

BEXIL

- **Notice of 2010 Annual Meeting and Proxy Statement**
- **2009 Annual Report**

11 Hanover Square
New York, NY 10005

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

Symbol:

BXLC

BEXIL CORPORATION

Notice of Annual Meeting of Stockholders

To the Stockholders:

Notice is hereby given that the 2010 Annual Meeting of Stockholders (“Meeting”) of Bexil Corporation (the “Company”) will be held at The Down Town Association, 60 Pine Street, New York, New York on June 2, 2010 at 11:00 a.m., local time, for the following purposes:

1. To elect to the Board of Directors the Nominees, Charles A. Carroll and Bassett S. Winmill, as Class III Directors with each to serve for a three year term and until his successor is duly elected and qualifies.
2. To ratify the appointment of auditors.
3. To consider and act upon any other business as may properly come before the Meeting or any adjournment thereof.

The Board of Directors unanimously recommends that stockholders vote FOR Proposals 1 and 2.

Stockholders of record at the close of business on April 1, 2010 are entitled to receive notice of and to vote at the Meeting.

By Order of the Board of Directors



John F. Ramirez
Secretary

New York, New York
April 30, 2010

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

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

BEXIL CORPORATION

PROXY STATEMENT

Annual Meeting of Stockholders to be held June 2, 2010

This Proxy Statement is furnished in connection with a solicitation of proxies by Bexil Corporation (the “Company”) to be voted at the 2010 Annual Meeting of Stockholders of the Company to be held at The Down Town Association, 60 Pine Street, New York, New York on June 2, 2010 at 11:00 a.m., local time, and at any postponements or adjournments thereof (“Meeting”) for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. Only stockholders of record at the close of business on April 1, 2010 (the “Record Date”) are entitled to be present and to vote on matters at the Meeting. Stockholders are entitled to one vote for each Company share held. Shares represented by executed and unrevoked proxies will be voted in accordance with the instructions on the Proxy Card. A stockholder may revoke a proxy by delivering to the Company a signed proxy with a date later than the previously delivered proxy or by sending a written revocation to the Company. To be effective, such revocation must be received prior to the Meeting. In addition, any stockholder who attends the Meeting in person may vote by ballot at the Meeting, thereby canceling any proxy previously given. As of the Record Date, the Company had 991,592 shares of common stock issued and outstanding. Stockholders of the Company will vote as a single class.

It is estimated that proxy materials will be mailed to stockholders as of the Record Date on or about May 7, 2010. **A copy of the Company’s most recent Annual Report is attached hereto.**

PROPOSAL 1: TO ELECT TO THE BOARD OF DIRECTORS THE NOMINEES, CHARLES A. CARROLL AND BASSETT S. WINMILL, AS CLASS III DIRECTORS WITH EACH TO SERVE FOR A THREE YEAR TERM AND UNTIL HIS SUCCESSOR IS DULY ELECTED AND QUALIFIES.

The Board has approved the nominations of Charles A. Carroll and Bassett S. Winmill (the “Nominees”), as Class III Directors with each to serve a three year term and until his successor is duly elected and qualifies. The Nominees currently serve as Directors of the Company. Unless otherwise noted, the address of record for the Directors is 11 Hanover Square, New York, New York 10005.

The following table sets forth certain information concerning the Nominees for Class III Directors of the Company:

<u>Name, Principal Occupation, and Business Experience</u>	<u>Director Since</u>
Class III:	
CHARLES A. CARROLL – From 1990 to 2005, Mr. Carroll served as Managing Director of Kalin Associates, Inc., a member firm of the New York Stock Exchange (“NYSE”), prior to which, he served as a member of the NYSE representing Boettcher and Co.	2004
BASSETT S. WINMILL – Mr. Winmill has been Chairman of the Board of the Company since 1996 and Winmill & Co. Incorporated, its affiliates, and certain of the investment companies managed by its subsidiaries since 1974. Mr. Winmill is a member of the New York Society of Security Analysts, the Association for Investment Management and Research, and the International Society of Financial Analysts.	1996

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

Vote Required

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

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS SHAREHOLDERS VOTE FOR THE PROPOSAL TO ELECT THE NOMINEES.

PROPOSAL 2: TO RATIFY THE APPOINTMENT OF AUDITORS.

The Board of Directors is empowered to appoint a firm to serve as the Company's auditors. The Board of Directors appointed Tait, Weller & Baker LLP ("Tait, Weller") to serve as the Company's auditors for 2010. Tait, Weller has served as the Company's auditors since 2006.

Although the Board of Directors has sole authority to appoint auditors, it is seeking the opinion of the stockholders regarding its appointment of Tait, Weller as auditors for 2010. For this reason, stockholders are being asked to ratify this appointment. If stockholders do not ratify the appointment of Tait, Weller as auditors for 2010, the Board will take that fact into consideration, but may, nevertheless, continue to retain Tait, Weller.

Vote Required

Under Article VIII of the Company's charter, except as otherwise provided in the charter and notwithstanding any other provision of the Maryland General Corporation Law to the contrary, any action submitted to a vote by stockholders requires the affirmative vote of at least eighty percent (80%) of the outstanding shares of all classes of voting stock, voting together, in person or by proxy at a meeting at which a quorum is present, unless such action is approved by the vote of a majority of the Board of Directors, in which case such action requires the lesser of (A) a majority of all the votes entitled to be cast on the matter with the shares of all classes of voting stock voting together, or (B) if such action may be taken or authorized by a lesser proportion of votes under applicable law, such lesser proportion. Inasmuch as the ratification of the appointment of auditors was approved by the vote of a majority of the Board of Directors, the affirmative vote of the majority of the votes validly cast at the Meeting at which a quorum is present will be required to ratify the appointment of auditors.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS SHAREHOLDERS VOTE FOR THE PROPOSAL TO RATIFY THE APPOINTMENT OF TAIT, WELLER TO SERVE AS THE COMPANY'S AUDITORS FOR 2010.

How to Communicate with the Company's Board of Directors

Stockholders who wish to communicate with the Board of Directors or a particular director may send a letter to the Secretary of the Company at 11 Hanover Square, New York, New York 10005. The mailing envelope must contain a clear notation indicating that the enclosed letter is a "Stockholder-Board Communication" or "Stockholder-Director Communication." All such letters must identify the author as a stockholder and clearly state whether the intended recipients are all members of the Board or just certain specified individual directors. All communications received as set forth above will be opened by the office of our Secretary for the sole purpose of determining whether the contents represent a message to our Directors. Materials that are unrelated to the duties and responsibilities of the Board of Directors, such as solicitations, resumes and other forms of job inquiries, surveys and individual customer complaints, or materials that are unduly hostile, threatening, illegal or similarly unsuitable will not be distributed, but will be made available upon request to the Board of Directors or individual Directors as appropriate, depending on the facts and circumstances outlined in the communication.

ADDITIONAL INFORMATION

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

In addition to the use of the mails, proxies may be solicited personally, by telephone, or by other means, and the Company may pay persons holding its shares in their names or those of their nominees for their expenses in sending soliciting materials to their beneficial owners. The Company will bear the cost of soliciting proxies. Authorizations to execute proxies may be obtained by telephonic instructions in accordance with procedures designed to authenticate the stockholder's identity. In all cases where a

telephonic proxy is solicited, the stockholder will be asked to provide his or her address, social security number (in the case of an individual), taxpayer identification number (in the case of an entity), or other identifying information, and the number of shares owned and to confirm that the stockholder has received the Company's Proxy Statement and proxy card in the mail. Within 72 hours of receiving a stockholder's telephonic voting instructions and prior to the Meeting, a confirmation will be sent to the stockholder to ensure that the vote has been taken in accordance with the stockholder's instructions and to provide a telephone number to call immediately if the stockholder's instructions are not correctly reflected in the confirmation. Stockholders requiring further information with respect to telephonic voting instructions or the proxy generally should contact the Company's transfer agent at 1-800-757-5755. Any stockholder giving a proxy may revoke it at any time before it is exercised by submitting to the Company a written notice of revocation or a subsequently executed proxy or by attending the Meeting and voting in person.

Discretionary Authority; Submission Deadlines for Stockholder Proposals

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

Annual Statement of Affairs

A full and complete statement of the affairs of the Company, including a balance sheet and a financial statement of operations for the year ended December 31, 2009, shall be submitted at the Meeting and, within 20 days after the Meeting, placed on file at the Company's principal office.

Householding of Proxy Materials

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

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

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

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

**BEXIL
CORPORATION**

**2009
ANNUAL
REPORT**

BEXIL CORPORATION
11 Hanover Square
New York, New York 10005
Tel. 1-212-785-0400 www.Bexil.com

April 30, 2010

Fellow Shareholders:

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

Our book value per share at December 31, 2009 (1,011,592 shares issued and outstanding) was \$37.62, as compared to \$43.67 at December 31, 2008. Bexil recorded a net loss of \$597,028 or \$0.62 per share for the year ended December 31, 2009. At December 31, 2009, we had positive working capital of \$37,472,223, total assets of \$38,326,369, no long term debt, and shareholders equity of \$38,054,185. Our current source of income is from dividends earned from money market funds.

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

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

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

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

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

Having the value of your investment in Bexil grow is as important to us as it is to you -- management and affiliates own approximately 35% of Bexil's shares.

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

Thank you for investing in Bexil Corporation.

Sincerely,

Thomas B. Winmill
President

This Annual Report contains forward looking statements about the Company, including its business operations, strategy and expected financial performance and conditions. Forward looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates,” or similar expressions. Such statements are based on the current expectations of management, and inherently involve numerous risks and uncertainties, both known and unknown. These forward looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in this Annual Report. The forward looking statements that are contained in this Annual Report are made as of April 30, 2010, and, except as may be required by applicable law, the Company does not undertake any obligation to update publicly or to revise any of the included forward looking statements, whether as a result of new information, future events, or otherwise. The reader is cautioned not to place undue reliance on forward looking statements.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors and Shareholders of Bexil Corporation

We have audited the accompanying balance sheets of Bexil Corporation as of December 31, 2009 and 2008, and the related statements of income, changes in shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Bexil Corporation at December 31, 2009 and 2008, and the results of its operations and cash flows for each of the two years in the period ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

Tait, Weller & Baker LLP

Philadelphia, Pennsylvania

April 30, 2010

BEXIL CORPORATION
BALANCE SHEETS
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 37,741,633	\$ 38,408,882
Investment securities, available-for-sale	1,307	967
Receivables:		
Interest receivable	1,467	-
Refundable taxes	-	210,149
Total current assets	<u>37,744,407</u>	<u>38,619,998</u>
Deferred taxes	<u>581,962</u>	<u>118,738</u>
Total assets	<u>\$ 38,326,369</u>	<u>\$ 38,738,736</u>
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	<u>\$ 272,184</u>	<u>\$ 155,651</u>
Total current liabilities	<u>272,184</u>	<u>155,651</u>
Commitments and contingencies (Note 8)	-	-
Shareholders' equity		
Common stock, \$0.01 par value, 9,900,000 shares authorized; Issued and outstanding: 1,011,592 and 883,592 at December 31, 2009 and 2008, respectively	10,116	8,836
Series A participating preferred stock, \$0.01 par value, 100,000 shares authorized, -0- shares issued and outstanding	-	-
Additional paid in capital	15,789,940	13,017,527
Notes receivable for common stock issued	(2,705,783)	-
Accumulated other comprehensive loss	(191)	(409)
Retained earnings	<u>24,960,103</u>	<u>25,557,131</u>
Total shareholders' equity	<u>38,054,185</u>	<u>38,583,085</u>
Total liabilities and shareholders' equity	<u>\$ 38,326,369</u>	<u>\$ 38,738,736</u>

See notes to financial statements.

BEXIL CORPORATION
STATEMENTS OF INCOME
Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenues	\$ -	\$ -
Expenses		
Compensation and benefits	998,952	750,720
General and administrative	303,412	122,986
Professional	124,928	144,514
	<u>1,427,292</u>	<u>1,018,220</u>
Other income		
Dividends and interest	284,780	1,429,675
Realized gain on investments	-	32,207
	<u>284,780</u>	<u>1,461,882</u>
Income (loss) before income taxes	(1,142,512)	443,662
Income tax (benefit) expense	<u>(545,484)</u>	<u>182,274</u>
Net income (loss)	<u>\$ (597,028)</u>	<u>\$ 261,388</u>
Per share net income (loss)		
Basic	\$ (0.62)	\$ 0.30
Diluted	\$ (0.62)	\$ 0.29
Average shares outstanding		
Basic	968,937	883,592
Diluted	968,937	913,447

See notes to financial statements.

BEXIL CORPORATION
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
Years Ended December 31, 2009 and 2008

	<u>Common Stock</u>		<u>Additional Paid in Capital</u>	<u>Notes Receivable for Common Stock Issued</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Total Shareholders' Equity</u>
	<u>Shares</u>	<u>Par Value</u>					
Balance at December 31, 2007	883,592	\$ 8,836	\$ 12,972,549	\$ -	\$ 25,295,743	\$ 185,319	\$ 38,462,447
Comprehensive income (loss)							
Net income	-	-	-	-	261,388	-	261,388
Unrealized security holding loss, net of taxes	-	-	-	-	-	(185,728)	(185,728)
Total comprehensive income							<u>75,660</u>
Share-based compensation expense	-	-	44,978	-	-	-	<u>44,978</u>
Balance at December 31, 2008	<u>883,592</u>	<u>8,836</u>	<u>13,017,527</u>	<u>-</u>	<u>25,557,131</u>	<u>(409)</u>	<u>38,583,085</u>
Comprehensive income (loss)							
Net loss	-	-	-	-	(597,028)	-	(597,028)
Unrealized security holding gain, net of taxes	-	-	-	-	-	218	<u>218</u>
Total comprehensive loss							<u>(596,810)</u>
Share-based compensation expense	-	-	27,210	-	-	-	<u>27,210</u>
Common stock issued with exercise of stock options	128,000	1,280	2,745,203	-	-	-	2,746,483
Acceptance of promissory notes with exercise of stock options	-	-	-	(2,745,203)	-	-	(2,745,203)
Repayment of promissory notes	-	-	-	39,420	-	-	<u>39,420</u>
Balance at December 31, 2009	<u>1,011,592</u>	<u>\$ 10,116</u>	<u>\$ 15,789,940</u>	<u>\$ (2,705,783)</u>	<u>\$ 24,960,103</u>	<u>\$ (191)</u>	<u>\$ 38,054,185</u>

See notes to financial statements.

BEXIL CORPORATION
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2009 and 2008

Cash flows from operating activities	<u>2009</u>	<u>2008</u>
Net income (loss)	\$ (597,028)	\$ 261,388
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Increase in deferred taxes	(463,346)	(18,442)
Share-based compensation expense	27,210	44,978
Accretion of discount on investment securities	-	(104,487)
Realized gain on sale of investment securities	-	(32,207)
Decrease in refundable income taxes	221,669	3,082
(Increase) decrease in interest receivable	(1,467)	609,375
Increase in accounts payable and accrued expenses	105,013	20,417
Net cash (used in) provided by operating activities	<u>(707,949)</u>	<u>784,104</u>
Cash flows from investing activities		
Proceeds from sales and maturities of investment securities	-	83,483,323
Purchases of investment securities	-	(46,817,026)
Net cash provided by investing activities	<u>-</u>	<u>36,666,297</u>
Cash flows from financing activities		
Issuance of stock upon exercise of stock options	2,746,483	-
Promissory notes accepted with exercise of stock options	(2,745,203)	-
Prepayment of promissory notes accepted with exercise of stock options	39,420	-
Net cash provided by financing activities	<u>40,700</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalents	(667,249)	37,450,401
Cash and cash equivalents		
Beginning of year	38,408,882	958,481
End of year	<u>\$ 37,741,633</u>	<u>\$ 38,408,882</u>
Supplemental disclosure:		
Income taxes paid	\$ -	\$ 197,634

See notes to financial statements.

BEXIL CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

1. NATURE OF BUSINESS AND ORGANIZATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Cash and Cash Equivalents

Investments in money market funds and short term investments and other marketable securities maturing in 90 days or less are considered to be cash equivalents.

Comprehensive Income

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

Earnings Per Share

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

The following table sets forth the computation of basic and diluted earnings per share for the years ended December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Net income (loss)	\$ (597,028)	\$ 261,388
Weighted average common shares outstanding:		
Basic weighted average shares outstanding	968,937	883,592
Dilutive potential shares from stock options issued	-	29,855
Dilutive weighted average shares outstanding	<u>968,937</u>	<u>913,447</u>
Per share net income (loss):		
Basic	\$ (0.62)	\$ 0.30
Diluted	\$ (0.62)	\$ 0.29

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

money options”).

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

The following table sets forth potential shares of common stock that are not included in the diluted net income per share calculations above because to do so would be anti-dilutive for the years ended December 31 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Stock options outstanding:		
Out of the money options	20,000	9,000

Income Taxes

The Company records the current and deferred tax consequences of all transactions that have been recognized in the financial statements in accordance with the provisions of the enacted tax laws. Deferred tax assets are recognized for temporary differences that will result in deductible amounts in future years. Deferred tax liabilities are recognized for temporary differences that will result in taxable income in future years. The Company records a valuation allowance, when necessary, to reduce deferred tax assets to an amount that more likely than not will be realized.

The Company has reviewed its tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on federal, state, and local income tax returns for open tax years (2006 – 2008) or expected to be taken in the Company’s 2009 tax returns.

Investment Securities, Available-for-Sale

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

Reclassifications

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

Reporting Segment

The Company views its operations as comprising one operating segment.

Share-based Compensation

The Company accounts for share-based compensation expense using the fair value method. Under the fair value method, share-based compensation expense reflects the fair value of share-based awards measured at grant date, is recognized over the relevant service period, and is adjusted each period for anticipated forfeitures. The fair value of each option award grant is separately estimated for each grant date using the Black-Scholes option pricing model. The Black-Scholes option pricing model incorporates assumptions as to price volatility, dividend yield, an appropriate risk-free interest rate, and the expected life of the option. The application of this valuation model involves assumptions that are judgmental and highly sensitive in the determination of compensation expense. Share-based

compensation expense is amortized on a straight-line basis between the grant date for the award and each vesting date.

Use of Estimates

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

Newly Issued Accounting Guidance

The Company evaluates all newly issued accounting and reporting guidance that is applicable to its operations and the preparation of its financial statements. The Company believes that any issued guidance that it has not yet adopted likely will not have a material effect on its financial position or results of operations.

3. RELATED PARTIES

Certain officers of the Company also serve as officers and/or directors of Winmill & Co. Incorporated (“Winco”), Tuxis Corporation (“Tuxis”), and their affiliates (collectively with Bexil, the “Affiliates”). At December 31, 2009, Investor Service Center, Inc., a subsidiary of Winco, owned 222,644 shares of the Company, and 234,665 shares of Tuxis, or approximately 22% and 24%, respectively, of the outstanding common stock. Midas Management Corporation (“MMC”), a subsidiary of Winco, acts as “master” payer of compensation and benefits of Affiliate employees. At December 31, 2009 and 2008, the Company had a payable to MMC relating to compensation and benefit expenses of \$9,067 and \$8,507, respectively.

Rent expense of jointly used office space and overhead expenses for various jointly used administrative and support functions jointly incurred by the Affiliates are allocated at cost among them. The Company’s allocated rent and overhead costs were \$159,566 and \$103,026 for the years ended December 31, 2009 and 2008, respectively, and had a related payable for these costs of \$1,844 and \$7,810 at December 31, 2009 and 2008, respectively.

The Affiliates participate in a 401(k) retirement savings plan for substantially all qualified employees. A matching expense based upon a percentage of contributions to the plan by eligible employees is jointly incurred and allocated among the Affiliates. The matching expense is accrued and funded on a current basis and may not exceed the amount permitted as a deductible expense under the Internal Revenue Code. The Company’s allocated matching expense under the plan was \$43,850 and \$14,223 for the years ended December 31, 2009 and 2008, respectively.

The Company invests in Global Income Fund, Inc. (“GIFD”), a closed end investment company advised by a subsidiary of Winco. The Company’s carrying value in GIFD was \$1,307 and \$967 at December 31, 2009 and 2008, respectively, and dividends earned were \$84 and \$86 for the years ended December 31, 2009 and 2008, respectively. Certain officers and directors of the Company are officers and/or directors of GIFD.

In 2009, the Company accepted promissory notes from certain directors, officers, and employees in connection with their exercise of stock options to purchase the common stock of the Company. The notes bear interest at fixed rates ranging from 1.93% to 2.85% per annum which is payable semi-annually. The notes as well as accrued interest thereon may be prepaid in part or in full at any time or from time to time without penalty. In the event of default in the payment of principal or interest, the

full principal amount and any accrued and unpaid interest shall be immediately due and payable. As of December 31, 2009, the principal balance outstanding was \$2,705,783 and is due and payable in 2014. The Company earned interest income of \$36,860 for the year ended December 31, 2009 and had a receivable for interest due of \$1,467 at December 31, 2009.

4. INVESTMENT IN SECURITIES

Available-for-Sale

Investment securities available-for-sale at December 31, 2009 and 2008 consisted of the following:

	<u>Amortized Cost</u>	<u>Gross Unrealized</u>		<u>Fair Value</u>
		<u>Gains</u>	<u>Losses</u>	
2009				
Issuer:				
Global Income Fund, Inc.	\$ 1,605	\$ -	\$ (298)	\$ 1,307
2008				
Issuer:				
Global Income Fund, Inc.	\$ 1,605	\$ -	\$ (638)	\$ 967

Fair Value

The Company uses a three level hierarchy for fair value measurements based on the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The Company's investment in its entirety is assigned a level based upon the inputs which are significant to the overall valuation. The hierarchy of inputs is summarized below.

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

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

The following is a summary of fair value measurements as of December 31, 2009 and 2008:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2009				
Investments, available-for-sale	\$ 1,307	\$ -	\$ -	\$ 1,307
2008				
Investments, available-for-sale	\$ 967	\$ -	\$ -	\$ 967

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

5. INCENTIVE COMPENSATION PLAN

The Company may award directors, officers, key employees, and vendors of the Company or its affiliates, stock options to purchase common stock or various other forms of share-based compensation under the terms of the 2004 Incentive Compensation Plan, as amended (the "Plan"). The Board of Directors determines the terms and conditions of awards under the Plan and the exercise price per share of common stock purchasable under a stock option grant may not be less than 110% of the fair market value on the date of grant. Prior to December 9, 2008, the option price per share could not be less than the fair value of such shares on the date the options were granted, the maximum term of an option could not exceed five years, and the vesting period was three years of service. The Plan provides for the granting of a maximum 175,918 options to purchase common stock and as of December 31, 2009, approximately 24,000 were available for grant.

The Company issued 3,000 options at an exercise price of \$31.08 and 3,000 options at an exercise price of \$29.00 for the years ended December 31, 2009 and 2008, respectively. The grant date fair value of the options issued was \$9.07 and \$9.31 for the years ended December 31, 2009 and 2008, respectively.

A summary of the stock options activity for the years ended December 31, 2009 and 2008 is as follows:

	<u>Shares Under Option</u>	<u>Weighted Average Exercise Price</u>
Balance, December 31, 2007	146,000	\$ 21.88
Granted	3,000	\$ 29.00
Forfeited	(1,000)	\$ 32.83
Balance, December 31, 2008	148,000	\$ 21.95
Granted	3,000	\$ 31.08
Exercised	(128,000)	\$ 21.46
Expired	(3,000)	\$ 21.59
Balance, December 31, 2009	<u>20,000</u>	<u>\$ 26.52</u>

At December 31, 2009 and 2008, there were exercisable outstanding stock options of 20,000 and 148,000, respectively. The weighted average exercise price of the exercisable outstanding stock options at December 31, 2009 and 2008 was \$26.52 and \$21.95, respectively.

Stock options outstanding and exercisable at December 31, 2009 are as follows:

<u>Exercise Price</u>	<u>Options Outstanding</u>	<u>Weighted Average Remaining Contractual Life (in years)</u>	<u>Options Exercisable</u>	<u>Weighted Average Exercise Price of Exercisable Options</u>
\$ 19.50	5,000	0.61	5,000	\$ 19.50
\$ 24.00	3,000	0.86	3,000	\$ 24.00
\$ 27.90	3,000	1.85	3,000	\$ 27.90
\$ 29.00	3,000	2.36	3,000	\$ 29.00
\$ 31.08	3,000	4.43	3,000	\$ 31.08
\$ 32.33	3,000	3.43	3,000	\$ 32.33
	<u>20,000</u>	2.09	<u>20,000</u>	<u>\$ 26.52</u>

At December 31, 2009, there was no intrinsic value in aggregate on outstanding options as the market price was below the grant price for a majority of the options outstanding.

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

	<u>2009</u>	<u>2008</u>
Expected price volatility	35.7%	34.6%
Risk-free interest rate	2.6%	3.3%
Weighted average expected life in years	5	4
Dividend yield	0%	0%

The expected price volatility is based on the Company's historical stock prices over the most recent period commensurate with the estimated expected life of the award. The expected life is the period of time the option holders are expected to hold the options, including the vesting period, and is based, in part, on actual experience with other grants. 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.

As of December 31, 2009 and 2008, all of the outstanding option awards were fully vested and all related compensation costs have been recorded. For the years ended December 31, 2009 and 2008, the Company recorded \$27,210 and \$44,978, respectively, in share-based compensation expense which resulted in the recognition of tax benefits of \$11,156 and \$18,442, respectively.

In 2009, the Company received \$1,280 in cash and accepted five year, \$2,745,203 principal amount promissory notes in connection with the exercise of stock options. In 2009, repayments on the promissory notes were \$39,420. The exercise of stock options will result in a tax deduction before the actual realization of the related tax benefit because the Company has a current year net operating loss. The tax benefit and a credit to additional paid in capital for the excess deduction will not be recognized until that deduction reduces taxes payable. There were no stock options exercised in 2008.

6. INCOME TAXES

The income tax provision (benefit) is comprised of the following at December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Current provision (benefit):		
Federal	\$ (93,658)	\$ 171,343
State and local	11,520	29,373
Total current provision (benefit)	<u>(82,138)</u>	<u>200,716</u>
Deferred provision (benefit):		
Net operating loss	(507,512)	-
Share-based compensation	44,166	(18,442)
Total deferred provision (benefit)	<u>(463,346)</u>	<u>(18,442)</u>
Total provision (benefit) for income taxes	<u>\$ (545,484)</u>	<u>\$ 182,274</u>

Deferred tax assets are comprised of the following at December 31, 2009 and 2008:

	2009	2008
Net operating loss	\$ 507,512	\$ -
Share-based compensation	74,343	118,508
Unrealized loss on investments	107	230
Total deferred tax assets	<u>\$ 581,962</u>	<u>\$ 118,738</u>

In 2009, the difference between the U.S. federal statutory income tax rate and the Company's effective income tax rate is due to the benefit derived from the reversal of the prior year income tax accrual.

7. STOCKHOLDER RIGHTS PLAN

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

In conjunction with the stockholder rights plan, the Board of Directors authorized the reclassification of 100,000 unissued shares of common stock of the Company (from among 1,000,000,000 shares of common stock, \$.01 par value, of the Company which are authorized) into 100,000 shares of Series A Participating Preferred Stock, par value \$.01 per share, of the Company.

8. COMMITMENTS AND CONTINGENCIES

The Company entered into a Death Benefit Agreement (the "DBA") among the Affiliates and its Chairman. Following his death, the DBA provides for annual payments from the Company and its affiliates, equal to 90% of his average annual base salary received from the Company, its affiliates, subsidiaries, and other related entities for the three year period prior to his death subject to certain adjustments to his wife until her death. The Company's obligations under the DBA are not secured and will terminate if he leaves the Company's employ under certain circumstances.

9. LEGAL PROCEEDINGS

On December 15, 2009, a verified complaint, Case Number: 24-C-09-008499 OC, was filed in the Circuit Court for Baltimore City, Maryland by Steven Bronson and Kimberly Bronson, individually

and on behalf of a class of similarly situated persons, as plaintiff, v. Bexil Corp., Bassett S. Winmill, Thomas B. Winmill, Charles A. Carroll, Edward G. Webb, Jr., and Douglas Wu, as defendants. The plaintiffs seek as a remedy dissolution of the Company, an order requiring that defendants purchase the shares of the minority shareholders at their full 2008 book value, plus interest from April 2006, compensatory damages from the individual defendants in the amount of \$12 million, plus prejudgment interest, unspecified punitive damages solely as to the Winmills, and such other relief as the Court may deem appropriate. The Company plans to advance litigation costs for all the individual defendants. The Company believes that the lawsuit is without merit and intends to defend all claims vigorously.

10. SUBSEQUENT EVENTS

The Company has evaluated subsequent events and transactions occurring after December 31, 2009 through April 30, 2010, the date these financial statements were issued. The Company is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

The Company's common stock is traded over the counter under the ticker symbol BXLC.

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

	<u>2009</u>		<u>2008</u>	
	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>
First Quarter	\$29.25	\$22.50	\$30.50	\$29.00
Second Quarter	\$28.25	\$24.50	\$30.00	\$27.85
Third Quarter	\$25.00	\$21.75	\$28.00	\$26.51
Fourth Quarter	\$25.00	\$21.20	\$27.75	\$20.50

DIRECTORS

BASSETT S. WINMILL
Executive Chairman

THOMAS B. WINMILL
President

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

OFFICERS AND STAFF

THOMAS B. WINMILL
President, Chief Executive Officer, General
Counsel

ROBERT D. ANDERSON

Vice Chairman

THOMAS O'MALLEY
Treasurer, Chief Financial Officer

JOHN F. RAMIREZ
Vice President, Secretary, Associate General
Counsel, Chief Compliance Officer

HEIDI KEATING

Vice President

MARK C. WINMILL

Vice President

ANNE M. CHI
Accounting Coordinator

JACOB BUKHSBAUM

Compliance Associate

JUSTIN MacGREGOR

Compliance Assistant

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