

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name  <b>Medley Capital Corporation</b>		<b>2</b> Issuer's employer identification number (EIN)  <b>27-4576073</b>	
<b>3</b> Name of contact for additional information  <b>Sam Anderson</b>	<b>4</b> Telephone No. of contact  <b>212.759.077</b>	<b>5</b> Email address of contact  <b>sam.anderson@mdly.com</b>	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  <b>280 Park Avenue, 6th Floor East</b>		<b>7</b> City, town, or post office, state, and ZIP code of contact  <b>New York, NY 10017</b>	
<b>8</b> Date of action  <b>12/31/19</b>		<b>9</b> Classification and description  <b>Common Stock - Regulated Investment Company</b>	
<b>10</b> CUSIP number  <b>58503F106</b>	<b>11</b> Serial number(s)  <b>N/A</b>	<b>12</b> Ticker symbol  <b>MCC</b>	<b>13</b> Account number(s)  <b>N/A</b>

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **Dividend Record Date: February 22, 2019, Dividend Payment Date: March 12, 2019, Estimated non-taxable return of capital percent of the total amount of the dividend: 100%**

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **The portion of the dividend that constitutes a non-taxable return of capital will decrease a U.S. taxpayer's basis in the shares of the issuer. See attached for breakdown of 2019 dividends.**

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **The issuer's current and accumulated earnings and profits were compared to dividends paid during the year ended December 31, 2019. The non-taxable return of capital represents the amount of dividends paid during the taxable year ended December 31, 2019 in excess of Issuer's current and accumulated earnings and profits under IRS Section 316.**

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
**Internal Revenue Code Sections 301, 316 and 852**

18 Can any resulting loss be recognized? ▶ **No**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶  
**See attached for amounts and dates of dividends impacted by this organizational action. This organizational action is reportable with respect to calendar year 2019.**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature ▶  Date ▶ **3/2/20**

Print your name ▶ **Richard T. Allorto, Jr.** Title ▶ **Chief Financial Officer**

**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶	Firm's EIN ▶		Phone no.	
Firm's address ▶				



### Tax Status of Dividends and Distributions for 2019

The tax character of dividends paid by Medley Capital Corporation (the "Company") for calendar year 2019 is set forth below. For tax purposes, the Company is a regulated investment company and is designating the tax character of dividends and distributions you receive as a stockholder for calendar year 2019 in accordance with Subchapter M of the Internal Revenue Code of 1986, as amended ("IRC").

The amounts shown in the table below represent the final accounting of the Company's 2019 distributions. This information supersedes any estimated information you may have received during the year. Calendar year 2019 dividends were classified as follows:

<u>Record Date</u>	<u>Payment Date</u>	<u>Dividend Per Share</u>	<u>Non-Qualified Ordinary Taxible Income</u>	<u>Return of Capital</u>	<u>Long Term Capital Gain</u>
2/22/2019	3/12/2019	0.05	0.00%	100.00%	0.00%

Dividends that were reinvested through the Company's Dividend Reinvestment Plan are treated, for tax purposes, as if they had been paid in cash. Therefore, stockholders who participate in the Dividend Reinvestment Plan should also refer to the above table.

This notice is not intended to constitute tax, legal, investment or other professional advice. Stockholders should be aware that tax treatment is subject to change by law in the future or retroactively. This is general information and should not be relied upon without consulting your tax advisor.

If you have any questions about the tax character of your dividends, please contact American Stock Transfer and Trust Company at 800-937-5449. You may also contact Medley Capital Corporation's Investor Relations Department directly at 212-759-0777.

*Past performance is not indicative of future results. This is not an offer or a solicitation of an offer to buy any securities of Medley Capital Corporation. Such an offer can be made only by means of a prospectus. A copy of the prospectus can be obtained by visiting [www.medleycapitalcorp.com](http://www.medleycapitalcorp.com).*