	Level 1	Level 2	Level 3	Total
Investments, available-for-sale	$ 967	$ -	$ -	$ 967

The carrying amounts of cash, cash equivalents, receivables, and accounts payable and accrued expenses approximate fair value because of the short term nature of these items.

5. INCENTIVE COMPENSATION PLAN

The Company's share-based compensation plan, the 2004 Incentive Compensation Plan, was amended by approval of the Company's Board of Directors on December 9, 2008 (the "Plan"). Under the terms of the Plan the Company may award directors, officers, key employees, and vendors of the Company or its affiliates, stock options to purchase common stock or various other forms of share-based compensation. The Board of Directors determines the terms and conditions of awards under the Plan. The exercise price per share of common stock purchasable under a stock option granted pursuant to the amended Plan may not be less than 110% of the fair market value on the date of grant. Prior to December 9, 2008, the option price per share could not be less than the fair value of such shares on the date the options were granted, the maximum term of an option could not exceed five years, and the vesting period was three years of service. The Plan provides for the granting of a maximum 175,918 options to purchase common stock and as of December 31, 2008, approximately 24,000 were available for grant.

The Company accounts for the cost of its stock options under SFAS 123R and recognizes compensation expense for its share-based payments based on the fair value of the awards. Share-based payments include stock option grants under the Plan. SFAS 123R requires share-based compensation expense recognized since January 1, 2006, to be based on the following: a) grant date fair value estimated in accordance with the original provisions of SFAS 123 for unvested options granted prior to the adoption date; and b) grant date fair value estimated in accordance with the provisions of SFAS 123R for unvested options granted subsequent to the adoption date. Under SFAS 123R forfeitures are estimated at the time of valuation and reduce expense ratably over the vesting period. This estimate is adjusted periodically based on the extent to which actual forfeitures differ, or are expected to differ, from the previous estimate. SFAS 123R's fair value method has resulted in additional share-based expense (affecting compensation expenses and taxes) in the amount of $44,978 and $108,908 related to stock options for the years ended December 31, 2008 and 2007, respectively. For the years ended December 31, 2008 and 2007, this additional share-based expense lowered pre-tax earnings by $44,978 and $108,908, respectively, lowered net income by $26,537 and $69,701, respectively, and lowered basic earnings per share by $0.03 and $0.08, respectively.

The following schedule shows all options granted, exercised, expired, and exchanged under the Plan as of December 31, 2008 and 2007.

	Shares Under Option	Weighted Average Exercise Price	Total Price
Balance, December 31, 2006	142,000	$ 21.58	$ 3,064,360
Granted	4,000	$ 32.46	$ 129,840
Balance, December 31, 2007	146,000	$ 21.88	$ 3,194,480
Granted	3,000	$ 29.00	$ 87,000
Forfeited	(1,000)	$ 32.83	$ (32,830)
Balance, December 31, 2008	148,000	$ 21.95	$ 3,248,600

The fair value of each option grant is separately estimated for each grant date. The fair value of each option is amortized into compensation expense on a straight-line basis between the grant date for the award and each vesting date. The Company has estimated the fair value of all stock option awards as of the date of the grant by applying the Black-Scholes option pricing valuation model. The application of this valuation model involves assumptions that are judgmental and highly sensitive in the determination of compensation expense. The Company granted 3,000 and 4,000 options for the years ended December 31, 2008 and 2007, respectively, and the weighted average fair value per option granted using the Black-Scholes option pricing valuation model was $9.31 and $11.28 for the years ended December 31, 2008 and 2007, respectively.

The key assumptions used in determining the fair value of options granted by applying the Black-Scholes option pricing valuation model in 2008 and 2007 and a summary of the methodology applied to develop each assumption are as follows:

	Years Ended December 31,	
	2008	**2007**
Expected price volatility	34.6%	35.9 - 35.7%
Risk-free interest rate	3.3%	4.9 – 4.5%
Weighted average expected lives in years	4	4
Forfeiture rate	10%	10%
Dividend yield	0%	0%

Expected Price Volatility - The Company estimates the volatility of its common stock at the date of grant based solely on the historical volatility of its common stock. The volatility factor used in the Black-Scholes option pricing valuation model is based on the Company's historical stock prices over the most recent period commensurate with the estimated expected life of the award.

Risk Free Interest Rate - This is the U.S Treasury yield in effect at the time of the grant having a term equal to the expected life of the option. An increase in the risk free interest rate will increase compensation expense.

Expected Lives - This is the period of time over which the options granted are expected to remain outstanding giving consideration to vesting schedules and historical exercise and forfeiture patterns. The Company uses the simplified method outlined in SEC Staff Accounting Bulletin No. 107 to estimate expected lives for options granted during the period. Options granted have a maximum term of 5 years. An increase in the expected life will increase compensation expense.

Forfeiture Rate - This is the estimated percentage of options granted that are expected to be forfeited or canceled before becoming fully vested. This estimate is based on historical experience. An increase in the forfeiture rate will decrease compensation expense.

Expected Dividend Yield - Since the adoption of the Plan, the Company has paid one special dividend, although at the time the options were granted management did not anticipate paying a dividend in the foreseeable future. Consequently, the dividend yield assumption was zero. The expected dividend yield is based on the Company's current dividend yield and the best estimate of projected dividend yields for future periods within the expected life of the option.

The following table summarizes information about stock options outstanding at December 31, 2008:

Range of Exercise Price	Options Outstanding	Weighted-Average Remaining Contractual Life (in years)	Weighted-Average Exercise Price	Options Exercisable	Weighted-Average Exercise Price of Exercisable Options
$ 16.30 - $ 19.50	28,000	1.0	$ 17.04	28,000	$ 17.04
$ 21.59 - $ 24.00	111,000	0.3	$ 22.56	111,000	$ 22.56
$ 27.90 - $ 29.00	6,000	3.6	$ 28.45	6,000	$ 28.45
$32.33	3,000	3.4	$ 32.33	3,000	$ 32.33
	148,000	0.6	$ 21.95	148,000	$ 21.95

At December 31, 2008, the aggregate intrinsic value of all outstanding options was $681,057 with a weighted average remaining contractual term of less than one year. As of December 31, 2008, all of the outstanding option awards were fully vested and all related compensation costs has been recorded.

6. INCOME TAXES

The income tax provision (benefit) is comprised of the following at December 31, 2008 and 2007:

	2008	2007
Current provision:		
Federal	$ 171,343	$ 253,105
State and local	29,373	5,183
Total current provision	200,716	258,288
Deferred provision (benefit):		
Share-based compensation	(18,442)	(51,410)
Accrued expenses	-	51,054
Total deferred provision (benefit)	(18,442)	(356)
Total provision for income taxes	$ 182,274	$ 257,932

Deferred tax assets (liabilities) are comprised of the following at December 31, 2008 and 2007:

	2008	2007
Share-based compensation	$ 118,508	$ 100,067
Unrealized (gain) loss on investments	230	(104,244)
Total deferred tax assets (liabilities)	$ 118,738	$ (4,177)

In 2007, the difference between the U.S. federal statutory income tax rate and our effective rate is due to non-deductible compensation.

7. SHAREHOLDERS' EQUITY

Stockholder Rights Plan

The Board of Directors has adopted a stockholder rights plan. To implement the rights plan, the Board of Directors declared a dividend distribution of one right for each outstanding share of Bexil common stock, par value $.01 per share, to holders of record of the shares of common stock at the close of business on November 21, 2005. Each right entitles the registered holder to purchase from Bexil one one-thousandth of a share of preferred stock, par value $.01 per share. The rights were distributed as a non-taxable dividend and will expire on November 21, 2015. The rights are evidenced by the underlying Bexil common stock, and no separate preferred stock purchase rights certificates were distributed. The rights to acquire preferred stock will become exercisable only if a person or group, other than certain exempt persons, acquires or commences a tender offer for 10% or more of Bexil's common stock. If a person or group, other than certain exempt persons, acquires or commences a tender offer for 10% or more of Bexil's common stock, each holder of a right, except the acquirer, will be entitled, subject to Bexil's right to redeem or exchange the right, to exercise, at an exercise price of $67.50, the right for one one-thousandth of a share of Bexil's newly created Series A Participating Preferred Stock, or the number of shares of Bexil common stock equal to the holder's number of rights multiplied by the exercise price and divided by 50% of the market price of Bexil's common stock on the date of the occurrence of such an event. Bexil's Board of Directors may terminate the rights plan at any time or redeem the rights, for $0.01 per right, at any time before a person acquires 10% or more of Bexil's common stock.

In conjunction with the stockholder rights plan, the Board of Directors authorized the reclassification of 100,000 unissued shares of common stock of the Company (from among 1,000,000,000 shares of common stock, $0.01 par value, of the Company which are authorized) into 100,000 shares of Series A Participating Preferred Stock, par value $0.01 per share, of the Company.

Restricted Stock

On June 26, 2007, the Board of Directors rescinded the grant of 3,000 shares of restricted common stock previously awarded to the non-employee directors on March 28, 2007. The shares were rescinded in order to comply with the Company's listing agreement then in effect with the American Stock Exchange. The awards were valued at the grant date fair value of $98,490, which was the market price of the underlying common stock. In lieu of the restricted stock grant awards, the Board of Directors approved a cash bonus award to the non-employee directors totaling $98,490, which was the fair value of the original restricted stock grant award.

8. COMMITMENTS AND CONTINGENCIES

At December 31, 2008, there were no contingent obligations or events occurring that could reasonably be expected to have a material adverse impact on the Company's financial statements.

The Company's common stock is traded in the over the counter market under the ticker symbol BXLC. Prior to October 1, 2007, the Company's common stock traded on the American Stock Exchange.

The high and low sales prices of the common stock during each quarterly period over the last two fiscal years were as follows (Unaudited):

	2008		2007	
	High	**Low**	**High**	**Low**
First Quarter	$30.50	$29.00	$33.48	$32.65
Second Quarter	$30.00	$27.85	$34.40	$32.00
Third Quarter	$28.00	$26.51	$33.30	$29.60
Fourth Quarter	$27.75	$20.50	$34.90	$30.00

DIRECTORS

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Executive Chairman

THOMAS B. WINMILL, Esq.
President

CHARLES A. CARROL
EDWARD G. WEBB, JR.
DOUGLAS WU

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Vice Chairman

THOMAS O'MALLEY

Treasurer, Chief Financial Officer

JOHN F. RAMIREZ

Vice President, Secretary, Associate General Counsel, Chief Compliance Officer

HEIDI KEATING

Vice President

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