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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

**FORM 10-QSB**

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(Mark One)

- Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the quarterly period ended September 30, 2006
- Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-12233

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**Bexil Corporation**

(Name of small business issuer in its charter)

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Maryland  
(State of incorporation)

13-3907058  
(I.R.S. Employer Identification No.)

11 Hanover Square, New York, New York  
(Address of principal executive offices)

10005  
(Zip Code)

Registrant's telephone number, including area code: 1-212-785-0400

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock	American Stock Exchange
Rights to Purchase Series A Participating	American Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No .

The number of shares outstanding of the issuer's classes of common equity, as of November 14, 2006: Common Stock, par value \$.01 per share – 883,592 shares.

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**BEXIL CORPORATION**  
**CONDENSED BALANCE SHEET**  
**September 30, 2006**  
**(Unaudited)**

**ASSETS**

Current assets:

Cash and cash equivalents	\$	594,063
Investment securities, available-for-sale		39,109,451
Receivables:		
Refundable income taxes		811,239
Interest		157,562
Other		4,126
		40,676,441
Total current assets		40,676,441
Total assets	\$	40,676,441

**LIABILITIES AND SHAREHOLDERS' EQUITY**

Current liabilities:

Accounts payable and accrued expenses	\$	234,683
Income taxes payable		3,053,750
		3,288,433

Commitments and contingencies (Note 10)

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Shareholders' equity

Common stock, \$0.01 par value, 9,900,000 shares authorized, 883,592 shares issued and outstanding		8,836
Series A participating preferred stock, \$0.01 par value, 100,000 shares authorized, -0- shares issued and outstanding		-
Additional paid-in capital		12,821,828
Accumulated other comprehensive income		16,405
Retained earnings		24,540,939
		37,388,008
Total shareholders' equity		37,388,008
Total liabilities and shareholders' equity	\$	40,676,441

See notes to these unaudited condensed financial statements.

**BEXIL CORPORATION**  
**CONDENSED STATEMENTS OF INCOME**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues				
Dividends and interest	\$ 573,264	\$ 37,992	\$ 1,144,520	\$ 67,615
Consulting and other	-	38,500	5,000	131,000
	<u>573,264</u>	<u>76,492</u>	<u>1,149,520</u>	<u>198,615</u>
Expenses				
Compensation and benefits	190,536	124,606	577,658	372,053
Professional	76,792	125,665	379,036	298,403
General and administrative	65,166	46,590	146,665	140,197
	<u>332,494</u>	<u>296,861</u>	<u>1,103,359</u>	<u>810,653</u>
Income (loss) before income taxes and equity in earnings (loss) of York Insurance Services Group, Inc.	240,770	(220,369)	46,161	(612,038)
Income tax expense	110,150	124,555	159,138	92,935
Equity in earnings (loss) of York Insurance Services Group, Inc.	-	954,127	(733,748)	2,134,590
Gain on sale of York Insurance Services Group, Inc., net of taxes	-	-	22,651,249	-
Net income	<u>\$ 130,620</u>	<u>\$ 609,203</u>	<u>\$ 21,804,524</u>	<u>\$ 1,429,617</u>
Per share net income:				
Basic	\$ 0.15	\$ 0.69	\$ 24.71	\$ 1.63
Diluted	\$ 0.14	\$ 0.69	\$ 23.69	\$ 1.63
Average shares outstanding:				
Basic	883,592	879,592	882,537	879,592
Diluted	915,409	879,592	920,289	879,592

See notes to these unaudited condensed financial statements.

**BEXIL CORPORATION**  
**CONDENSED STATEMENT OF SHAREHOLDERS' EQUITY**  
(Unaudited)

	<b>Common Stock</b>	<b>Additional Paid in Capital</b>	<b>Retained Earnings</b>	<b>Accumulated Other Comprehensive Income</b>	<b>Total Shareholders' Equity</b>
Balance at December 31, 2005, 879,592 common shares	\$ 8,796	\$ 12,642,163	\$ 3,620,007	\$ -	\$ 16,270,966
Comprehensive income					
Net income	-	-	21,804,524	-	21,804,524
Change in unrealized security holding gains, net of taxes	-	-	-	16,405	<u>16,405</u>
Total comprehensive income					<u>21,820,929</u>
4,000 common shares issued upon option exercise under incentive compensation plan	40	86,320	-	-	86,360
Stock-based compensation expense	-	93,345	-	-	93,345
Dividends paid	-	-	(883,592)	-	(883,592)
Balance at September 30, 2006, 883,592 common shares	<u>\$ 8,836</u>	<u>\$ 12,821,828</u>	<u>\$ 24,540,939</u>	<u>\$ 16,405</u>	<u>\$ 37,388,008</u>

See notes to these unaudited condensed financial statements.

**BEXIL CORPORATION**  
**CONDENSED STATEMENTS OF CASH FLOWS**

	<b>Nine Months Ended</b>	
	<b>September 30,</b>	
	<b>2006</b>	<b>2005</b>
<b>Cash flows from operating activities</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Net income	\$ 21,804,524	\$ 1,429,617
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Gain on sale of York Insurance Services Group, Inc.	(35,561,915)	-
Equity in loss (earnings) of York Insurance Services Group, Inc.	733,748	(2,134,590)
Decrease (increase) in deferred taxes	1,102,448	(75,899)
Non-cash stock compensation	93,345	-
Accretion of discount on investment in security	(839,400)	-
Proceeds from sale of York Insurance Services Group, Inc.	38,864,121	-
Bonuses and other net transactions costs paid upon consummation of the sale of York Insurance Services Group, Inc.	(2,170,728)	-
Dividend received from York Insurance Services Group, Inc.	-	2,670,691
Increase in refundable income taxes	(811,239)	-
Increase in interest receivable	(157,562)	-
Increase in other assets	-	40,668
(Decrease) increase in accounts payable and accrued expenses	(334,601)	83,905
Increase in income taxes payable	2,825,632	-
Net cash provided by operating activities	25,548,373	2,014,392
<b>Cash flows from investing activities</b>		
Purchases of investment securities	(85,963,913)	-
Proceeds from sale of investment security	47,718,000	-
Net cash used in investing activities	(38,245,913)	-
<b>Cash flows from financing activities</b>		
Dividend paid	(883,592)	-
Proceeds from exercise of common stock options	86,360	-
Net cash used in financing activities	(797,232)	-
Net (decrease) increase in cash and cash equivalents	(13,494,772)	2,014,392
<b>Cash and cash equivalents</b>		
Beginning of period	14,088,835	3,601,311
End of period	\$ 594,063	\$ 5,615,703
<b>Supplemental disclosure:</b>		
Income taxes paid	\$ 9,952,964	\$ 105,525

See notes to these unaudited condensed financial statements.

**BEXIL CORPORATION**  
**NOTES TO CONDENSED FINANCIAL STATEMENTS**  
**September 30, 2006**  
**(Unaudited)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Business and Organization**

Bexil Corporation (the “Company”), a Maryland corporation, is a holding company. From 2002 until April 28, 2006, our primary holding was a fifty percent interest in York Insurance Services Group, Inc. (“York”), an insurance services business process sourcing company. On April 28, 2006, we consummated the sale of our fifty percent interest in York to a newly formed entity controlled by a private equity fund and certain other investors for approximately \$39 million in cash. We have 10 employees, none of whom are full-time.

The Company was incorporated in 1996 under the laws of the State of Maryland as Bull & Bear U.S. Government Securities Fund, Inc., a non-diversified closed-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). In October 1996, the Company’s predecessor, a series of shares of Bull & Bear Funds II, Inc., an open-end management investment company, transferred its net assets to the Company in exchange for shares of the Company. The Company changed its name to Bexil Corporation in 1999. In 2002, the Company filed an application with the Securities and Exchange Commission (the “SEC”) to terminate its registration as an investment company registered under the 1940 Act.

On January 6, 2004, the Company’s application with the SEC to terminate its registration as an investment company was granted. As a result, the Company is subject to the reporting and other requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and is no longer subject to regulation under the 1940 Act. The Company’s shares are listed on the American Stock Exchange.

The information furnished in this report reflects all adjustments which are, in the opinion of management, necessary to a fair statement of the results of the period.

**Basis of Presentation**

The financial statements are prepared in accordance with generally accepted accounting principles in the United States of America, which require the use of estimates. Actual results may vary from those estimates. Certain comparative amounts for the prior year have been reclassified to conform to the fiscal year 2006 financial statement presentation. Such reclassifications did not affect total revenues, operating income, or net income.

The unaudited interim financial information contained in these condensed financial statements should be read in conjunction with the financial statements and notes thereto for the year ended December 31, 2005, included in our Annual Report on Form 10-KSB filed with the SEC.

**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 September 30, 2006, the Company held approximately \$571,000 in money market fund investments.

**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.

## Income Taxes

The Company's method of accounting for income taxes conforms to the Financial Accounting Standards Board ("FASB")'s Statement of Financial Accounting Standards 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.

## Reporting Segment

The Company accounts for its operations in accordance with FASB 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.

## Earnings Per Share

Basic earnings per share is computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed by applying the treasury stock method where the weighted average number of common shares outstanding is adjusted for the incremental shares attributed to potentially dilutive securities including outstanding exercisable options to purchase common stock during the period. The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Net income	\$ 130,620	\$ 609,203	\$21,804,524	\$ 1,429,617
Weighted-average shares outstanding - basic	883,592	879,592	882,537	879,592
Incremental shares from assumed conversions:				
Stock options under incentive compensation plan	31,817	-	37,752	-
Weighted-average shares outstanding - diluted	915,409	879,592	920,289	879,592
Per share net income:				
Basic	\$ 0.15	\$ 0.69	\$ 24.71	\$ 1.63
Diluted	\$ 0.14	\$ 0.69	\$ 23.69	\$ 1.63

Dilutive securities consisting of stock options were excluded if their effect was anti-dilutive. For both the three and nine months ended September 30, 2006, there were no potentially antidilutive stock options. For both the three and nine months ended September 30, 2005, 143,000 options to purchase common stock were excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive.

## Recent Accounting Pronouncements

In June 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement 109" ("FIN 48") which clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements in accordance with SFAS 109. FIN 48 is effective for fiscal years beginning after December 15, 2006, and prescribes a recognition threshold and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Company is currently analyzing the impact this interpretation will have on its financial condition, results of operations, cash flows, and disclosures.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("SFAS 157") to address inconsistencies in the definition and determination of fair value pursuant to generally accepted accounting principals ("GAAP"). SFAS 157 provides a single definition of fair value, establishes a framework for measuring fair value in GAAP and expands disclosures about fair value measurements in an effort to increase comparability related to the recognition of market-based assets and

liabilities and their impact on earnings. SFAS 157 is effective for interim financial statements issued during the fiscal year beginning after November 15, 2007.

In September 2006, the SEC Office of the Chief Accountant and Divisions of Corporation Finance and Investment Management released Staff Accounting Bulletin Number 108 (“SAB No. 108”), “Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements,” which provides interpretive guidance on how effects of the carryover or reversal of prior year misstatements should be considered in quantifying a current year misstatement. The SEC staff believes that registrants should quantify errors using both a balance sheet and an income statement approach and evaluate whether either approach results in quantifying a misstatement that, when all relevant quantitative and qualitative factors are considered, is material. This guidance is effective for fiscal years ending after November 15, 2006. The Company does not expect the adoption of SAB No. 108 to have a material impact on its financial position, results of operations, or cash flows.

## 2. SALE OF YORK INSURANCE SERVICES GROUP, INC.

On April 27, 2006, the Company’s stockholders voted to approve the sale of its fifty percent interest in York to a newly formed entity controlled by a private equity fund and certain other investors; the sale was consummated on April 28, 2006. The Company recognized a gain from the sale of \$35,561,915 before taxes. The net gain after taxes of \$22,651,249 consists of the cash proceeds paid by the buyer of \$38,864,121 plus a consulting fee and expense reimbursement received from York of \$138,500 less the Company’s carrying value in York of \$1,131,478, closing costs of \$2,309,228 consisting of employee bonus awards of \$1,909,228, and other costs of \$400,000, and income taxes of \$12,910,666.

Prior to the sale, the Company’s fifty percent interest in York was accounted for using the equity method and, therefore, York’s financial results were not consolidated with ours. Summarized unaudited condensed financial information for York for the four month period ended April 30, 2006 and the nine months ended September 30, 2005 are as follows:

<b>York Insurance Services Group, Inc. Summarized Condensed Financial Information (Unaudited)</b>	<b>Four Month Period Ended April 30, 2006</b>	<b>Nine Months Ended September 30, 2005</b>
Revenues	\$ 30,345,914	\$ 51,357,653
Expenses	25,131,225	44,529,657
Net income (loss)	(1,467,496)	4,269,181
Working capital	n/a	12,820,028
Total assets	n/a	29,309,281
Total liabilities	n/a	11,534,510
Shareholder's equity (deficit)	n/a	17,774,771

## 3. INCENTIVE COMPENSATION PLAN

In 2004, the Company’s shareholders approved the adoption of the 2004 Incentive Compensation Plan (the “Plan”), which provides for the granting of a maximum of 175,918 options to purchase common stock to directors, officers and key employees of the Company or its affiliates. The option price per share may not be less than the fair value of such shares on the date the option is granted, and the maximum term of an option may not exceed 5 years. The vesting period is three years of service.

Effective January 1, 2006, the Company adopted Statement of Financial Accounting Standards (“SFAS”) No. 123(R) “Share-Based Payment” and began recognizing 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 123(R) 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 123(R) for unvested options granted subsequent to the adoption date. Prior to January

1, 2006, the Company accounted for share-based payments using the intrinsic-value-based recognition method prescribed by Accounting Principles Board Opinion (“APB”) No. 25, “Accounting for Stock Issued to Employees,” and SFAS 123, “Accounting for Stock-Based Compensation.” As options were granted at an exercise price equal to the market value of the underlying common stock on the date of grant, no stock-based employee compensation cost was reflected in net income prior to adopting SFAS 123(R). As the Company adopted SFAS 123(R) under the modified-prospective-transition, results from prior periods have not been restated. The following table illustrates the effect on net income and earnings per share for the three months and nine months ended September 30, 2005 had compensation expense been recognized based upon the estimated fair value on the grant date of the awards, in accordance with SFAS 123.

	<b>Three Months Ended</b>	<b>Nine Months Ended</b>
	<b>September 30, 2005</b>	<b>September 30, 2005</b>
Net income - as reported	\$ 609,203	\$ 1,429,617
Less total stock option expense determined under fair value method, net of related tax effects	(20,636)	(74,136)
Pro forma net income	<u>\$ 588,567</u>	<u>\$ 1,355,481</u>
Earnings per share - Basic:		
As reported	\$ 0.69	\$ 1.63
Pro forma	\$ 0.67	\$ 1.54
Earnings per share - Diluted:		
As reported	\$ 0.69	\$ 1.63
Pro forma	\$ 0.67	\$ 1.54

Under SFAS 123(R) 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.

The adoption of SFAS 123(R)’s fair value method has resulted in additional share-based expense (affecting compensation expenses and taxes) in the amount of \$26,200 and \$93,345 related to stock options for the three months and nine months ended September 30, 2006, respectively, than if the Company had continued to account for share-based compensation under APB 25. For the three months and nine months ended September 30, 2006, this additional share-based expense lowered pre-tax earnings by \$26,200 and \$93,345, respectively, lowered net income by \$16,768 and \$59,740, respectively, and lowered basic earnings per share by \$0.02 and \$0.07, respectively.

The following schedule shows all options granted, exercised, expired, and exchanged under the Plan as of December 31, 2005.

	<b>Shares Under</b>	<b>Weighted Average</b>	<b>Total</b>
	<b>Option</b>	<b>Exercise Price</b>	<b>Price</b>
Balance, December 31, 2003	-	\$ -	\$ -
Granted	147,500	\$ 21.47	\$ 3,166,825.00
Forfeited	<u>(4,500)</u>	\$ 21.59	\$ (97,155.00)
Balance, December 31, 2004	143,000	\$ 21.47	\$ 3,070,210.00
Granted	8,000	\$ 21.19	\$ 169,520.00
Forfeited	<u>(7,000)</u>	\$ 21.59	\$ (151,130.00)
Balance, December 31, 2005	<u>144,000</u>	\$ 21.45	\$ 3,088,800.00

The Company grants options to purchase common stock to its directors, officers, and key employees of the Company or its affiliates. The option price per share may not be less than the fair market value of such shares on the date the option is granted. The maximum term of an option may not exceed 5 years and the vesting period is three years of service. Under certain conditions participants have 3 months after the employment relationship ends to exercise all vested options.

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 did not award any options during the nine months ended September 30, 2006.

The key assumptions used in determining the fair value of options granted by applying the Black-Scholes option pricing valuation model in 2005 and a summary of the methodology applied to develop each assumption are as follows:

Expected price volatility	49 – 51%
Risk-free interest rate	4.11 – 4.49%
Weighted average expected lives in years	5
Forfeiture rate	0%
Dividend yield	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 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, 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* - In 2005 and 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. On December 29, 2005, the Board of Directors authorized a special dividend of \$1.00 per share contingent upon the closing of the York sale. The sale closed on April 28, 2006, and the dividend was paid to stockholders on May 31, 2006. 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 Company generally issues new shares when options are exercised. A summary of stock option activity since our most recent fiscal year end is as follows:

	<b>Shares Under Option</b>	<b>Weighted Average Exercise Price</b>	<b>Total Price</b>
Balance, December 31, 2005	144,000	\$ 21.45	\$ 3,088,800
Granted	-	\$ -	-
Exercised	(4,000)	\$ 21.59	\$ (86,360)
Forfeited	(1,000)	\$ 21.59	\$ (21,590)
Balance, September 30, 2006	<u>139,000</u>	\$ 21.44	\$ 2,980,160

The following table summarizes information about stock options outstanding as of September 30, 2006:

<b>Range of Exercise Price</b>	<b>Options Outstanding</b>	<b>Weighted-Average Remaining Contractual Life (in years)</b>	<b>Weighted-Average Exercise Price</b>	<b>Options Exercisable</b>	<b>Weighted-Average Exercise Price of Exercisable Options</b>
\$ 16.30 - \$ 19.50	28,000	3.23	\$ 17.04	21,000	\$ 16.37
\$ 21.59 - \$ 24.00	<u>111,000</u>	2.53	\$ 22.56	<u>83,476</u>	\$ 22.34
	<u>139,000</u>	2.67	\$ 21.44	<u>104,476</u>	\$ 21.14

At September 30, 2006, the aggregate intrinsic value of all outstanding options was \$1,422,183 with a weighted average remaining contractual term of 2.67 years. The total compensation cost related to non-vested awards not yet recognized was \$104,531 with an expense recognition period of approximately 2 years. On February 21, 2006, pursuant to a Post-Effective Amendment filing to a registration statement filed on Form S-8 under the Securities Act of 1933, the Plan was amended to correct a defect in the Plan regarding the circumstances in which a participant may exercise an option after the date the employment of the participant is terminated by the Company other than for cause.

#### 4. 401(k) PLAN

The Company participates in a 401(k) retirement plan for substantially all of its qualified employees. The plan is sponsored by an affiliate of the Company, Winmill & Co. Incorporated (“Winco”). 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. Matching expense for the three months ended September 30, 2006 and 2005 was \$2,267 and \$5,476, respectively. Matching expense for the nine months ended September 30, 2006 and 2005 was \$15,050 and \$16,428, respectively.

#### 5. INVESTMENT IN SECURITIES

Investment securities at September 30, 2006, consisted of the following:

	<b>Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Losses</b>	<b>Fair Value</b>
Investment securities, available-for-sale				
U.S. Treasury Note due August 2008	\$ 39,082,215	\$ 25,815	\$ -	\$ 39,108,030
Global Income Fund, Inc.	1,605	-	(184)	1,421
Total	<u>\$ 39,083,820</u>	<u>\$ 25,815</u>	<u>\$ (184)</u>	<u>\$ 39,109,451</u>

Global Income Fund, Inc. (“GIF”) is a closed-end investment company advised by CEF Advisers, Inc. which is a wholly owned subsidiary of Winco. The gross unrealized loss on GIF at September 30, 2006, was deemed to be temporary in nature.

## 6. INCOME TAXES

The income tax provision (benefit) is comprised of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Current provision:				
Federal	\$ 85,672	\$ -	\$ 10,585,672	\$ -
State and local	24,478	136,560	1,381,685	168,835
Total current provision	110,150	136,560	11,967,357	168,835
Deferred provision (benefit):				
Net operating loss and capital losses	-	(90,243)	1,102,448	(250,936)
Equity in earnings of York	-	78,238	-	175,036
Total deferred provision (benefit)	-	(12,005)	1,102,448	(75,900)
Total provision for income taxes	\$ 110,150	\$ 124,555	\$ 13,069,805	\$ 92,935

In 2006, the difference between the U.S. federal statutory income tax rate and our effective rate is due to non-deductible compensation and state and local income taxes. In 2005, the difference between the U.S. federal statutory income tax rate and our effective tax rate was due to the dividends received exclusion (80%) on the equity in the earnings of York, which was an unconsolidated affiliate.

The estimated effective income tax rates for the three and nine months ended September 30, 2006 do not necessarily reflect the anticipated effective income tax rate for the 2006 year. Throughout the year, the Company will re-evaluate its estimated annual effective income tax rate and make adjustments as necessary.

The Company utilized net operating loss carryforwards of \$2,323,204 to offset tax expense for the nine months ended September 30, 2006.

## 7. RELATED PARTIES

Certain officers of the Company also serve as officers and/or directors of Winco, Tuxis Corporation (“Tuxis”), and their affiliates (collectively with Bexil, the “Affiliates”). At September 30, 2006, 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 September 30, 2006, the Company had a reimbursement payable to MMC for compensation and benefits of \$5,312.

Rent expense of jointly used office space and overhead expense for various jointly used administrative and support functions incurred by Winco are allocated to the Company and the Affiliates. The Company incurred allocated rent and overhead costs of \$28,399 and \$24,000 for the three months ended September 30, 2006 and 2005, respectively, and \$78,397 and \$72,000 for the nine months ended September 30, 2006 and 2005, respectively.

The Company earned fees of \$0 and \$37,500 from York for consulting services and for service on York’s board of directors for the three months ended September 30, 2006 and 2005, respectively, and \$105,000 and \$122,500 for the nine months ended September 30, 2006 and 2005, respectively.

At September 30, 2006, the Company had \$100,159 invested in Midas Dollar Reserves, Inc. (“MDR”), a money market fund advised by MMC and \$1,421 invested in GIF which is advised by CEF. The Company earned dividends from the investments of \$184 and \$259 for the three and nine months ended September 30,

2006, respectively. Certain officers and directors of the Company are officers and/or directors of MDR and GIF.

On December 22, 2005, the Company entered into an expense sharing agreement with York and the other fifty percent stockholder of York for interest and other expenses related to a bank loan obtained by and for use by York. The expense sharing agreement had a limited duration of approximately six months and effectively ended upon the closing of the York sale transaction on April 28, 2006. The loan was for \$15,000,000 bearing interest at LIBOR plus 1.5%. The Company paid 50% of the interest expense and two-thirds of other agreed upon expenses under the expense sharing agreement. The Company incurred expenses of approximately \$281,000 related to the expense sharing agreement.

On April 28, 2006, pursuant to the authorization of the Governance, Compensation, and Nominating Committee of the Board of Directors, the Company paid employee bonuses of approximately \$1.9 million upon the consummation of the sale of its interest in York.

## **8. DIVIDEND**

On December 29, 2005, the Company's Board of Directors authorized a special dividend to stockholders of \$1.00 per share of the common stock contingent upon the closing of the sale of the Company's interest in York. The special dividend of \$883,592 was paid on May 31, 2006 to stockholders of record on May 15, 2006.

## **9. 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.

On November 10, 2005, the Board of Directors authorized the reclassification of 100,000 unissued shares of common stock of the Company (from among the 10,000,000 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.

## **10. COMMITMENTS AND CONTINGENCIES**

At September 30, 2006, 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.

On January 11, 2006, the staff of the Market Regulation Department of the National Association of Securities Dealers ("NASD"), on behalf of the American Stock Exchange ("AMEX"), commenced a review of trading in the Company's common stock surrounding the December 27, 2005, announcement that the Company had entered into an agreement to sell its fifty percent interest in York. In connection with this review, the NASD

requested that the Company provide certain information regarding the events that preceded the corporate disclosure. Pursuant to Section 132(e) of the AMEX Company Guide, a listed company is required to furnish such information, as the AMEX shall reasonably request. Failure to comply may subject a listed company to suspend dealings in its securities or removal from listing pursuant to AMEX Company Guide Section 1003. This inquiry should not be construed as an indication that the NASD has determined that any violations of AMEX rules or Federal Securities laws have occurred, or as a reflection upon the merits of the securities involved or upon any person who effected transactions in such securities. The Company provided the NASD with all of the information requested on March 29, 2006. The NASD has not communicated any findings to the Company at this time.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

### ***Forward Looking Information***

Information or statements provided by or on behalf of the Company from time to time, including those within this Quarterly Report on Form 10-QSB may contain certain "forward-looking information," including information relating to anticipated growth in revenues or earnings per share. The Company cautions readers that any forward-looking information provided by or on behalf of the Company is not a guarantee of future performance and that actual results may differ materially from those in forward-looking information as a result of various factors, including, but not limited to, those discussed below. Further, such forward-looking statements speak only as of the date on which such statements are made, and the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events.

Certain written and oral statements made or incorporated by reference from time to time by the Company in this report, other reports, filings with the SEC, press releases, conferences, or otherwise, contain "forward-looking information" and are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements. Forward-looking statements may be identified, without limitation, by the use of such words as "anticipates," "estimates," "expects," "intends," "plans," "predicts," "projects," "believes," or words or phrases of similar meaning. Forward-looking statements include risks and uncertainties, which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In addition to other factors and matters discussed elsewhere herein, some of the important facts that could cause actual results to differ materially from those discussed in the forward-looking statements include the following: No businesses to acquire or develop have been identified by the Company at this time. We have no plans to dissolve and liquidate the Company. The Company cannot predict what changes to its present business or operations would result from the sale of the York shares. We may decide to use most of the proceeds from the sale to start up and develop a business or to explore other alternatives, such as an acquisition of, or business combination with, another entity or entities. At this time our Board of Directors has not made any decision to pursue any of these options. The risks included above are not exhaustive.

Other sections of this report may include reference to the additional factors, which could adversely impact the Company's business and financial performance. Moreover, the Company operates in a very competitive and rapidly changing environment. New risk factors emerge from time to time, and it is not possible for management to predict all such risk factors, nor can it assess the impact of known risk factors on the Company business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement. The Company undertakes no obligation to revise or publicly release the results of any revisions to forward-looking statements or to identify any new risk factors, which may arise. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual future results.

Investors should also be aware that while the Company does, from time to time, communicate with securities analysts, it is against the Company's policy to disclose to them any material, non-public information. Accordingly, investors should not assume that the Company agrees with any statement or report issued by any

analyst irrespective of the content of the statement or report. Furthermore, the Company has a policy against issuing or confirming financial forecasts or projections issued by others. Thus, to the extent that the reports issued by securities analysts contain any projections, forecasts, or opinions, such reports are not the responsibility of the Company.

### ***Overview***

Bexil Corporation, a Maryland corporation (the “Company”), is a holding company. We have 10 employees, none of whom are full time.

The Company was incorporated in 1996 under the laws of the State of Maryland as Bull & Bear U.S. Government Securities Fund, Inc., a non-diversified closed-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). In October 1996, the Company’s predecessor, a series of shares of Bull & Bear Funds II, Inc., an open-end management investment company, transferred its net assets to the Company in exchange for shares of the Company. The Company changed its name to Bexil Corporation in 1999. In 2002, the Company filed an application with the Securities and Exchange Commission (the “SEC”) to terminate its registration as an investment company registered under the 1940 Act.

On January 6, 2004, the Company’s application with the SEC to terminate its registration as an investment company was granted. As a result, the Company is subject to the reporting and other requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and is no longer subject to regulation under the 1940 Act. The Company’s shares are listed on the American Stock Exchange.

From 2002 until April 28, 2006, Bexil’s primary holding was its fifty percent interest in privately held York Insurance Services Group, Inc. (“York”). York is an insurance services company. The Company’s fifty percent interest in York was accounted for using the equity method and, therefore, York’s financial results were not consolidated with ours.

On April 28, 2006, the Company consummated the sale of its fifty percent interest in York to a newly formed entity controlled by a private equity fund and certain other investors for approximately \$39 million in cash and realized a gain before income taxes of approximately \$36 million.

### ***Operations after the Sale of York Shares***

The Company is seeking to acquire and/or develop one or more businesses. There are no limits on the types of businesses or fields in which the Company may devote its assets. No businesses to acquire or develop have been identified by the Company at this time. We have no plans to dissolve and liquidate the Company. We may decide to use most of the proceeds from the sale to start up and develop a business or to explore other alternatives, such as an acquisition of, or business combination with, another entity or entities. At this time our Board of Directors has not made any decision to pursue any of these options.

### ***Liquidity and Capital Resources***

At September 30, 2006, the Company had positive working capital of \$37,388,008, total assets of \$40,676,441, no long-term debt, and shareholders’ equity of \$37,388,008.

Management knows of no contingencies that are reasonably likely to result in a material decrease in the Company’s liquidity or that are likely to materially adversely affect the Company’s capital resources.

### ***Results of Operations***

**Revenue.** Revenue increased approximately \$497,000 and \$951,000 for the three months and nine months ended September 30, 2006, respectively, compared to 2005 mainly due to an increase in dividend and interest

income. Cash balances increased over the same period due to the proceeds from the sale of York on April 28, 2006 and to dividends received from York in 2005.

**Expenses.** Total expenses increased approximately \$36,000 and \$293,000 for the three months and nine months ended September 30, 2006, respectively, compared to 2005.

Compensation and benefits increased approximately \$66,000 and \$206,000 for the three months and nine months ended September 30, 2006, respectively, compared to 2005. The Company recognized approximately \$26,000 and \$93,000 in compensation expense for unvested stock options due to the adoption of SFAS 123(R) for the three months and nine months ended September 30, 2006, respectively. Compensation also increased due to an increase in jointly used administrative and support functions incurred by Winco and allocated to the Company.

Professional expenses decreased approximately \$49,000 and increased approximately \$81,000 for the three months and nine months ended September 30, 2006, respectively compared to 2005. The variances are attributable to the timing of expenses incurred leading up to the York sale transaction partially offset by lower audit and legal expenses in 2006 compared to 2005.

**York.** In 2006, the Company recognized a loss in the earnings of York of approximately \$734,000. This was attributable to expenses incurred by York leading up to the sale transaction. The Company consummated the sale of its fifty percent interest in York in April 2006 and realized a net after-tax gain of approximately \$23,000,000. The net after-tax gain consisted of proceeds of approximately \$39,000,000 less the Company's carrying value in York of approximately \$1,100,000, closing costs including employee bonus awards of approximately \$2,200,000, and income taxes of approximately \$13,000,000.

Net income was \$21,804,524 or \$23.69 per share on a diluted basis for the nine months ended September 30, 2006, compared to net income of \$1,429,617 or \$1.63 per share on a diluted basis for the nine months ended September 30, 2005.

### **Item 3. Controls and Procedures**

#### ***Disclosure Controls and Procedures***

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its President and Chief Executive Officer and Principal Financial Officer, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Management necessarily applied its judgment in assessing the costs and benefits of such controls and procedures which, by their nature, can provide only reasonable assurance regarding management's control objectives. The Company has carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's President and Chief Executive Officer along with the Company's Principal Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b). Based on that evaluation, management, including the Company's President and Chief Executive Officer along with the Company's Principal Financial Officer, concluded that the Company's disclosure controls and procedures were not effective as of September 30, 2006, because of the deficiencies outlined below.

On August 14, 2006, the Company inadvertently filed its Quarterly Report on Form 10-QSB for the quarter ended June 30, 2006 (the "Report") before all pending edits and reviews were completed. Because the edits and review procedures had not been completed and further changes in the financial statements were necessitated because of such reviews, the Company's Chief Financial Officer determined that the Company's financial statements for the quarter ended June 30, 2006 as filed should not be relied upon. On August 16, 2006, an amended Quarterly Report on Form 10-QSB/A ("Form 10-QSB/A-1") was filed to correct certain

errors in the Quarterly Report on Form 10-QSB, which was filed on August 14, 2006. The circumstances surrounding the inadvertent filing and a description of the edits which had not been completed are described in the Company's Current Report on Form 8-K dated August 16, 2006, and filed with the SEC on the same date.

On November 10, 2006, the Company's Chief Financial Officer determined that the Company's financial statements for the quarter ended June 30, 2006, filed on Form 10-QSB/A-1 should not be relied upon. Management determined that deficiencies within its disclosure controls and procedures including internal control over financial reporting existed that related to the following (1) the controls over the estimating of income taxes through the application of SFAS 109 as disclosed in Note 6 to the unaudited financial statements on Form 10-QSB/A-1 for the quarter ended June 30, 2006 did not operate effectively, and (2) the classification error of recording the dividend payment as a reduction of additional paid in capital instead of a reduction of retained earnings.

### ***Changes in Internal Controls***

The Company has adopted the following administrative procedural control to help preclude repetition of the error that occurred on August 14, 2006, with respect to the inadvertent SEC filing. As such, no SEC filings by the Company shall be transmitted until the staff person EDGARizing the document has 1) obtained the signed and dated authorization from the Company's Controller that the EDGAR document has been reviewed and agrees to the source document, and 2) obtained the signed and dated authorization to file the EDGAR document from either the Chief Executive Officer or the Chief Financial Officer of the Company, or their delegatee.

In response to the events giving rise to the Form 10-QSB/A-2 filing, the Company has recommended that its accounting and financial reporting team increase its knowledge of the application of SFAS 109 through continuing education. The Company will also consider the cost and benefits of outsourcing its application of SFAS 109 to a third party, if practicable.

There has been no change, other than those noted above, during the Company's fiscal quarter ended September 30, 2006, in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

## **Part II. Other Information**

### **Item 1. Legal Proceedings**

None

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

None

### **Item 3. Defaults Upon Senior Securities**

None

### **Item 4. Submission of Matters to a Vote of Security Holders**

None

### **Item 5. Other Information**

None

**Item 6. Exhibits and Reports on Form 8-K**

1. Current Report on Form 8-K dated July 6, 2006 containing the disclosure of the change in the Company's certifying accountant and the press release announcing the change in the Company's certifying accountant.
2. Current Report on Form 8-K/A dated July 6, 2006 containing the corrected disclosure of the change in the Company's certifying accountant and the press release announcing the change in the Company's certifying accountant.
3. Current report on Form 8-K dated August 15, 2006 containing the press release disclosing the Company's operating results for the second quarter ended June 30, 2006.
4. Current report on Form 8-K dated August 14, 2006 disclosing non-reliance on previous issued financial statements pursuant to item 4.02 caused by the inadvertent filing of the Company's quarterly report on Form 10-QSB for the second quarter ended June 30, 2006.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BEXIL CORPORATION

Dated: November 14, 2006

By : /s/Thomas O'Malley  
Thomas O'Malley  
Chief Financial Officer,  
Chief Accounting Officer

**Certification - Exchange Act Rules 13a-14 and 15d-14**

I, Thomas B. Winmill, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Bexil Corporation ("small business issuer");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) [omitted in accordance with SEC Release Nos. 33-8238 and 34-47986];
  - c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: November 14, 2006  
/s/ Thomas B. Winmill  
Chief Executive Officer

### Certification - Exchange Act Rules 13a-14 and 15d-14

I, Thomas O'Malley, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Bexil Corporation ("small business issuer");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) [omitted in accordance with SEC Release Nos. 33-8238 and 34-47986];
  - c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: November 14, 2006  
/s/ Thomas O'Malley  
Chief Financial Officer

**CEO CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Bexil Corporation on Form 10-QSB for the period ended September 30, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas B. Winmill, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Thomas B. Winmill  
Thomas B. Winmill  
Chief Executive Officer  
November 14, 2006

**CFO CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Bexil Corporation on Form 10-QSB for the period ended September 30, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas O'Malley, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/Thomas O'Malley  
Thomas O'Malley  
Chief Financial Officer  
November 14, 2006