

# **BEXIL CORPORATION**

11 Hanover Square, New York, NY 10005

212-785-0900

## **OFFER TO PURCHASE FOR CASH**

**Up to An Aggregate of 25,000 Shares of its  
Common Stock at a Purchase Price of**

**\$13.25 PER SHARE**

**The offer to purchase, proration period, and withdrawal rights  
expire on August 9, 2018 at 5:00 p.m. ET unless the offer to purchase is extended or earlier  
terminated.**

Bexil Corporation (hereinafter referred to as the “Company,” “we,” “our,” or “us”) invites its shareholders to tender for \$13.25 per share in cash up to an aggregate of 25,000 shares of the Company’s common stock, par value \$.01 per share. You may participate in the offer by tendering any or all of your Shares, subject to the proration provisions and other limitations of the Offer described below. If you decide to accept this offer, then you will receive the proceeds promptly after the expiration date of August 9, 2018 (unless the offer to purchase is extended or earlier terminated), less any applicable withholding taxes.

The Company’s board of directors established the \$13.25 purchase price based on a number of factors, including a June 21, 2018 publicly reported last sale price of the Company’s shares of \$9.89 and 52 week range of \$9.00 to \$12.95. This purchase price might not be a fair price and the actual value of the shares could be higher or lower, nor did the board of directors consult with an outside adviser to establish a fair valuation for the shares. More recent market information for the Shares may be found at [www.otcm Markets.com](http://www.otcm Markets.com) under the symbol “BXL.C.” Before you decide whether to tender any shares, you are urged to obtain current trading price information for the shares, while also bearing in mind that our shares may not be actively traded. Publicly available information about trades in the shares may not be complete and prices in certain privately-negotiated trades might not be reported.

Questions or requests for assistance or for additional copies of this offer to purchase, the letter of transmittal or other tender offer materials may be directed to William Winmill, Vice President, by calling 212-785-0900 or writing to Bexil Corporation, 11 Hanover Square, New York, NY 10005, Attn: Secretary. Shareholders may also contact the broker, dealer, commercial bank, or trust company who holds their shares for assistance concerning this offer.

**No person has been authorized to make any recommendation on behalf of the Company as to whether shareholders should tender shares pursuant to this offer. No person has been authorized to give any information or to make any representations in connection with the offer other than those contained herein or in the related letter of transmittal. If given or made, the recommendation and the other information and representations must not be relied upon as having been authorized by the Company.**

The date of this offer is July 9, 2018.

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## Summary Term Sheet

The Company is inviting shareholders to sell shares of our common stock back to us for cash in accordance with the prioritization as described in “Section 1 – *Number of Shares; Priority of Purchases; Proration*” beginning on page 5. Set forth below is a summary of the material terms of our offer. We urge you to read the entire offer to purchase and the related letter of transmittal because they contain the full details of our offer. We have included references to sections of this offer in the below summary to direct you to a more complete description of each of the topics summarized.

### **How Many Shares Are You Offering to Purchase?**

We are offering to purchase up to an aggregate of 25,000 shares of our outstanding common stock in accordance with the prioritization set forth in this offer to purchase. There is no minimum number of shares that we will purchase. See “Section 1 – *Number of Shares; Priority of Purchases; Proration*” beginning on page 5.

### **How Much Will You Pay for My Shares?**

We will purchase shares of our common stock at a price of \$13.25 per share. See “Section 1 – *Number of Shares; Priority of Purchases; Proration*” beginning on page 5. We will pay you the purchase price in cash, less any applicable withholding taxes and without interest, promptly after the expiration date of our offer. The Company’s board of directors established the \$13.25 purchase price based on a number of factors, including a June 21, 2018 publicly reported last sale price of the Company’s shares of \$9.89 and 52 week range of \$9.00 to \$12.95. This purchase price might not be a fair price and the actual value of the shares could be higher or lower, nor did the board of directors consult with an outside adviser to establish a fair valuation for the shares. More recent market information for the Shares may be found at [www.otcmarkets.com](http://www.otcmarkets.com) under the symbol “BXLC.” Before you decide whether to tender any shares, you are urged to obtain current trading price information for the shares, while also bearing in mind that our shares may not be actively traded. Publicly available information about trades in the shares may not be complete and prices in certain privately-negotiated trades might not be reported.

### **What is the Purpose of the Tender Offer?**

We are making this offer because our board of directors believes that, given our current capital levels, business, assets and prospects, the repurchase of our shares presents an attractive opportunity to deploy capital by investing in the Company through the repurchase of our shares. This offer also presents an opportunity for the Company to increase shareholder value by reducing the number of shares outstanding, which could result in an increase to our earnings per share and return on equity. This offer will provide liquidity to eligible shareholders by giving them an opportunity to sell all or part of their investment in our shares on potentially more favorable terms than would otherwise be available. Furthermore, this offer provides our shareholders with an efficient way to sell their shares potentially without incurring broker’s fees or commissions. Another purpose generally is to reduce the number of shareholders and lessen the issuer’s disproportionately high cost of servicing small shareholder accounts. See “Section 3 – *Purpose of the Offer; Certain Effects of the Offer*” beginning on page 9.

### **Do You Have the Financial Resources to Pay for My Shares?**

Assuming we purchase an aggregate of 25,000 shares pursuant to the offer at \$13.25 per share, we expect the maximum aggregate cost, not including expenses applicable to the offer, will be approximately \$331,250. We intend to fund this offer with available capital. See “Section 10 – *Source and Amount of Funds*” beginning on page 15.

### **Must I Participate in the Tender Offer? What Are the Effects if I Do Not Participate?**

No, you are not required to participate in the tender offer. It is up to each individual shareholder to determine whether to sell stock and how much stock they are willing to sell in the tender offer. See “Section 1 – *Number of Shares; Priority of Purchases; Proration*” beginning on page 5 and “Section 5 – *Purchase of Shares and Payment of the Purchase Price*” beginning on page 12.

**No person has been authorized to make any recommendation on behalf of the Company as to whether shareholders should tender shares pursuant to the offer. No person has been authorized to give any information or to make any representations in connection with the offer other than those contained herein or in the related letter of transmittal. If given or made, the recommendation and the other information and representations must not be relied upon as having been authorized by the Company.**

Shareholders who choose not to tender their shares may realize a proportionate increase in their relative equity interest in the Company and in our future earnings and assets. Our purchase of shares in the offer may reduce our total number of shares outstanding and our total cash on hand. The reduction in our cash on hand could (i) reduce our ability to engage in significant transactions in the future without incurring debt or equity financing; (ii) reduce our ability to cover existing contingent or future liabilities; and/or (iii) negatively impact our liquidity during periods of increased capital needs or operating expenses. In addition, because we are offering a premium to tendering shareholders in this tender offer, there can be no assurance that our stock price will not be worth less in the future than we are currently offering to pay for our shares in this tender offer. See “Section 3 – *Purpose of the Offer; Certain Effects of the Offer*” beginning on page 9.

#### **Will We Purchase All of the Shares Tendered?**

All of the shares that you tender in our offer will not necessarily be purchased. Upon the terms and subject to the conditions of our offer, if more than an aggregate of 25,000 shares of our common stock are properly tendered and not properly withdrawn on or prior to the expiration date, we will purchase such shares in the following preferential order: (i) shares of our common stock held by shareholders who own, of record or beneficially, 99 or fewer shares as of the expiration date (“Tranche 1”); (ii) shares of our common stock held by shareholders who own, of record or beneficially, 100 or more but fewer than 500 shares as of the expiration date (“Tranche 2”); and (iii) shares of our common stock held by shareholders who own, of record or beneficially, 500 or more shares as of the expiration date (“Tranche 3” and, together with Tranches 1 and 2, the “Tranches”). Shares will be repurchased on a pro-rata basis within any Tranche to the extent that the aggregate number of shares tendered by that and any prior Tranche exceeds 25,000 in the aggregate. See “Section 1 – *Number of Shares; Priority of Purchases; Proration*” beginning on page 5.

#### **What are the Significant Conditions on the Tender Offer?**

Our offer is not conditioned upon any minimum number of shares being tendered. However, we will not be required to accept for purchase any shares, may postpone the acceptance for purchase of shares tendered, and may cancel, terminate or amend our offer at any time for any reason. See “Section 6 – *Certain Conditions of the Offer*” beginning on page 12.

#### **When Does the Tender Offer Expire? Can it be Extended?**

The offer is scheduled to expire on **August 9, 2018, at 5:00 p.m. ET**, but we may choose to extend it at any time for any reason. If we extend our offer, we will mail a notice of such extension to shareholders by the first business day after the offer was scheduled to expire. See “Section 14 – *Cancellation, Extension, Termination and Amendment*” beginning on page 16. If a broker, dealer, commercial bank, trust company or other nominee holds your shares, please contact your nominee in sufficient time to permit notification of your desire to tender to reach Securities Transfer Corporation (the “Depositary”) by the expiration date of our offer.

## **How Do I Participate in the Tender Offer?**

If you hold physical certificates representing your shares and wish to tender your shares, you must deliver them, together with a completed letter of transmittal to the Depositary, prior to expiration of the offer. If your shares are held in street name by a broker, dealer, commercial bank, trust company or other nominee, you must instruct the nominee to tender your shares prior to expiration of the offer. See “Section 2 – *Procedure for Tendering Shares*” beginning on page 6.

If you want to tender your shares pursuant to our offer but your share certificates are not immediately available, the procedure for book-entry transfer cannot be completed on a timely basis, or if time will not permit all required documents to reach the Depositary prior to the expiration date, you can still tender your shares if you comply with the guaranteed delivery procedure described in this offer to purchase. See “Section 2 – *Procedure for Tendering Shares*” beginning on page 6.

If you have any questions, please contact William Winmill, Vice President, by calling 212-785-0900 or writing Bexil Corporation, 11 Hanover Square, New York, NY 10005, Attn: Secretary.

## **Will I Have to Pay Any Fees or Commissions?**

If you are a registered shareholder and tender your shares directly to the Depositary, you will not pay any brokerage commissions. If you hold shares through a broker, dealer, commercial bank, trust company or other nominee, however, you should ask your nominee whether you will be charged a fee to tender your shares. See “Section 5 – *Purchase of Shares and Payment of the Purchase Price*” beginning on page 12.

## **Can I Withdraw from the Tender Offer?**

If you tender your shares and change your mind, you may withdraw your shares at any time before our offer expires, which is currently scheduled to occur on **August 9, 2018, at 5:00 p.m. ET** (unless the offer to purchase is extended or earlier terminated). See “Section 4 – *Withdrawal Rights*” beginning on page 11.

To properly withdraw your shares, you must timely deliver a written notice of your withdrawal to the Depositary at the address or fax number appearing on the last page of this document. The information required and the method of notification differs, depending on whether you hold your shares directly or through a broker or other nominee. See “Section 4 – *Withdrawal Rights*” beginning on page 11.

## **When Would I Receive Payment for Shares Tendered?**

We expect to furnish the payment to you promptly after the expiration date, as may be amended from time to time. See “Section 5 – *Purchase of Shares and Payment of the Purchase Price*” beginning on page 12.

## **Do I Waive Claims if I Participate in the Offer?**

The Company and Company management may possess material nonpublic information regarding the Company not known to you that may impact the value of the shares, including, without limitation, (a) information received by principals and employees of the Company in their capacities as directors, officers, significant shareholders and/or affiliates of the Company, (b) information otherwise received from the Company on a confidential basis, and/or (c) information received on a privileged basis from the attorneys and financial advisers representing the Company and its board of directors (collectively, the “Information”), and the Company is unable to disclose the Information to you. None of the Company, its affiliates, principals, shareholders, partners, employees and agents, both individually and in their representative corporate capacity, shall have any liability to you, or your grantors, agents or beneficiaries,

as applicable, whatsoever due to or in connection with the Company's use or non-disclosure of the Information or otherwise if you participate in the Offer, and you irrevocably waive any claim that you might have based on the failure of the Company or any such parties to disclose the Information or otherwise.

**What are the Tax Consequences if I Participate?**

Generally, you will recognize gain or loss on any tendered shares equal to the difference between the cash paid to you by the Company and your tax basis in the shares tendered (which is the amount you originally paid for the shares you are tendering). However, under certain circumstances, you may be treated as having received a taxable dividend from the Company. See "Section 12 – *Material Federal Income Tax Consequences*" beginning on page 15.

## **Section 1.     *Number of Shares; Priority of Purchases; Proration***

### **General**

On the terms and subject to the conditions of our offer, as set forth in this document and the related letter of transmittal, we are offering to purchase up to an aggregate of 25,000 shares of our common stock for a purchase price of \$13.25 per share, net to the seller in cash, less any applicable withholding taxes and without interest, in accordance with the prioritization set forth below under “Priority of Purchases.” Shares properly tendered and not properly withdrawn will be purchased at the purchase price upon the terms and subject to the conditions of our offer. There is no minimum number of shares we will purchase.

The term “expiration date” means **August 9, 2018, at 5:00 p.m. ET**, unless and until we, in our sole discretion, extend the period of time for which our offer will remain open by giving oral or written notice to the Depository for our offer. If our offer is extended, we will furnish a notice of such extension to shareholders by the first business day after the day the offer was scheduled to expire. If extended by us, the term “expiration date” means the latest time and date at which our offer, as extended, expires. See “Section 14 – *Cancellation, Extension, Termination and Amendment*” beginning on page 16.

Subject to the requirements described in Section 14, in accordance with the rules of the Securities and Exchange Commission, we may, and we reserve the right to, purchase in our offer an additional amount of shares, not to exceed 2% of our outstanding common stock, without amending or extending our offer. This offer is not conditioned on any minimum number of shares being tendered. This offer is, however, subject to certain other conditions. See “Section 6 – *Certain Conditions of the Offer*” beginning on page 12.

All shares purchased pursuant to this offer will be purchased at the purchase price. All shares not purchased pursuant to this offer, including shares not purchased because of proration, will be returned to the tendering shareholders at our expense promptly following the expiration date.

Tendering shareholders will not pay any charges or expenses of the Depository for our offer, or any brokerage commissions to the Depository. If you hold shares through a broker, dealer, commercial bank, trust company or other nominee, however, you should ask your nominee whether you will be charged a fee to tender your shares.

### **Priority of Purchases**

Upon the terms and subject to the conditions of our offer, if fewer than 25,000 shares of common stock in the aggregate are properly tendered by shareholders and not properly withdrawn on or prior to the expiration date, we will purchase all properly tendered shares at the purchase price.

Upon the terms and subject to the conditions of our offer, if more than 25,000 shares of our common stock in the aggregate are validly tendered and not properly withdrawn on or prior to the expiration date, we will purchase validly tendered shares in the following order of priority:

- First, we will purchase properly tendered and not properly withdrawn shares of our common stock held by shareholders who own, of record or beneficially, 99 or fewer shares as of the expiration date (“Tranche 1”). Partial tenders will not qualify for this preference.
- Second, after purchase of all properly tendered Tranche 1 shares, we will purchase properly tendered and not properly withdrawn shares of our common stock held by shareholders who own, of record or beneficially, 100 or more but fewer than 500 shares as of the expiration date (“Tranche 2”). Partial tenders will not qualify for this preference.

- Finally, after purchase of all properly tendered Tranche 1 and Tranche 2 shares, if necessary to permit us to purchase an aggregate of 25,000 shares, we will purchase properly tendered and not properly withdrawn shares of our common stock held by shareholders who own, of record or beneficially, 500 or more shares as of the expiration date (“Tranche 3” and, collectively with Tranche 1 and Tranche 2, the “Tranches”) on a pro rata basis with appropriate adjustment to avoid fractional shares; provided that complete tenders will receive a preference over partial tenders.

If we elect to purchase additional shares, which we may in an amount up to 2% of the outstanding shares of common stock, we will purchase the additional shares in the same order of priority described above.

### **Proration**

Shares will be purchased on a pro-rata basis within any Tranche to the extent that the aggregate number of shares tendered by that and any prior Tranche exceeds 25,000 in the aggregate. Proration for each shareholder tendering shares will be based on the ratio of the number of shares tendered by the shareholder to the total number of shares tendered by all shareholders within the same Tranche; provided that complete tenders will receive a preference over partial tenders. This ratio will be applied to shareholders tendering shares within the affected Tranche to determine the number of shares, rounded up to the nearest whole share, that will be purchased from each shareholder of that Tranche pursuant to our offer. We expect that we will be able to commence payment for any shares purchased under our offer promptly after the expiration date, as may be amended from time to time.

As described in Section 12, the number of shares that we will purchase from a shareholder under our offer may affect the U.S. federal income tax consequences to that shareholder and, therefore, may be relevant to a shareholder’s decision whether or not to tender shares. The letter of transmittal affords each shareholder the opportunity to designate the order of priority in which shares are to be purchased in the event of proration, should a shareholder decide to do so for federal income tax reasons.

### **Section 2. *Procedure for Tendering Shares***

To tender shares pursuant to our offer, either (1) or (2) below must occur:

- (1) A properly completed and duly executed letter of transmittal or facsimile thereof, together with any required signature guarantees and any other documents required by the letter of transmittal, must be received by the Depository at its address set forth on the back cover of this offer to purchase and either (i) certificates for the shares to be tendered must be received by the Depository at such address or (ii) the shares must be delivered pursuant to the procedures for book-entry transfer described below, and a confirmation of the delivery received by the Depository, in each case on or prior to the expiration date.
- (2) You must comply with the guaranteed delivery procedure set forth below.

In cases where shares are tendered by a registered holder of the Company common stock who has completed either the box entitled “Special Issuance/Payment Instruction” or the box entitled “Special Delivery Instructions” in the letter of transmittal, all signatures on the letter of transmittal must be guaranteed by a bank, broker or other financial institution that is a member of a Depository approved medallion program such as STAMP, SEMP or MSP. If the certificates are registered in the name of a person other than the signer of the letter of transmittal, or if certificates for unpurchased shares are to be issued to a person other than the registered holder(s), the certificates must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name or names of the registered owner or owners appear on the certificates, with the signature(s) on the certificates or stock powers guaranteed as described above.

A tender of shares pursuant to the procedures described in this Section will constitute a binding agreement between the tendering shareholder and the Company upon the terms and subject to the conditions of our offer.

**The method of delivering all documents, including certificates for shares, the letter of transmittal and any other required documents, is at your election and risk. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended.**

**All deliveries in connection with our offer, including a letter of transmittal and certificates for shares, must be made to the Depository and not to the book-entry transfer facility. Any documents delivered to us or the book-entry transfer facility will not be forwarded to the Depository and therefore will not be deemed to be properly tendered. In all cases, sufficient time should be allowed to ensure timely delivery.**

### **Book-Entry Delivery**

The Depository may use an account with respect to our shares at a book-entry transfer facility for purposes of our offer. Any financial institution that is a participant in the book-entry transfer facility's system may make book-entry delivery of shares by causing the book-entry transfer facility to transfer such shares into the Depository's account in accordance with the book-entry transfer facility's procedure for such transfer. Even though delivery of shares may be effected through book-entry transfer into the Depository's account at the book-entry transfer facility, either (1) or (2) below must occur for a valid tender:

- (1) A properly completed and duly executed letter of transmittal or a manually signed copy thereof, or an agent's message, as defined below, together with any required signature guarantees and any other required documents, must, in any case, be transmitted to and received by the Depository at its address set forth on the back cover of this offer to purchase on or prior to the expiration date.
- (2) You must comply with the guaranteed delivery procedures set forth below.

Delivery of the letter of transmittal (or other required documentation) to the book-entry transfer facility in accordance with the book-entry transfer facility's procedures will not constitute delivery to the Depository.

The term "agent's message" means a message transmitted by the book-entry transfer facility to, and received by, the Depository and forming a part of a book-entry confirmation, which states that the book-entry transfer facility has received an express acknowledgement from the participant in the book-entry transfer facility tendering the shares that such participant has received and agrees to be bound by the terms of the letter of transmittal and that we may enforce such agreement against the participant.

### **Guaranteed Delivery**

If you want to tender your shares pursuant to our offer but your share certificates are not immediately available, the procedure for book-entry transfer cannot be completed on a timely basis, or if time will not permit all required documents to reach the Depository prior to the expiration date, you can still tender your shares if all the following conditions are met:

- the tender is made by or through an eligible institution (bank, broker, dealer, credit union, savings association or other entity) that is a member in good standing of the Securities Transfer Agents Medallion Program or that is a bank, broker or other financial institution that is a member of a Depository approved medallion program such as STAMP, SEMP or MSP;

- the Depositary received by hand, mail, overnight courier or facsimile transmission, prior to the expiration date, a properly completed and duly executed notice of guaranteed delivery in the form we have provided with this document, with signatures guaranteed by an eligible institution; and
- the Depositary receives, within two business days after the date of its receipt of the notice of guaranteed delivery:
  - the certificates for all tendered shares, or confirmation of receipt of the shares pursuant to the procedure for book-entry transfer as described above;
  - a properly completed and duly executed letter of transmittal or facsimile of it, or an agent's message in the case of a book-entry transfer; and
  - any other documents required by the letter of transmittal.

In any event, the exchange of the purchase price for shares tendered and accepted for purchase pursuant to our offer will be made only after timely receipt by the Depositary of certificates for the shares, properly completed, duly executed letter(s) of transmittal and any other required documents.

### **Determination of Validity; Rejection of Shares; Waiver of Defects; No Obligation to Give Notice of Defects**

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any tender of shares will be determined by us in our sole discretion, and our determination will be final and binding. We reserve the absolute right to reject any or all tenders determined by us not to be in proper form or the acceptance or purchase for which may, in the opinion of our counsel, be unlawful. We also reserve the absolute right to waive prior to the expiration date any condition or any defect or irregularity in the tender of any shares. No tender of shares will be deemed to have been validly made until all defects and irregularities have been cured or waived. Our interpretation of the terms and conditions of our offer (including this document, the letter of transmittal and its instructions and other offer materials) will be final and binding. Neither we, the Depositary, nor any other person will be under any duty to give notification of any defects or irregularities in the tender of any shares or will incur any liability for failure to give any such notification.

### **Procedure for Shares Held by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees**

If your shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you must contact the broker, dealer, commercial bank, trust company or other nominee if you wish to tender your shares. You should contact your broker, dealer, commercial bank, trust company or other nominee in sufficient time to permit notification of your desire to tender to reach the Depositary by the expiration date of our offer.

### **Federal Backup Withholding Tax**

Under the current U.S. federal backup withholding tax rules, tax must be withheld and remitted to the U.S. Treasury from the gross proceeds payable to a shareholder or other payee in the tender offer, unless the shareholder or other payee provides such person's taxpayer identification number (employee identification number or social security number) to the Depositary and certifies under penalties of perjury that this number is correct or otherwise establishes an exemption. If the Depositary is not provided with the correct taxpayer identification number or another adequate basis for exemption, the holder may be subject to certain penalties imposed by the Internal Revenue Service. Therefore, each tendering shareholder should complete and sign the substitute Form W-9 in Section 4 of the letter of transmittal in order to provide the information and certification necessary to avoid backup withholding, unless the shareholder otherwise establishes to the satisfaction of the Depositary that the shareholder is not subject to backup withholding.

Certain shareholders (including, among others, all corporations) are not subject to these backup withholding rules.

**To prevent federal backup withholding tax on the gross payments made to shareholders for shares purchased under our offer, each shareholder who does not otherwise establish an exemption from such withholding must provide the Depository with the shareholder's correct taxpayer identification number and provide other information by completing the substitute Form W-9 in Section 4 of the letter of transmittal.**

**Each shareholder is urged to consult with his or her own tax advisor regarding his, her or its qualifications for exemption from backup withholding and the procedure for obtaining any applicable exemption.**

### **Lost or Destroyed Certificates**

If your certificate(s) for part or all of your shares have been lost, stolen, misplaced or destroyed, indicate that fact on the letter of transmittal, which should then be delivered to the Depository after being otherwise properly completed and duly executed. In such event, the Depository will forward additional documentation necessary to be completed in order to effectively replace the lost or destroyed certificate(s). Additionally, you will be asked to purchase an indemnity bond for the total value of the lost certificate.

### **Section 3. *Purpose of the Offer; Certain Effects of the Offer***

#### **Purpose of the Offer**

While we continue to evaluate our options for deploying capital, the board of directors has determined that it is in the best interest of the Company and its shareholders at this time to use such capital to invest back into the Company and, thereby, to provide liquidity opportunities to eligible shareholders. We believe this tender offer may be attractive to certain shareholders for the following reasons:

- the offer gives eligible shareholders the opportunity for liquidity by permitting them to sell their shares at the purchase price, which reflects a premium over the market value of the shares as of the date of this tender offer;
- the tender may enable shareholders to dispose of their securities potentially without incurring brokerage fees;
- the offer may allow certain eligible shareholders to sell a portion of their shares while retaining a continuing equity interest in the Company if they so choose; and
- shareholders who determine not to accept the offer may increase their proportionate interest in the Company's equity and in our future earnings and assets, subject to the Company's right to issue additional shares and other equity securities in the future.

The tender offer also presents some potential risks and disadvantages to the Company and our continuing shareholders in that it will, among other things, result in a decrease in the amount of our overall capital.

We may in the future purchase additional shares in public market or private transactions, through tender offers, or otherwise, subject to the approval of our board of directors. Our future purchases may be on the same terms or on terms that are more or less favorable to our shareholders than the terms of this offer. Any possible future purchases by us will depend on many factors, including the market price of the shares, the results of our offer, our business and financial position, and general economic and market conditions.

**Our board of directors has approved this offer. However, neither we nor our board of directors, nor the Depositary, makes any recommendation as to whether a shareholder should tender or refrain from tendering his or her shares, and neither we nor our board of directors has authorized any person to make any such recommendation. Shareholders are urged to evaluate carefully all information contained in this offer, consult their own investment and tax advisors and make their own decision whether to tender shares and, if so, how many shares to tender. Directors and executive officers are not prohibited from tendering some or all of their shares pursuant to the terms of this offer. To our knowledge, none of our directors or executive officers currently intend to participate in this tender offer. If the directors or executive officers do decide to participate in this tender offer, they will be subject to the same conditions/prorations of the offer as all other shareholders of the Company.**

### **Certain Effects of the Offer**

Shareholders who tender all of their shares in this offer will not be able to participate in any dividends declared by our board of directors after the completion of the offer or any benefits derived by our shareholders from other strategic uses of our capital. Shareholders who do not tender their shares pursuant to our offer and shareholders who otherwise retain an equity interest in the Company (including as a result of a partial tender of their shares, or a proration pursuant to the offer) will continue to be shareholders of the Company and may realize a proportionate increase in their relative equity interest in the Company and will bear the attendant risks and rewards associated with owning equity securities of the Company.

The shares we purchase pursuant to this offer will be restored to the status of authorized and unissued shares, or will become treasury stock, and will be available for issuance by the Company in the future without further shareholder action, except as may be required by applicable law, for purposes including, but not limited to, the acquisition of other businesses, the raising of additional capital for use in our business and the satisfaction of obligations under existing or future employee benefit plans. We currently have no plans for the issuance of shares purchased pursuant to our offer.

Company management and affiliates maintain a control position in the Company. To the extent shares are tendered by non-Company management and affiliates and purchased by the Company in this offer, the equity ownership of the Company will be further concentrated with Company management and affiliates.

### **Waiver of Claims by Participation in the Offer**

The Company and Company management may possess material nonpublic information regarding the Company not known to you that may impact the value of the shares, including, without limitation, (a) information received by principals and employees of the Company in their capacities as directors, officers, significant shareholders and/or affiliates of the Company, (b) information otherwise received from the Company on a confidential basis, and/or (c) information received on a privileged basis from the attorneys and financial advisers representing the Company and its board of directors (collectively, the "Information"), and that the Company is unable to disclose the Information to you. None of the Company, its affiliates, principals, shareholders, partners, employees and agents, both individually and in their representative corporate capacity, shall have any liability to you, or your grantors, agents or beneficiaries, as applicable, whatsoever due to or in connection with the Company's use or non-disclosure of the Information or otherwise if you participate in the Offer, and you hereby irrevocably waive any claim that you might have based on the failure of the Company or any such parties to disclose the Information or otherwise.

#### **Section 4.      *Withdrawal Rights***

Shares tendered pursuant to our offer may be withdrawn at any time prior to the time the offer expires on the expiration date, which is scheduled to be **August 9, 2018, at 5:00 p.m. ET** (unless the offer to purchase is extended or earlier terminated). Thereafter, tenders are irrevocable. If we extend the period of time during which the offer is open, are delayed in purchasing shares or are unable to purchase shares pursuant to the offer for any reason, then, without prejudice to our rights under the offer, the Depository may on our behalf retain all shares tendered and such shares may not be withdrawn, except as otherwise provided in this Section 4, subject to Rule 14e-1(c) under the Securities Exchange Act of 1934, as amended, which provides that the issuer making the tender offer shall either pay the consideration offered or return the tendered securities promptly after the termination or withdrawal of the tender offer.

#### **Withdrawal of Shares Held in Physical Form**

For a withdrawal to be effective, a holder of shares held in physical form must provide a written transmission notice of withdrawal to the Depository at its address set forth on the back cover of this offer to purchase before the expiration date, which notice may be by fax transmission and must contain:

- the name of the person who tendered the shares;
- a description of the shares to be withdrawn;
- the certificate numbers shown on the particular certificates evidencing shares;
- the signature of such shareholder executed in the same manner as the original signature on the letter of transmittal including a signature guarantee by a bank, broker or other financial institution that is a member of a Depository approved medallion program such as STAMP, SEMP or MSP; and
- if the shares are held by a new beneficial owner, evidence satisfactory to us that the person withdrawing the tender has succeeded to the beneficial ownership of the shares.

A purported notice of withdrawal which lacks any of the required information will not be an effective withdrawal of a tender previously made.

#### **Withdrawal of Shares with the Book-Entry Transfer Facility**

For a withdrawal to be effective, a holder of shares held with the book-entry transfer facility must (i) call his or her broker and instruct such broker to withdraw the tender of shares by debiting the Depository's account at the book-entry transfer facility for all shares to be withdrawn; and (ii) instruct the broker to provide a written, transmission notice of withdrawal to the Depository on or before the expiration date. The notice of withdrawal may be by facsimile and must contain:

- the name of the person who tendered the shares;
- a description of the shares to be withdrawn; and
- if the shares are held by a new beneficial owner, evidence satisfactory to us that the person withdrawing the tender has succeeded to the beneficial ownership of the shares.

A purported notice of withdrawal that lacks any of the required information will not be an effective withdrawal of a tender previously made.

#### **Determinations and Notice**

All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by us in our sole discretion, and our determination will be final and binding. Neither we, the Depository nor any other person will be under any duty to give notification of any defects or

irregularities in any notice of withdrawal or will incur any liability for failure to give any such notification.

Any shares properly withdrawn will be deemed not to have been validly tendered for purposes of our offer. However, withdrawn shares may be re-tendered by following one of the procedures described under Section 2 at any time prior to the expiration date.

## **Section 5.     *Purchase of Shares and Payment of the Purchase Price***

### **Acceptance**

Upon the terms and conditions of our offer, as soon as practicable following the expiration date, we will, subject to the proration provisions of our offer, accept for payment, pay for, and purchase shares properly tendered and not properly withdrawn. The acceptance for purchase and the purchase of shares validly tendered and not withdrawn will be made promptly after the determination of the proration factor, if any, and all the conditions to our offer have been satisfied or waived. For purposes of our offer, we will be deemed to have accepted for purchase and thereby acquired tendered shares as, if, and when we give oral or written notice to the Depositary of our acceptance of the tenders of such shares.

### **Depositary**

We will pay for shares that we have purchased in the offer by depositing the aggregate purchase price with the Depositary. Delivery of the aggregate purchase price in exchange for shares tendered pursuant to our offer will be made by the Depositary by check promptly after receipt of our notice of acceptance. The Depositary will act as agent for tendering shareholders for the purpose of receiving the purchase price from us and remitting the same to tendering shareholders. Under no circumstances will we pay interest by reason of any delay in making such payment. In all cases, payment for shares accepted for payment pursuant to the offer will be made only after timely receipt by the Depositary of certificates for such shares (or of a timely confirmation of a book-entry transfer of such shares into the Depositary's account at the book-entry transfer facility), a properly completed and duly executed letter of transmittal or a manually signed copy thereof, with any required signature guarantees, or in the case of a book-entry delivery, an agent's message, and any other required documents.

**Any tendering shareholder or other payee who fails to complete fully, sign and return to the Depositary the substitute Form W-9 in Section 4 of the letter of transmittal may be subject to federal income backup withholding tax on the gross proceeds paid to the shareholder or other payee under our offer. See "Section 2 – Procedure for Tendering Shares" beginning on page 6. Also see "Section 12 – Material Federal Income Tax Consequences" beginning on page 15.**

### **Return of Certificates**

If any tendered shares are not accepted for purchase pursuant to the terms and conditions of our offer for any reason, or if certificates are submitted for more shares than are tendered, or if we should cancel the offer because any other condition of our offer is not satisfied or waived, certificates for the unpurchased shares will be returned to the tendering shareholder by the Depositary promptly following consummation, cancellation, or termination of our offer.

## **Section 6.     *Condition of the Offer***

Notwithstanding any other provisions of our offer, we will not be required to accept for purchase or purchase any shares, may postpone the acceptance for purchase of or the purchase of shares tendered, and may cancel, terminate or amend our offer at any time for any reason.

## **Section 7.      *Information about the Company***

### **General**

The Company is a holding company primarily engaged through wholly-owned subsidiaries in investment management and securities trading as a market intermediary. The Company's objective is to increase book value per share over time. We believe that long term shareholders will benefit from a rising book value as market recognition builds and investors come to appreciate the Company's intrinsic value as well.

### **Business of the Company and its Subsidiaries**

#### Investment Management

The Company's investment management operations are carried out by its wholly-owned subsidiary, Bexil Advisers LLC ("Bexil Advisers"), a Securities and Exchange Commission registered investment adviser. Bexil Advisers acts as the investment manager of Dividend and Income Fund ("DNI" or the "Fund"), a closed end investment company listed on the New York Stock Exchange under the ticker symbol DNI (and net asset value per share ticker symbol XDNIX). Certain officers and managers of Bexil Advisers are also officers and trustees of the Fund. Under Bexil Advisers' management, the Fund's 2017 total return on a net asset value basis was 24.09%. After distributions and reinvestments, the Fund's total net assets rose to about \$179 million at 2017 calendar year end from roughly \$151 million at the end of 2016.

The Fund has retained Bexil Advisers pursuant to an investment management agreement (the "IMA"). Under the terms of the IMA, Bexil Advisers receives a fee payable monthly for investment advisory services at an annual rate of 0.95% of the Fund's managed assets. "Managed assets" means the average weekly value of the Fund's total assets minus the sum of the Fund's liabilities, which liabilities exclude debt relating to leverage, short term debt, and the aggregate liquidation preference of any outstanding preferred stock. By dividing the Fund's investment management expense shown on its 2017 audited statements of operations, dated December 31, by this annual fee rate we can estimate that such managed assets in 2017 and 2016 averaged about \$172 million and \$148 million, respectively. Management fees earned by Bexil Advisers were approximately \$1.63 million, as compared to approximately \$1.41 million in 2016. Pursuant to the IMA, the Fund also reimburses Bexil Advisers for providing at cost certain administrative services comprised of compliance and accounting services. For 2017, the Fund's reimbursements of such costs were about \$262,000, of which roughly \$170,000 and \$92,000 was for compliance and accounting services, respectively. Bexil Advisers' expenses in 2017 are estimated at approximately \$1.3 million, compared to approximately \$1.2 million in 2016.

On January 29, 2018, the Fund announced the completion and results of its non-transferable rights offering to shareholders of record on December 26, 2017. The offer commenced on December 27, 2017 and expired on January 26, 2018. The offer resulted in total gross proceeds of approximately \$23.5 million.

#### Broker-Dealer

Bexil Securities LLC ("Bexil Securities"), a wholly owned subsidiary of the Company, may engage in trading securities for its own account and act as a mutual fund underwriter or sponsor. Its trading generated about \$49,000 in realized gains in 2017, as compared to about \$54,000 in 2016. In addition, in 2017 and 2016 Bexil Securities acquired, respectively, about 32,000 and 73,000 shares of DNI, through participation in the Fund's dividend reinvestment plan. At December 31, 2017, Bexil Securities owned approximately 892,000 shares, or 8.3%, of the Fund with a carrying value of about \$12.0 million, as compared to 2016 year end's 8.1% with a carrying value of about \$10.2 million. Bexil Securities also participated in the DNI rights offering that expired on January 26, 2018, acquiring another

190,000 shares at \$14.20 per share and bringing its DNI holding to about 1,082,000 shares. Overall in 2017, from its proprietary trading account Bexil Securities recorded approximately \$1.36 million of net unrealized gains and \$0.58 million of earned dividends and interest, as compared to 2016's \$0.77 million and \$0.82 million, respectively. Its expenses in 2017 are estimated at approximately \$192,000, compared to approximately \$130,000 in 2016.

## Shares Outstanding

As of March 31, 2018, we had outstanding 892,843 shares of common stock, \$.01 par value. A recent publicly reported purchase of our common stock was for 100 shares at \$9.89 per share on June 21, 2018. To our knowledge, none of our directors or executive officers currently intend to tender shares of common stock pursuant to this offer. In the event a director or officer does participate in this tender offer, they will be subject to the same conditions/prorations of the offer as all other shareholders of the Company. The 25,000 shares of common stock that we are offering to purchase in the aggregate represent approximately 2.8% of our aggregate issued and outstanding common stock.

## Certain Financial Information

The following summary historical consolidated financial data has been derived from the consolidated financial statements of the Company. The data should be read in conjunction with the audited consolidated financial statements and notes thereto. To obtain a copy of the Company's recent annual reports, including audited financial statements, please download them at <http://www.bexil.com/ShareholderReports-Proxies.html> or call us at 212-785-0900. Additional information can be found on the Company's website at <http://www.bexil.com/index.html>.

### Book Value Per Share, Unaudited

The Company views book value per share, a non-GAAP financial measure, as an important indicator of financial performance. Presented in conjunction with other financial information, the combined presentation can enhance an investor's understanding of the Company's underlying financial condition and results from operations. The definition of book value as presented herein is unaudited and calculated as shareholders' equity attributable to Company shareholders divided by then currently issued and outstanding shares.

| <b>Quarter Ended</b> | <b>Shares Issued and Outstanding</b> | <b>Bexil Shareholders' Equity</b> | <b>Book Value Per Share</b> |
|----------------------|--------------------------------------|-----------------------------------|-----------------------------|
| 3/31/2018            | 892,843                              | \$18,614,435                      | \$20.85                     |
| 12/31/2017           | 893,903                              | \$19,631,938                      | \$21.96                     |
| 9/30/2017            | 895,903                              | \$19,059,037                      | \$21.27                     |
| 6/30/2017            | 895,903                              | \$18,387,790                      | \$20.52                     |
| 3/31/2017            | 884,878                              | \$17,884,484                      | \$20.21                     |
| 12/31/2016           | 977,168                              | \$18,213,524                      | \$18.64                     |
| 9/30/2016            | 980,168                              | \$17,696,604                      | \$18.05                     |
| 6/30/16              | 980,168                              | \$17,223,929                      | \$17.57                     |
| 3/31/16              | 980,168                              | \$17,237,898                      | \$17.59                     |
| 12/31/15             | 980,168                              | \$16,951,681                      | \$17.29                     |
| 9/30/15              | 982,245                              | \$16,296,685                      | \$16.59                     |
| 6/30/15              | 982,245                              | \$17,090,194                      | \$17.40                     |
| 3/31/15              | 982,245                              | \$17,541,712                      | \$17.86                     |
| 12/31/14             | 982,245                              | \$17,913,732                      | \$18.24                     |
| 9/30/14              | 982,245                              | \$21,964,872                      | \$22.36                     |
| 6/30/14              | 982,245                              | \$22,278,033                      | \$22.68                     |

|          |           |              |         |
|----------|-----------|--------------|---------|
| 3/31/14  | 982,245   | \$22,828,337 | \$23.24 |
| 12/31/13 | 982,245   | \$23,698,968 | \$24.12 |
| 09/30/13 | 980,245   | \$27,549,124 | \$26.55 |
| 06/30/13 | 1,017,592 | \$28,023,096 | \$27.54 |
| 03/31/13 | 1,019,592 | \$27,530,629 | \$27.00 |

## **Plans or Proposals**

Except as described above, or elsewhere in this document, we currently have no plans, proposals, or negotiations that relate to or would result in:

- any extraordinary transaction (such as a merger, reorganization or liquidation) involving the Company or any of our subsidiaries;
- any purchase, sale or transfer of a material amount of the assets of the Company or any of our subsidiaries;
- any material change in the present dividend rate or policy, or indebtedness or capitalization of the Company;
- any change in the number or the term of directors or to fill any existing vacancies on the board or to change any material term of the employment contract of any executive officer;
- any other material change in our corporate structure or business;
- the acquisition by any person of additional securities of the Company, or the disposition of securities of the Company; or
- any change in our articles of incorporation or bylaws or other actions that could impede the acquisition of control of the Company.

## **Section 8. *Intention of Directors and Officers***

Directors and officers are not prohibited from tendering some or all of their shares in this offer. To our knowledge, none of our directors or executive officers currently intend to tender shares of common stock pursuant to this offer. Directors and officers will be subject to the same conditions and proration as other shareholders of the Company who elect to tender shares pursuant to this offer. The proportional ownership interest of any director or executive officer that does not tender any shares in this offer will increase as a result of this offer.

## **Section 9. *Source and Amount of Funds***

The maximum aggregate cost will be approximately \$331,250, not including expenses. We intend to use \$331,250 in available capital to pay for this purchase.

## **Section 10. *Transactions in our Shares by Directors, Officers, and Affiliates***

During the past 90 days from the date of this offer, a current officer bought 1,000 shares at an average price of approximately \$10.05.

## **Section 11. *Material Federal Income Tax Consequences***

**Each shareholder should consult his or her own tax advisor to determine the particular federal, state, local and foreign tax consequences, as applicable, to him or her of tendering shares**

**pursuant to the offer and the applicability and effect of any such tax laws in light of his or her particular circumstances as well as the effect of stock ownership attribution and capital loss limitation rules. See “Section 2 – Procedure for Tendering Shares” beginning on page 6 with respect to the application of the U.S. federal income tax backup withholding. In no event will the Company be liable to any shareholder for any federal, state, local or foreign tax consequences in connection with the offer.**

#### **Section 12. *Effect of the Offer on the Market for our Shares***

As of March 31, 2018, there were 892,843 shares of our Common Stock outstanding. The purchase of shares pursuant to our offer is anticipated to reduce the number of shares that might otherwise trade and the number of holders of the Company common stock, and may negatively impact the market liquidity of our shares and the continued trading market in our shares.

#### **Section 13. *Legal Matters; Regulatory Approvals***

##### **Legal Matters**

We are not aware of any license or regulatory permit that is material to our business and that is likely to be adversely affected by our acquisition of shares pursuant to our offer or, except as disclosed below, of any approval or other action by any state, federal or foreign government or governmental agency that would be required prior to or as a result of the acquisition of shares pursuant to our offer. Should any approval or other action be required, we presently contemplate that the required approval or other action will be sought. We are unable to predict whether we may determine that it is required to delay the acceptance for payment of or payment for shares tendered pursuant to the offer pending the outcome of such matter. There can be no assurance that any approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that failure to obtain any such approval or other action required might not result in adverse consequences to our business.

#### **Section 14. *Cancellation, Extension, Termination and Amendment***

We expressly reserve the right, in our sole discretion and at any time or from time to time, to extend the period of time during which the offer is open by giving oral or written notice of such extension to the depositary and, pursuant to Rule 14e-1(d) under the Securities Exchange Act of 1934, issuing a notice of such extension by press release or other public announcement, which notice shall include disclosure of the approximate number of securities deposited to date and shall be issued no later than 9:00 a.m. ET, on the next business day after the scheduled expiration date of the offer. There can be no assurance, however, that we will exercise our right to extend the offer. During any extension, all shares previously tendered will remain subject to the offer, except to the extent that such shares may be withdrawn as set forth in Section 4. We also expressly reserve the right, in our sole discretion, (i) to terminate the offer at any time for any reason and not accept for payment any shares not previously accepted for payment by giving oral or written notice of such termination to the Depositary and notifying the shareholders, and (ii) at any time for any reason, or from time to time, to amend the offer in any respect. Amendments to the offer may be effected by notifying the shareholders.

If we increase or decrease the percentage of shares being sought (except for an increase not exceeding 2% of our outstanding shares) or the consideration offered or the dealer's soliciting fee to be given in this offer, we will extend the offer to the extent required by Rules 14e-1(b) under the Securities Exchange Act of 1934. Those rules require that an offer must remain open for at least ten business days from the date that notice of such increase or decrease is first published or sent or given to security holders.

For purposes of our offer, a “business day” means any day other than a Saturday, Sunday or federal holiday and consists of the time period from 12:01 a.m. through 12:00 midnight, ET.

**Section 15.     *Fees and Expenses***

The Company will pay the Depositary reasonable and customary compensation for its services in connection with our offer, plus reimbursement for out-of-pocket expenses.

No fees or commissions will be payable by us to brokers, dealers, commercial banks, trust companies or other nominees, other than fees to the parties described above, for soliciting tenders of shares under our offer. Shareholders holding shares through brokers, dealers, commercial banks, trust companies or other nominees are urged to consult the nominees to determine whether transaction costs are applicable if shareholders tender shares through such nominees and not directly to the Depositary. Brokers, dealers, commercial banks and trust companies will, upon request, be reimbursed by the Company for customary mailing and handling expenses incurred by them in forwarding material to their customers.

**Section 16.     *Miscellaneous***

No person has been directly or indirectly employed or retained by, or is to be compensated by, the Company to make recommendations in connection with our offer. We have not authorized anyone to give any information or make any representation about our offer that is different from, or in addition to, that contained, or incorporated, in this document or in the related letter of transmittal. Therefore, if anyone does give you information of this sort, you should not rely on it. If you are in a jurisdiction where our offer to purchase shares of common stock is unlawful, or if you are a person to whom it is unlawful to direct this type of offer, then the offer presented in this document does not extend to you. The information contained in this document speaks only as of the date of this document unless the information specifically indicates that another date applies.

This offer is not being made in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction.

**Bexil Corporation**

July 9, 2018

The Depository for the offer is:

Securities Transfer Corporation

Questions:

Phone: 800-780-1920 (Toll free) or 469-633-0101

Fax: 469-633-0088

Email: [Bexil@stctransfer.com](mailto:Bexil@stctransfer.com)

Web: [www.stctransfer.com](http://www.stctransfer.com)

If delivering by mail:

Securities Transfer Corporation

c/o Issuer Services,

P.O. Box 701629

Dallas, TX 75370-1629

If delivering by hand or courier:

Securities Transfer Corporation

c/o Issuer Services,

2901 N Dallas Parkway, Suite 380

Plano, Texas 75093

Any questions concerning tender procedures or requests for additional copies of this offer, the letter of transmittal, notice of guaranteed delivery, or other tender offer materials may be directed to William Winmill, Vice President, by calling 212-785-0900 or writing Bexil Corporation, 11 Hanover Square, New York, NY 10005, Attn: Secretary. Shareholders may also contact the broker, dealer, commercial bank, or trust company who holds their shares for assistance concerning this offer.

**Letter of Transmittal  
BEXIL CORPORATION**

*This Letter of Transmittal is being sent to you in connection with an offer to purchase by BEXIL CORPORATION (the "Company") for its common stock at a purchase price of \$13.25 per share in cash upon the terms and subject to the conditions set forth in the Offer to Purchase and this Letter of Transmittal. In order to receive payment due to you in connection with the tender offer, please complete, sign, and deliver this Letter of Transmittal to Securities Transfer Corporation ("STC" or the "Depository"). Please note that partial tenders may only be accepted, subject to proration and other conditions, from Tranche 3 tendering shareholders (owners of 500 or more shares as of the expiration date).*

**WHERE TO FORWARD YOUR LETTER OF TRANSMITTAL**

**By Overnight Courier:** Securities Transfer Corporation, c/o Issuer Services, 2901 N Dallas Parkway, Suite 380, Plano, Texas 75093

**By Mail:** Securities Transfer Corporation, c/o Issuer Services, P.O. Box 701629, Dallas, TX 75370-1629

**Questions:** Phone: 800-780-1920 (toll free) or 469-633-0101. Fax: 469-633-0088. Email: Bexil@stctransfer.com. Visit us at [www.stctransfer.com](http://www.stctransfer.com)

**YOU MUST SUBMIT YOUR ORIGINAL CERTIFICATES WITH THIS LETTER OF TRANSMITTAL. IF YOU ARE NOT IN POSSESSION OF YOUR CERTIFICATES, PLEASE SEE INSTRUCTION 2 ON THE BACK OF THIS FORM. YOU DO NOT NEED TO SIGN THE BACK OF THE CERTIFICATES. SHARES HELD IN BOOK-ENTRY FORM ARE UN-CERTIFIED AND NEED NOT BE SUBMITTED (ALTHOUGH THIS LETTER OF TRANSMITTAL MUST BE COMPLETED).**

(1) **NAME and ADDRESS of HOLDER:**

  
  
  
  

| (2) <b>CERTIFICATE NUMBER</b> | <b>SHARES</b> |
|-------------------------------|---------------|
|                               |               |
|                               |               |
|                               |               |

(3) **CERTIFICATE SHARES:** \_\_\_\_\_

**BOOK-ENTRY SHARES:** + \_\_\_\_\_

**TOTAL SHARES:** = \_\_\_\_\_

(5)

**THIS LETTER OF TRANSMITTAL  
MUST BE SIGNED BY ALL  
REGISTERED OWNERS**

Each registered owner must sign here exactly as the name(s) appear(s) in our records. If all registered owners have signed this Letter of Transmittal, no endorsements of certificates or separate stock powers are required.

If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other acting in a fiduciary or representative capacity, it must be so indicated and proper evidence of authority satisfactory to STC must be submitted.

The undersigned represents that I (we) have full authority to surrender without restriction the certificate(s) enclosed herein.

**SIGNATURE:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

Telephone number (required): \_\_\_\_\_

Telephone number (required): \_\_\_\_\_

*Place Medallion Stamp Here (if applicable)*

(4)

**SUBSTITUTE FORM W-9  
REQUEST FOR TAXPAYER ID NUMBER AND CERTIFICATION**

**THIS SUBSTITUTE FORM W-9 MUST BE FILLED OUT AND SIGNED**

**PRINT YOUR TAXPAYER ID OR SOCIAL SECURITY NUMBER HERE:**

[ \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ ]

Under penalties of perjury, I certify that: (1) The number shown on this form is my correct Taxpayer Identification Number; (2) I am not subject to backup withholding either because I am exempt from backup withholding, I have not been notified by the Internal Revenue Service ("IRS") that I am subject to backup withholding as a result of failure to report all interest or dividends, or the IRS has notified me that I am not subject to backup withholding; and (3) I am a US Person (or a US resident alien).

Certification Instructions – You must cross out item (2) above if you have been notified by the IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS stating that you are no longer subject to backup withholding, do not cross out item (2).

**SIGNATURE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

NOTE: Certain shareholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order to satisfy STC that a foreign individual qualifies as an exempt recipient, such shareholder must submit a statement, signed under penalties of perjury, attesting to that individuals' exempt status, on the appropriate and properly completed Form W-8. Such appropriate Form W-8 can be obtained from [www.irs.gov](http://www.irs.gov).

**IF YOU ARE AWAITING A TAXPAYER IDENTIFICATION NUMBER, WRITE "APPLIED FOR" IN THE SUBSTITUTE FORM W-9 ABOVE, AND COMPLETED AND SIGN BOTH THIS CERTIFICATION AND THE SUBSTITUTE FORM W-9.**

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to appropriate Internal Revenue Service Center on Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number by the time of payment, a percentage of all reportable cash payments made to me will be withheld until I provide a number and such retained amounts will be remitted to the Internal Revenue Service as backup withholding.

**SIGNATURE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

(6)

**SPECIAL ISSUANCE/PAYMENT INSTRUCTIONS**

To be completed ONLY if issuance/payment is to be made in a name other than that shown in the Account Registration section on the reverse side of this form. **Please note, an appropriate Form W-9 or Form W-8, as applicable, must also be completed for the person receiving the issuance/payment.** You may obtain such forms by contracting STC at the number listed on the reverse side or by accessing [www.irs.gov](http://www.irs.gov).

If you have completed this section, your signature on this Letter of Transmittal must be guaranteed by a bank, broker, or other financial institution that is a member of a STC-approved medallion program such as STAMP, SEMP, or MSP.

**ISSUE TO:**

**NAME:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SOCIAL SECURITY OR TAXPAYER ID NUMBER OF RECIPIENT:**

[ \_\_\_\_\_ -- \_\_\_\_\_ -- \_\_\_\_\_ ]

(7)

**SPECIAL DELIVERY INSTRUCTIONS**

To be completed ONLY if delivery is to be made to someone other than the registered holder(s), or to such registered holder(s) at an address other than that shown above.

If you have completed this section, your signature on this Letter of Transmittal must be guaranteed by a bank, broker, or other financial institution that is a member of a STC-approved medallion program such as STAMP, SEMP, or MSP.

**MAIL TO:**

**NAME:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**PLEASE CHECK THIS BOX IF THIS IS A PERMANENT CHANGE OF ADDRESS (see Instruction 1)**

- (1) THIS SECTION CONTAINS YOUR CURRENT NAME AND ADDRESS AS THEY ARE REFLECTED ON OUR RECORDS. IF YOU NOW RESIDE AT A DIFFERENT ADDRESS, PLEASE FILL OUT BOX 7, AND CHECK OFF THE BOX INDICATING A PERMANENT ADDRESS CHANGE. NO MEDALLION GUARANTEE WILL BE REQUIRED.
- (2) THIS SECTION INDICATES THE CERTIFICATE NUMBERS AND RESPECTIVE AMOUNT OF SHARES AS THEY ARE REFLECTED ON OUR RECORDS. IF THE CERTIFICATES IN YOUR POSSESSION HAVE DIFFERENT CERTIFICATE NUMBERS, PLEASE CONTACT OUR SHAREHOLDER SERVICES UNIT AT 469-633-0101 OR TOLL FREE AT 800-780-1920 TO CONFIRM THE LEGITIMACY OF YOUR CERTIFICATES PRIOR TO REMITTING THE TRANSMITTAL MATERIAL. IF YOU ARE NOT IN POSSESSION OF SOME OR ALL OF YOUR STOCK CERTIFICATES, YOU MUST WRITE TO STC AT THE ADDRESS ON THE REVERSE SIDE OR REPORT THE LOSS BY ACCESSING YOUR ACCOUNT AT [HTTP://WWW.STCTRANSFER.COM](http://www.stctransfer.com). YOU WILL BE REQUIRED TO SUBMIT THE NECESSARY FORMS AND A CHECK FOR THE POSTING OF A SURETY BOND, THE DETAILS OF WHICH WILL BE PROVIDED BY STC. PLEASE NOTE THAT THIS FORM STILL MUST BE COMPLETED AND REMITTED ALONG WITH YOUR REPLACEMENT FORMS, BOND FEE, AND ANY ADDITIONAL CERTIFICATES THAT MAY BE IN YOUR POSSESSION.
- (3) THIS SECTION SHOWS THE TOTAL AMOUNT OF SHARES OWNED BY YOU.
- (4) CERTIFICATION OF YOUR TAX ID NUMBER IS REQUIRED IN ORDER TO PREVENT WITHHOLDING FROM YOUR PAYMENT PROCEEDS. **YOU MUST FILL OUT, SIGN, AND DATE THIS FORM W-9 (OR SUBMIT AN APPROPRIATE FORM W-8, AS APPLICABLE), OTHERWISE YOUR TRANSMITTAL AND ACCOMPANYING DOCUMENTS WILL BE REJECTED. YOU ARE URGED TO CONSULT YOUR TAX ADVISORS.**
- (5) **THIS SECTION MUST BE SIGNED AND DATED BY ALL REGISTERED OWNERS, OTHERWISE YOUR TRANSMITTAL AND ACCOMPANYING DOCUMENTS WILL BE REJECTED.** None of the Company, its affiliates, principals, shareholders, partners, employees and agents shall have any liability to you, or your grantors, agents or beneficiaries, as applicable, whatsoever due to or in connection with the Company's use or non-disclosure of the Information (as defined in the Offer to Purchase) or otherwise if you participate in the offer, and you hereby irrevocably waive any claim that you might have based on the failure of the Company to disclose the Information or otherwise.
- (6) THIS SECTION SHOULD BE COMPLETED AND SIGNED IF YOU WANT YOUR ENTITLEMENT TO BE ISSUED IN ANOTHER NAME. **A MEDALLION SIGNATURE GUARANTEE WILL BE REQUIRED** (I.E. SIGNATURE IS GUARANTEED BY A BANK, BROKER OR OTHER FINANCIAL INSTITUTION THAT IS A MEMBER OF A STC-APPROVED MEDALLION PROGRAM SUCH AS STAMP, SEMP, OR MSP).
- (7) THIS SECTION SHOULD BE COMPLETED AND SIGNED IF YOU WANT YOUR ENTITLEMENT TO BE MAILED TO AN ALTERNATE ADDRESS THAT IS DIFFERENT THAN YOUR ADDRESS IN BOX 1. **A MEDALLION SIGNATURE GUARANTEE WILL BE REQUIRED** (I.E. SIGNATURE IS GUARANTEED BY A BANK, BROKER OR OTHER FINANCIAL INSTITUTION THAT IS A MEMBER OF A STC-APPROVED MEDALLION PROGRAM SUCH AS STAMP, SEMP, OR MSP).

All questions as to the validity, form and eligibility of any surrender of certificates will be determined by STC or the Company and such determination shall be final and binding. STC or the Company reserves the right to waive any irregularities or defects in the surrender of any certificates. A surrender will not be deemed to have been made until all irregularities have been cured or waived.

If your certificates are registered in different names, a separate Letter of Transmittal must be submitted for each registration. Additional Letters of Transmittal can be obtained by accessing by contacting STC at the numbers listed above. If payment for securities is to be made to any person other than the registered holder, or if surrendered certificates are registered in the name of any person other than the person(s) signing the letter of transmittal, any stock transfer taxes payable as a result of the transfer to such person (whether imposed on the registered holder or such person) shall be paid prior to the submission of this letter of transmittal. STC reserves the right to deduct the amount of such taxes from the payment, if satisfactory evidence of the payment of such taxes, or exemption therefrom, is not submitted. If the Letter of Transmittal is signed by a person other than the registered owner (e.g., where the shares have been assigned), the Letter of Transmittal must be accompanied by a stock power guaranteed by a bank, broker or other financial institution that is a member of a STC-approved medallion program such as STAMP, SEMP, or MSP.

**NOTICE OF GUARANTEED DELIVERY**  
for  
**OFFER TO PURCHASE FOR CASH**  
by  
**BEXIL CORPORATION**

**THIS FORM MUST BE RECEIVED BY THE DEPOSITARY  
ON OR PRIOR TO 5:00 P.M. ET ON AUGUST 9, 2018**

This form, or one substantially equivalent to this form, must be used to tender shares pursuant to the Offer to Purchase dated July 9, 2018 (the "Offer to Purchase") by Bexil Corporation (the "Company"), if a shareholder wishing to tender his or her shares cannot deliver the certificate(s) evidencing such shares (the "Share Certificate(s)") to the Depository on or prior to 5:00 p.m. ET on August 9, 2018 (such date and time, as it may be extended, the "Expiration Date").

In order to be effective, (i) the Notice of Guaranteed Delivery must be sent by mail, express mail, overnight courier, or fax to the Depository, and must be received by the Depository on or prior to 5:00 p.m. ET on August 9, 2018 (unless the initial Expiration Date is extended, in which case before the extended Expiration Date).

The Share Certificate(s) must thereafter be received by the Depository on or before 5:00 p.m. ET on August 13, 2018 (unless the initial Expiration Date is extended, in which case two business days after the extended Expiration Date).

The Share Certificate(s) must be sent by mail, express mail or overnight courier. **FAX DELIVERY OF THE SHARE CERTIFICATE(S) WILL NOT BE ACCEPTED AND WILL NOT CONSTITUTE VALID DELIVERY.** Failure to timely send such Share Certificate(s) will result in liability of the firm guaranteeing delivery for the full amount subject to the guarantee.

*The Depository is:*  
**Securities Transfer Corporation**

*By Hand or Overnight Courier*

**Securities Transfer Corporation  
2901 Dallas Parkway, Suite 380  
Plano, Texas 75093**

*By Mail*

**Securities Transfer Corporation  
c/o Issuer Services  
P.O. Box 701629  
Dallas, Texas 75370-1629**

*By Fax (for Notice of Guaranteed Delivery only):*

(469) 633-0088

Confirm by Telephone to:

(469) 633-0101

**This form is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an Eligible Guarantor Institution, as defined in Rule 17Ad-15 of the Securities Exchange Act of 1934, due to special issuance or delivery instructions, such signature guarantee must appear in the applicable space provided in the signature box of the Letter of Transmittal.**

Ladies and Gentlemen:

The undersigned hereby represents that the undersigned is the holder of a Share Certificate(s) representing \_\_\_\_\_ shares of Bexil Corporation and that such Share Certificate(s) cannot be delivered to the Depository on or prior to 5:00 p.m. ET on August 9, 2018 (such date and time, as it may be extended, the "Expiration Date").

Upon the terms and subject to the conditions set forth in the Offer to Purchase, receipt of which is hereby acknowledged, the undersigned, in respect of the Offer to Purchase wishes to tender the shares represented by such Share Certificate(s), and hereby elects to tender \_\_\_\_\_ shares of common stock subject to acceptance by Bexil Corporation and upon the terms and subject to the conditions set forth in the Offer to Purchase.

Signature: \_\_\_\_\_

Name(s): \_\_\_\_\_

(Please Type or Print)

\_\_\_\_\_

(Please Type or Print)

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

(Including Area Code)

\_\_\_\_\_

(Including Area Code)

Share Certificate No.(s) (if available)

\_\_\_\_\_

**THE GUARANTEE SET FORTH BELOW MUST BE COMPLETED**

**GUARANTEE OF DELIVERY**

**(not to be used for Share Certificate signature guarantee)**

The undersigned, a member firm of a registered national securities exchange or member of the Financial Industry Regulatory Authority, commercial bank, or trust company having an office or correspondent in the United States, or other Eligible Guarantor Institution which is a member of or a participant in a signature guarantee program acceptable to the Depository, hereby guarantees that the undersigned will deliver to the Depository the Share Certificate(s) representing the shares being tendered hereby, with any required signature guarantees and any other required documents, on or before 5:00 p.m. ET on August 13, 2018 (unless the initial Expiration Date is extended, in which case two business days after the extended Expiration Date).

\_\_\_\_\_  
Name of Firm

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Address

\_\_\_\_\_  
Name

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
Title

\_\_\_\_\_  
Area Code and Telephone Number

Date: \_\_\_\_\_

**Failure to deliver the Share Certificate(s) to the Depository within the time period set forth above could result in a financial loss to the institution completing this Guarantee.**